

Town of Franklin

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Franklin, Massachusetts 02038-1352



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OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

April 10, 2020

To: Town Council
From: Jamie Hellen, Town Administrator

Re: Community Preservation Act (CPA) Discussion

The Town Council originally discussed the possibility of putting the Community Preservation Act (CPA) on the November 2020 election ballot at the February 5th, 2020 Town Council Meeting. Due to the unexpected changes that COVID-19 has had on our society I am bringing this discussion forward again to see if the Town Council would like to move forward with the CPA on the November 2020 ballot. The following memo has some highlights of information regarding the Community Preservation Act (CPA) that was provided at the February meeting.

Overview of the CPA

The Community Preservation Act was passed in 2000 to help communities empower themselves to raise a dedicated revenue source for the purposes of open space preservation, historic preservation, affordable housing and recreation.

Please visit <https://www.communitypreservation.org/adoption> for more. I have attached a two page overview in this packet as well.

Everything on CPA can be found here: <https://www.communitypreservation.org/>

Past History

Franklin has voted once on the CPA, in 2007, and it failed at the ballot. I have included the certified vote of the Town Clerk on that election and highlighted the final vote.

3,845 votes were cast in that election. 2,174 were No (56.5%), 1,528 were Yes (39.7%) and 143 blanks (3.7%).

I have attached [a map of the 176 Towns in Massachusetts](#) that have approved the CPA. As you can see, most of the Towns that surround Franklin approved the CPA.

Local Estimates Revenues

I have attached a chart of the estimated local revenues that would be generated at 1%, 2% or 3%. These numbers assume two of the allowed exemptions under CPA: the first \$100,000 in real property value is exempt and the low income exemption. This will be discussed tonight.

Due to the Legislature approving additional revenue for the CPA state match contribution this past fiscal year, we would assume approximately a 24% match of state monies. The most frequent match this year is 23.9%. It is a far cry from the original communities in 2001-2009 who saw a \$1 to \$1 match. But this recent policy development is a carrot for more communities to consider CPA, given the increase in communities adopting CPA.

Important facts & recent trends

- Each year, 10% of funds raised must be allocated for open space, 10% for historic preservation and 10% for affordable housing. The remaining 70% are discretionary. You do not have to spend it all in one year and can save those funds aside for future projects.
- A Community Preservation Committee must be established to recommend expenditures to the Town Council for final approval. Five members are required by law, one member each from the Planning Board, Conservation Commission, Housing Authority, Historical Commission and Recreation Board. The Committee may also have up to four additional at-large members.
- As referenced above, the state does match local contributions with a state matching formula. The state match changes every year. See above.
- I have attached a recent memo from the Registrar of Deeds with the annual amount of financial real estate transactions that occurs in Franklin, which we contribute to the state matching fund. Franklin transactions accounted for \$126,300 for calendar year 2019. Those are monies paid for by local residents in real estate fees that go to matching funds in other towns. In other words, Franklin gives out and receives nothing in return for our investment.
- CPA requires a ballot vote of the citizenry at a regular state election. Language would be required to be adopted 60 days prior to that election to be placed on the municipal ballot. <https://www.communitypreservation.org/adoption>
- A list of [CPA Exemptions are here](#), however the most two frequent (and almost automatic) would be the first \$100,000 of real estate and the low and moderate income earners.

I did invite the Community Preservation Coalition to do a presentation, but they are unavailable due to the demand on their staff at the moment. However, it is worth noting that both the Town Attorney and I have a fair amount of knowledge around the CPA. I began my professional career on the strategic team to get the Act passed at the state level and implemented locally in

many communities. The Town Attorney has been the Chair of the Medway Community Preservation Committee for over a decade.



TOWN OF FRANKLIN

RESOLUTION 20-20

Approval by Franklin Town Council of Community Preservation Act, G.L. Chapter 44B, Sections 3 to 7 and Authorization for Ballot Question

WHEREAS, G.L. Chapter 44B, the Community Preservation Act, is a local acceptance statute, acceptance of which requires approval by the local legislative body and acceptance by voters of a ballot question, and

WHEREAS, the Franklin Town Council is the local legislative body of the Town of Franklin,

NOW THEREFORE, BE IT ORDERED that the Town Council, as the legislative body of the Town of Franklin, hereby votes to accept Sections 3 to 7, inclusive, of Chapter 44B of the General Laws, otherwise known as the Massachusetts Community Preservation Act, by approving a surcharge on real property for the purposes permitted by said Act, including the acquisition, creation and preservation of open space, the acquisition, preservation, rehabilitation, and restoration of historic resources, the acquisition, creation, preservation and rehabilitation and restoration of land for recreational use, the acquisition, creation, preservation and support of community housing and the rehabilitation and restoration of such open space and community housing that is acquired or created as provided under said Act;

- ❑ the amount of such surcharge on real property shall be 3% of the annual real estate tax levy against real property; and
- ❑ such surcharge on real property shall commence in fiscal year FY 21; and
- ❑ the Town of Franklin hereby accepts the following exemptions from such surcharge permitted under Section 3 (e) of said Act:
 - ❑ Property owned and occupied as a domicile by any person who qualifies for low income housing or low or moderate income senior housing in the Town of Franklin, as defined in Section 2 of said Act; and
 - ❑ \$100,000 of the value of each taxable parcel of residential real property.

This action shall be submitted for acceptance by the voters of Franklin at the next regular state election and the Town Clerk shall place it on the ballot in the form of question

provided in the statute in accordance with G.L. Chapter 44B, Section 3(f) together with the statute required summary, copies of which are attached hereto as Exhibit 1.

This resolution shall become effective according to the provisions of the Town of Franklin Home Rule Charter.

DATED: _____, 2020

VOTED:

UNANIMOUS: _____

YES: _____ **NO:** _____

A True Record Attest:

ABSTAIN: _____

ABSENT: _____

RECUSED: _____

Teresa M. Burr, CMC
Town Clerk

Glenn Jones, Clerk
Franklin Town Council

Exhibit 1

**BALLOT QUESTION FOR VOTER ACCEPTANCE OF
G.L. CHAPTER 44B, SECTIONS 3 TO 7,
COMMUNITY PRESERVATION ACT,
TOGETHER WITH SUMMARY OF STATUTE,
AS APPROVED BY FRANKLIN TOWN COUNCIL**

Ballot Question

“Shall the Town of Franklin accept Sections 3 to 7 inclusive, of Chapter 44B of the General Laws, as approved by its legislative body, a summary of which appears below.”

Summary of Statute, as Approved by Franklin Town Council

Sections 3 to 7 of Chapter 44B of the General Laws of Massachusetts, also known as the Community Preservation Act, establish a dedicated funding source to acquire and preserve open space, parks and conservation land, protect public drinking water supplies, and scenic areas, protect farmland and forests from future development, restore and preserve historic properties, and help meet local families’ housing needs. In the Town of Franklin, the Community Preservation Act will be funded by an additional excise of 3% on the annual tax levy on real property commencing in the fiscal year 2022 and by matching funds provided by the State. Property owned and occupied as a domicile by any person who qualifies for low income housing or low or moderate income senior housing in the Town, as defined in Section 2 of said Act and \$100,000 of the value of each taxable parcel of residential real property shall be exempt from the surcharge. Any other taxpayer receiving an exemption of real property authorized by Chapter 59 of the General Laws shall receive a pro rata reduction with respect to the portion exempt. A Community Preservation Committee composed of local citizens will make recommendations on the use of the funds and all expenditures will be subject to an annual audit.



Introducing the Community Preservation Act (CPA)



**Community
Preservation Coalition**
Preserving our past. Building our future.

Basics of CPA

Enables communities to establish a local restricted fund for:



Historic
Preservation



Open Space &
Recreation



Community
Housing



Half the State Has Adopted CPA!

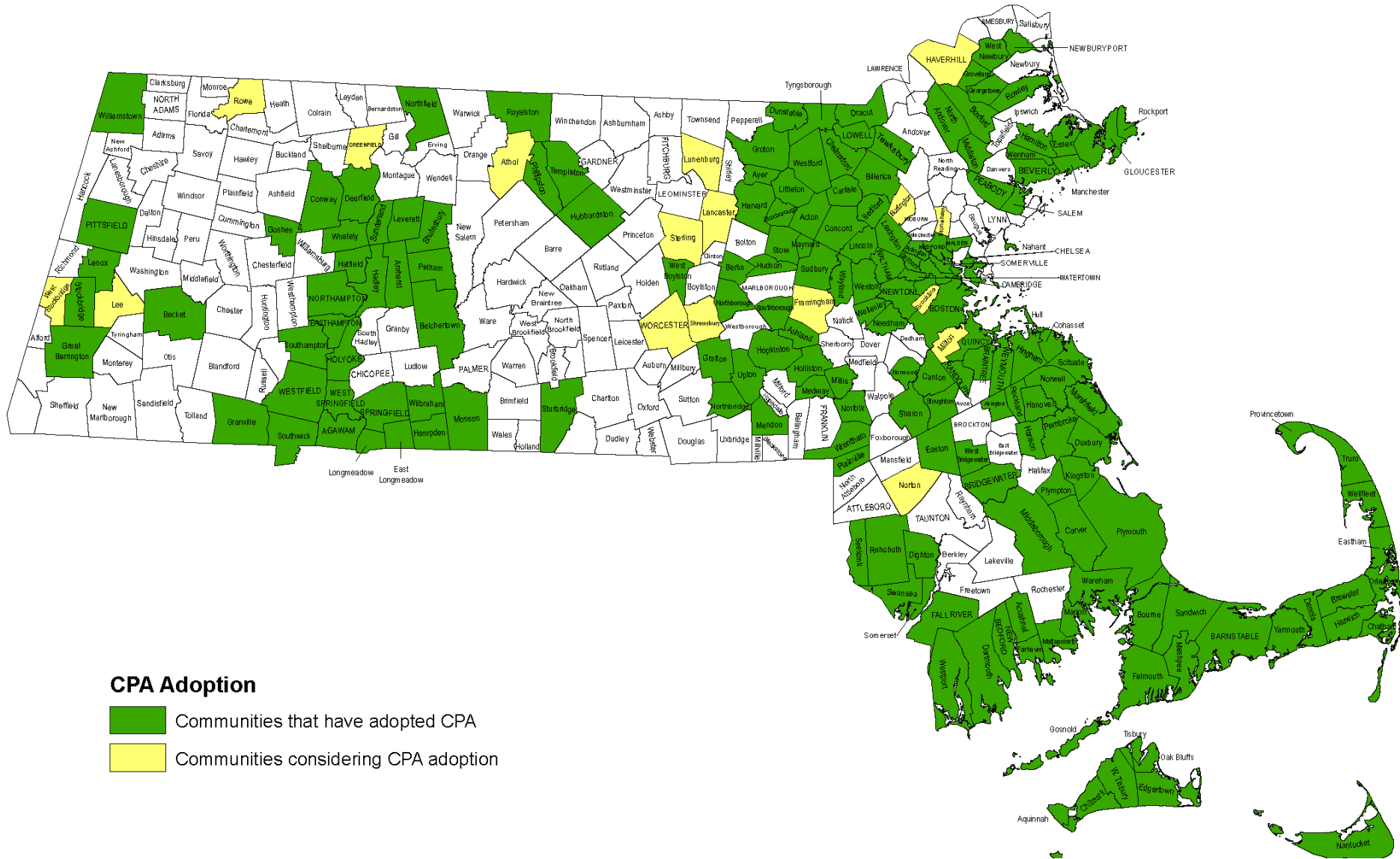
Total of **176** Cities and Towns

50% of municipalities

62% of Massachusetts residents

0 communities have revoked

Lots of Interest in Adoption This Year



Basics of CPA – CPA Revenue Sources

Local Surcharge:

Up to 3% surcharge on local property tax bills

State Contribution:

Annual distribution from statewide CPA Trust Fund



Community decides surcharge level and which exemptions to adopt



Menu of CPA Exemptions



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)

**Note: Any existing property tax exemptions apply to the CPA surcharge*

How To Adopt

Step One:

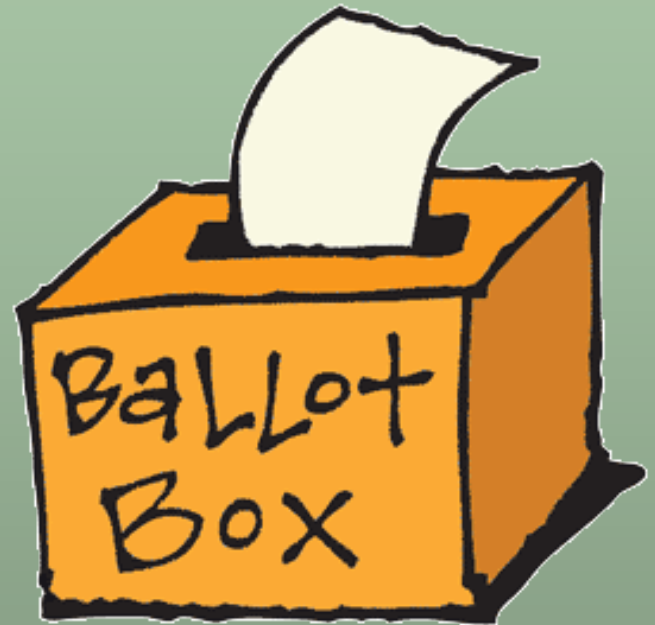
Put CPA Question on the Ballot

Legislative Body Vote

OR

Collect signatures of 5% of
registered voters

Deadline: Late August



How To Adopt

Step Two:

Ballot Election on 11/3/20

Success Ratio of CPA Elections on
Presidential Ballot:

83%

All Other Election Dates (local
and off-year State Elections):

56%



Timetable – Legislative Body



Soon: Finalize text for Town Meeting or Council vote

Town Meeting Vote

Submit Ballot Text to Secretary of State 60 days before Presidential Election

How Does CPA Work?

Pass a Community Preservation Committee Bylaw/Ordinance

Required representation from:

- Conservation Commission
- Historical Commission
- Planning Board
- Recreation Board
- Housing Authority

➤ Plus up to 4 additional members



Role of the Community Preservation Committee

- Assess community's CPA needs
- Accept/review project proposals
- Get input from the public and boards/committees
- Recommend CPA projects to Town Meeting/City Council

NOTE: Legislative Body approval required for all CPA projects!



CPA Funds at Work



CPA and Historic Preservation



Restoration of historic
municipal buildings



CPA and Historic Preservation



Adaptive Reuse
of Historic
Buildings



CPA and Historic Preservation



Grants to non-profit community groups (typically with a preservation easement)



CPA and Historic Preservation



Historic Municipal Document Preservation



CPA and Land Protection



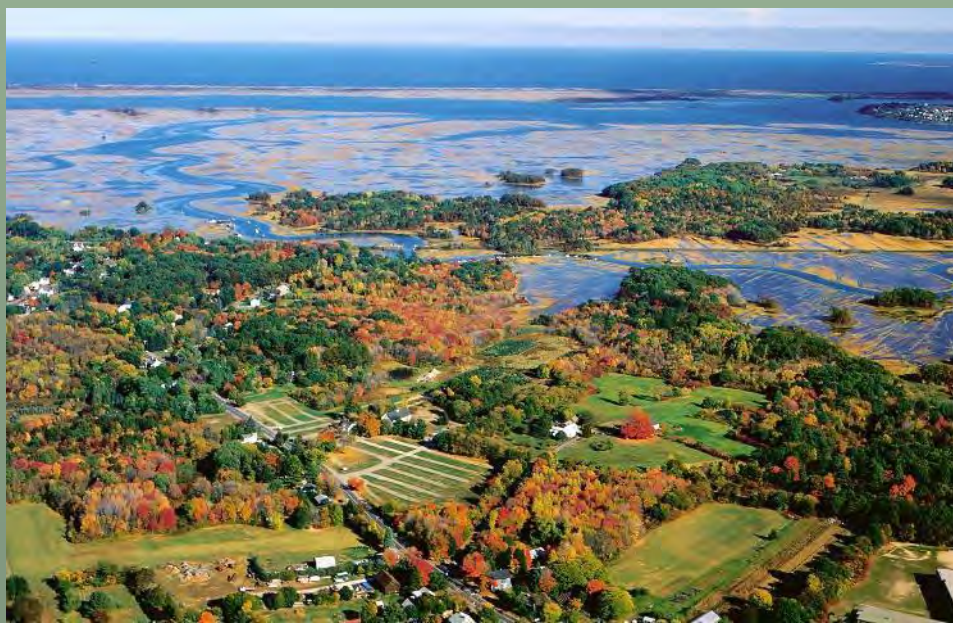
Preserving
Agricultural Land



CPA and Land Protection



Protecting
Vulnerable Land



CPA and Land Protection



Protecting Drinking
Water Supplies



CPA and Open Space/Recreation



Playgrounds



CPA and Open Space/Recreation



Athletic Fields



CPA and Open Space/Recreation



Hiking and Biking Trails



CPA and Open Space/Recreation



Parks



CPA and Open Space/Recreation



Community Gardens



CPA and Affordable Housing



For families & individuals earning up to 100% of area-wide median income



Differs from 40B in that:

- All local zoning and bylaws apply
- Legislative body approval required
- Permanently affordable

CPA and Affordable Housing



Housing for Veterans



CPA and Affordable Housing



Adaptive Reuse of Existing Buildings



CPA and Affordable Housing



Meeting
Specialized
Community Needs



CPA and Affordable Housing



Community
Involvement
and Non-profit
Partnerships



CPA and Affordable Housing



LEED Certification and
Sustainable Development



Town of Franklin						
CPA Estimated Calculations						
FY20 Data						
Property Class	Levy Availability	Less Exemptions	CPA Taxable Revenue	3%	2%	1%
Total Tax on Residential Property	\$65,394,573	-15,316,768	\$50,077,805	\$1,502,334	\$1,001,556	\$500,778
Total Tax C/I Property	\$12,869,712		\$12,869,712	\$386,091	\$257,394	\$128,697
Total Tax on Real Property	\$78,264,285	-15,316,768	\$62,947,517	\$1,888,425	\$1,258,950	\$629,475
			State Match (24%)*	\$451,333	\$300,889	\$69,242
			Total Annual Revenue	\$2,339,758	\$1,559,839	\$698,717
<u>What does this Mean for me?</u>						
Median Home Value	\$460,400					
Residential Exemption	\$100,000					
Total CPA Applied	\$360,400					
Tax Rate	\$14.51					
Property Tax Subject to levy surcharge	5,229.40					
3% surcharge	\$156.88					
2% surcharge	\$104.58					
1% surcharge	\$52.29					
Exemption, per residential property	\$100,000					
# of Residential Exemptions	\$10,448					
Total Exemption	\$1,044,800,000					
Tax Exemption	\$15,316,768					

* The state match fluctuates every year based off the actual numbers of revenue generated at the local level and based on revenues appropriated by the Legislature into the CPA Match Fund at the state.