



# An Overview: The Community Preservation Act

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Town of Reading

# What is the Community Preservation Act (CPA)?

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## **The CPA allows communities to adopt a local property tax surcharge to fund:**

Open Space & Recreation

Historic Preservation

Affordable Housing



## **The property tax surcharge...**

Ranges from 0.5% to 3%

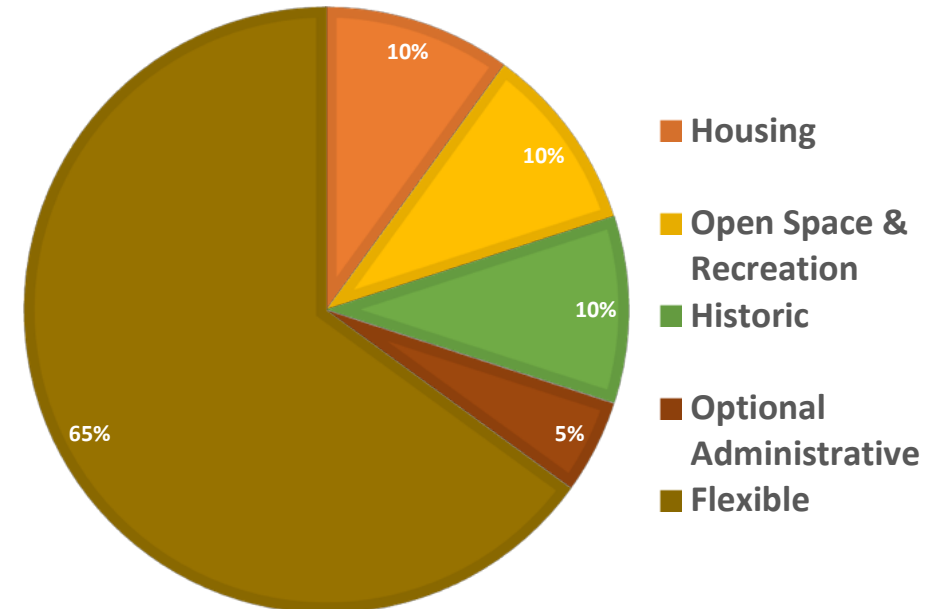
Exemptions may include:

- First \$100,000 of residential property value
- First \$100,000 of commercial & industrial property value
- Low income families; low/moderate income seniors
- Full commercial and industrial exemption (with split tax rate only)
- Existing property tax exemptions apply to the CPA surcharge

# What is the Community Preservation Act?

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- The State will provide a matching distribution from the Community Preservation Trust Fund which is administered by the Department of Revenue
  - Only communities that have adopted CPA are eligible for the distribution
- Funds can be leveraged through bonding and leveraging
- Communities are required to evenly allocate at least 30% of funds raised each year across 3 categories:
  - Open Space & Recreation (10%)
  - Historic Preservation (10%)
  - Affordable Housing (10%)
  - The remaining 70% may be allocated across each categories, to budget reserves, and to optional administrative needs



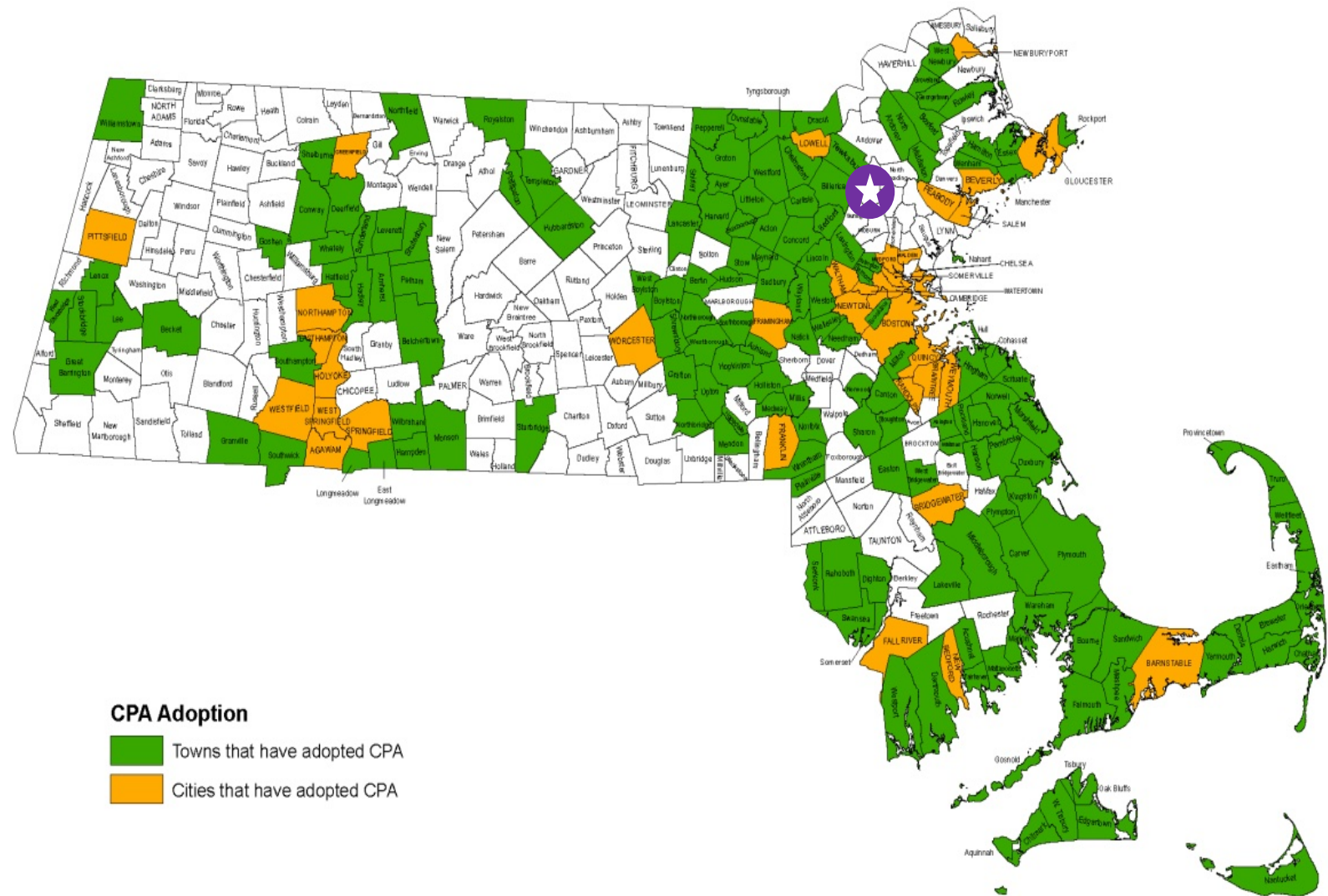
# Example: What would this cost the average taxpayer in Reading with a 1% CPA Surcharge?

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Average Value of Single-Family Home:	\$766,834 (FY'23)
With \$100,000 exemption (previous slide)	<u>-\$100,000</u>
Net House Value Surcharged:	= \$666,834
Municipal Tax Rate (per \$1000) is %12.59	\$666,834 x <u>12.59%</u>
Amount Subject to Surcharge	=\$ 8,394
CPA Surcharge Rate at 1%	\$8,394 x <u>1%</u>
<b>Amount Paid Towards CPA Fund (annually)</b>	<b>=\$84</b>














# Who Has Adopted the CPA?

- 195 Cities and Towns
- 55% of municipalities
- 70% of Massachusetts residents
- 0 communities have revoked





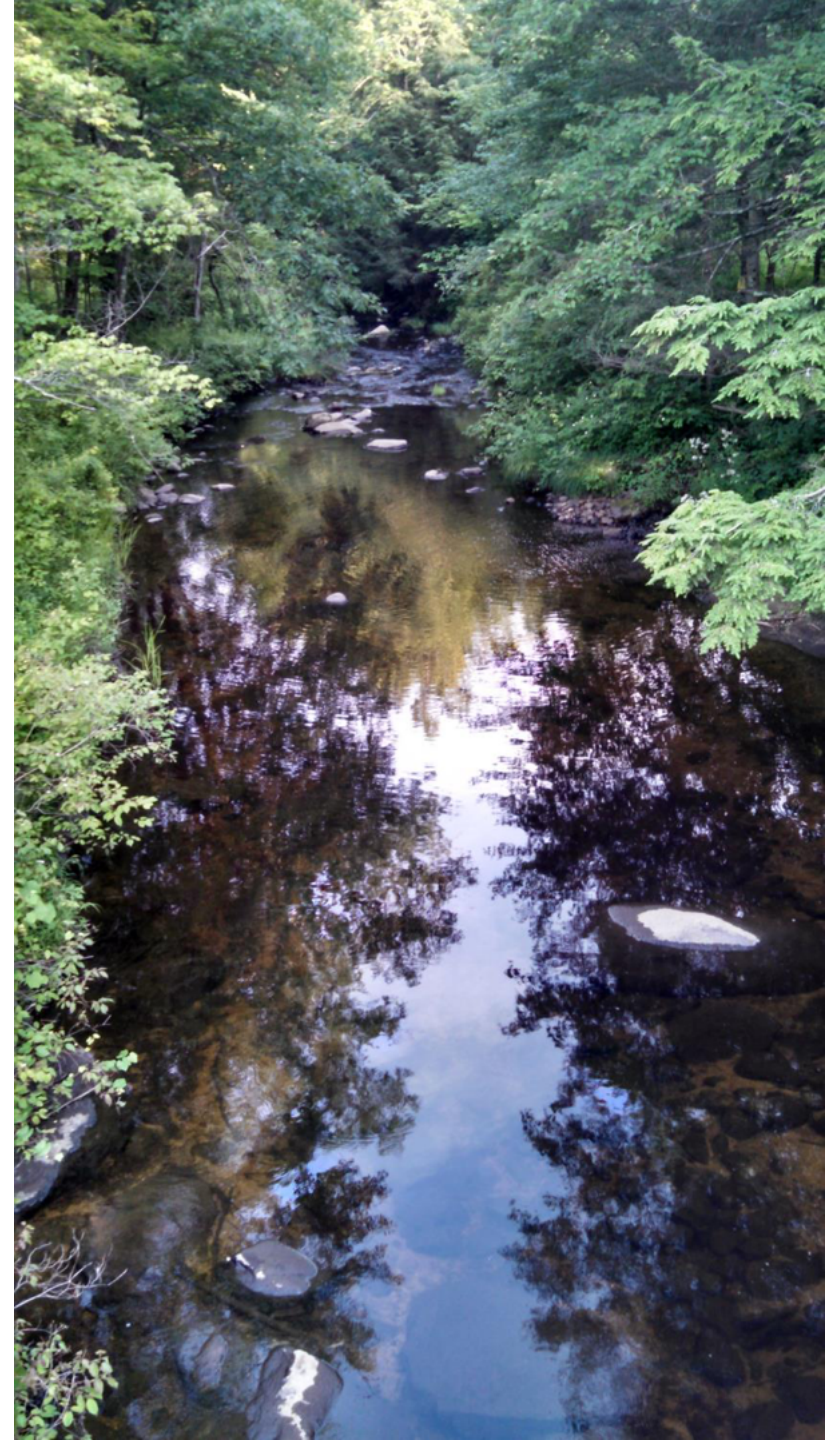
What Could We  
Accomplish in Reading?

<b>CPA Eligible Actions</b>	<b>Open Space</b>	<b>Historic Resources</b>	<b>Recreational Land</b>	<b>Community Housing</b>
<i>Acquisition</i>				
<i>Creation</i>				
<i>Preservation</i>				
<i>Support</i>				Yes, funding for community affordable housing trust
<i>Rehabilitation and Restoration</i>	If <b>Acquired</b> or <b>Created</b> with CPA funds.			If <b>Acquired</b> or <b>Created</b> with CPA funds.

# Open Space

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- **Walkers Brook Stream Bank (Preservation)**
  - Funding for preservation (erosion control) of the Walkers Brook stream Bank
- **Lobs Pound (Create)**
  - Create a new Lobs Pound greenspace along the Ipswich River
- **Acquisition of 1310 Main Street, 0 Timber Neck, Lot 5 Grove Street (Acquire)**
  - For transition to conservation land and open space
- **Trail and Boardwalk Improvements**
  - Signage, bridges, kiosks
- **Invasive Species Management**





# Recreation

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- **Playground, Park and Field Improvements**
  - Designs and Plan support
  - New turf, play structures, repaving, lining
  - Fencing, irrigation, seeding, drainage
- **Facility Upgrades**
  - Sheds, dug outs, snack shacks, restrooms, etc.
- **Safety and Health**
  - Tree removal, tree planting/shade, benches/rest, lighting
- **ADA or Utility improvements**
- **Community Garden Improvements**
  - Mattera Cabin, New?



# Historic Resources

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- **Pleasant Street Center (Rehabilitation, Restoration)**
  - ADA Accessibility
  - Utility Upgrades
  - Façade Maintenance
- **Station One (Rehabilitation, Restoration)**
  - ADA Accessibility
  - Utility Upgrades
  - Façade Maintenance
  - Venue for Arts & Culture
- **186 Summer Avenue (Acquisition, Restoration)**
  - National historic structure



# Housing

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- **Additions to the local AHTF**
  - Support services for RHA and/or Affordable units (closing costs, mortgage payments, first-time homebuyers, other)
  - Capital Improvements
- **Emergency Subsidy and Short-term aid Services/Programs**
  - Job loss, health, etc.
- **Pre-development, Construction and Consulting Services**
  - Oakland Road
  - MNRHSO
- **Maintain or Purchase expiring SHI units**
- **Acquisitions and Partnerships**
  - Right of first refusals, other





How Do We Adopt CPA?

# Learn and Build Consensus

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- The Town may decide to form a “Study Group”
  - This group will be tasked with fact finding and information regarding:
    - Community needs
    - Possible surcharge amounts
    - Outreach strategy to public (residents, Town Meeting, broader community)
  - The goal is to achieve consensus around:
    - The necessity for adopting the CPA
    - The composition and role of a Community Preservation Committee
    - The types of projects that may be funded
- The deliverable of this study group is a “CPA Proposal”

# Then... We Vote!

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- A municipality adopts CPA through passage of a ballot question at the voting booth
  - How can it be placed on the ballot?
    - Option 1: Vote during Town Meeting
    - Option 2: Have 5% of registered voters sign a petition
- Once on the ballot, residents will have an opportunity to vote “Yes” or “No” on establishing CPA



# Timeline for Adopting CPA

## ● November

- Locate study group members

## ● December - January

- Launch study group
- Outline CPA proposal

## ● February – April

- Information gathering, assessing community needs, building out CPA proposal
- Gathering support for potential Special Town Meeting vote to place CPA on November 2024 ballot
- Complete CPA Proposal

## ● May – October

- Launch campaign for CPA adoption using CPA proposal and promotional materials

## ★ November

- Vote on CPA adoption



How Do We Oversee  
and Spend CPA Funds?



# Establish a Community Preservation Committee

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- Via a Community Preservation Committee Bylaw/Ordinance
- Consists of 5 Statutory Members
  - Conservation Commission
  - Community Planning & Development Commission
  - Reading Housing Authority
  - Parks and Recreation
  - Historical Commission
- Optional At Large Members
  - May contain additional 4 At-Large Members (appointed or elected) for a maximum committee size of 9 individuals

# Roles of the Community Preservation Committee

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**Assess community's  
CPA needs on a regular  
basis**



**Accept and review  
project proposals**



**Get input from the  
public and  
boards/committees**



**Recommend CPA  
projects to Town  
Meeting/Selectboard**

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Questions?

