

ATM 32 – Repeal Community Preservation Act

draft minutes from 3/3/16 A&F meeting

Steve Striar, Petitioner, outlined several practical reasons for repealing the Community Preservation Act:

- Taxpayers would appreciate the savings upon repeal (about \$85 per year on a \$400,000 home).
- Keeping properties on the tax roll. Not only vacant open space land but existing structures like the Simes House and several downtown properties which were acquired and repurposed. These properties may have ultimately found their way into private ownership and back on the tax roll. Together they could be generating hundreds of thousands of dollars in tax revenue every year to help pay for needed town services and projects.
- Along with the increase in the tax base associated with development and private ownership, the town would also benefit from increases in other taxes and fee revenue. Its citizens and businesses benefit as well, from additional consumer spending for services and products to enhanced employment opportunities to provide those services and products.
- Keeping housing affordable in Plymouth, the ability of the marketplace to create and keep pace with the need for real workforce housing. We may be able to slow the price appreciation for homes by pulling the public money out of the mix, allowing market forces to correct a bit and bring the average price down.

He also offered philosophical and historical reasons for repealing the Community Preservation Act:

- Proposition 2 ½ was approved in 1980 by voter referendum. This put a cap on the level of municipal tax increases. Local and state officials look for ways to get around Prop 2 ½ mandates and “Local Option” taxes are used to circumvent the will of the voters as expressed by the approval of Prop 2 ½.
- In the 1990s after repeatedly failing to win passage of legislation to create a Land Bank option for municipalities, which would have been funded by local real estate transfer tax and used exclusively for conservation purposes, proponents changed their strategy to include historic preservation and affordable housing. In order to pave the way for local passage the CPA includes an incentive, matching funds, funds from a fee (another tax) charged for recording documents at the County Registry of Deeds. In September 2000 the CPA was signed into law.

What grew out of the best of intentions was a legislative scheme to get around the restrictions imposed by Prop 2 ½.

- Even worse, the towns that did not pass the CPA locally are required to subsidize the participating communities every time they record a document at the Registry.
- And still worse for everyone, because shortfalls in the level of matching funds, down 20%, the State has started supplementing the community preservation fund with general fund dollars. Millions of dollars that should be going to fix our roads and bridges, fund our schools, to provide health care services for those in need, is being diverted from this common good.

Also, considering many of the municipalities that opted for the higher 3% tax are some of the wealthiest in the state, it raises a significant question about the overall fairness and prudence of the Act itself. Is it good public policy to redirect limited assets from poorer communities to wealthier ones?

Mr. Striar asked: “Putting aside the fairness issue, one can now ask, is it in the best interests of the citizens of a city or town to give the local government, even one populated by wonderful people with good intentions, the ability to raise an appropriate money this way? Creating, in essence a slush fund to be administered by those good, well intentioned people to further their vision and beliefs?” He answered, no. He believes these funds should be raised and appropriated like other funds in our community. Open space, historical preservation and affordable housing should not be funded or managed any differently. He believes the people of Plymouth, historical societies, conservation groups and affordable housing advocates will continue their work after the CPA is repealed just like they did before CPA existed. He said a list of projects done prior to CPA is in the material and that Plymouth never lacked desire to support these issues. Also provided in the material is information from the NAHB outlining income, jobs and taxes generated from home building.

Mr. Striar asked for consideration and support of this article. He said that the CPA is another sub-branch of government with minimal oversight. He shared that there is a disturbing provision of the CPA is that it may

only be repealed (after being in effect for at least five years) in the same manner by which it was enacted, by legislative action of Town Meeting and then only if they approve, to a referendum. This is the only tax of any kind that places such a burden on the people to affect its repeal.

Public Comment

- Bill Keohan said that he has been on the Community Preservation Committee for 14 years and that the committee votes on every project. They then attend many Board of Selectmen meetings, Advisory & Finance meetings, and Town Meeting caucuses where the projects are further vetted and approved. The CPA works as a tool benefiting the quality of life here in Plymouth. In addition to the thousands of acres of open space CPC has conserved, and partnerships with housing authorities and non-profits with affordable housing, they have also taken on a lot of historical projects around town. One example is the Spire Center, which was a historical project which created economic development and jobs in town. The CPC was able to secure \$600,000 in grants and now tens of thousands of people have been to events there and those attendees go to restaurants in town, and fill hotels. The CPC has supported historical landmarks which benefit residents and tourists now, into 2020 and beyond. There are lots of examples where CPC has brought amenities online which enhance lives. This is much different than the statistics of the homebuilders association where homebuilding taxes the infrastructure and resources of our town. He shared a pie chart which illustrated the revenues the CPC receives: 37% from the surcharge (tax), 2% from interest, 21% from the state match, and 40% from leverage and grants. The amount received in tax is nearly tripled (2.7x).
- Paul Withington, former CPC member, spoke about the history of the Community Preservation Act. He said it did begin with the motivation to protect open space and then added the preservation of historic character in Massachusetts, and then added affordable housing to achieve the votes they needed to pass the Act. In the first year of CPA, Duxbury passed the Act and Plymouth did not. That year Plymouth paid \$50,000 to the Registry of Deeds to be distributed to those towns in the Act. It can be said basically that Plymouth paid \$50,000 that year to fund a project in Duxbury. Plymouth joined the Act the next year. Some towns have never joined and continue to pay the fee. If Plymouth repeals, we will do that again, pay for projects in other towns. Plymouth is the perfect place for CPC. We need to protect our aquifer, we have a great quality of water here and we need to protect that. The Open Space Committee is responsible for bringing the CPA to Plymouth. They saw all of the developments that went in where the real estate taxes being paid from those developments did not cover the amount of town services provided. In the long run, if we protect our water supply, it by far provides more good for our population and our town in general.

Mr. Striar said that no one can argue the benefits of the CPA. I feel Advisory & Finance and Town Meeting should approve this article because it is the right of the people of Plymouth that they have the right to vote on whether the CPA stays in Plymouth. The people of the Town of Plymouth should have that right.

Harry Helm made a motion to recommend ATM Article 32 to Town Meeting. Mike Lincoln, second.

Comments/Discussion

- Do homeowners have the ability to vote on their real estate taxes? (H Helm) Not directly.
- Is that similar to the way CPC funds are handled? (H Helm) Yes.
- Water is a big priority. I do not agree with 100% of the purchases but the CPA/CPC do a lot of good in the community. (S Joyce)
- Plymouth saw an opportunity and did something, passing the CPA was the will of those voters. The incentive involved with CPA is legitimate. The use of public funds for that is important and legitimate. The idea that the only way to change this is to put it on the ballot is inaccurate. We can petition the state for special legislation to limit the percentage rate or purpose of CPA. Protecting water is important. Affordable housing is important. Repealing the CPA is not in the town's best interest. Modifying the CPA is a different conversation.

The motion fails unanimously (0-11-0).