

Summary of an Act to Sustain Community Preservation

Lead Sponsors: Sen. Cynthia Stone Creem and Rep. Stephen Kulik

Legislative Supporters

The Citizens Housing and Planning Association; the Community Preservation Coalition; the Massachusetts Affordable Housing Alliance; Mass Audubon; the Metropolitan Area Planning Council; the National Trust for Historic Preservation; Preservation Massachusetts; The Trust for Public Land and The Trustees of Reservations

Community Preservation Act (CPA) Success

Since being signed into law in late 2000, CPA has been adopted by 140 communities, representing 40% of the Commonwealth's cities and towns. Using CPA funds, municipalities have preserved 10,274 acres of open space, including important wetland resources such as lakes, rivers, and saltwater ponds. In the area of affordable housing, CPA funds have allowed for the creation or rehabilitation of more than 2,300 affordable housing units and the development of hundreds of innovative affordable housing programs. Finally, more than 1,300 appropriations for historic preservation projects and over 500 recreation projects have been approved under the program.

CPA is unique and cost effective because of the partnership it creates between the Commonwealth and its municipalities. By matching locally raised revenues with funding from the statewide CPA Trust Fund, the CPA has strengthened local action in core Commonwealth priority areas: affordable housing, open space preservation, active outdoor recreation and historic preservation. Without continued strong state support of this program, local action to advance these critical Commonwealth interests will diminish.

Legislative Solutions: Ensuring Lasting Success, Broadening CPA Participation and Clarifying Allowable Uses to Promote Sustainable Communities

1. Ensure Lasting Success

One of the most important amendments in this bill would increase the annual minimum CPA trust fund match to 75%. The trust fund derives its revenue from fees collected at the Registries of Deeds statewide. From 2001 to 2007, each CPA community received a match from the trust fund equal to 100% of its locally raised revenue. Beginning in October 2008 however, the CPA trust could not sustain the 100% match due to the popularity of the program and reduced real estate activity. The match rate fell to 67% for many communities in 2008 and the Department of Revenue projects it to further decline to 35% in 2009.

2. Broaden CPA Participation

The second component of the bill will help cities and less affluent communities, many of whom have yet to adopt CPA. It would allow communities to combine a traditional 1% CPA property tax surcharge with up to 2% of other municipal revenue in order to fund their local Community Preservation account. This alternate method of adoption relies less on the local property tax surcharge to raise revenue and provides a higher level of matching funds from the statewide CPA Trust, which will spur more CPA adoption in urban communities.

Furthermore, the bill adds a new optional commercial exemption for the first \$100,000 of property value for commercial and industrial properties to mirror the current \$100,000 residential exemption. This new exemption is especially beneficial to small businesses. These two important changes are designed to broaden CPA adoption.

3. Clarify Allowable Uses to Promote Sustainable Communities

Another critical amendment would clarify the allowable uses for CPA funds so that communities can rehabilitate existing outdoor parks and other recreational resources. Currently, rehabilitation projects are restricted to recreational resources that were acquired or created with CPA funds. This has been extremely limiting in many communities, including larger, urban communities with less open space to protect but many older parks in need of capital rehabilitation. In addition, it has forced some communities to create needed playing fields on land used for passive open space instead of rehabilitating existing fields. This change would mirror a legislative amendment made in 2002 allowing CPA funds to be devoted to rehabilitation of historic assets not acquired under CPA.

This legislation is critical to the continued success of the Community Preservation Act. The Coalition and its partners request the support of the state Legislature to approve these important amendments. To find out more, contact The Coalition at 617-367-8998 or www.communitypreservation.org.