

Community Preservation Act Questions and Answers

July 2008

1. What is the Community Preservation Act (CPA)?

The Community Preservation Act, as approved by the voters at the March 2006 Annual Town Election, provides for a 3% surcharge on real estate taxes to endow a locally controlled fund to be used for open space protection, historic preservation, affordable housing and public recreation projects. Over 130 communities in Massachusetts have adopted the CPA.

2. When did the surcharge take effect?

The surcharge took effect in July of 2006 for fiscal year 2007.

3. Does the state contribute funding?

Yes, fees at the Registry of Deeds are being deposited in a dedicated trust fund to be divided among the towns adopting the CPA.

4. How is the surcharge calculated?

In the current fiscal year 2009, the CPA surcharge amount for residential parcels is calculated by multiplying the currently applicable residential real estate tax rate of \$12.85, by the assessed valuation less the \$100,000 property tax exemption, by the 3% surcharge. For example, a home assessed at \$600,000, less the \$100,000 exemption, would have the CPA surtax figured on an assessment of \$500,000 times the \$12.85 rate times 3% resulting in a surcharge of \$192.75.

5. Are there other exemptions for this surcharge?

Households in Lexington that would qualify for low-income housing, or low or moderate-income housing, as defined by Mass. General Laws Chapter 44B Section 2, are exempt from the CPA surcharge. The low-income exemption applies to property owners under the age of 60; the moderate-income exemption applies to property owners aged 60 years or older. Income limits are shown in the following table.

Number of People in Household	1	2	3	4	5	6	7	8
Property owner 60 or older (100% of median income)	\$60,050	\$68,650	\$77,200	\$85,800	\$92,650	\$99,550	\$106,400	\$113,250
Property owner younger than 60 (80% of median income)	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,600	\$85,100	\$90,600

Source: US Department of Housing and Urban Development

6. Who determines the area-wide median-income requirements?

The area-wide median income is determined annually by the United States Department of Housing and Urban Development. The median family income for Lexington for FY2009 is \$85,800 for a household of 4 people; 80% of that is \$68,650.

7. Who administers the CPA fund for the town?

A nine-member committee administers the funds. The Community Preservation Committee, created by town bylaw (§29-23), will consider potential community projects that qualify under the Act and will recommend expenditures from the fund to Town Meeting. Expenditures must be voted by Town Meeting. Committee membership as specified in the bylaw includes one member each from the Conservation Commission, the Historical Commission, the Housing Authority, the Housing Partnership, the Planning Board, and the Recreation Committee, and three at-large members appointed by the Selectmen. Lexington's Community Preservation Committee made its first recommendations to the 2006 Annual Town Meeting.

8. What can CPA funding be used for?

CPA funds may be used for the acquisition, creation and preservation of open space; the acquisition, preservation, rehabilitation and restoration of historic resources; the acquisition, creation and preservation of land for recreational use; the acquisition, creation, preservation and support of community housing; and the rehabilitation or restoration of open space, land for recreational use and community housing that is acquired or created with CPA funds. CPA funds may not be used for routine maintenance or operating costs. The statute requires that at least 10% of the annual expenditures be used or reserved for open space/land acquisition, 10% for historic preservation, and 10% for affordable housing. The remaining 70% may be applied across these initiatives as well as for acquiring, preserving and creating land for recreational use.

Additional information on the CPA may be found at:

<http://commpres.env.state.ma.us/content/cpa.asp>

www.communitypreservation.org