

City of Cambridge

HOUSING COMMITTEE MEMBERS

Councillor Jim Braude, Chair
Councillor Kathleen L. Born
Councillor Henrietta Davis
Councillor Marjorie C. Decker
Vice Mayor David P. Maher

~~In City Council March 19, 2001~~
~~Committee Report #6~~
In City Council April 2, 2001
Calendar Item #4

The Housing Committee held a public hearing on February 21, 2001, beginning at 5:30 P.M. in the Sullivan Chamber for the purpose of consideration of the Community Preservation Act; recent state legislation which went into effect on December 13, 2000.

Present at the hearing were Councillor Jim Braude, Chair of the Committee, Councillor Marjorie C. Decker and City Clerk D. Margaret Drury. Also present were Robert W. Healy, City Manager, James Maloney, Assistant City Manager for Finance, Charles Sullivan, Executive Director of the Historical Commission, and Darcy Jameson, Director of Housing, Community Development Department.

Councillor Braude convened the hearing and explained the purpose. He summarized the provisions of the recent Community Preservation Act. He invited Robert W. Healy to make a presentation.

Mr. Healy stated that at the last committee discussion, the question was outstanding as to whether any existing expenditures that Cambridge makes in these areas can count for purposes of the matching funds that the state will provide. This is important for Cambridge because Cambridge now spends a much greater percentage of its property tax revenues on affordable housing than other communities do. Mr. Healy said that Jim Maloney and Beth Rubenstein met with policy staff from the state's Department of Housing and Communities and Department of Revenue. Their answer was no, no current expenditures can be credited to meet the allocation percentages that would count towards any calculation for state matching funds.

Mr. Healy said that he recommends that the City Council make its decision no later than the last meeting in June, even though the actual deadline for City Council action is in the fall. Mr. Healy noted that the City Council can vote for a property tax surcharge of up to 3% of the levy which would be \$5.7 million. He said that there are multiple possible exemptions, for example exempting the first \$100,000 of value. With no exemptions the amount would be \$5.4 – 5.7 million, plus the match money from the state, depending on the amount of state match money available.

Mr. Healy noted that there are also technical issues that need to be decided. The City would want to look at continuing the role of Affordable Housing Trust in the affordable housing funding decisions with regard to Community Preservation Act (CPA) affordable housing funds. The legislation also creates a Community Preservation Committee.

Mr. Maloney stated that the City is looking at 6-7% levy increases in the normal budget increases. He has not seen any school budget requests yet, but he suspects that the School Department will be looking for funds for a technical arts program, so adding a CPA surcharge could mean a total increase of 9-11% in tax bills.

Mr. Maloney noted that if the CPA were to be adopted, there would be an inevitable loss of some flexibility. Any changes in the provisions, for example the percentage amount on exemptions allowed, would require a whole new vote by Cambridge voters.

Councillor Decker asked who makes final allocation decisions for the use of the funds. Mr. Healy said that the Council makes the final decisions, after receiving a recommendation from the Community Preservation Committee. The statute itself requires allocation of at least 10% of the CPA funds to each of the three categories, affordable housing, open space and historic preservation.

Councillor Decker asked who has final authority for the makeup of the committee. Mr. Healy said that several members are designated by statute; the City Manager would be the appointing authority.

Councillor Braude said that the state will have up to \$26 million of matching funds. The first distribution will be October 2002. So if the voters approve the CPA in November, the City would have to act quickly. A city or town that doesn't accept the full 3% surcharge is only eligible for the first disbursement of 80% of the matching funds and not for further rounds in which the remaining 20% would be distributed.

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Councillor Decker emphasized that the act does not limit what the City already spends on affordable housing, open space and historic preservation.

Councillor Braude then invited public testimony.

Matt Irish, staff to Senator Tolman, said their calculation of what new funds the CPA would give Cambridge is \$4.7 million without counting matching funds. His figures come from the Executive Office of Environmental Affairs. He noted that the last day for the City Council to adopt the CPA is October 2, for the November 2001 election. He submitted a letter for Senator Tolman (**Attachment A**).

Representative Jarrett Barrios, Prospect Street, emphasized the importance to Cambridge of this law. He said that during the legislative debate many representatives were pushing for a transfer tax option. When that was lost, the state matching funds provision was added to the bill. There is real money out there from the state. Representative Barrios said that his opinion is that existing expenditures should be able to be used in calculating the amount of state matching funds a city is eligible for.

Councillor Braude told Representative Barrios that this position is completely different from what Cambridge staff were told by DOR. Councillor Braude explained the Department of Revenue position. Representative Barrios said that the reason for the provision was to help Cambridge not be penalized for the work it already does. In this context, the position that existing expenditures cannot be counted is contrary to the legislative intent.

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Representative Barrios stated that he has had a number of discussions with the Executive Office of Environmental Affairs. He will be happy to work with Mr. Healy and Mr. Maloney. The bill was intended to enable a match for a municipality in the circumstances of Cambridge, that is, one already putting a great deal of funding into housing, open space and historic preservation.

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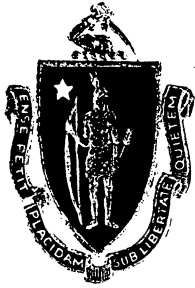
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The meeting was adjourned at 6:30 p.m.

For the Committee,


Councillor Jim Braude, Chair

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COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS SENATE
STATE HOUSE, BOSTON 02133-1053

2001 FEB 23 A 10:08

SENATOR STEVEN A. TOLMAN

MIDDLESEX AND SUFFOLK
DISTRICT

ROOM 213A

TEL. (617) 722-1280

FAX (617) 722-1069

OFFICE OF THE CITY CLERK
CAMBRIDGE, MASSACHUSETTS
LOCAL GOVERNMENTS (CHAIR)
BANKS AND BANKING
FEDERAL FINANCIAL ASSISTANCE
STATE ADMINISTRATION
SCIENCE AND TECHNOLOGY

February 22, 2001

D. Margaret Drury
City Clerk
Office of the City Clerk
City of Cambridge
795 Massachusetts Avenue
Cambridge, MA 02139

Dear Clerk Drury:

Pursuant to the request of Councillors Dekker and Braude I have enclosed written testimony on behalf of my support for the Community Preservation Act.

Executive Office of Environmental Affairs Secretary Robert Durand originally sponsored the CPA when he was in the Senate. The Community Preservation Act (CPA) was passed by both the House of Representatives and the Senate on September 11, 2000 and signed into law on September 14, 2000. The law went into effect on December 13, 2000. I was a co-sponsor of this legislation and voted for its passage in the Senate.

The CPA allows communities to create a local Community Preservation Fund through a surcharge of up to 3% of the real estate tax levy on real property in the municipality for open space, historic preservation and low and moderate income housing. The act also creates a significant state-matching fund of more than \$25 million annually. Local municipalities must adopt the act by ballot referendum.

A municipality may accept the CPA through passage by the legislative body or through a citizen initiative. In either case, the CPA must subsequently be approved by a simple majority of local voters in an election.

Once adopted locally, the CPA would require at least 10% of the monies raised to be distributed to three categories; historic preservation, open space protection and low and moderate income housing. The CPA remains in effect for a minimum of five years from the date of voter approval in a municipality. After five years it can be revoked in the same manner used to originally approve the CPA.



The Trust for Public Land
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Questions and Answers

12/20/00

Q: When does CPA go into effect?

CPA was signed into law on September 14, 2000 and became effective 90 days later, on December 13, 2000. As a result, December 13, 2000 is the earliest date on which a city or town's legislative body (city council or town meeting) may accept the terms of CPA and schedule a referendum.

Q: What is the process for approving CPA in a community?

A municipality may accept CPA through passage by the legislative body (town meeting or city council) or through a citizen initiative. In either case, CPA must subsequently be approved by a simple majority of local voters in an election.

Legislative:

1. The municipal legislative body (town meeting or city council) must approve, with a simple majority, a warrant article (town) or motion (city) to accept the provisions of the Community Preservation Act. (See pages 9-11 for sample warrant/motion and ballot language.)
2. The acts of the town meeting/city council are then referred for voter approval at the next regularly scheduled municipal election (See page 13 for a schedule of elections) or general state election (November of even-numbered years), whichever comes first. A CPA referendum may not be scheduled for a special election.
3. The legislative body must accept CPA and submit the ballot question to the municipal clerk at least 35 days (calendar days, not business days) prior to a regularly scheduled municipal election or 60 days prior to a general state election. For a state election, ballot questions must be submitted to the Secretary of State. Municipalities cannot submit a CPA ballot question to the clerk for placement at an election until it has been accepted by the local legislative body (or approved through a citizen initiative process).
4. In many towns, regular town meeting does not take place 35 days before municipal elections (in some cases elections precede town meeting). As a result, to avoid delaying the referendum, a town may accept CPA at a special town meeting.

Citizen Initiative:

1. If a municipal legislative body fails to approve or does not consider CPA 90 days prior to a local election or 120 days before a state election, citizens may circulate an initiative petition seeking to place the question directly on the ballot.
2. The petition must be signed by 5 percent of the registered voters in the municipality.
3. The municipal clerk (or Secretary of State for state elections) has 7 days to certify the petitions. The approved question must be placed on the ballot 35 days prior to the municipal election and 60 days prior to a state election. To ensure adequate time to correct problems that may be uncovered during certification, it is advisable for citizens to submit petitions in advance of these deadlines.

Q: How long will CPA remain in effect?

CPA remains in effect for a minimum of five years from the date of voter approval in a municipality. After five years, it can be revoked in the same manner-legislative body acceptance (simple majority) or initiative petition followed by voter approval-used to approve CPA originally.

Q: Can the level of the CPA surcharge be amended?

Yes. The level of the surcharge (and the optional exemptions) can be changed at any time after the surcharge is imposed, through a simple majority vote of the legislative body followed by voter approval. At no time can the surcharge exceed 3 percent.

Q: Who determines how the funds raised through CPA will be spent?

If a municipality approves CPA, it must also establish a Community Preservation Committee that will make annual recommendations to the legislative body on how the money shall be spent. The Community Preservation Committee is established by a separate municipal ordinance or bylaw that must be passed with majority support of the legislative body.

This can be done at the same time that the legislative body accepts CPA, with a separate motion (city council) provided that the vote includes language that the bylaw or ordinance will not go into effect unless voters approve the CPA referendum at the next election. It can also be done after the election.

Under the terms of CPA, the Community Preservation Committee shall consist of 5-9 members, and must include one representative each from the local conservation, parks, and historical commissions; planning board; and housing authority. If a municipality has not established one or more of these boards or commissions, a representative serving in a similar capacity can be appointed to the committee.

Q: What elements must comprise the bylaw or ordinance establishing the CPA Committee?

The bylaw or ordinance must spell out the following information:

- The number of members on the committee (between 5 and 9 members)
- The officeholders designated as part of the committee (see previous question)
- The length of the term
- The method for selecting committee members, whether by election or appointment or both

Beyond these requirements, the specific construction of the bylaw or ordinance should be crafted with local counsel to ensure that it conforms with local legislative practice.

Q: Does CPA contain specific requirements on how the money must be spent?

Yes. Each fiscal year, upon recommendation of the committee, the legislative body must spend, or set aside for future spending, the following share of annual Community Preservation Fund revenues:

- 10 percent for open space (cannot include active recreation fields or playgrounds)
- 10 percent for historic resources
- 10 percent for community housing

Beyond these required disbursements, the municipal legislative body will be guided by the recommendations of the Committee on how the remaining 70 percent of annual CPA revenues shall be divided among the three purposes. For example, a municipality could allocate the remaining 70 percent of the annual revenue to one purpose, spread it evenly among all three, or set the funds aside for future spending. Each year, the municipality can modify the spending mix for the remaining 70 percent of the fund.

Q: Are there any special provisions regarding property purchased with the Community Preservation Fund?

Yes. Any property purchased with the Fund must be subject to a permanent deed restriction limiting the use of the property to its CPA-related purpose. The municipality (or the state or a nonprofit organization designated by the municipality) must enforce the deed restriction. The municipality can delegate the property's management to a local board or nonprofit organization.

The municipality may also use the Fund to pay for land takings through eminent domain, if they are recommended by the Community Preservation Committee and approved by a 2/3-majority vote of the legislative body.

Q: Can a municipality issue bonds in anticipation of CPA proceeds?

Yes. A municipality may issue general obligation bonds or notes in anticipation of the municipality's CPA property tax surcharge revenue

proceeds. Such bonds or notes must be repaid as soon after such revenues are collected as is expedient, and may be used for any of the three purposes under CPA. If a municipality issues bonds or notes, the surcharge necessary to pay debt service must remain in effect, even if the rest of the surcharge is otherwise revoked after five years.

Q: Can a municipality allocate CPA proceeds to cover operating expenses of the Community Preservation Committee?

Yes, as long as such funds are used in a manner consistent with the recommendations of the municipality's Community Preservation Committee, and do not exceed 5 percent of the annual revenues in the Community Preservation Fund.

Q: Can money in the Community Preservation Fund be used to match state or federal grants?

Yes, as long as the municipality's Community Preservation Committee recommends such a purpose to the legislative body.

Q: Are any exemptions from the CPA surcharge allowed?

Yes. Taxpayers currently exempt from real property taxes under Chapter 59 of Massachusetts General Laws are exempt from the new CPA surcharge. In addition, the municipal legislative body, as part of the warrant or motion to create CPA, may allow several additional exemptions to the CPA surcharge for:

1. Property owned and occupied by a person who would qualify for low income housing or low or moderate-income senior housing in the city or town,
2. The first \$100,000 of taxable value of residential real estate, and
3. Class three commercial or class four industrial properties in cities or towns with classified tax rates.

A municipality may make changes to these exemptions at any time with approval of the legislative body and subsequent voter approval.

Q: What is the relationship between CPA and Proposition 2 ½?

Property taxes collected under CPA are not counted as part of a municipality's total taxes assessed for the purposes of calculating the tax limitations imposed by Proposition 2 ½.

Q: Are state matching funds available?

Yes. Through the newly created Community Preservation Trust Fund (CPTF), the state will provide matching grants to communities that have adopted CPA. The CPTF will receive funds through a surcharge of \$20 on most filings at the Registry of Deeds and land filings at the Land Court. Municipal liens will be assessed a \$10 surcharge, and homestead declarations will be exempt from the surcharge. Based on filings in 1999, the CPTF's revenues are estimated at upwards of \$25 million annually.

Q: How will state matching funds be allocated among municipalities?

The state Community Preservation Trust Fund provides allocations only to municipalities in which voters have approved CPA. The Commissioner of Revenue will allocate the Fund's proceeds annually in several distribution rounds, but the total distribution to a municipality cannot exceed 100 percent of the local CPA property tax surcharge collected (a 1:1 ratio). No state funds will be allocated until the municipality not only accepts CPA, but actually collects tax revenue.

During the first round, 80 percent of the Fund balance will be allocated equally (on a percentage basis of the amount collected by each municipality) to all municipalities that have adopted the property tax surcharge. The match must be at least 5 percent but not more than 100 percent of the amount raised by the surcharge in the municipality.

The remaining 20 percent will be distributed solely among municipalities that have adopted the maximum 3 percent property tax surcharge. The funds will be allocated based on a community's "preservation rank," with communities divided into 10 equal sized decile groups. Their rank is a function of a community's property tax valuation per capita and population. Communities with high tax values per capita and high populations would have the lowest

ranking and receive the lowest grants, and vice versa.

If there is money left in the state Trust Fund after a second round, there will be another equity distribution only for those that have accepted a 3 percent property tax surcharge.

If fewer than 10 percent of the state's 351 municipalities have approved CPA, the Commissioner of Revenue may conduct only one round of distributions or distribute the state funds in any equitable manner.

Q: When and how will these funds be disbursed?

Every year on October 15, the Commissioner of Revenue will disburse local grants to communities that have notified the Commissioner of its acceptance. The community must also certify to the Commissioner on June 30 annually the amount of revenue raised through the CPA surcharge and the rate imposed.

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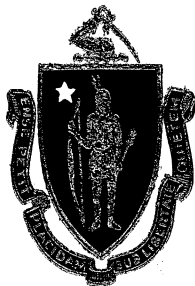
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For the Committee,

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Councillor Jim Braude, Chair

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COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS SENATE
STATE HOUSE, BOSTON 02133-1053

2001 FEB 23 A 10:08

OFFICE OF THE CITY CLERK
CAMBRIDGE, MASSACHUSETTS
CITY CLERK (CHAIR)
BANKS AND BANKING
FEDERAL FINANCIAL ASSISTANCE
STATE ADMINISTRATION
SCIENCE AND TECHNOLOGY

SENATOR STEVEN A. TOLMAN

MIDDLESEX AND SUFFOLK
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TEL. (617) 722-1280

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February 22, 2001

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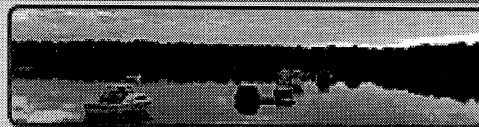
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MASSACHUSETTS

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1. If a municipal legislative body fails to approve or does not consider CPA 90 days prior to a local election or 120 days before a state election, citizens may circulate an initiative petition seeking to place the question directly on the ballot.
2. The petition must be signed by 5 percent of the registered voters in the municipality.
3. The municipal clerk (or Secretary of State for state elections) has 7 days to certify the petitions. The approved question must be placed on the ballot 35 days prior to the municipal election and 60 days prior to a state election. To ensure adequate time to correct problems that may be uncovered during certification, it is advisable for citizens to submit petitions in advance of these deadlines.

Q: How long will CPA remain in effect?

CPA remains in effect for a minimum of five years from the date of voter approval in a municipality. After five years, it can be revoked in the same manner-legislative body acceptance (simple majority) or initiative petition followed by voter approval-used to approve CPA originally.

Q: Can the level of the CPA surcharge be amended?

Yes. The level of the surcharge (and the optional exemptions) can be changed at any time after the surcharge is imposed, through a simple majority vote of the legislative body followed by voter approval. At no time can the surcharge exceed 3 percent.

Q: Who determines how the funds raised through CPA will be spent?

If a municipality approves CPA, it must also establish a Community Preservation Committee that will make annual recommendations to the legislative body on how the money shall be spent. The Community Preservation Committee is established by a separate municipal ordinance or bylaw that must be passed with majority support of the legislative body.

This can be done at the same time that the legislative body accepts CPA, with a separate motion (city council) provided that the vote includes language that the bylaw or ordinance will not go into effect unless voters approve the CPA referendum at the next election. It can also be done after the election.

Under the terms of CPA, the Community Preservation Committee shall consist of 5-9 members, and must include one representative each from the local conservation, parks, and historical commissions; planning board; and housing authority. If a municipality has not established one or more of these boards or commissions, a representative serving in a similar capacity can be appointed to the committee.

Q: What elements must comprise the bylaw or ordinance establishing the CPA Committee?

The bylaw or ordinance must spell out the following information:

- The number of members on the committee (between 5 and 9 members)
- The officeholders designated as part of the committee (see previous question)
- The length of the term
- The method for selecting committee members, whether by election or appointment or both

Beyond these requirements, the specific construction of the bylaw or ordinance should be crafted with local counsel to ensure that it conforms with local legislative practice.

Q: Does CPA contain specific requirements on how the money must be spent?

Yes. Each fiscal year, upon recommendation of the committee, the legislative body must spend, or set aside for future spending, the following share of annual Community Preservation Fund revenues:

- 10 percent for open space (cannot include active recreation fields or playgrounds)
- 10 percent for historic resources
- 10 percent for community housing

Beyond these required disbursements, the municipal legislative body will be guided by the recommendations of the Committee on how the remaining 70 percent of annual CPA revenues shall be divided among the three purposes. For example, a municipality could allocate the remaining 70 percent of the annual revenue to one purpose, spread it evenly among all three, or set the funds aside for future spending. Each year, the municipality can modify the spending mix for the remaining 70 percent of the fund.

Q: Are there any special provisions regarding property purchased with the Community Preservation Fund?

Yes. Any property purchased with the Fund must be subject to a permanent deed restriction limiting the use of the property to its CPA-related purpose. The municipality (or the state or a nonprofit organization designated by the municipality) must enforce the deed restriction. The municipality can delegate the property's management to a local board or nonprofit organization.

The municipality may also use the Fund to pay for land takings through eminent domain, if they are recommended by the Community Preservation Committee and approved by a 2/3-majority vote of the legislative body.

Q: Can a municipality issue bonds in anticipation of CPA proceeds?

Yes. A municipality may issue general obligation bonds or notes in anticipation of the municipality's CPA property tax surcharge revenue

proceeds. Such bonds or notes must be repaid as soon after such revenues are collected as is expedient, and may be used for any of the three purposes under CPA. If a municipality issues bonds or notes, the surcharge necessary to pay debt service must remain in effect, even if the rest of the surcharge is otherwise revoked after five years.

Q: Can a municipality allocate CPA proceeds to cover operating expenses of the Community Preservation Committee?

Yes, as long as such funds are used in a manner consistent with the recommendations of the municipality's Community Preservation Committee, and do not exceed 5 percent of the annual revenues in the Community Preservation Fund.

Q: Can money in the Community Preservation Fund be used to match state or federal grants?

Yes, as long as the municipality's Community Preservation Committee recommends such a purpose to the legislative body.

Q: Are any exemptions from the CPA surcharge allowed?

Yes. Taxpayers currently exempt from real property taxes under Chapter 59 of Massachusetts General Laws are exempt from the new CPA surcharge. In addition, the municipal legislative body, as part of the warrant or motion to create CPA, may allow several additional exemptions to the CPA surcharge for:

1. Property owned and occupied by a person who would qualify for low income housing or low or moderate-income senior housing in the city or town,
2. The first \$100,000 of taxable value of residential real estate, and
3. Class three commercial or class four industrial properties in cities or towns with classified tax rates.

A municipality may make changes to these exemptions at any time with approval of the legislative body and subsequent voter approval.

Q: What is the relationship between CPA and Proposition 2 ½?

Property taxes collected under CPA are not counted as part of a municipality's total taxes assessed for the purposes of calculating the tax limitations imposed by Proposition 2 ½.

Q: Are state matching funds available?

Yes. Through the newly created Community Preservation Trust Fund (CPTF), the state will provide matching grants to communities that have adopted CPA. The CPTF will receive funds through a surcharge of \$20 on most filings at the Registry of Deeds and land filings at the Land Court. Municipal liens will be assessed a \$10 surcharge, and homestead declarations will be exempt from the surcharge. Based on filings in 1999, the CPTF's revenues are estimated at upwards of \$25 million annually.

Q: How will state matching funds be allocated among municipalities?

The state Community Preservation Trust Fund provides allocations only to municipalities in which voters have approved CPA. The Commissioner of Revenue will allocate the Fund's proceeds annually in several distribution rounds, but the total distribution to a municipality cannot exceed 100 percent of the local CPA property tax surcharge collected (a 1:1 ratio). No state funds will be allocated until the municipality not only accepts CPA, but actually collects tax revenue.

During the first round, 80 percent of the Fund balance will be allocated equally (on a percentage basis of the amount collected by each municipality) to all municipalities that have adopted the property tax surcharge. The match must be at least 5 percent but not more than 100 percent of the amount raised by the surcharge in the municipality.

The remaining 20 percent will be distributed solely among municipalities that have adopted the maximum 3 percent property tax surcharge. The funds will be allocated based on a community's "preservation rank," with communities divided into 10 equal sized decile groups. Their rank is a function of a community's property tax valuation per capita and population. Communities with high tax values per capita and high populations would have the lowest

ranking and receive the lowest grants, and vice versa.

If there is money left in the state Trust Fund after a second round, there will be another equity distribution only for those that have accepted a 3 percent property tax surcharge.

If fewer than 10 percent of the state's 351 municipalities have approved CPA, the Commissioner of Revenue may conduct only one round of distributions or distribute the state funds in any equitable manner.

Q: When and how will these funds be disbursed?

Every year on October 15, the Commissioner of Revenue will disburse local grants to communities that have notified the Commissioner of its acceptance. The community must also certify to the Commissioner on June 30 annually the amount of revenue raised through the CPA surcharge and the rate imposed.

City of Cambridge

HOUSING COMMITTEE MEMBERS

*Councillor Jim Braude, Chair
Councillor Kathleen L. Born
Councillor Henrietta Davis
Councillor Marjorie C. Decker
Vice Mayor David P. Maher*

In City Council March 5, 2001

The Housing Committee held a public hearing on February 21, 2001, beginning at 5:30 P.M. in the Sullivan Chamber for the purpose of consideration of the Community Preservation Act; recent state legislation which went into effect on December 13, 2000.

Present at the hearing were Councillor Jim Braude, Chair of the Committee, Councillor Marjorie C. Decker and City Clerk D. Margaret Drury. Also present were Robert W. Healy, City Manager, James Maloney, Assistant City Manager for Finance, Charles Sullivan, Executive Director of the Historical Commission, and Darcy Jameson, Director of Housing, Community Development Department.

Councillor Braude convened the hearing and explained the purpose. He summarized the provisions of the recent Community Preservation Act. He invited Robert W. Healy to make a presentation.

Mr. Healy stated that at the last committee discussion, the question was outstanding as to whether any existing expenditures that Cambridge makes in these areas can count for purposes of the matching funds that the state will provide. This is important for Cambridge because Cambridge now spends a much greater percentage of its property tax revenues on affordable housing than other communities do. Mr. Healy said that Jim Maloney and Beth Rubenstein met with policy staff from the state's Department of Housing and Communities and Department of Revenue. Their answer was no, no current expenditures can be credited to meet the allocation percentages that would count towards any calculation for state matching funds.

Mr. Healy said that he recommends that the City Council make its decision no later than the last meeting in June, even though the actual deadline for City Council action is in the fall. Mr. Healy noted that the City Council can vote for a property tax surcharge of up to 3% of the levy which would be \$5.7 million. He said that there are multiple possible exemptions, for example exempting the first \$100,000 of value. With no exemptions the amount would be \$5.4 – 5.7 million, plus the match money from the state, depending on the amount of state match money available.

Mr. Healy noted that there are also technical issues that need to be decided. The City would want to look at continuing the role of Affordable Housing Trust in the affordable housing funding decisions with regard to Community Preservation Act (CPA)

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Committee Report #6

Committee Report from Councillor
Jim Braude, Chair of the Housing
Committee for a meeting held on
February 21, 2001 for the purpose
of consideration of the Community
Preservation Act; recent state
legislation which went into effect
on December 13, 2000.

meeting cancelled due
to snow storm
In City Council March 5, 2001
In City Council March 19, 2001
Charter Right Exercised
by Councillor Davis
In City Council
April 2, 2001
Report Accepted.

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