

Community Preservation Act

State matching funds, key to CPA success, are waning.

The Community Preservation Act (CPA) helps cities and towns address specific core community concerns, including open space, recreation, historic preservation and affordable housing. Communities raise funds by voting to assess a dedicated property tax surcharge, which is matched by the state from its CPA Trust Fund. Money for the trust fund comes from a small surcharge on real estate transactions at each county's Registry of Deeds.

To date, 142 cities and towns in Massachusetts have adopted CPA. Statewide, communities have raised more than \$323 million through surcharges, and have received a total of \$303 million in matching funds. These resources have supported 3,400 individual local projects. In the MAPC region, the 46 participating municipalities have received more than \$335 million from local surcharges and the state match.

Until 2009, all CPA communities received the maximum 100 percent match each year. However, more communities have adopted the program and less money is being raised at the state level due to a slowdown in real estate sales. As a result, the state match is predicted to fall to 35 percent of local revenues in Fiscal 2011. MAPC supports legislation filed by Senator Cynthia Creem (D-Newton) that would require the state to match a higher percentage of local revenues; this legislation would also allow municipalities to combine a small property tax surcharge with other sources of revenue that would also be matched. As a result, more cities and towns could use this tool to improve housing opportunities, open space and historic preservation.

Data Source: Massachusetts Department of Revenue, Community Preservation Coalition

