

The Community Preservation Act

Summary by Executive Office of Energy and Environmental Affairs

The Community Preservation Act (CPA) was signed into law by former Gov. Paul Cellucci and Lt. Gov. Jane Swift on Sept. 14, 2000 (Chapter 267 of the Acts of 2000). The CPA has been amended five times as follows: SB 2343 (July 2002), HB 3944 (July 2003), HB 4709 (December 2004), HB 1680 (March 2006), and SB 167 (September 2006).

The CPA allows communities to create a local Community Preservation Fund to raise money through a surcharge of up to 3% of the real estate tax levy on real property for open space protection, historic preservation and the provision of affordable housing. The act also creates a significant state matching fund, which serves as an incentive to communities to pass the CPA. On October 15th, beginning in 2002, the Department of Revenue has distributed matching funds to CPA cities and towns of more than \$17 million to 34 communities in 2002, \$27 million to 54 communities in 2003, \$30 million to 61 communities in 2004, \$46 million to 82 communities in 2005, \$58 million to 102 communities in 2006, \$68 million to 113 communities in 2007, and \$54.6 million to 127 communities in 2008. Distributions from 2002 to 2007 were at a match rate of 100%. In 2008, for the first time, the distribution used the first and second round formula outlined in Section 10 of the CPA legislation. The percentage match varied by community, with the statewide average being a 73.73% match to the local surcharge revenue.

Municipalities must adopt the Act by ballot referendum. To date, 142 cities and towns have adopted the Community Preservation Act and are appropriating fund revenues and matching state funds to thousands of community-based projects and needs.

The Community Preservation Act (CPA) is an innovative tool for communities to address important community needs and finance specific community preservation acquisitions and initiatives. Once adopted locally, the Act requires the legislative body to annually appropriate, or reserve for future appropriation, at least 10% of the estimated annual fund revenues for acquisitions or initiatives in each of the following three categories of allowable community preservation purposes: open space (excluding recreational uses), historic resources, and community housing. This allows the community flexibility in distributing the majority of the money for any of the three categories as determined by the community.

The Act stipulates that a Community Preservation Committee composed of five to nine members representing various boards in the community recommend to the community's legislative body how to spend Community Preservation funds.

The Community Preservation Act complements Community Development Planning created through Executive Order 418. Once adopted by communities, the CPA provides communities with funding to help implement part of their Community Development Plans.

EOEA's Smart Growth and Urban Environments team continues to provide presentations to communities interested in learning more about the Community Preservation Act. To learn more about these presentations or to sign up for one in your community, contact Jane Pfister at (617) 626-1194 or jane.pfister@state.ma.us.