

Community Preservation Act (CPA)

- Justification/Why Now?
- What is CPA? / How does it work?
- Tax Calculation example
- Exemptions
- Questions

CPA What is it? How does it work? (cont.)

- Created in 2000 by the legislature to incentivize investment in open space and recreation, historical preservation and affordable housing.
- Surcharge of 1% of real property taxes – determined by vote of Town Meeting and Town-wide ballot question
- A yes vote today would send it town wide ballot
- Communities that participate receive an annual distribution from CPA trust fund.
- CPA trust fund receives its funding from fees collected at the Registry of Deeds.

CPA What is it? How does it work? (cont.)

- Surcharge applies to residential and commercial real property
 - First \$100,000 of value is exempt.
 - Exemptions (value, income ,etc.) apply.
 - Tally up local revenues; trust fund distribution is a percentage of that amount.
 - Early trust fund distributions were 100% - recent distributions have been 30-50%

CPA What is it? How does it work? (cont.)

Community Preservation Act (CPA) 2003-2016 Total Estimates

CPA ESTIMATES - ALL RESIDENTIAL														
YEAR	PARCEL COUNT	TOTAL RES VALUE	AVERAGE RES VALUE	RES TAX RATE	AVG RES TAX BILL	RES EXEMPTION	AVG RES CPA VALUE	CPA	AVG CPA SURCHARGE	TOTAL AVG RES TAX BILL	TOTAL LOCAL SURCHARGE	PERCENT MATCH	STATE MATCH	TOTAL REVENUE RAISED
2003	7,608	\$1,830,696,700	\$240,628	\$14.03	\$3,376.01	\$100,000	\$140,628	1%	\$19.73	\$3,395.74	\$150,106.51	100.00%	\$150,106.51	\$300,213.01
2004	7,619	\$2,767,843,141	\$363,282	\$10.23	\$3,716.37	\$100,000	\$263,282	1%	\$26.93	\$3,743.31	\$205,207.98	100.00%	\$205,207.98	\$410,415.97
2005	7,660	\$2,958,984,901	\$386,290	\$10.48	\$4,048.32	\$100,000	\$286,290	1%	\$30.00	\$4,078.33	\$229,824.82	100.00%	\$229,824.82	\$459,649.64
2006	7,735	\$3,132,554,025	\$404,984	\$11.15	\$4,515.58	\$100,000	\$304,984	1%	\$34.01	\$4,549.58	\$263,034.52	100.00%	\$263,034.52	\$526,069.05
2007	7,755	\$3,513,713,380	\$453,090	\$10.93	\$4,952.27	\$100,000	\$353,090	1%	\$38.59	\$4,990.87	\$299,286.72	100.00%	\$299,286.72	\$598,573.44
2008	7,798	\$3,310,207,580	\$424,494	\$12.05	\$5,115.16	\$100,000	\$324,494	1%	\$39.10	\$5,154.26	\$304,914.11	100.00%	\$304,914.11	\$609,828.23
2009	7,813	\$3,301,416,561	\$422,554	\$12.62	\$5,332.63	\$100,000	\$322,554	1%	\$40.71	\$5,373.34	\$318,038.71	67.62%	\$215,057.78	\$533,096.49
2010	7,840	\$3,187,818,600	\$406,610	\$13.57	\$5,517.69	\$100,000	\$306,610	1%	\$41.61	\$5,559.30	\$326,198.18	34.81%	\$113,549.59	\$439,747.77
2011	7,854	\$3,173,267,899	\$404,032	\$14.37	\$5,805.94	\$100,000	\$304,032	1%	\$43.69	\$5,849.63	\$343,136.62	27.20%	\$93,333.16	\$436,469.78
2012	7,858	\$3,075,857,367	\$391,430	\$15.43	\$6,039.77	\$100,000	\$291,430	1%	\$44.97	\$6,084.73	\$353,355.85	26.64%	\$94,134.00	\$447,489.85
2013	7,868	\$3,101,787,227	\$394,228	\$15.79	\$6,224.86	\$100,000	\$294,228	1%	\$46.46	\$6,271.32	\$365,536.48	26.83%	\$98,073.44	\$463,609.92
2014	7,885	\$3,152,298,800	\$399,784	\$16.08	\$6,428.53	\$100,000	\$299,784	1%	\$48.21	\$6,476.74	\$380,098.85	52.22%	\$198,487.62	\$578,586.46
2015	7,903	\$3,298,253,981	\$417,342	\$15.87	\$6,623.22	\$100,000	\$317,342	1%	\$50.36	\$6,673.58	\$398,012.30	31.50%	\$125,373.87	\$523,386.17
2016	7,922	\$3,460,551,788	\$436,828	\$15.49	\$6,766.47	\$100,000	\$336,828	1%	\$52.17	\$6,818.64	\$413,327.69	29.70%	\$122,758.32	\$536,086.02
											\$4,350,079.35		\$2,513,142.44	\$6,863,221.79

CPA ESTIMATES - ALL COMMERCIAL														
YEAR	PARCEL COUNT	TOTAL COMM VALUE	AVERAGE COMM VALUE	COMM TAX RATE	AVG COMM TAX BILL	COMM EXEMPTION	AVG COMM CPA VALUE	CPA	AVG COMM CPA SURCHARGE	TOTAL AVG COMM TAX BILL	TOTAL LOCAL SURCHARGE	PERCENT MATCH	STATE MATCH	TOTAL COMM REVENUE RAISED
2003	457	\$443,121,500	\$969,631	\$31.20	\$30,252.50	\$100,000	\$869,631	1%	\$271.32	\$30,523.82	\$123,995.51	100.00%	\$123,995.51	\$247,991.02
2004	441	\$519,944,659	\$1,179,013	\$26.41	\$31,137.73	\$100,000	\$1,079,013	1%	\$284.97	\$31,422.70	\$125,670.57	100.00%	\$125,670.57	\$251,341.15
2005	442	\$529,156,499	\$1,197,187	\$26.15	\$31,306.43	\$100,000	\$1,097,187	1%	\$286.91	\$31,593.35	\$126,816.12	100.00%	\$126,816.12	\$253,632.25
2006	440	\$531,070,181	\$1,206,978	\$26.07	\$31,465.91	\$100,000	\$1,106,978	1%	\$288.59	\$31,754.50	\$126,979.20	100.00%	\$126,979.20	\$253,958.39
2007	435	\$582,686,920	\$1,339,510	\$23.89	\$32,000.90	\$100,000	\$1,239,510	1%	\$296.12	\$32,297.02	\$128,811.76	100.00%	\$128,811.76	\$257,623.51
2008	432	\$607,582,620	\$1,406,441	\$25.18	\$35,414.19	\$100,000	\$1,306,441	1%	\$328.96	\$35,743.15	\$142,111.54	100.00%	\$142,111.54	\$284,223.09
2009	429	\$611,985,639	\$1,426,540	\$26.43	\$37,703.45	\$100,000	\$1,326,540	1%	\$350.60	\$38,054.06	\$150,409.33	67.62%	\$101,706.79	\$252,116.13
2010	434	\$650,485,567	\$1,498,815	\$28.87	\$43,270.78	\$100,000	\$1,398,815	1%	\$403.84	\$43,674.62	\$175,265.60	34.81%	\$61,009.96	\$236,275.56
2011	435	\$688,617,801	\$1,583,029	\$31.06	\$49,168.89	\$100,000	\$1,483,029	1%	\$460.63	\$49,629.52	\$200,373.59	27.20%	\$54,501.62	\$254,875.21
2012	434	\$694,757,633	\$1,600,824	\$32.20	\$51,546.53	\$100,000	\$1,500,824	1%	\$483.27	\$52,029.80	\$209,737.16	26.64%	\$55,873.98	\$265,611.14
2013	432	\$697,529,973	\$1,614,653	\$34.37	\$55,495.61	\$100,000	\$1,514,653	1%	\$520.59	\$56,016.20	\$224,893.21	26.83%	\$60,338.85	\$285,232.06
2014	434	\$694,238,637	\$1,599,628	\$34.72	\$55,539.09	\$100,000	\$1,499,628	1%	\$520.67	\$56,059.76	\$225,971.17	52.22%	\$118,002.15	\$343,973.32
2015	433	\$693,944,819	\$1,602,644	\$33.95	\$54,409.76	\$100,000	\$1,502,644	1%	\$510.15	\$54,919.91	\$220,893.92	31.50%	\$69,581.58	\$290,475.50
2016	432	\$722,618,412	\$1,672,728	\$33.02	\$55,233.47	\$100,000	\$1,572,728	1%	\$519.31	\$55,752.79	\$224,343.96	29.70%	\$66,630.16	\$290,974.12
											\$2,406,272.65		\$1,362,029.78	\$3,768,302.43

CPA What is it? How does it work? (cont.)

CPA Income exemptions

- Low or moderate income senior housing”, housing for those persons having reached the age of 60 or over who would qualify for low or moderate income housing.
- Low income housing”, housing for those persons and families whose annual income is less than 80 per cent of the area-wide median income. The area-wide median income shall be the area-wide median income as determined by the United States Department of Housing and Urban Development.

Family Size	1 person	2 person	3 person	4 person
60 years older and older	\$68,670	\$78,480	\$88,290	\$98,100
Family less than 60 years old	\$54,936	\$62,784	\$70,632	\$78,480

CPA What is it? How does it work? (cont.)

- From that total, 10% is required to be allocated to the three areas – Open Space and Recreation, Historical Preservation and Affordable Housing.
 - 5% can be allocated to administrative costs (legal, advertizing, mailing, etc.).
 - Remainder can be allocated as the community desires.
 - Funds can be used to pay debt service (borrowing) and/or matching funds for state programs.

CPA What is it? How does it work? (cont.)

Community Preservation Town Committee is determined by state statute and local bylaw

- 1 Planning Board, 1 Parks and Recreation Commission, 1 Historic Commission, 1 Conservation Commission, and 1 Housing Authority
- 4 At-large elected

CPA What is it? How does it work? (cont.)

- Prospective projects are proposed to the committee.
 - Committee approved projects are forwarded to Annual Town meeting for vote.
 - Projects are subject to all of the applicable laws and regulations (procurement, local zoning, planning, etc.)

CPA What is it? How does it work? (cont.)

CPA proposal for Dedham is 1 % surcharge with the following exemptions:

- First \$100,000 of value of residential property.
- First \$100,000 of value of class 3 commercial property.

CPA What is it? How does it work? (cont.)

Tax Example:

Property valued at \$400,000.

Exempt first 100,000 = \$300,000 eligible for CPA.

At FY16 rate (15.49 per thousand) eligible tax would be $\$4,647 \times .01 = \46.47 .

CPA What is it? How does it work? (cont.)

Recent Tax Trends:

Residential rate:

FY14: \$16.08

(21 cent reduction)

FY15: \$15.87

(38 cent reduction)

FY16: \$15.49

(39 cent reduction)

FY17: \$15.10

preliminary

1% (CPA surcharge) of the FY17 = 15 cents.

Community Preservation Act (CPA)



Community Preservation Act (CPA)





NEAR THIS SPOT
THE FIRST
DAM AND MILL
WERE BUILT
IN
1640

Community Preservation Act (CPA)



CPA What is it? How does it work? (cont.)

Since 2011:

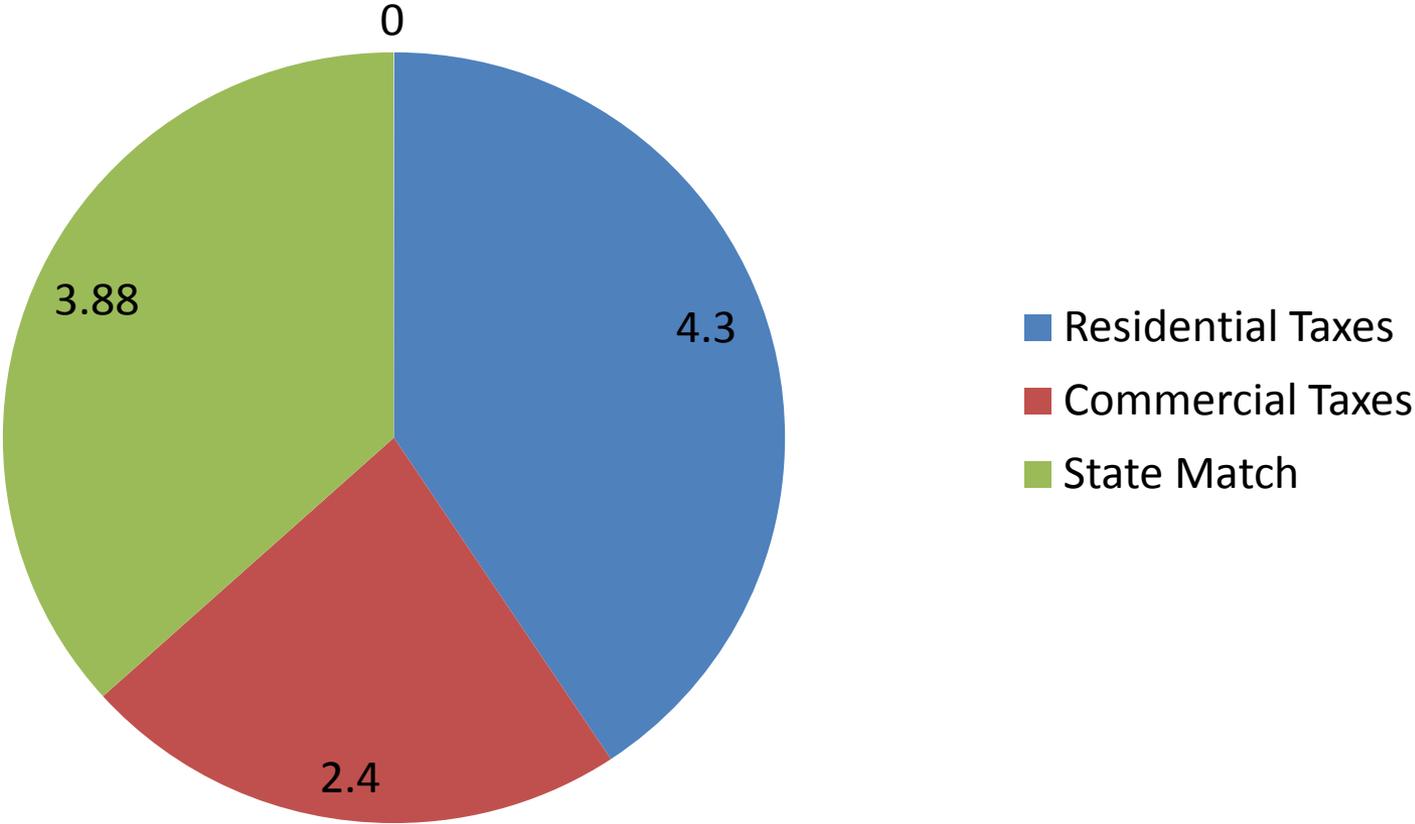
- The Town of Dedham Has Done 24 Projects that could have been paid for with CPA funds
- The Total Cost of These Projects in between 15-20 Million Dollars
- The Taxpayers paid 100% of the cost, passing on MILLIONS of CPA Trust Fund dollars

CPA What is it? How does it work? (cont.)

- If the Town had approved a 1% CPA in 2003 (with 100k excluded):
 - The Town Would Have Raised \$10.63 Million Dollars
 - Of the 10.63 Million Raised, only 4.35 would have come from residential taxpayers
 - The Average Annual Surcharge to Residential Taxpayers would have been \$39.75 each year

Community Preservation Act (CPA)

CPA Dollars



GonzalezField

- \$2.4 Million Dollar Soccer Field and Recreation Complex Approved At Town Meeting Spring 2016
- Will be financed by Ten Year Bond
- The Average Annual Payment from the town will be:\$ 254,000
- The cost to the Average Residential Taxpayer Will be: \$20.00

2003 CPA

If Dedham Had Approved the CPA in 2003

- The Town would have raised about 10.6 Million Dollars in a CPA fund
- Only 4.3 Million of those dollars would have come from residential taxpayers

Community Preservation Act (CPA)

The Bottom Line:

- Under current arrangement Dedham's taxpayers will be spending about \$17.00 per year from their tax bill for the next ten years to fund bonds on CPA eligible components of Gonzalez Field
- If we had used the CPA, the residential and commercial taxpayers would have paid about \$10 a year and the rest would have come from CPA Trust Fund

Three Key Points

- TOWN IS UNDER NO OBLIGATION TO SPEND MONEY IN ANY ONE GIVEN YEAR!!!!!!!!!!!!!!
- In year 1 we will shift the cost of the surcharge from the Regular Tax levy. This will not be a tax increase.
- As the town does projects in the subsequent years the savings for town will be considerable

Community Preservation Act (CPA)

- Bottom Line: The town can do the same amount of projects for less money, or spend the same amount of money and do additional projects.
- The final say would be up to Town Meeting.
- A way to bring state tax dollars that Dedham taxpayers are paying through Registry Fees to the state back to Dedham and not to other communities.
- Even at a 30% or less match will still bring millions back to Dedham.
- There is NO evidence that CPA reimbursements will end and this would require act of legislature

Community Preservation Act (CPA)

Take Home Message:

- If Dedham had passed a 1% CPA in 2003 the town would have raised over 6 Million Dollars for projects that were approved by town meeting that would NOT have come from residential taxpayers and almost 4 Million coming from state.
- During a time when the town spent tens of millions on potential CPA projects, we did not take advantage of millions in state dollars

Community Preservation Act (CPA)



Questions



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Working For The Community Preservation Act

The Community Preservation Coalition is an alliance of open space, affordable housing, and historic preservation organizations working with municipalities to help them understand, adopt, and implement the Massachusetts Community Preservation Act (CPA).

The Coalition was formed in the 1990s with the goal of achieving passage of the Community Preservation Act. With leadership and help from our diverse Steering Committee, the Coalition works to preserve Massachusetts communities' unique character by advocating for and supporting the Community Preservation Act, advancing smart growth and sustainable development for communities across the Commonwealth.

CPA Data Center



CPA Project & Adoption Data

[Information on individual CPA communities](#)
[Statewide CPA statistics](#)
[Database of all CPA projects](#)



Technical Assistance Database

Latest CPA News



Kathy Roth Announces Her Departure From the Coalition

After 11 years of service, Kathy Roth is stepping down as our Associate Director and we are now accepting applications to fill her position.

[Click here for the full story](#)



CPA Adoption Update: Palmer and East Bridgewater on the Ballot

Two final communities advance CPA to the ballot this year.