

# Shrinking CPA match on horizon

By Connie Paige, Globe Correspondent | July 6, 2006

The state's matching funds for Community Preservation Act projects are likely to plummet within two years, according to the program's officials in Newton.

The annual loss -- which could start in 2008 and continue to spiral downward -- will require changes in the way projects are chosen, said Andrew Stern, outgoing chairman of the city's Community Preservation Committee.

"We're going to have to be more prudent than we've been to date, or else we might jeopardize future projects," Stern said Friday, one day before the start of the new fiscal year and the end of his term as chairman.

He said it is particularly important to ensure funds now for the acquisition of privately held land next door to the public beach at Crystal Lake, an action that he said could come as soon as this fall.

Stern's prediction about dwindling preservation funds follows a similar warning by the Community Preservation Coalition, a statewide group that oversees local grants.

Stuart Saginor, the coalition's executive director, said Monday that the Massachusetts Community Preservation Trust Fund, the state's vehicle for providing the matching grants, would probably continue matching local contributions dollar for dollar for the next two years. After that, Saginor said, its source of revenue could begin to tighten up even as the number of communities tapping into it continues to rise.

The state created the Community Preservation Act program five years ago to funnel money toward local open space, historical preservation, affordable housing, and recreation projects. Communities can participate if residents vote to accept a surtax of 1 to 3 percent on their property tax bills, with the state matching funds part of the attraction.

The state's share comes out of filing fees on real estate transactions, such as home sales, mortgages, and refinancing. When interest rates are low and the real estate market is hot, the amount available from fees rises and the fund is flush. But the pot of money has been diminishing as the real estate boom has cooled.

At the same time, more communities have signed up each year for CPA funds. Across the state, 110 now participate, and seven are poised to vote whether to adopt the law in November, according to the coalition website.

Newton, which approved the CPA in 2001, collects a 1 percent surtax that brought in almost \$2 million this year, matched by the state fund. Waltham voters last fall passed a 2 percent surtax; Needham approved a 2 percent surtax in 2004; and Wellesley a 1 percent surtax in 2002.

Saginor said the state coalition uses a computer model to project how much will be available for each member community in future years. By 2008, he said, the state will be able to match only 70-75 percent of local funds.

What Newton would lose depends on a complicated formula tied to the size of the tax surcharge. Communities with a larger surcharge stand to get more of the matching fund.

In five years, Newton has allocated about \$18.4 million toward community preservation projects.

Saginor said the coalition hopes to persuade the Legislature to boost real estate filing fees in order to stabilize the fund, so that communities could continue to receive the 100 percent match. "Everyone likes communities

with more open space, more nicely preserved historical houses, and nice recreational facilities," he said.

Noting the uncertainty, Stern said Newton should pull back on its more ambitious plans for CPA money. He was on the losing side of a 7-2 vote of the preservation committee to back spending \$2.3 million for artificial turf at Newton South High School. He said he would rather see the money go toward the Crystal Lake acquisition.

Stern said members of another city oversight group on which he serves, the Parks and Recreation Commission, resolved last month to make it a high priority to obtain the beachside property at 20 Rogers St., which is owned by Patrick Hannon . The city could negotiate a deal with Hannon or take it by eminent domain. The cost could run as high as \$3 million.

While declining to discuss any negotiations with Hannon, or any deliberations about eminent domain, Jeremy Solomon , city spokesman, said he hopes a resolution will occur quickly.

``I don't know if we have a timetable on any of it," Solomon said last week. ``Hopefully we'll find a solution that will improve the facility very soon."

Members of the parks commission would like to see the Hannon property used as a park and possibly for parking.

Any preservation project would require the support of the Board of Aldermen and the mayor.

The acquisition of the Crystal Lake property could end a long-running feud between the city and Hannon, whose house was damaged by fire shortly after he purchased it in August 2002. Hannon wants to raze the house and build another. The city's Historical Commission, finding it of historical significance, slapped a one-year moratorium on demolition.

Hannon could not be reached for comment about the city purchasing the property.

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