



# 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](http://www.salem.com/Pages/SalemMA_CPC/index)



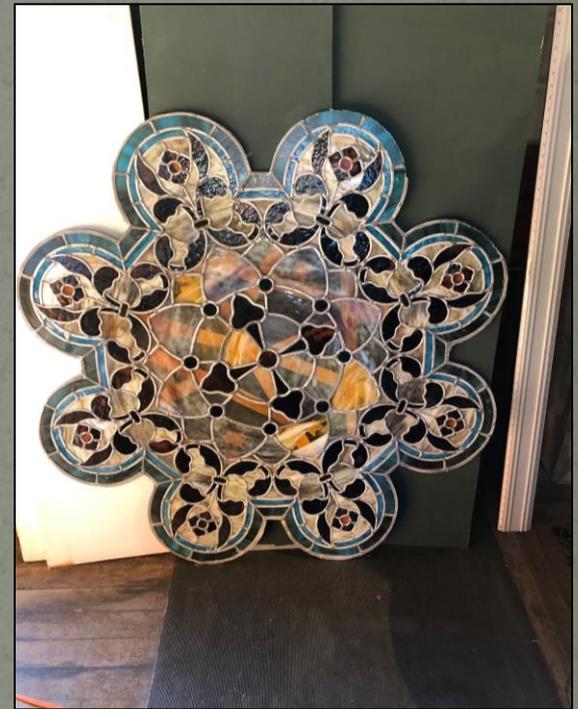
# Public Hearing

## 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	<b>\$3,753.00</b>

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

**TOTAL ANNUAL TAX BILL** **\$3,778.02**

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 31<sup>st</sup>. 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%
	<b>\$ 1,047,250</b>	

# Determining Project Eligibility

## It's all about the VERBS!

	Open Space	Historic	Recreation	Housing
<b>Acquire</b>	Yes	Yes	Yes	Yes
<b>Create</b>	Yes	-	Yes	Yes
<b>Preserve</b>	Yes	Yes	Yes	Yes
<b>Support</b>	-	-	-	Yes
<b>Rehabilitate and/or Restore</b>	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.

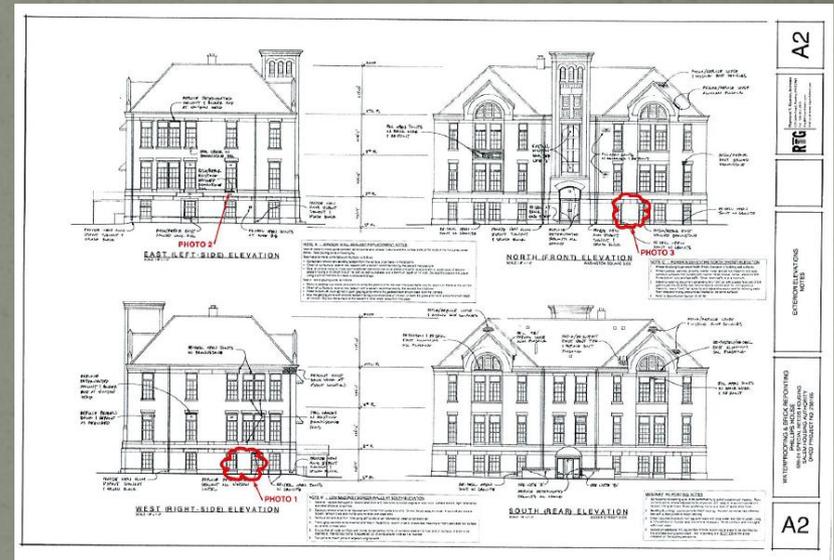
# Capital Improvements

“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](http://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](mailto:pkelleher@salem.com)

***Thank you for participating!***