



FRIENDS OF THE BROOKFIELD TOWN HALL

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November 1st, 2012

**Letter to the Town Meeting
Town Of Brookfield
Elementary School
Brookfield, MA 01506**

I am writing this letter to present my case in favor of our adoption of the Community Preservation Act (CPA), which requires a majority vote at the November 1st town meeting and another majority vote at the May ballot election, and finally a 2/3 vote on a CPA by-law adoption at the annual town meeting.

In truth, when I first heard of the CPA a few years ago, I was skeptical. I believed that it was an increase in taxes that we didn't have a good reason to pursue. However, in our pursuit of an affordable way to renovate our historic town hall, I have thoroughly researched the CPA and discovered it is a very smart way to fund a significant portion of the town hall renovation. It does so without impacting low income families, it increases our opportunity for grants, and it significantly lowers the total burden on the town through the matching funds from the state.

Tonight's warrant article number 9 is approved by majority vote of the Select board, Capitol Improvement's Planning Committee and the Advisory Board.

What is the Community Preservation Act?

The CPA is a local surcharge of 3% on our property tax bills that is matched by the state, and in our case we expect a 100% match from the state against this local surcharge. This would locally raise approximately \$75,000 annually, and be matched by the state for a total of \$150,000. The state has raised its matching funds through a fee on all transactions recorded at the Registry of Deeds.

On a residence that is assessed at \$250,000 the yearly surcharge would be \$74.03, or \$6.17/month. There is an exemption for low income families and low and moderate income seniors. This means that if you have a family of 4 that makes less than \$66,880 a year or if you are over 60 years old and make less than \$58,520 (\$66,880 for a couple) you will be eligible for the exemption from the CPA

surcharge, which means that, if you apply for the exemption, you will not have to pay anything for the CPA.

The CPA money has to be used at least 10% for Open Space and Recreation, 10% for Historical Uses, and 10% for Affordable Housing. The matching funds are an incentive to persuade us to invest in these underfunded areas. We propose using 75% of the CPA funds for the Town Hall renovation.

Why do we want to adopt the Community Preservation Act?

1. The funds will be matched by the state. Over the lifetime of the debt for the town hall renovation, the state match will save us over \$1 million.
2. These funds will limit the impact of this project on low income families and seniors in town. By virtue of the exemption, low income families and low and moderate income seniors can opt out of the CPA surcharge by filing an application annually at the assessors' office. The exemption prevents those families in the area that are struggling from having to pay anything.
3. The CPA will improve our ability to receive additional grants for the project. The CPA is a checklist item in the Community Development Block Grant (CDBG) grant application, and increases our points toward receiving the grant. Also, other grants look at the local CPA as a source of matching funds, thus making us a better candidate for the mass historic preservation projects fund and several other grant programs. Foundations and other grant offering bodies like to see that the town is willing to invest smartly in a project like the Town Hall renovation and they support efforts to do so. Any grants provided directly bring down the cost of a town hall renovation.
4. The CPA funds will provide more than 40% of the money, 20% locally and 20% of state matching funds, to renovate the Brookfield Town Hall.
5. The CPA funds will also provide \$15,000/year for Open Space and Recreation, which, over time will fund the improvements to Lewis Field.

Please vote YES for the Community Preservation Act at the Brookfield Town Meeting on November 1st, at 7pm. This will allow the CPA to be placed on the ballot for the annual election in May. The CPA provides funds matched by the state at 100%, exempts those who are struggling financially in town, and increases our eligibility for grants. I believe it is a large and smart first step towards renovating the Brookfield Town Hall.

For more information please call me, Bill Simpson, at 508 867 6897, or if you are interested in researching the CPA please visit the website www.communitypreservation.org. Also, if you want to see our reasoning and plan for renovating the town hall visit the Friends of the Brookfield Town Hall at www.friendsofthebrookfieldtownhall.com.

Information prepared by Rudy Heller, CPA supporter

Text of Article 9 on the 11-1-12 warrant – Community Preservation Act

I move that the Town hereby accepts 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 and preservation of land for recreational use, the acquisition, creation, preservation and support of community housing, and the rehabilitation and restoration of such open space, land for recreational use and community housing that is acquired or created as provided under said Act; that the amount of such surcharge on real property shall be 3% of the annual real estate tax levy against real property commencing in fiscal year 2014; and that the Town 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, as defined in Section 2 of said Act, and \$100,000 of the value of each taxable parcel of residential real property.

How can the money be spent?

10% on Historic Preservation

10% on Open Space Conservation and Outdoor Recreation

10% on Community Housing Projects

CPA's history

- >> 148 MA cities and towns have adopted CPA (42% of the Commonwealth)
- >> Over \$1 billion has been raised to date for community preservation funding statewide
- >> Over 5,700 projects approved
- >> 5,080 affordable housing units have been created or supported
- >> Nearly 17,000 acres of open space have been preserved
- >> Nearly 2,900 appropriations have been made for historic preservation projects
- >> Close to 800 outdoor recreation projects have been initiated

Community Preservation Committee Bylaw

A town bylaw establishes the town's Community Preservation Committee, including the number of members and the length of terms. The bylaw also spells out how committee members are selected, whether by election, or appointment. The committee must include one member each from the local conservation commission, board of park commissioners, historical commission, planning board, and housing authority. If a town does not have one of these commissions, it can be someone serving in a similar capacity.

FAQs about Brookfield's proposed CPA Article # 9

#1 True or False: Adopting the CPA means a 3% increase in everyone's property taxes.

False. The 3% surcharge is calculated on a homeowner's assessed property value after a \$100,000 exemption. A residential property valued at \$100,000 would pay no surcharge. In Brookfield, the average house is valued at about \$200,000 and based on the current tax rate, the CPA increase would be \$74 per year or \$19 per quarterly tax bill. In addition, there are exemptions for low and moderate income seniors and low income individuals and families. Many households will not pay any surcharge.

#2 True or False: CPA and 2-1/2 Overrides are really the same.

False. CPA brings new money into our town while the override only allows us to tax ourselves higher. Also CPA amounts can be changed easily while a 2-1/2 override is difficult to reverse. The amount of the CPA surcharge is generally small compared to increases in 2-1/2 overrides.

#3 Who decides how CPA money is spent?

Town Meetings. A town meeting must approve all CPA expenditures. A Community Preservation Committee will review proposals and forward recommendations to the Select Board. They in turn will place the recommendations on the town warrant.

#4 True or False: CPA doesn't allow us to set our own priorities.

False. We decide how we want to use the money (within the guidelines of the law). CPA adds to our funds because the town funds are matched by the state., Brookfield has had many projects that would have qualified since CPA was created. We paid for them in full from our tax base. With CPA we would have had matching funds and only paid half of the total amount.

#5 True or False: State CPA match funds are not part of the annual state budget appropriation process.

True. The state CPA match funds come from a special trust funded by fees on property transactions. Distribution amounts are based on a formula in the law establishing the CPA. All efforts by legislators to divert funds from the trust fund for non-CPA uses have been defeated by towns which have passed the CPA. Brookfield is eligible to receive a 100% match, the first year and every year.

#6 True or False: A neighboring town has received over \$1 million in CPA matching funds.

True. The town of Sturbridge. Through their real estate transactions, residents of Brookfield have been paying into the state fund but not receiving any of the benefit.

#7 True or False: Adopting the CPA will hurt farmers in Brookfield.

False. Farmland doesn't receive the \$100,000 exemption, but many farms in Brookfield have favorable valuations due to their classification as protected farmland. Moreover, CPA funds can be used for the local match for the state APR program and CPA projects can help protect local water resources.

#9 True or False: We likely will get much less than 100% matching funds.

False. The state formula favors small towns (under 5000 in population). If we have a 3% CPA surcharge, it is almost guaranteed that we will get 100% matching funds. The nine towns in the Commonwealth that received 100% matches last year were small towns with 3% surcharges.

#10 True or False: Once a town adopts the CPA it can't change its mind or undo the surcharge.

False. The surcharge percentage can be changed year to year. And a community can opt out of the CPA by a majority vote after 5 years.

CPA calculator

			Annual payment at 3%	Quarterly Payment Increase
Real Estate Value	\$ 250,000.00	Please fill in your real estate value in the highlighted box	\$150,000	\$24.68
			\$200,000	\$49.35
Value - 100K	\$ 150,000.00		\$250,000	\$74.03
			\$300,000	\$98.70
Annual Taxes on Value above 100K	\$ 2,467.50		\$350,000	\$123.38
			\$400,000	\$148.05
Annual 3% surcharge	\$ 74.03	This is the annual CPA cost which will fund approximately 1/4 of the town hall renovations and will be matched by the state, current match rates for towns our size are 100%.	\$450,000	\$172.73
			\$500,000	\$197.40
			\$550,000	\$222.08
			\$600,000	\$246.75
			\$650,000	\$271.43
			\$700,000	\$296.10
Annual Revenue Raised by Brookfield	\$74,524			
Estimated State Match	\$74,524			
Total annual CPA Revenues	\$149,048			

Can you file for an exemption?

Does your household income fall below the amounts listed on the chart below?

If it does, you are eligible for an exemption from the CPA surcharge.

The exemption will require an annual application stating your income at the assessors office.

Property owned and occupied by a senior 60 or older								
	1	2	3	4	5	6	7	8
Household Size								
Household Income	58,520	66,880	75,240	83,600	90,288	96,976	103,664	110,352
Property owned and occupied by a non-senior								
	1	2	3	4	5	6	7	8
Household Size								
Household Income	46,816	53,504	60,192	66,880	72,230	77,581	82,931	88,282