Community Preservation Coalition
Preserving our past. Building our future.

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An Act to Sustain Community Preservation
Frequently Asked Questions

Prepared by The Community Preservation Coalition – January 2011

- **Where will the funding come from to provide a 75% first round match for all CPA communities?**

  In order to provide a 75% match for each CPA community on the first matching fund distribution round, the Act calls for an adjustment in the funding source currently used for the CPA Trust Fund: the document recording fee collected at the state's Registries of Deeds. This fee has worked very well as a funding source for CPA to date, and even if raised, would remain a tiny percentage (less than five hundredths of one percent) of the cost of the average real estate transaction in Massachusetts. The Act calls for the fee to be adjusted every two years to whatever is necessary to provide a 75% match to CPA communities, *up to a cap of $50 per instrument*.

- **If the Act is not passed by the legislature, what level of match from the statewide CPA Trust Fund can CPA communities expect in the next five years?**

  Our best estimate is that communities can expect to receive an annual match rate in the next five years of somewhere between 20-30% on the first round distribution from the statewide CPA Trust Fund. Given the uncertainties faced by our economy and the housing market right now, it is difficult to predict what fees will be collected at the Registries. In addition, CPA continues to be very popular choice for communities, with additional communities joining the program each year. Because of these factors, estimating match rates is a moving target.

- **Why should my community favor broadened participation in CPA? If more communities adopt CPA, won't that further dilute the pool of matching funds, reducing the amount my community will get?**

  In order for CPA to remain a strong program, it has to be accessible to, and beneficial for, *all* of the Commonwealth's communities. As currently written, CPA has proven to be difficult for cities to adopt, and as a result, cities are underrepresented among participating communities (16 out of Massachusetts' 52 cities have adopted CPA). Mayors and the legislature have asked for a solution to this issue, and legislators are not likely to pass a bill containing more funding for the CPA Trust Fund unless the legislation contains changes to make CPA more attractive for cities. The challenge is how to accomplish this without further reducing the annual match for all CPA communities. That is why the Act calls for both a higher match rate for municipalities already in the CPA program, along with changes to make CPA work better for cities.

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- **What types of municipal revenue sources, other than the local property tax surcharge, could municipalities use to fund CPA under this bill?**

  Changes in this Act would allow communities more flexibility in collecting local revenue for their CPA fund, using other revenue sources in addition to the property tax surcharge. Communities could adopt CPA with a traditional 1% CPA property tax surcharge, and then dedicate other municipal revenues to their CPA fund (not greater than 2% of the tax levy against real property) to reach total allowable annual CPA local revenue (3% of the tax levy against real property). Most municipal revenue sources could be tapped for this purpose including hotel/motel excise taxes, local meals taxes, linkage fees and inclusionary zoning payments, parking fines and other such funds.

- **If my community has adopted CPA, and this Act becomes law, will the changes in this new legislation apply to my community?**

  Most of the changes in the new legislation will automatically apply, but two of the changes will require a vote by participating CPA communities at a regularly scheduled election. The changes that would require an election are: 1) to add a new optional exemption for the first $100,000 of commercial property value, and 2) to allow for the dedication of other municipal revenues of up to 2% of the local property tax levy to the community's local Community Preservation Fund in tandem with a traditional 1% CPA property tax surcharge.

- **How does the Act affect affordable housing?**

  With the increased funding available to them, CPA communities will be able to create, acquire, preserve, support and rehabilitate more affordable housing. An additional amendment incorporated into the Act during the bill's past legislative review would also clarify that "support of community housing" means that CPA funding can be used to provide direct assistance to income-eligible individuals, such as through mortgage assistance and rental assistance programs developed by CPA communities. This amendment was originally proposed by Citizens' Housing and Planning Association (CHAPA), (one of the Coalition's partner organizations), since the lack of a clear definition of the term "support" as it pertains to community housing within the Act was creating confusion for CPA communities.

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- **Why does the Act permit communities to rehabilitate existing parks, playgrounds, athletic fields and other active recreational assets with CPA funds?**

  CPA communities all across the state have requested that the CPA be expanded to allow for the rehabilitation and restoration of existing municipal recreational facilities. In addition, many communities that do not already have CPA have made it clear that being able to use CPA funds to rehabilitate existing municipal facilities is important to them, and may aid adoption of CPA. To date, very few CPA dollars have been spent on recreation projects, since most communities would rather fix what they already have before they build or acquire new facilities. Cities have also expressed particular interest in this change, since typically they have less conservation land left to preserve, but they do have many pressing recreational needs.

  Allowing all communities the ability to use their CPA funds to rehabilitate outdoor recreational facilities is consistent with the state's smart growth and sustainability efforts, promoting the reuse and repurposing of existing facilities before breaking ground to build new ones.

- **Under these new recreation rules, would communities be *required* to approve active recreation projects?**

  The changes to the recreation category of CPA incorporated in the Act only give communities *the option* to appropriate CPA funds for the rehabilitation of existing recreational assets. There is no provision in the bill that would *require* communities to spend any portion of their CPA funds on recreation projects.

- **If the Act's provision allowing CPA funds to be used for rehabilitation and restoration of existing recreational facilities is adopted, how can we be sure that CPA funds will not be used for routine maintenance?**

  The current CPA language already contains a strong prohibition against using any CPA funds for routine maintenance, and this is strengthened and clarified in the wording of the bill. Using CPA funds for maintenance will still be prohibited in all CPA programmatic categories.

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- **Does the Act have any provisions allowing or disallowing the use of CPA funds on artificial turf?**

  Yes, after taking into account feedback received from legislators, the public, communities, and state agencies, a committee hearing this bill in a previous legislative session included in its recommendation a provision prohibiting the use of CPA funds for artificial turf. If the bill is passed, communities that want to install artificial turf as part of a CPA project will still be able to do so, but CPA funds will not be able to be used for the costs associated with the acquisition or installation of the artificial turf playing surface. CPA funding could still be used for other portions of the project.

- **Who decided what changes and technical corrections to include in this bill?**

  The Community Preservation Coalition ('the Coalition') is a non-profit membership organization that helps communities across the state understand, adopt, and implement the Community Preservation Act. The Coalition worked with the lead legislative sponsors of the Act, Senator Cynthia Stone Creem and Representative Stephen Kulik, as well as with other members of the legislature, its partner organizations and member communities, to recommend and request the technical amendments and clarifications included in this legislation. It took over three years to carefully construct the bill, and feedback was provided from over 80 state legislators who co-sponsored the Act in the 2009-2010 legislative session, existing and potential CPA communities, the Coalition's Steering Committee, partner organizations and other bill supporters. The Metro Mayors Coalition of the Metropolitan Area Planning Council (MAPC) provided assistance with crafting the portion of the Act designed to enhance city participation in the CPA program.

- **What was the result when this bill was filed during the 2009-2010 legislative session?**

  The bill made significant progress during the 2009-2010 legislative session when the Joint Committee on Community Development and Small Business gave it a favorable recommendation in November 2009. It subsequently received a favorable recommendation from the House Committee on Ways and Means in July of 2010.

  The bill has been filed once again for the current legislative session by its lead sponsors, Senator Cynthia Stone Creem and Representative Stephen Kulik.