

✧ **INFORMATION FOR SALEM VOTERS** ✧

THE COMMUNITY PRESERVATION ACT: WHAT DOES IT MEAN FOR SALEM?

SALEM CPA – YES!

Honorary Co-Chairs: Jeffrey Barz-Snell, Claudia Chuber, Tony Salvo Treasurer: Stan Franzeen

INTRODUCTION

The Community Preservation Act (CPA) enables cities and towns in Massachusetts to raise local revenue and qualify for matching State funds to support four types of projects:

- **Open Space Protection**
- **Historic Preservation**
- **Affordable Housing**
- **Recreation**

All Massachusetts communities pay into the CPA Trust Fund through fees paid at the Registry of Deeds. Those cities and towns who have passed the CPA (127 to date) receive their portion of these fees as matching funds. Communities like Salem, which have not yet approved the CPA, get nothing from the Fund. Over the past 5 years, it is estimated that more than \$2 million in Salem's State CPA matching funds have gone to other communities! This summer, the Salem City Council voted to place the CPA on the Nov. 6th ballot. If passed, Salem's CPA revenues would be raised through a 1% surcharge on all property taxes. (See exemptions and How Much Would I Pay?, below.) Salem would then be eligible to collect its share of the CPA funds. This share can help Salem pay for much needed projects using little or no money out of our regular budget. Now, it's up to Salem voters to approve it.

EXEMPTIONS FROM THE SURCHARGE

Any portion of a taxpayer's real property taxes that are already exempt are also exempt from the new CPA surcharge. In addition, the Salem City Council, as part of its vote to put the provisions of the CPA on the ballot, also recommended that the following two residential exemptions to the surcharge be implemented if the Act is adopted:

- 1) Property owned and occupied by a person who would qualify for low-income housing (any family of 4 making \$65,920 or less) or moderate income senior housing (a person 60 or over making \$57,680 or less a year; \$65,920 for a couple);
- 2) The first \$100,000 of taxable value of residential real estate.

HOW CPA FUNDS ARE SPENT

If Salem approves the CPA, it will establish a Community Preservation Committee (the Committee) that will make annual recommendations to the City Council on how our CPA monies should be spent. A Salem CPA ordinance, also to be passed by

the City Council after the CPA is approved by voters, would determine the composition of the committee, the length of its term, and the method of selecting its members.

By law, the Committee would consist of not less than five nor more than nine members and would include a member of each of the following boards or commissions:

- Conservation Commission
- Historical Commission
- Planning Board
- Parks & Recreation Commission
- The Salem Housing Authority.

By law, before it recommends Community Preservation Fund expenditures, the Committee must study the needs and resources of the community and consult with existing municipal boards. They must also hold one or more public informational meetings.

The Committee shall approve its recommendations by majority vote and its meetings are open to all residents.

The City Council will then appropriate funds from the city's Community Preservation Fund based on these recommendations. The City Council may also reject the Committee's recommendations or reduce the amounts proposed.

Each fiscal year, the City Council must spend Community Preservation Fund revenues as follows:

- 10 percent for open space
- 10 percent for historic preservation
- 10 percent for community housing

The remaining 70 percent can be allocated in different ways. It can be used for any of the three areas identified above or for recreation (ball fields, hiking or biking trails, etc). For example, Salem could allocate the remaining 70 percent of its annual CPA revenue to one use, spread it evenly among all four areas, or save the funds toward bigger future projects. Each year, Salem can modify the mix of spending for the flexible 70 percent of the Fund.

AMENDING AND REPEALING THE CPA

The level of the surcharge (and the optional exemptions) can be changed at any time after the CPA is adopted, through a majority vote of the City Council, followed by voter ballot approval. The CPA remains in effect for a minimum of five years from the date of voter approval. After five years, it can be revoked in the same manner used to approve the CPA originally.

ELIGIBLE PROJECTS

A wide range of Salem projects would be eligible for CPA funding. Some of them, such as the restoration of Old Town Hall or the creation of new playgrounds, parks or playing fields, might be things that we are already planning to spend money on. CPA funds might also be used to help Salem support downtown revitalization in a manner consistent with our needs and community character. Salem can also use CPA funds as matching monies to obtain other grants such as for the one for \$50,000 to repair the library roof. CPA monies will help keep Salem's taxes down!

Housing that People Can Afford

Since 2001, municipalities have approved hundreds of grants for housing. This funding is targeted to municipal employees, young families, seniors and others who may live, work or attend school in a community, but find themselves increasingly priced out. Salem could use the money to manage and preserve housing, for down payment and rental assistance programs, accessibility and other improvements to existing public housing, and the rehabilitation of existing stock.

Open Space Protection

The CPA has contributed to the protection of over 8,000 acres of open space in Massachusetts through a combination of land purchases and easements to protect private property. Communities have approved grants for land acquisition around municipal water supplies, protection of woods, waterfront, and wildlife habitat, and environmental cleanup.

Historic Preservation

Over 700 historic resources have been preserved with CPA grants since 2001. Funding has been used to revitalize aging city and town halls, libraries, schools, firehouses, commons, cemeteries, monuments, canals, bridges, lighthouses, and other municipally owned historic buildings and landscapes. Funds have also helped private or non-profit owners of historic properties such as museums, historical societies, churches, commercial storefronts and streetscapes, for the completion of historical and archeological surveys, and to protect significant properties from demolition or inappropriate alterations. CPA funded restoration efforts include the preservation of architectural features as well as handicapped ramps, elevators, window, roof, and foundation repairs, and other renovations to bring historic buildings up to code. In the 6 years since passage of the enabling law, adopting localities have approved more preservation grants than any other type of CPA funding.

Recreation

Hundreds of new parks, playgrounds, and athletic fields have been created with CPA funds. Design and construction for nearly a dozen bike path projects have also been funded. More than \$2 million has gone to preserve existing recreational facilities that had fallen into severe disrepair.

Multi-Purpose Projects

CPA grants may be combined to support multiple uses. For example, historic buildings can be adapted for affordable housing, open space protected as part of a housing production plan, even all four purposes can be accomplished at once.

THE AMOUNT SALEM WOULD RAISE

Based on the 1% CPA surcharge and exemptions for the first \$100,000 of residential property value and for low-income families and moderate-income seniors, the city would raise an estimated \$440,000 a year. The total amount generated would be much more after the state match is received. At a 100% match, the amount paid to Salem is nearly \$1 million. Even at a 50% match, Salem could have an additional \$660,000 a year for CPA projects.

THE STATE MATCH

The state's CPA Trust Fund is a dedicated revenue source that is outside of the normal legislative appropriations process and may not be redirected to other purposes. It is funded by fees on recording of deeds at the Registry, so all communities pay into it, but only communities who have adopted the CPA receive payments from it.

Historically CPA funding has been:

- 2002: \$17.8 million paid to 34 communities
- 2003: \$27.2 million paid to 54 communities
- 2004: \$30.8 million paid to 61 communities
- 2005: \$46.3 million paid to 82 communities
- 2006: \$58.6 million paid to 102 communities

To date, the match has been 100%. Over time, the match percentage will decrease as more communities adopt the CPA, but the match should remain high for at least the next 2 years.

BUT HOW MUCH WILL I HAVE TO PAY?

	Assessed Residential Property Value			
	\$100k	\$200k	\$300k	\$400k
Less \$100k exemption	0	100K	200K	300K
Times .01077 ('07 Tax Rate)	0	1,077	2,154	3,231
Est. Annual Cost @ CPA 1%	0	\$11	\$22	\$32

Stop millions of our CPA dollars being sent to other communities!

Invest Salem's CPA money where it belongs: In Salem!

Vote CPA – Yes! on Tues. Nov. 6th.

CPA monies will help keep Salem's taxes down!

For more information, visit:

***www.salemcitizens.org/issues/cpa/cpa.htm
www.communitypreservation.org***