

HB765 Overview

House Bill 765 - HB765 has been making its way through the legislature in various forms for a couple of years. The primary purposes are:

- To set the match at 75%
- To broaden the uses of CPA funds to make CPA more attractive to cities. The biggest change is to allow funds to be used on existing recreational facilities
- To allow up to 2% of local funding to come from alternate sources
- To clarify that “support of community housing” allows mortgage and rental assistance

Fixing the match at 75%

Current state matching funds come from a \$20 fee for each record filed at the Registry of Deeds. This would be changed to a sliding fee(capped at \$50) that is reviewed bi-annually and adjusted as needed to maintain a first-round match of 75%.

Match update - 4/16/2012

House Ways and Means Committee Vice-Chairman Stephen Kulik and House Minority Leader Bradley Jones filed an amendment to the House's Fiscal 2013 state budget (amendment #737).

The amendment's language contains the full text of An Act to Sustain Community Preservation (HB 765), with one exception. The funding mechanism proposed in the amendment is an annual transfer of \$25 million from the state's end-of-year budget surplus into the CPA Statewide Trust Fund, rather than an increase in the registry of deeds recording fees.

Changes to allowed uses(mostly recreational but others too)

Adoption rated for cities is low - just 16 out of 52 Massachusetts cities have adopted CPA. One of the biggest reasons is that cities generally have a lack of open space to preserve or use as recreational facilities. At the same time, they often have numerous parks that lack the funding required to maintain them. The big change is in Section 2 in the definition of “Rehabilitation”:

capital improvements(was remodeling or reconstruction) or the making of extraordinary repairs to historic resources, open spaces, lands for recreational use and community housing, for the purpose of making such historic resources, open spaces, lands for recreational use and community housing functional for their intended use
With respect to land for recreational use, rehabilitation shall include the replacement of playground equipment and other capital improvements to the land or the facilities thereon which make the land or the related facilities more functional for the related recreational use.

The definition of “Capital Improvements” is:

reconstruction or alteration to, or of, real property that: (1) materially adds to the value of the real property, or appreciably prolongs the useful life of the real property; (2) becomes part of the real property or is permanently affixed to the real property so that removal would cause material damage to the property or article itself; and (3) is intended to

become a permanent installation or is intended to remain there for an indefinite period of time.

The current definition of "Preservation" has been changed from:

"Preservation", protection of personal or real property from injury, harm or destruction, but not including maintenance (removed).

To

"Preservation," protection of personal or real property from injury, harm or destruction.

This **does not** allow us to use CPA funds for routine maintenance

Housing changes

Language has been added that makes it clear that direct assistance is allowed:

"Support of Community housing", shall include, but not be limited to, programs that provide grants, loans, rental assistance, security deposits, interest-rate write downs or other forms of assistance directly to individuals and families who are eligible for community housing, or to housing, for the purpose of making housing affordable.

Changes to local funding sources

Currently local funding comes from a surcharge of up to 3% of the real estate levy. This change that towns may get up to 2% of their total 3% from "another source or sources of municipal revenue, including but not limited to" hotel taxes, linkage fees, inclusionary zoning payments, sale of municipal property, parking fines, and other surcharges. The extra funds may not include any federal funds or funds from private sources.

Exemption changes

An additional optional exemption is added - \$100K for commercial properties. There is already a full exemption for commercial properties.

Changes to the CPC

Section 5 (b)(1) now reads: The community preservation committee shall study the needs, possibilities and resources of the city or town regarding community preservation, ***including the consideration of regional projects for community preservation.***

*The community preservation committee shall make recommendations periodically throughout the year, or as a single yearly recommendation to the legislative body for the acquisition, creation and preservation of open space; for the acquisition, preservation, rehabilitation and restoration of historic resources; for the acquisition, creation, preservation, **rehabilitation and restoration** of land for recreational use; for the acquisition, creation, preservation and support of community housing; and for the rehabilitation or restoration of open space and community housing that is acquired or created as provided in this section. With respect to community housing, the community preservation committee shall recommend, wherever possible, the reuse of existing buildings or construction of new buildings on previously developed sites. **With respect to recreational use, the acquisition of artificial turf for athletic fields shall be prohibited***

Software billing

Section 6 was modified to allow spending of up to 5% of CPA funds for software/billing

expenses in the first year only.

Misc Funding

Section 12 is amended to allow use of CPA funds to pay a non-profit *“to hold, monitor and enforce the deed restriction on said property”*