

HADLEY'S CPA FREQUENTLY ASKED QUESTIONS

What can Community Preservation Act (CPA) funds be used for?

CPA funds can only be used for projects that fall under these four areas: open space, outdoor recreation, historical preservation, and community housing. The Mass. Department of Revenue has created a chart that summarizes the allowable uses of CPA within these categories - see the button on this CPA website page labeled "DOR Chart for CPA Projects".

Each year 10% of the expected funds are required to be spent or reserved for future use in each of the three areas (Open Space and Outdoor Recreation are a joint category for the purposes of the funding requirement), with the remaining 70% listed as undesignated and available for projects in any of the three areas. At any given time, there is also a portion of CPA funds that have been approved at town meeting for projects but has not been spent yet.

When did Hadley adopt the CPA?

The CPA program was approved at the May 6, 2004 annual town meeting, with the maximum 3% surcharge and exemptions for the first \$100,000 of residential property value and full exemptions for low-income and low-to-moderate-income seniors. Hadley residents then adopted CPA through the passage of a ballot question on November 11, 2004.

Why do some towns have less than a 3% surcharge?

Under the CPA, a town can adopt up to a 3% surcharge. The benefits of being at 3% are that more funding is generated at the local level, and the annual distribution from the statewide CPA Trust Fund is higher if a town is at the full 3%. The annual distribution is issued in three rounds, with the first round being a "base match percentage" that is issued to all CPA municipalities; the second and third rounds provide additional to towns and cities that have the 3% surcharge. In 2022, 187 towns and cities had adopted the CPA. The state distributed 65 million from the trust fund and an additional 20 million from the state surplus. The base distribution percentage was 38.5% but because Hadley is eligible for the additional rounds of funding for 3% CPA communities, the town received a 93.9% match of what was raised at the local level.

How is the CPA fund funded?

The Hadley CPA is funded by three sources.

1. Hadley implements a 3% surcharge on annual property tax bills for homes and businesses. The first \$100,000 of the assessed value is exempt. There are also exemptions for low-income and low-to-moderated-income senior households.
Example: Property assessed at \$440,000. Tax rate \$11.39. First \$100,000 is exempt.
To calculate the 3% surcharge: $\$340,000/\$1,000 \times \$11.39 \times 3\% = \$116.18/\text{year}$
2. There is also an annual distribution from the statewide Community Preservation Trust Fund which provides additional funding each November to communities that have adopted the CPA. The trust fund is funded from fees collected by the Registry of Deeds and occasionally from the state budget surplus funds. Since the CPA was adopted by Hadley in 2004 the annual state match for Hadley has ranged from 43% to 100%.
3. The CPA funds are invested by the town's treasurer and interest earned is added to the undesignated account.

Through June 30, 2023, the total dollar amount that has been added to the Hadley CPA fund is \$7,426,626, with \$4,377,803 (59%) from the town and \$3,048,823 (41%) from the state match.

How can I find out if I qualify for the low-income exemption from the CPA surcharge?

Low-income persons/families and seniors who are low to moderate income can apply each year to be fully exempt from the CPA surcharge. Contact the Assessor's office for details and application deadlines. (Form CP-4).

Who is on the Community Preservation Committee (CPC)?

The Hadley CPC is a nine-member committee. The CPA law requires a representative from the Planning Board, Historical Commission, Housing Authority, Park and Recreation Commission and Conservation Commission – in addition, Hadley has one seat dedicated to the Finance Committee and three additional at-large members. The at-large members are appointed by the Select Board. Terms are for three years.

What role does the Community Preservation Committee (CPC) have?

The Hadley CPC meets in open session at least twice before each annual town meeting and special town meeting to review any CPA applications. The CPC discusses the project with the applicant and reviews the application to determine if it is appropriate under the CPA rules and if it is a good fit for Hadley. If the CPC votes to recommend the CPA application, the application will be added to the warrant for the upcoming town meeting. Before the town meeting, the Select Board and the Finance Committee will vote on recommending the application too.

The Hadley CPA committee has the authority under the CPA law to change any proposal as they see fit. The CPC can reject the proposal outright, require changes in the proposal, partially fund, limit or expand the scope of the proposed project in any way. If the CPC rejects the proposal, the applicant has no further recourse. If a majority of the CPC votes to recommend the project to town meeting, either as is, or with changes, the proposal as passed by the CPC still needs to be approved at Hadley Town Meeting before the project can start.

The CPC shall study the needs, possibilities, and resources of the Town regarding community preservation. The CPC shall make recommendations to the Hadley Town Meeting for the acquisition, creation and preservation of open space; for the acquisition, preservation, rehabilitation and restoration of historic resources; for the acquisition, creation rehabilitation and preservation 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.

Who votes for the CPA projects?

A project must first be recommended by the CPC. Once it is recommended, the project will be on the warrant for the upcoming town meeting. The warrant article needs a simple majority vote to pass. However, if the project is being funded in part through CPA bonding or involves eminent domain or an acquisition of real property, then a two-thirds majority vote is needed.

How has the CPA benefited Hadley?

The CPA fund has been used to complete 90 projects since it was adopted in 2004 that have preserved the town's history, improved the recreation experiences in town, preserved Hadley's precious farmland, and improved community housing. Over 1400 acres of farmland has been

preserved using CPA funds, which is over 9% of the town's land. Work has been done on significant historical buildings in town including the Goodwin Memorial, town hall, the Hockanum Schoolhouse and the two congregational churches. Historic artifacts have been preserved including old maps, needlework samplers, and an old school building bell. Work has been done in all five town cemeteries, including fence repair or replacement, and stones repaired and cleaned. Recreation in town has been improved by work done at Lake Warner, the Hadley Elementary School pavilion, and the Hopkins playing fields. Several large projects at Golden Court have been funded by the CPA over the years. Click on the button on this website page titled "Previous CPA Projects" to see the complete list. The CPA fund balance has had a positive effect on the town's bond ratings as well.

What does community housing mean?

CPA funds can be used to support both low income development, which means housing for folks who earn up to 80% of the area wide median income (AMI), and they can also be used for moderate income developments up to 100% of AMI.

If I am interested in applying for CPA funds, where do I start?

Contact the chair of the Community Preservation Committee (CPC). You can download the application from the CPC website. A member of the CPC will be glad to review the application with you before you meet with the CPC. This pre-submission review is highly recommended and improves a projects chance of being recommended by the CPC. The Mass. DOR chart is a helpful guide. And the Community Preservation Coalition website communitypreservation.org has more detailed information.

A CPA application must have a clear description of the project, detailed costs and documentation, a description of the funding available for the project and the percentage requested from the CPA fund, and show a benefit to the public. It is very helpful to contact the chair of the appropriate town department to get feedback as well.

Who can apply to receive a CPA grant?

Any person, group or organization can apply that has a project that meets the CPA criteria. However, grant money can only be awarded to town entities and other incorporated entities, so applicants may need to partner with others to implement the project.

Can I apply more than once or for more than one project?

Yes, there is not a limit on how many projects a person or group can apply for.

What if my project is not recommended by the CPC?

If a project is not recommended by the CPC then it will not be on the town warrant. The CPC tries to work with an applicant to modify an application to be allowed under the CPA and to be a good fit for Hadley. However not every application fits this criteria.

If my project is a historical one, what is required?

CPA funds are eligible for buildings, structures, vessels, real property, documents, or artifacts that are listed on the state register of historic places or have been determined by the Hadley historic preservation commission to be significant in the history, archeology, architecture or culture of the town. Under the Historic Preservation category, CPA projects must conform to the

Secretary of the Interior's Standards for Rehabilitation (see button "Standards for historic repairs"). In addition, a grant agreement with the town administered through the Select Board may be required before a project can be funded.

How do I place a Historic Preservation Restriction on a Historic Resource?

The Massachusetts Historical Commission must approve the Preservation Restriction (PR). The PR usually focuses on exterior features but can also address interiors. The PR is filed at the Registry of Deeds and runs with the land. The Hadley Historical Commission can give you more information. Here is an article that may help too. <https://www.communitypreservation.org/historic-restrictions>

If I am interested in the Agricultural Preservation Restriction (APR) program for my farmland, where do I start and how does it work?

Contact the Conservation Commission staff person. You will be working with a member of the state APR program. The Kestrel Land Trust has helped with many of the APR's in the area. Once the APR is approved by the state, the state will let the town know the portion of the town's contribution for the APR. Historically the town's portion of the APR cost has come from the Conservation Commission's Transfer of Development Rights (TDR) fund and the CPA fund. The town then needs to vote to approve the APR at a town meeting once all pieces are in place. Mass.gov has more information.

My CPA project was approved at Hadley's town meeting, when do I get the funds?

The funds are kept in the CPA fund until invoices are paid. The invoices need to be approved by the appropriate town department head or the town administrator, then the invoices are sent to the town accountant to be paid. The invoices can only be paid for what was approved at town meeting and is appropriate for CPA funding. Note that if the project is approved at the annual town meeting, funds may not be available until the new fiscal year starts on July 1st, depending upon the CPA account that was used to finance the project.

Why is there a time limit to use the CPA funds for a project and what if I need more time?

When a project is approved at town meeting, funds are reserved in the CPA fund for the project until the funds have been paid out for the project. Therefore, these funds are not available to be used for another project. The time limit is to ensure that a project that is not being acted on will not tie up funds for long. In order for a project to be allowed more time, the applicant needs to contact the chair of the CPC, the CPC needs to vote to recommend the extension, and the extension needs to be approved at town meeting.

What happens if my project is done and not all the CPA funds approved were needed?

The CPA funds awarded can only be used for the CPA project that was approved at town meeting and that follows the CPA rules. Extra funds are returned to the same CPA set aside that the funds came out of (open space/outdoor recreation, historical, housing, and undesignated).