Editorial: Legislature should shore up the CPA

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The Community Preservation Act is a state/local partnership that has worked well for more than 10 years.

Communities decide whether to opt into the CPA by referendum vote. The state law can only be adopted through a local referendum vote applying a property tax surcharge. Local bylaws establish local Community Preservation committees to manage the accounts. Every project using CPA funds must be approved by the city or town’s legislative body.

The CPA can only be used for a quartet of traditionally underfunded needs: protecting open space, historical preservation, recreation and affordable housing. Through this locally-driven, often complicated process, the CPA has conserved 15,000 acres of open space, funded 5,000 historic preservation projects and created 4,000 units of affordable housing.

With municipalities and the state in what seems like a perpetual budget crisis, funds for that kind of investment in community needs might never be found. Thanks to the CPA, $1 billion was raised for these purposes in the last fiscal year.

The program is popular: 148 Massachusetts cities and towns have adopted it, and none have changed their minds. But while the CPA is locally-driven, it works because the state provides a significant match for the funds raised locally.

The state match is raised through fees on real estate transfers, deposited directly in the Community Preservation Trust Fund. For the first few years, the Trust Fund, benefiting from a surge in home refinancing in the CPA’s early years, was able to match the local money dollar-for-dollar. But as more communities adopted the CPA and the housing market stalled, the trust fund has been depleted. In the most recent disbursement, the state match averaged just 36.9 percent.

That undermines the goals of the CPA and local support for it. CPA backers have proposed a new bill intended to stabilize the state match, make it easier to use CPA funds for certain projects and make it more attractive to established cities.
That bill has been stalled for several years despite broad support on Beacon Hill, but it recently emerged from the House Ways and Means Committee and is expected to be brought up as an amendment during this week’s budget debate.

Rather than raise taxes or fees, the bill calls for an annual $25 million contribution to the trust fund from budget surpluses at the end of the fiscal year. Sponsors estimate it should deliver a 50 percent match going forward, while compensating volatility in the trust fund balance caused by the ups and downs of the real estate market.

Equally important, the bill will make it easier for CPA communities to put the money to use, specifically for enhancing older recreation facilities, making it more useful for cities and towns without much open space to develop.

Nearly half of Massachusetts’ cities and towns are now benefitting from this unique partnership. Advancing the House CPA budget amendment will make it work even better, for even more communities.