



City of Salem

Salem CPA at Work

This project receives funding assistance from the Residents of Salem through the Community Preservation Act

~ Community Preservation Committee ~
www.salem.com/Pages/SalemMA_CPC/index



Public Hearing Community Preservation Committee

Tuesday, October 10, 2023
~ Community Preservation Act ~

Agenda

- CPA in Salem – Overview/Next Steps
- Questions/Answers
- Public input on Salem's needs, possibilities and resources:
 - Outdoor recreation
 - Open space
 - Historic preservation
 - Community housing



*Dickson Chapel
Stained Glass Window
Removed & Stabilized
for Restoration*

The Community Preservation Act

The Community Preservation Act (CPA) is a Massachusetts state law (M.G.L. Chapter 44B) passed in 2000. It enables adopting communities to raise funds to create a local dedicated pool of funds for the purpose of undertaking open space, historic preservation, outdoor recreation and community housing projects. Salem voters adopted CPA in November, 2012.

Surcharge Revenues

- Projects are financed by a voter-approved property tax surcharge along with matching funds from the statewide CPA Trust Fund.
- The surcharge is paid by residential and commercial property owners annually (included in real estate tax bills).
- The first \$100,000 of taxable value is exempt.
- Of the remaining value, the City levies a surcharge of 1% (of the assessed property tax).

Surcharge Calculation Example

Using an assessed valuation of \$300,000 and based on Salem's FY23 tax rate:

FY2023 Assessment	\$300,000.00
FY2023 Tax Rate (per \$1,000)	\$12.51
FY2023 Tax	\$3,753.00

CPA Residential Exemption	\$100,000.00
CPA Taxable Value	\$200,000.00
CPA Tax Basis	\$2,502.00
CPA Surcharge (1%)	\$25.02

TOTAL ANNUAL TAX BILL	\$3,778.02
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The surcharge is divided equally per quarterly bill ($\$26.50/4 = \$6.26/\text{qtr.}$).

Exemptions

Any residential property entitled to abatement or statutory exemption is automatically entitled to a proportional CPA exemption.



Gables Tea House & Barn Roof Replacement

Exemptions

- Certain households may be eligible for a full CPA exemption.
- To qualify for a full exemption for fiscal year 2024, residential property owners must meet:
 - Age and residence requirements as of January 1, 2023
 - Income requirements based on 2022 income
- Exemption applications must be filed annually with the Assessors Office, no later than March 31st. The filing of an application does not stay the collection of the tax.

Community Preservation Committee

- The Community Preservation Committee (CPC) was established in May, 2013 and is responsible for the implementation of the CPA in Salem.
- It is composed of nine members representing:
 - Conservation Commission
 - Historical Commission
 - Park & Recreation Commission
 - Planning Board
 - Salem Housing Authority
 - General public appointed by the Mayor (2 appointees)
 - General public appointed by the City Council (2 appointees)

Salem CPC Members

Bart Hoskins (Chair)

John Boris

Robert Callahan

Deborah Greel

Carole Hamilton

Joy Livramento-Bryant

Kate Martin

Rebecca English

*CPC Administrator – Patti
Kelleher*



NSCDC El Centro Rendering

CPC Duties

- Assess Community Preservation needs of Salem
- Solicit input from city boards and commissions
- Hold an annual public hearing to solicit public input
- Prepare a *Community Preservation Plan*
- Submit a recommended annual budget to the City Council
- Prepare application materials & set application deadlines
- Submit project funding recommendations to the City Council after review of applications received by City departments or non-profit agencies.

CPA Budget

Required minimum spending (or reserve):

- 10% for open space & recreation projects
- 10% for housing projects
- 10% for historic projects

Optional:

- Additional project appropriations
- Up to 5% for administrative expenses
- Balance goes in a “budgeted reserve”

Community Preservation Plan

Contents

- The Community Preservation Act in Salem
- FY23 Annual Report
- FY24 Funding & Timing
- Application Process Overview
- Community Preservation Needs, Possibilities and Resources
- Appendix

FY23 Projects Awarded CPA Funds

\$ 250,000	Palmer Cove Renovation Phase II
\$ 250,000	SHA Roof Replacement 5 Barton Square
\$ 150,000	Old Town Hall Restoration
\$ 100,000	NSCDC Residences at El Centro
\$ 100,000	Emmerton House Repointing
\$ 93,000	Hamilton Hall Exterior Restoration
\$ 60,250	Pickering House & Barn Exterior Restoration
\$ 44,000	Gables Tea House & Barn Roof Replacemen

Total FY23 CPA Project Funds Awarded

Community Housing	\$ 350,000	33%
Historic Resources	\$ 447,250	43%
Open Space & Recreational Land	\$ 250,000	24%
	\$ 1,047,250	

Determining Project Eligibility

It's all about the VERBS!

	Open Space	Historic	Recreation	Housing
Acquire	Yes	Yes	Yes	Yes
Create	Yes	-	Yes	Yes
Preserve	Yes	Yes	Yes	Yes
Support	-	-	-	Yes
Rehabilitate and/or Restore	Yes – if acquired or created w/CPA \$\$	Yes	Yes	Yes – if acquired or created w/CPA \$\$

Is Maintenance Eligible?

“Maintenance”, incidental repairs which neither materially add to the value of the property nor appreciably prolong the property’s life, but keep the property in a condition of fitness, efficiency or readiness.

- CPA funds cannot be used for ordinary maintenance.
- CPA funds can be used for preservation (protecting personal or real property from injury, harm or destruction) and for capital improvements.

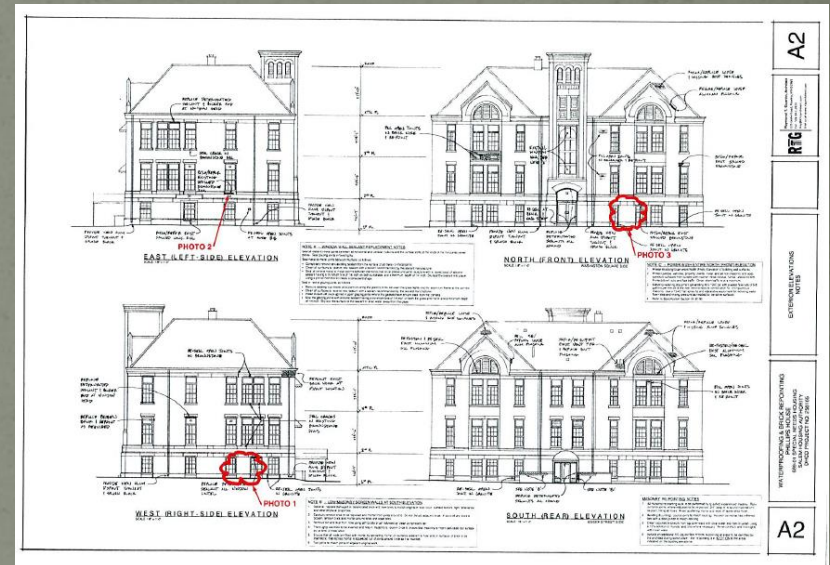
Capital Improvements

“Capital improvement”, reconstruction or alteration of real property that: (1) materially adds to the value of the real property, or appreciably prolongs the useful life of the real property; (2) becomes part of the real property or is permanently affixed to the real property so that removal would cause material damage to the property or article itself; and (3) is intended to become a permanent installation or is intended to remain there for an indefinite period of time.

Capital Improvements are reviewed under
Rehabilitation and Restoration.

City Council Actions are Limited

- Approve recommendations of the CPC
- Reject recommendations of the CPC
- Reduce amount recommended by the CPC
- Reserve amount recommended by the CPC to applicable reserve account, rather than approving the project



SHA Phillips House Repointing Project

CPC Next Steps

- Prepare the FY24 *Community Preservation Plan*
- Make application materials available and set application deadlines:
 - Step 1 are due 1/5/24
 - Step 2 tentatively due 3/22/24
- Submit the recommended budget to the City Council (March/April)
- Submit project recommendations to the City Council (May/June)



***Ryan Brennan
Memorial Skate Park***

More Information

- The CPC maintains a page on the City website:
 - <http://www.salem.com/community-preservation-committee>
- You may subscribe at www.salem.com to receive agendas.
- CPC meetings - typically the second Tuesday of each month at 6:00 p.m.



Willows Phase I project

Public Comment

- Questions/Answers
- Public input on Salem's needs, possibilities and resources with regard to historic preservation, open space, outdoor recreation and community housing



Palmer Cove Phase II

Public Comment

- Public input will be accepted in writing through 10/20/23 to
 - The Department of Planning & Community Development, 98 Washington Street, Salem, MA 01970
 - pkelleher@salem.com

Thank you for participating!