



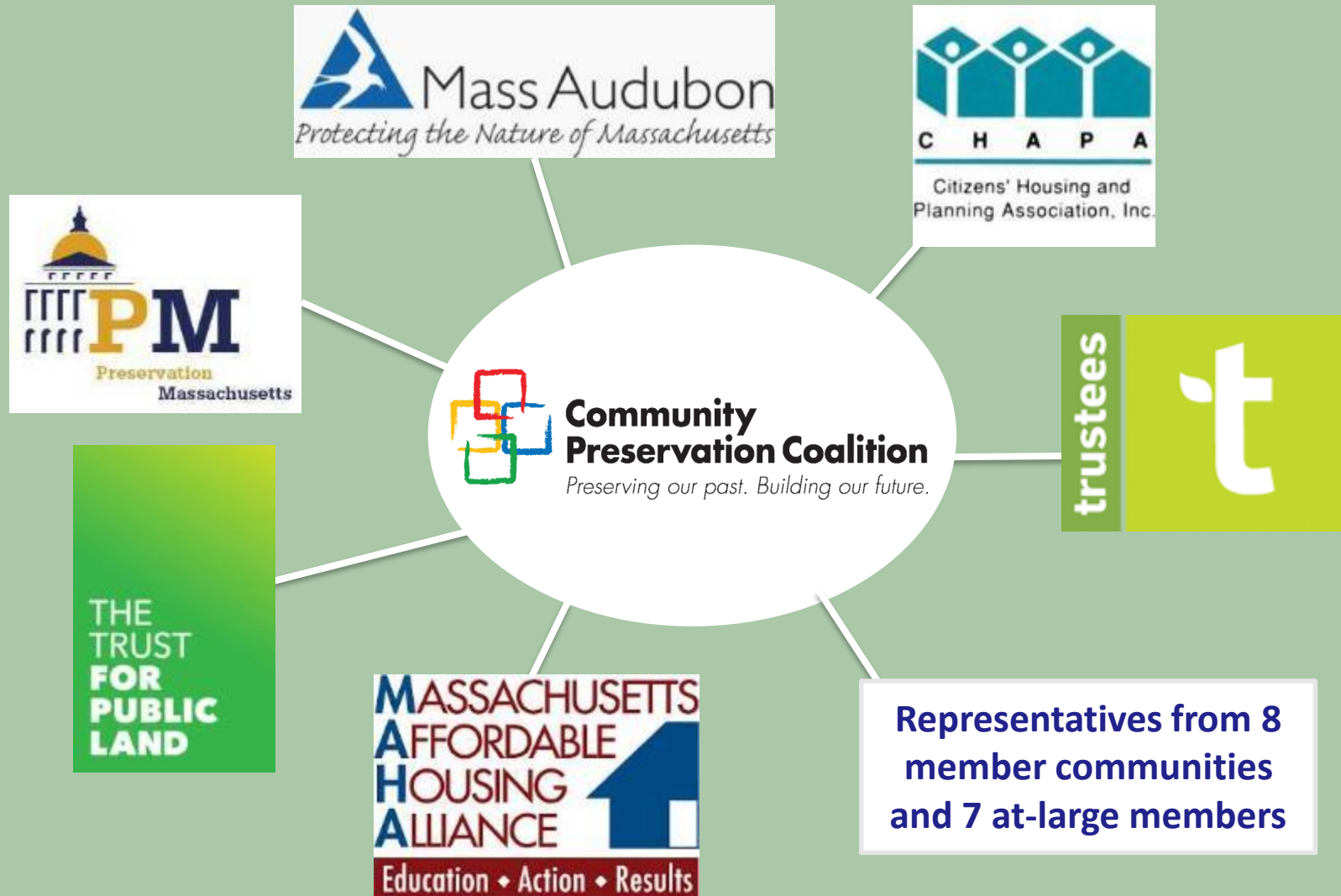
**Community  
Preservation Coalition**

*Preserving our past. Building our future.*

## **Bonding 101 with the Community Preservation Act**

*January 11, 2022*

# The Community Preservation Coalition



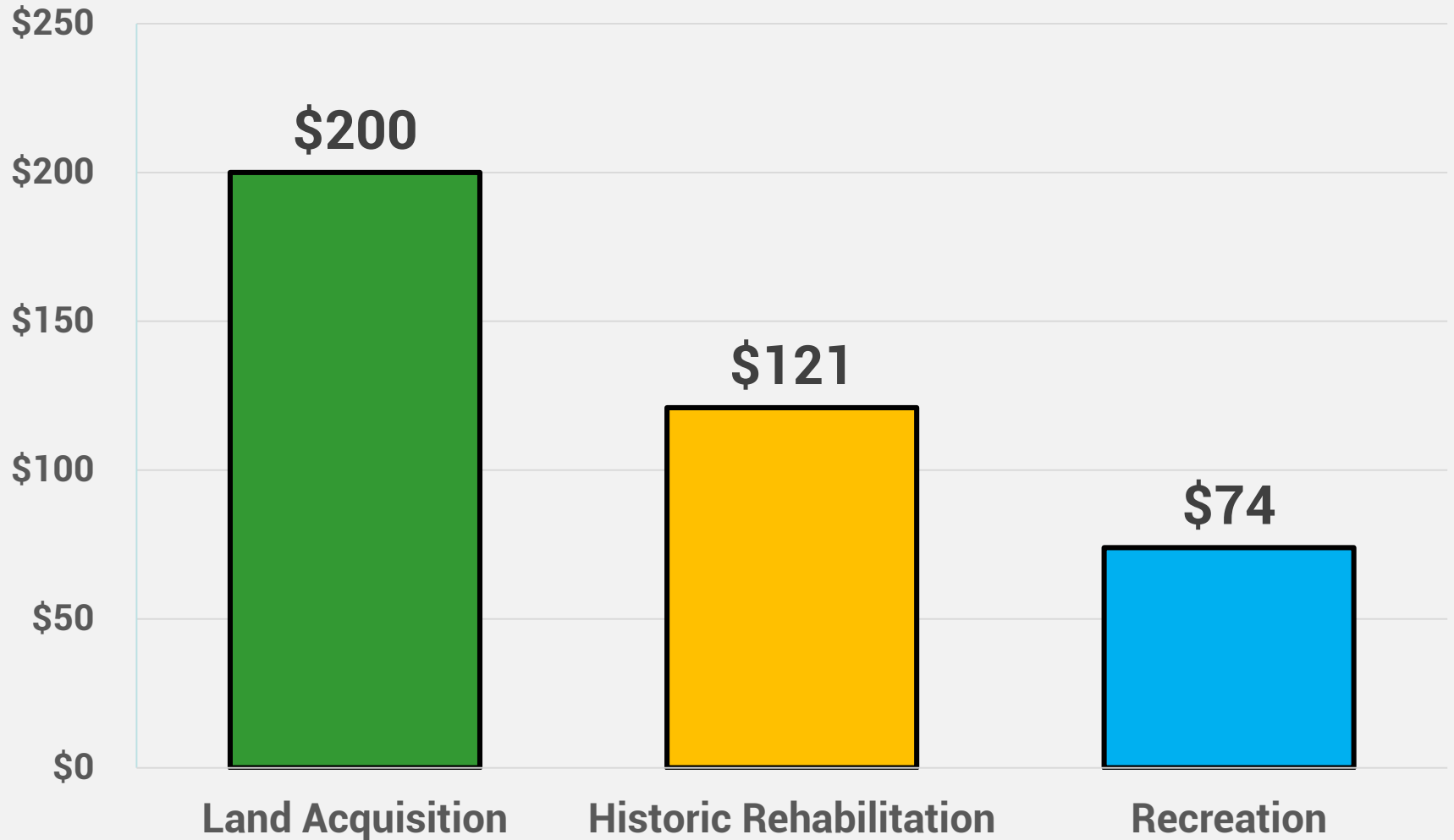


# Borrowing Permitted Under CPA

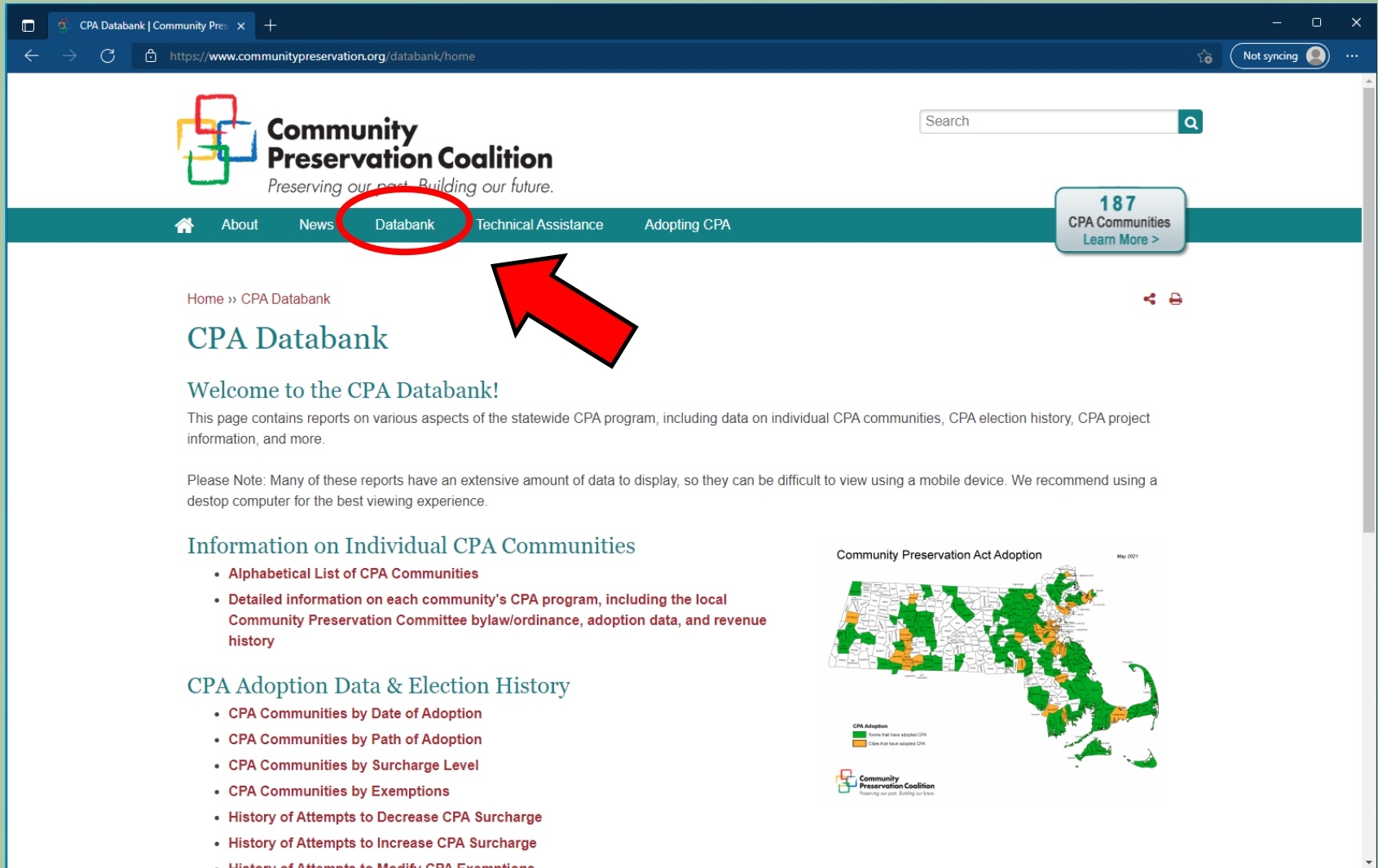


- Very popular!
- 98 municipalities
- 273 CPA projects
- Over \$436 million in project costs paid for with bonds

# Top Uses of CPA Bond Funds (in millions)



# CPA Databank on Coalition Website



The screenshot shows the CPA Databank website interface. The browser address bar displays <https://www.communitypreservation.org/databank/home>. The header features the Community Preservation Coalition logo and tagline "Preserving our past. Building our future." A search bar is located in the top right. The navigation menu includes links for Home, About, News, Databank (highlighted with a red circle and a red arrow), Technical Assistance, and Adopting CPA. A badge on the right indicates "187 CPA Communities" with a "Learn More >" link. The main content area starts with a breadcrumb "Home >> CPA Databank" and the title "CPA Databank". Below this is a welcome message and a paragraph stating that the page contains reports on various aspects of the statewide CPA program. A note advises that reports may be difficult to view on mobile devices. The section "Information on Individual CPA Communities" lists links for an alphabetical list of communities and detailed information on each community's CPA program. The "CPA Adoption Data & Election History" section lists links for various data categories. On the right, a map titled "Community Preservation Act Adoption" shows the state of Massachusetts with green and orange markers indicating adoption status as of May 2021. A legend below the map explains the color coding: green for communities that have adopted CPA and orange for those that have not.

CPA Databank | Community Pres: x +

https://www.communitypreservation.org/databank/home

Not syncing

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Search

187  
CPA Communities  
Learn More >

Home >> CPA Databank

## CPA Databank

Welcome to the CPA Databank!

This page contains reports on various aspects of the statewide CPA program, including data on individual CPA communities, CPA election history, CPA project information, and more.

Please Note: Many of these reports have an extensive amount of data to display, so they can be difficult to view using a mobile device. We recommend using a desktop computer for the best viewing experience.

### Information on Individual CPA Communities

- Alphabetical List of CPA Communities
- Detailed information on each community's CPA program, including the local Community Preservation Committee bylaw/ordinance, adoption data, and revenue history

### CPA Adoption Data & Election History

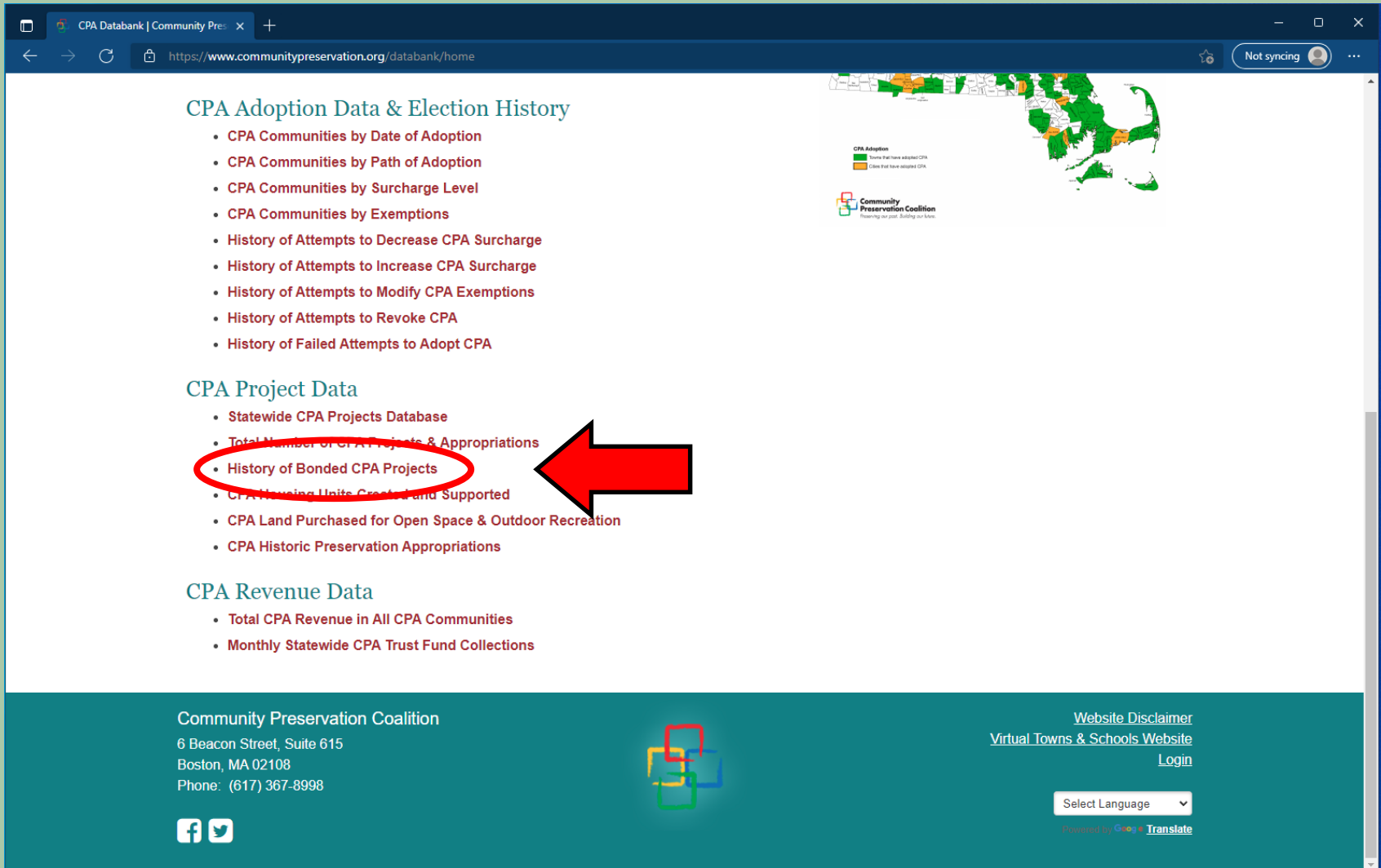
- CPA Communities by Date of Adoption
- CPA Communities by Path of Adoption
- CPA Communities by Surcharge Level
- CPA Communities by Exemptions
- History of Attempts to Decrease CPA Surcharge
- History of Attempts to Increase CPA Surcharge
- History of Attempts to Modify CPA Exemptions

Community Preservation Act Adoption May 2021

CPA Adoption  
Green: Communities that have adopted CPA  
Orange: Communities that have not adopted CPA

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# History of Bonded CPA Projects





The screenshot shows the CPA Databank website interface. The browser address bar displays the URL <https://www.communitypreservation.org/databank/home>. The page features a navigation menu on the left with the following items:

- CPA Adoption Data & Election History
  - CPA Communities by Date of Adoption
  - CPA Communities by Path of Adoption
  - CPA Communities by Surcharge Level
  - CPA Communities by Exemptions
  - History of Attempts to Decrease CPA Surcharge
  - History of Attempts to Increase CPA Surcharge
  - History of Attempts to Modify CPA Exemptions
  - History of Attempts to Revoke CPA
  - History of Failed Attempts to Adopt CPA
- CPA Project Data
  - Statewide CPA Projects Database
  - Total Number of CPA Projects & Appropriations
  - History of Bonded CPA Projects**
  - CPA Housing Units Created and Supported
  - CPA Land Purchased for Open Space & Outdoor Recreation
  - CPA Historic Preservation Appropriations
- CPA Revenue Data
  - Total CPA Revenue in All CPA Communities
  - Monthly Statewide CPA Trust Fund Collections

A red circle highlights the 'History of Bonded CPA Projects' link, and a large red arrow points to it from the right. In the top right corner, there is a map of Massachusetts with a legend for 'CPA Adoption' showing green for 'Communities that have adopted CPA' and orange for 'Communities that have not adopted CPA'. Below the map is the 'Community Preservation Coalition' logo with the tagline 'Preserving our past. Building our future.' The footer contains the following information:

Community Preservation Coalition  
6 Beacon Street, Suite 615  
Boston, MA 02108  
Phone: (617) 367-8998


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# History of Bonded CPA Projects

CPC Report | Community Preservation

← → ↺ 🔒 https://www.communitypreservation.org/cpc-report?report\_src=bcstvw3d3%3Fa%3Dq&qid=12 ⭐ Not syncing



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187  
CPA Communities  
[Learn More >](#)

Home

History of CPA Bonded Projects

REPORT DESCRIPTION:

This report displays all CPA projects that have been bonded, grouped by municipality. Please note: all CPA project data is self-reported by municipalities - for this reason, the Coalition cannot verify the complete accuracy of the information provided.

|                       | City/Town Name | Approv<br>al<br>Year | Project Name   | CPA Bonded Amount | Bond Term | CPA Total Funds    | Total Cost (CPA Funds + Leveraged Funds) |
|-----------------------|----------------|----------------------|--|-------------------|-----------|--------------------|--|
| Acton (1 Project)     |                |                      |  |                   |           |                    |  |
|                       | Acton          | 2014                 | Wright Hill Land Purchase  | \$900,000         | 15        | \$2,220,000        | \$2,220,000                              |
| <b>TOT</b>            |                |                      |  | <b>\$900,000</b>  |           | <b>\$2,220,000</b> | <b>\$2,220,000</b>                       |
| Amherst (11 Projects) |                |                      |  |                   |           |                    |  |
|                       | Amherst        | 2001                 | Plum Brook Athletic Fields   | \$335,000         | 0         | \$335,000          | \$335,000                                |
|                       | Amherst        | 2010                 | Hawthorne Property Purchase for Recreation   | \$500,000         | 10        | \$500,000          | \$500,000                                |
|                       | Amherst        | 2010                 | Amherst Housing Authority for Capital Improvements to 22 Units of Low Income Housing | \$350,000         | 10        | \$350,000          | \$700,000                                |
|                       | Amherst        | 2012                 | HAP Olympia Oaks Project   | \$350,000         | 10        | \$350,000          | \$350,000                                |
|                       | Amherst        | 2013                 | Purchase Rock Farm   | \$125,000         | 10        | \$125,000          | \$125,000                                |
|                       | Amherst        | 2013                 | AHA Preservation of Units at Ann Whalen  | \$110,000         | 10        | \$110,000          | \$110,000                                |



# Borrowing Permitted Under CPA



- General obligation bonds of the city/town, but issued against your future CPA revenue stream
- Can only bond against local surcharge, not state match
- CPA bonds approved at Legislative Body; no ballot election required



# Determining Your Bonding Capacity

- Work with municipal officials to determine what amount you can afford to bond
- Ask them to prepare a “CPA Bonding Capacity” spreadsheet to guide your future planning



# Maximum Yearly Debt Service

| <u>Fund Activity</u>                               | <u>2023</u>            |
|--|------------------------|
| <b>Beginning Balance</b>                           | \$ -                   |
| Plus: Annual Estimated Local CPA Revenue           | \$ 525,000             |
| Less 10% Historic Reserve                          | \$ 52,500              |
| Less 10% Housing Reserve                           | \$ 52,500              |
| Less 5% Administrative Account                     | \$ 26,250              |
|  | <hr/>                  |
| Available Cash                                     | \$ 393,750             |
| Less payment on exisiting CPA bonds                | \$ 256,556             |
| Funds available for annual payment on new CPA bond | \$ 135,550             |
|  | <hr/>                  |
| <b>Ending Balance</b>                              | <u><u>\$ 1,644</u></u> |

# What Size Bond Can We Afford?

## Bond Details:

Borrow 6/1/23, begin repayment on 6/1/24

**\$1,790,000 for 20 years @ 4.5%**

|                   |    |        |
|-------------------|----|--------|
| Principal Payment | \$ | 55,000 |
| Interest          | \$ | 80,550 |

|   |    |         |
|---|----|---------|
| Maximum annual debt repayment<br>that could be supported under CPA: | \$ | 135,550 |
|---|----|---------|

# Future Year Projections Spreadsheet

## Maximum Bonding Capacity of Community Preservation Fund for **Open Space** Purposes

| <u>Fund Activity</u>                               | <u>2023</u> |         | <u>2024</u> |         | <u>2025</u> |         | <u>2026</u> |         | <u>2027</u> |         |
|--|-------------|---------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|
| <b>Beginning Balance</b>                           | \$          | -       | \$          | 1,644   | \$          | 14,913  | \$          | 39,682  | \$          | 83,826  |
| Plus: Annual Estimated Local CPA Revenue           | \$          | 525,000 | \$          | 538,000 | \$          | 550,000 | \$          | 565,000 | \$          | 578,000 |
| Less 10% Historic Reserve                          | \$          | 52,500  | \$          | 53,800  | \$          | 55,000  | \$          | 56,500  | \$          | 57,800  |
| Less 10% Housing Reserve                           | \$          | 52,500  | \$          | 53,800  | \$          | 55,000  | \$          | 56,500  | \$          | 57,800  |
| Less 5% Administrative Account                     | \$          | 26,250  | \$          | 26,900  | \$          | 27,500  | \$          | 28,250  | \$          | 28,900  |
| Available Cash                                     | \$          | 393,750 | \$          | 405,144 | \$          | 427,413 | \$          | 463,432 | \$          | 517,326 |
| Less payment on exisiting CPA bonds                | \$          | 256,556 | \$          | 252,156 | \$          | 247,356 | \$          | 242,156 | \$          | 236,396 |
| Funds available for annual payment on new CPA bond | \$          | 135,550 | \$          | 138,075 | \$          | 140,375 | \$          | 137,450 | \$          | 139,525 |
| <b>Ending Balance</b>                              | \$          | 1,644   | \$          | 14,913  | \$          | 39,682  | \$          | 83,826  | \$          | 141,405 |

### Bond Details:

Borrow 6/1/23, begin repayment on 6/1/24

**\$1,790,000 for 20 years @ 4.5%**

|                   |    |        |    |        |    |        |    |        |    |        |
|-------------------|----|--------|----|--------|----|--------|----|--------|----|--------|
| Principal Payment | \$ | 55,000 | \$ | 60,000 | \$ | 65,000 | \$ | 65,000 | \$ | 70,000 |
| Interest          | \$ | 80,550 | \$ | 78,075 | \$ | 75,375 | \$ | 72,450 | \$ | 69,525 |

**Maximum annual debt repayment  
that could be supported under CPA:**

|    |         |    |         |    |         |    |         |    |         |
|----|---------|----|---------|----|---------|----|---------|----|---------|
| \$ | 135,550 | \$ | 138,075 | \$ | 140,375 | \$ | 137,450 | \$ | 139,525 |
|----|---------|----|---------|----|---------|----|---------|----|---------|



# Bond Term (in years)

- Length of bond term follows state guidelines on bonding (up to 30 years in some cases)
- CPC recommendation should include bond term



# Town Warrant Article/City Council Order



- Should mention “under authority of Ch. 44b”
- Include bond term and miscellaneous costs
- Can fund with multiple funding sources (existing funds + bond for the balance)
- Two-thirds vote needed to pass bonded projects at Legislative Body
- No ballot election required

# After Bond is Authorized...

- CPA and non-CPA projects can be combined in one bond issue
- CPC recommends annual debt service payment each year (include in your CPA budget)
- Legislative Body can decide to fund an annual payment from another source other than CPA
- It DOES NOT work in reverse!  
You cannot use CPA funds to pay a bond authorized under another funding source





# Annual Debt Service

If payment on a project bond is more than 10% of your annual CPA revenue, bond payment counts as your 10% requirement for that category





# CPA Budget – First Year of Bond Payment

\$525,000 total CPA revenue

|                               |                  |
|-------------------------------|------------------|
| Historic Reserve:             | \$52,500         |
| Housing Reserve:              | \$52,500         |
| Open Space Bond Debt Service: | \$135,550*       |
| Administrative Acct:          | \$26,250         |
| Budgeted Reserve:             | <u>\$258,200</u> |
|                               | <b>\$525,000</b> |

\* Counts as your 10% Open Space Requirement

# What Happens if CPA is Revoked?

If existing CPA funds are sufficient to pay off the rest of the bond, your CPA program ends. If not:

**A)** Continue current CPA surcharge; all revenue is encumbered for remaining debt service.

**OR**

**B)** Reduce CPA surcharge to whatever percentage will fund annual debt service (with DOR approval).

**Note: Above has never happened!**

# The Coalition is here to help you!

## Technical Assistance Hotline

617-367-8998

Stuart Saginor

Executive Director

Chase Mack

Communications Director

