

An Introduction to the Community Preservation Act

What is the CPA?

The Community Preservation Act (CPA) is a state law that enables cities and towns to create a dedicated fund for local open space, affordable housing, historic preservation projects, and recreation. The decision to adopt the CPA is made by each municipality in Massachusetts.

What does the CPA do?

The CPA enacts a surcharge of up to 3% on property tax bills to create the Community Preservation Fund. The money raised locally is matched by the state and the combined fund is spent in three core areas: open space preservation, affordable housing, and historic preservation. Each of these areas must receive a minimum of 10% of the total fund each year, but the remaining 70% can be spent or reserved for future spending in any of the three areas as well as an additional area, public recreation.

What are the exemptions to the CPA?

The CPA allows communities to tailor the structure of the CPA to the character and needs of the community. The



CPA funds can be used to restore historic resources and landscapes like this covered bridge.

surcharge amount can be any number up to 3%, so that the surcharge level can be matched to the town's income level and resources. There are also three possible exemptions that towns can adopt when voting for the CPA: (1) low-income residents and senior citizens can be completely exempted from the surcharge; (2) the first \$100,000 of every property can be exempted from the CPA surcharge; (3) in communities with different tax rates for residential and commercial property, commercial property can be completely exempted.

How can the CPA help your town?

The CPA provides a dedicated funding source for desirable and innovative projects that the community often wants to undertake but cannot otherwise afford. The CPA also brings state matching money to local projects. The only requirement attached to the funds is that 10% be spent in each of the three core areas. The state funds are raised through fee surcharges at the Registry of Deeds in every county in the Commonwealth. Adopting the CPA brings these much needed funds back to the community.

The CPA is a very flexible funding mechanism—the types of projects it can be used for are very broad and include many projects that are hard to fund through other means. CPA funds can be used to purchase open space or conservation restrictions, to broaden housing

opportunities for residents, to help senior citizens repair their homes, to build playgrounds, athletic fields, trails, or to restore historic buildings and landscapes. The CPA fund can also be used as local leverage for state and federal grants, and communities can issue bonds in anticipation of future CPA proceeds as well.

Since there are so few opportunities for municipalities to access long-term, reliable state funds for such projects, the CPA will be an increasingly important, consistent resource in the future. Each community also has control over how the money is spent since each disbursement of CPA funds needs to be approved by town meeting.

Can the CPA be repealed?

If a community feels the CPA is no longer appropriate for their town, Town Meeting can reduce the surcharge in the same manner that the Act was originally adopted (Town Meeting vote followed by a ballot election). After five years, the CPA can be repealed entirely.

How do we begin the process of adopting the CPA?

The Community Preservation Act needs to be approved by a simple majority at a regular election. It can be placed on the ballot one of two ways: approval at Town Meeting or an initiative petition signed by 5% of registered voters. The ballot question also needs to establish what percentage of a surcharge will be placed on property taxes, and what exemptions will be adopted, if any.

Timing is also a critical factor to consider when choosing the path to the ballot. The CPA enabling law requires at

least a 35-day window between the Town Meeting and the Town Election votes. (Note that this window is 60 days for state-wide elections, like November 2006). If running a signature petition drive, you should start at least 45 days before the municipal election to allow enough time for signature collection and for your municipal clerk to certify the signatures and ballot question language for the ballot.

Who is there to help?

The Community Preservation Coalition is a statewide non-profit dedicated to helping communities pass and implement the CPA. Their website (www.communitypreservation.org) has information, advice, and a list of current projects being funded by the CPA across the state. It also includes data about how much money each town could expect to raise from various surcharge levels. Coalition staff is available to deliver presentations about the CPA and help you decide how to begin and conduct a CPA campaign. Regional planning agencies are also available to give presentations and resources about the CPA.

The Highland Communities Initiative is available to assist Highland towns put the CPA to use in their town. Staff and financial assistance may be available for campaigning purposes, as well as for costs that may be incurred in implementing the Act.

Agricultural land and other important open space can be protected using CPA funds.



What happens once we pass the CPA?

Once the CPA is adopted, the Select Board appoints a 5 to 9 member Community Preservation Committee. Representatives from the Conservation Commission, the Historic Commission, the Planning Board, the Housing Authority (if there is one), and the Park or Recreation Commission are required to serve on the committee. The Select Board may appoint other at-large community members.

The Community Preservation Committee makes annual recommendations to Town Meeting about how to appropriate the Community Preservation Fund. If a project for one of the required spending areas is not available, the Committee can allocate those funds to a savings account for future CPA projects.

The process of considering and ranking potential project proposals typically includes much community input. The

final decision of how these funds are to be spent is made by Town Meeting.

Advice From Other Towns

If you are interested in pursuing the adoption of the CPA by your community, the following advice from other towns that have passed the CPA may be helpful:

Start Early!

It can take 3 to 9 months before your Town Meeting vote to explain the CPA and lay the groundwork for a successful ballot measure.

Talk to Your Boards!

Talk to each potentially affected board in town- the Conservation Commission, the Planning Board, the Select Board, the Historical Commission and Society, the Assessors, the Recreation Commission, and the Finance Committee- at an early stage in the process. Ideally, they will support the CPA, but if not, do not assume that Town Meeting will not. Stockbridge was able to pass the CPA despite the opposition of the Select Board, the Planning Board and the Assessors. The Stockbridge Select Board is now an enthusiastic supporter of the CPA because it funds projects that they would otherwise have to finance through the town's budget.

Start Your Homework!

Some towns have found it helpful and effective to organize an ad-hoc study group prior to bringing the CPA to the ballot to gauge interest and learn about the details of how the CPA will work in their town, as well as to determine

the level of surcharge (up to 3%) and whether or not to include any of the possible exemptions. In choosing a surcharge level, take past and future tax increases into consideration. If there will be other tax increases decided at the same election or anticipated in the future, it may be best to postpone voting on the CPA. However, voters in some towns have approved the CPA while voting other tax increases down.

Get The Word Out!

Create an easily understood flyer because the CPA can be a complicated subject to explain. Do your research on the CPA so you'll be able to answer questions about what it will and will not be able to accomplish. Distribute the flyer as widely in town as possible: the landfill or transfer station, schools, town hall, general store, and try to make it available on the web, if possible. Draw on any recent surveys, open space plans, or master plans that contain statistics about residents' views on the purposes of the CPA, such as open space conservation or community character preservation. Offering concrete examples of local projects the CPA could fund will create a more compelling case and provide a rallying point for supporters.

Submitting articles and letters to the editor concerning the CPA to your local newspaper is another effective way of spreading the word.

Meet and Build Consensus!

Hold public meetings about the CPA. Invite people you expect will be opposed to the CPA so you can understand their perspectives and begin to work with those individuals. If public meetings are not well attended, organize neighborhood meetings, coffee socials, and phone trees to reach out to people. Appointing a diverse ad-hoc committee will also help you to appeal to a broad range of organizations and community leaders whose support and networks you will need to mobilize for Town Meeting and election day.

Holding community meetings is important to get the CPA message out.



Network and Use Other's Experience!

Speak with the Community Preservation Committees in towns near or similar to yours. Learn about their campaign, and how they overcame opposition and built consensus. The Community Preservation Coalition organizes regular conferences that are great opportunities to learn about the CPA and its accomplishments in other towns.

Be Prepared!

Be well prepared for town meeting and try to anticipate the opposition's arguments. Provide a clear and concise presentation, because despite all your previous outreach attempts, some people will be hearing about the CPA for the first time. Do your best to have facts and figures handy to back up your arguments if needed.

Remember to call supporters to come to Town Meeting and to remind them to turn out and vote on election day.

Common Questions About the CPA

My town often denies proposal 2 ½ overrides and tax increases. Why would they vote for this tax increase?

The CPA does not affect the property tax rate, only the property tax bill. The CPA surcharge is 3% (or the rate the community chooses) of your tax bill, not the value of your home and land. In most towns, this amounts to less than \$50 a year per household. This relatively small amount will be matched by the state and will produce some important and valuable results in your town.

How reliable are the state matching funds?

The source of state matching funds is NOT a line item in the state operating budget. It is a separate fund that is not subject to legislative approval. In order to tap into and re-

direct the state fund, it would require a majority of both bodies of the state legislature. In addition, the 100 cities and towns that have already passed and utilized the CPA are staunchly protecting the fund from legislative meddling. Moreover, if for any reason the town feels that the state is not meeting its obligations, the CPA can be reduced by Town Meeting at any time.

We don't want the state's money if it comes with strings attached.

The CPA funds are controlled locally. The only requirement for the CPA funds is that 10% of the fund is spent in each of its three core areas. The remaining 70% of the fund can be spent on any combination of project areas, and every CPA-funded project must be approved by town meeting- not by any state agency. The CPA is one of the most flexible sources of state money available to towns.

Implementing the CPA will require lots of extra work for the town assessors, and our current software does not allow for surcharges.

Instituting a surcharge on property taxes does require fairly up-to-date software, which the Assessors may or may not already possess. Towns that have provided for the low-income exemption have found that the assessors are required to process only a handful of exemptions and the income guidelines for this exemption are very clear. The fact that many other communities have already gone through this transition is also helpful as your town can

learn from their experiences. The Highland Communities Initiative's small grants may also be used to purchase new assessing software for this purpose.

We expect opposition about increasing “affordable housing” in our town.

Property values are consistently rising in the Highlands, and many people that grew up in the region are finding that their children can no longer afford to buy a home in their town. The income guidelines for affordable housing mean that anyone who earns less than 100% of the average regional income will qualify for affordable housing programs.

The affordable housing portion of the Community Preservation Act fund is very flexible. It can be used for a variety of purposes to increase the affordability of housing in your town, including but not limited to the construction of new housing. To stretch the CPA funds as far as possible, it is more likely that small towns that do not have a Housing Authority will use funds for programs like retrofitting senior citizens' homes, down payment assistance for first-time homebuyers, assistance to Habitat for Humanity, and other similar programs that enhance existing housing choices. Regional housing authorities and

CPA affordable housing funds can help residents retrofit their homes.



community development corporations are knowledgeable and experienced with affordable housing programs and strategies and available to assist communities maximize CPA funds. The Community Preservation Act can help ensure that your town has the tools and funds to maintain a diversity of housing for all incomes and ages.

For more information, contact:

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The Highland Communities Initiative

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HIGHLAND COMMUNITIES INITIATIVE

A program of The Trustees of Reservations, the Highland Communities Initiative is a group of neighbors and volunteers working to enhance the quality of life and rural character of our communities. HCI connects people and provides them with the information and support they need to preserve the special natural and cultural landscapes of the Highlands region.

HCI grew out of the concerns of local residents who recognized the importance of maintaining the quality of life and rural character of their communities in the face of rising development pressures. In response, HCI was created to support local efforts to conserve and protect the natural and cultural landscapes of the 38 towns of the Highlands region, which lie between the Housatonic and Connecticut River valleys.

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