

QUESTIONS AND ANSWERS

THE COMMUNITY PRESERVATION ACT *A GOOD DEAL FOR GLOUCESTER*

WHAT IS THE COMMUNITY PRESERVATION ACT?

- ✓ Passing the Community Preservation Act (CPA) on November 4 would allow Gloucester to place a 1% surcharge on real estate tax to help the city pay for historic preservation, creating and supporting reasonably priced homes, preserving open space and acquiring and improving recreation fields and playgrounds.

WHAT MAKES THE CPA DIFFERENT FROM ANY OTHER TAX INCREASE?

- ✓ By law, there will always be a state fund to match locally raised CPA funds. In 2008 it is estimated that the match will be 65%. The match will decrease as more communities adopt CPA. Even at 50% match, Gloucester could receive more than \$200,000 per year from the State – a great way to stretch the local tax dollar. Pending State legislation would maintain the state match at 75%.

WHERE DO STATE MATCHING FUNDS COME FROM?

- ✓ State matching funds come from the CPA Trust Fund, which is funded from transaction fees at the Registry of Deeds. Gloucester residents and businesses have already paid over \$6 million into this trust fund but have not received any benefit. Until we adopt CPA we are essentially giving our local dollars to other communities.

IF GLOUCESTER ADOPTS CPA CAN FUNDS CREATED BY CPA IN GLOUCESTER BE USED TO LEVERAGE STATE AND FEDERAL GRANTS?

- ✓ Yes. CPA funds attract even more money! Many communities have used CPA funds either as seed money or matching money to attract State and Federal grants not otherwise available.

HOW MUCH WOULD THE CPA SURCHARGE COST ME EACH YEAR?

- ✓ **\$ 9.00** \$200,000 assessed property value **(\$.75 per month)**
- ✓ **\$18.00** \$300,000 assessed property value **(\$1.50 per month)**
- ✓ **\$27.00** \$400,000 assessed property value **(\$2.25 per month)**
- ✓ **\$36.00** \$500,000 assessed property value **(\$3.00 per month)**
- ✓ The median house value in Gloucester is \$385,580. Its owner would pay approximately \$2.00 per month toward CPA; less than a cup of coffee!

DO I HAVE TO PAY THE CPA SURCHARGE?

Some taxpayers are exempt from paying the CPA real estate tax surcharge. They are:

- ✓ Property owners with current tax exemptions;
- ✓ Property owners who are eligible for low income housing;
- ✓ Senior property owners who are eligible for low or moderate income senior housing.

WHO DECIDES HOW TO SPEND THE CPA MONEY?

- ✓ No decisions have been made regarding CPA expenditures. If CPA passes, all ideas will be discussed and evaluated by a Community Preservation Committee (CPC.)
- ✓ The CPC will consist of Gloucester citizens. The CPA mandates that the CPC include at a minimum representatives from existing boards and commissions. The City Council will decide if and how to choose additional members – either by appointment or city-wide election.
- ✓ The CPC studies community preservation needs and recommends a plan for spending. The CPC accepts and reviews suggestions for CPA projects from all citizens and groups. The CPC recommends projects to the City Council for final approval. The CPC is subject to the open meeting law – meeting times and locations are posted and all citizens are encouraged to attend.

WILL CPA TAKE AWAY FROM SPENDING ON CRITICAL NEEDS LIKE SCHOOLS AND FIRE HOUSES?

- ✓ NO! CPA funds can help. CPA can free up money in the general budget.
- ✓ CPA matching funds from the State and using CPA funds to leverage State and Federal grants will also boost Gloucester's spending power without impacting the general budget.

WHAT IF CPA DOESN'T WORK OUT?

- ✓ After five years we can vote to repeal CPA. At any time, we can vote to reduce the surcharge. In 2007 Rockport citizens voted overwhelmingly against reducing the CPA surcharge because of the benefits it has brought to their town.

WHY SHOULD I VOTE FOR CPA?

- ✓ We want to maintain the quality of life in our wonderful community with its unique historic, cultural and natural heritage. We want our children to inherit this legacy.
- ✓ To get more for our money and stretch the local tax dollar by taking advantage of State match funds and by leveraging State and Federal grants.
- ✓ CPA = Fiscal Prudence!

Gloucester has contributed an estimated \$6 million to the State CPA matching fund!

This money has been distributed to cities and towns that have adopted CPA.

We can't wait any longer ... we must keep Gloucester's money in Gloucester.