

Memo

To: Board of Selectmen,

From: Keith A. Bergman, Town Manager

CC: Provincetown Housing Authority, Local Housing Partnership, Open Space Committee, Conservation Commission, Historical Commission, Planning Board, Cape End Manor Board of Directors, School Committee, Water & Sewer Board, Acting Assistant Town Manager Michelle Jarusiewicz, Cape End Manor CEO Dennis Anderson, Community Development Director Jon Gilmore, Deputy Director of Community Development Mark L. Latour, Director of Public Works David F. Guertin, Director of Municipal Finance Bruce T. Miller, Treasurer John Fitzgerald, Principal Assessor Dana Faris, Town Clerk Greta Holman, Town Counsel Lauren Goldberg

Date: October 6, 2003

Re: Community Preservation Act: A *Great* Fit for Provincetown

We have long said that the Community Preservation Act (CPA), MGL C.44B, is a more perfect fit for the Town of Provincetown than the Cape Cod Land Bank.¹ Of late, in taking a long, hard look at the CPA as a potential funding source for affordable housing, I have become convinced that its adoption would allow Provincetown to address many of our most pressing needs—including the Cape End Manor Care Campus and water supply, as well as median income housing needs-- in ways that we literally cannot afford to pass up.

100% State Matching Funds for CPA Purposes. State matching funds for communities which accept the CPA (MGL C.44B, §§3-7) are forecast to remain at 100% for the foreseeable future. At 3%, the CPA's property tax surcharge would raise \$235,000 in Provincetown per year— producing a state match of nearly a million dollars every four years. These state and local funds together translate to total borrowing authority of \$7.5-million for Provincetown for these CPA purposes: (1) the acquisition, creation, and preservation of open space -- which includes “land to protect existing and future well fields” and “aquifers and recharge areas”; (2) the acquisition, preservation, rehabilitation and restoration of

¹ Chapter 293 of the Acts of 1998, *An Act Relative to the Establishment of Cape Cod Open Space Land Acquisition Program*, accepted by ballot question on November 3, 1998, established a 3% property tax surcharge which can be expended for open space and conservation purposes. Chapter 43 of the Acts of 2000 added “affordable housing purposes” for Provincetown, up to a maximum of 10% of Land Bank funds.

historic resources; and (3) the creation and support of community housing. A minimum of 10% (\$750,000) must be used for each of the three areas. The remaining 70% can be allocated for any combination of the allowed uses, or for land for recreational use. Thus, up to 80%, or \$6-million, could be available for affordable housing.

Authority to Acquire Out-of-Town Properties. CPA acceptance gives a town statutory authority to acquire property anywhere in the commonwealth for CPA purposes. Thus, were Provincetown to accept this act, it could use the CPA to acquire properties in Truro for the housing component of the Cape End Manor Care Campus site, as well as for well sites and well protection.

Cape End Manor Care Campus Purchase. Further, Town Counsel is of the opinion that there would be nothing prohibiting us from structuring a land deal with a private property owner where he/she receives a total purchase price for total acres, but with Truro buying the acreage for the nursing home and rehab therapies for nominal consideration, and Provincetown buying the acreage for housing using CPA funds.

Median Income Housing Needs Addressed. The community housing created and supported with CPA funds can benefit households earning up to median income—i.e., up to 100% of county median (\$58,600), and not just 80% (\$48,250). Such an expanded definition will allow us to better address the needs of Provincetown's year-round workforce, including town and school employees.

Historic Preservation – Town Hall. A minimum of \$750,000 would be available for the acquisition, preservation, rehabilitation and restoration of "historic resources"—which is defined as "a building, structure, vessel or real property that is listed or eligible for listing on the state register of historic places or has been determined by the local historic preservation commission to be significant in the history, archeology, architecture or culture of a city or town." Provincetown Town Hall qualifies, so the CPA is a funding source for the \$620,000 needed for structural repairs, including new sills along the building's eastern foundation.

Ballot Question; By-law Adoption. CPA acceptance is by ballot question at a regular local or state election. The May 4, 2004 Annual Town Election is our next opportunity. The ballot question is placed there either by a vote of town meeting held at least 35 days before (which our April 4, 2004 Annual Town Meeting just misses) or by a petition signed by 5% of the Town's registered voters.² Town Meeting would also have to enact a by-law establishing a Community Preservation Committee—the only entity empowered to bring CPA spending recommendations to town meeting.

Housing: Reuse a Priority; Surplus Town Properties. "With respect to community housing," the CPA provides, "the community preservation committee shall recommend, wherever possible, the reuse of existing buildings or construction of new buildings on previously developed sites." Such development has the least impact on infrastructure and

² There were 3,125 registered voters as of the May 2003 Town Election. 5% of that total is 156.

open space, as already recognized by our own meeting.³ Given these parameters—and because land costs are so high in Provincetown—we should focus our in-town affordable housing efforts on developing properties where no land acquisition costs are involved. This might include the reuse of such Town-owned property as 100 Alden Street (current manor), 330 Commercial Street (library), and/or 5 Holway Avenue (PHS annex)—as well as properties donated for housing like the Cumberland Farms on Shankpainter Road. Of the \$7.5-million available under the CPA, up to 80%, or \$6-million, could be spent on affordable housing.

Tax Exemptions for Residential Properties. Even though it is a 3% property tax surcharge, the full impact on our residential property taxpayers can be mitigated. The surcharge can be exempted in its entirety for property owned and occupied by persons who qualify for low income, and low and moderate income senior housing. Moreover, for all other residential properties, the first \$100,000 of value can be exempted from the surcharge. For a residential property assessed at \$300,000, its surcharge would be \$33.42 per year; at \$400,000, a surcharge of \$50.

Building a Coalition of Support. With such overwhelming benefits for our town, I believe there is a broad coalition of community support that could be built around acceptance of the Community Preservation Act in Provincetown. Moreover, if the CPA were adopted, it would be reasonable to abandon efforts to amend the Land Bank Act to increase the affordable housing share from 10% to 35%—especially since that seems like a lost cause, anyway. The remaining unallocated Land Bank funds—some \$1.5-million in borrowing authority—would be available for open space and conservation purposes in town. Neither need we consider pursuing any other home rule legislation for a dedicated funding source for housing (e.g. the real estate transfer fee, etc.)—since only the CPA brings more state matching funds. The very process of organizing to obtain voter signatures for a ballot question could provide a framework for testing and building grassroots community support.

Much more information about the Community Preservation Act is available from the Community Preservation Coalition⁴ at its website, www.communitypreservation.org. Also, on Saturday morning, October 18, 2003 in New Bedford, the Coalition will host a conference for the Southeastern Massachusetts region (from Plymouth to Nantucket). The conference is intended to provide municipal governments with tools and strategies for implementing the CPA; and there will be a panel discussion on community housing. Registration is free (October 10th deadline) and the conference takes place from 9:00 a.m. to 2:30 p.m. at the Buzzards Bay Coalition, 620 Bellville Ave., in New Bedford.

³ In approving the filing of home rule legislation to increase Land Bank funds for affordable housing from 10% to 35% (House Bill No. 3842), the April 7, 2003 Special Town Meeting voted under Article 11 to restrict the use of such funds to “the reuse and renovation of existing structures.”

⁴ The Community Preservation Coalition is an alliance of open space, affordable housing, and preservation organizations that works with municipalities to help them understand, adopt, and implement the CPA.” Members include the Citizens Housing and Planning Association (CHAPA); Massachusetts Audubon Society; National Trust for Historic Preservation; and the Trust for Public Land.

State Matching Funds — 100% for the foreseeable future

For the next few years, the Community Preservation Coalition confidently projects that cities and towns which accept the CPA (MGL C.44B, §§3-7) will continue to receive the maximum 100% state match for every dollar they collect locally. The state's match is projected to continue to be robust thereafter, because of its funding source.⁵ Were Provincetown voters to adopt the 3% CPA property tax surcharge with exemptions, it would raise some \$235,000 per year locally— an amount which would be matched by the state. That's like a state grant of nearly \$1-million every four years or so. This far exceeds the 50% match that Cape towns got for the Cape Cod Land Bank, which only lasted for a few years. The CPA's state match, however, keeps on going and going. My twenty-year financial projections for the CPA in Provincetown are attached ("A"), and show an ability to borrow some \$7.5-million—assuming the 100% state match continues for three years, and 75% thereafter. While the CPA surcharge can be adopted at less than 3%, the full 3% maximizes the state matching funds, as described by the Coalition:

	3% Surcharge
No Exemptions	\$282,557.
First \$100,000	\$236,788.
Low/mod income	\$277,979.
First \$100,000 & low/mod	\$234,499.

[What is the impact of the state-matching percentage if we reduce the surcharge from 3% to some lower number? If there is sufficient money in the fund, can the match still be 100%?](#)

ANSWER: The match can still be 100% and you should expect it to be for the next 2-3 years. There are essentially two rounds of state matching funds. In the first round, 80% of the money is distributed to all of the communities until they all have a 100% match. If that happens, then there is no second round and any extra money rolls over to the next year. If that first 80% of the money is not sufficient to pay everyone 100%, then a second round occurs, in which the remaining 20% is distributed just to those communities that have a 3% surcharge. So eventually there will be a benefit to having a 3% surcharge, but it will not be manifested for another few years until that first 80% is not enough to cover everyone at 100%.

Authority to Purchase Property in Other Towns

Any community that accepts MGL C.44B, §§3-7 thereby obtains the statutory authority to acquire property anywhere in the commonwealth for CPA purposes. The Cape Cod Land Bank Act contained no similar authority. Such purposes include open space—which includes “land to protect existing and future well fields” and “aquifers and recharge areas”—historic preservation, and community housing. The graphic below, from a state publication,


⁵ The state's share comes from the Massachusetts Community Preservation Trust Fund, created under MGL C.44B, §9 “for the benefit of cities and towns that have accepted sections 3 to 7.” One of the main funding sources for this fund is/are \$10 and \$20 surcharges on filings made at registers of deeds through the commonwealth, which were enacted under C.44B, §8. The surplus in this fund currently, together with a forecast of much continued activity—and the limit of no local match of greater than 100%— allows forecasters to predict that this funding source will continue to be robust in the foreseeable future. It's worth noting, too, that reportedly all state senators (except those representing Boston alone) have communities in their districts which have accepted the CPA. And both houses of the legislature would have to approve altering the use of this fund.

notes that CPA funds were used to acquire a water supply in one town (Pembroke) that serves two other towns (Abington and Rockland), for example. Such authority could be obtained by Provincetown through acceptance of the CPA. By comparison, Provincetown's 1907 and 1952 special acts only authorize acquisition of well sites

in certain portions of Truro. Chapter 483 of the Acts of 1907 authorized Provincetown "to collect the water of the territory lying between Moon Pond Meadow and Highland Light in the town of Truro, including the natural watersheds of the said territory." Chapter 439 of the Acts of 1952 (§1) added "the territory in the town of Truro lying between Highland Road and a line one and one quarter miles southeasterly thereof and parallel to Highland Road, including the natural watersheds of said territory." These limits are shown on the attached plan ("B").⁶

Expenditure Conditions

- CPA Funds can be expended anywhere in Massachusetts



Water supply for Abington and Rockland, located in Pembroke

Purchase Cape End Manor Care Campus site in Truro

The acquisition of a site in Truro for a Cape End Manor Care Campus is under active review; and Town Counsel has notified us of the need to obtain statutory authority for Provincetown to be able to acquire property in Truro for this purpose. But rather than having to obtain special home rule legislation, acceptance of the CPA offers us another approach. While a nursing home is not a CPA purpose, affordable housing is, and so if Provincetown accepted the CPA it could use CPA funds to purchase that portion of a care campus site in Truro that pertains to housing—so long as its use complies with CPA housing guidelines (discussed below) and is deed restricted for that purpose. We have recognized that the acquisition of a care campus site would likely be on Provincetown's nickel. Using the CPA, nickels paid by our property taxpayers would be matched by state nickels.

Further, Town Counsel is of the opinion that there would be nothing prohibiting us from structuring a land deal with a private property owner where they receive a total purchase price for total acres, but with the *Town of Truro* buying the acreage for the nursing home and rehab therapies *for nominal consideration*,⁷ and the *Town of Provincetown* buying the acreage for housing using CPA funds. Both sets of acreage would then be conveyed to a non-profit which would construct the buildings itself. The MGL C.30B Request for Proposals to select the non-profit developer to develop the entire site could be jointly issued by the Towns of Provincetown and Truro.

⁶ Note that, by our Intermunicipal Water Agreement with Truro, Provincetown has agreed "not increase the area within the Town of Truro to be utilized as well fields for Provincetown beyond that existing on December 31, 1981, by exercise of its eminent domain powers under Statutes 1907, Chapter 483, and Statutes 1952, Chapter 439; nor will the Town of Provincetown sink more wells in its present sites unless and until agreement with such changes is granted by the Truro Board of Selectmen."

⁷ Truro has the authority to acquire property in its own town for any public purpose.

Address Median Income Housing Needs.

CPA funds can be used for the creation, preservation and support of “community housing”—which is defined as “low and moderate income housing for individuals and families, including low or moderate income senior housing.” Property would be deed restricted for that purpose. Importantly, CPA’s definitions of low income (less than 80% of median) and moderate income (less than 100% of median) are broader than other state or federal housing programs;⁸ and so, by this expanded definition, the CPA would allow us to address the housing needs of much more of Provincetown’s year-round workforce—including many Town and School employees, and others employed by year-round businesses. Those households which earn up to the Barnstable County median of **\$58,600** (February 2003 figure) would qualify for CPA housing.⁹ — and not just those earning up to 80% of our areawide median, as shown in the table at right.

Barnstable County	
80% of median –Feb 03	
HH size	Income
1 person	\$33,750
2 persons	\$38,600
3 persons	\$43,400
4 persons	\$48,250

According to the Massachusetts Department of Housing and Community Development, 55.1% of Provincetown’s year-round households are low- and moderate-income (with the latter defined as 80% of areawide median). Using the CPA’s definition of moderate as less-than-100%-of-median, the number of qualifying households could increase to 68% (from 1,014 to some 1,250).¹⁰

With a year-round population of 3,431 persons in 1,842 households (according to the 2000 U.S. Census), Provincetown’s average household size is 1.86 persons. As shown in the table at right, 88% of Provincetown’s households are one- or two-person. It is well to take household size into consideration in looking at addressing Provincetown’s housing needs.

HH size	#	%
1 person	976	53%
2 persons	653	35%
3 or more	213	12%
<i>Total</i>	1,842	100%

Reuse existing Town properties for affordable housing, year-round workforce

Because land costs are so high in Provincetown, our housing dollar can be greatly stretched where land acquisition costs are not a part of the equation. Thus, it makes much economic sense to consider the reuse and rehabilitation of surplus Town-owned property¹¹—as well as other property (like Cumberland Farms on Shankpainter Road) which may be donated for affordable housing. Selectmen’s Goal 12.5. *Reuse of Town Properties*, specifically invites a look at the future uses of the current Cape End Manor, library, and

⁸ "Moderate income housing" is defined as “housing for those persons and families whose annual income is less than 100 per cent of the areawide median income. The areawide median income shall be the areawide median income as determined by the United States Department of Housing and Urban Development.”

⁹ It is worth noting, however, that even though CPA funds can be used for 100% of median, MGL C.40B counts towards a community’s 10% goal only those CPA-produced units which are limited to 80% of median income.

¹⁰ The figure of 1,250 is derived from 2000 U.S. Census data for the number of Provincetown households whose incomes fell below the then-Barnstable county median of \$45,900.

¹¹ In addition to obtaining a town meeting vote authorizing the conveyance of surplus property, the custodial board must also vote to declare the property as surplus. Town Counsel opines that the order in which these two votes occurs does not matter.

PHS Annex, among others. The redevelopment potential as affordable housing of these three properties in particular should be explored (see assessor’s property cards, attached as ”C”) to determine how many units could be developed, and at what cost.

Map/Parcel	Property	Current Use	Custodial Board	Living area
07-4-065-A	5 Holway Ave	PHS Annex	School Committee	6,760 s.f.
12-1-016	330-332 Commercial St	Public Library	Board of Library Trustees	5,496 s.f.
09-2-026	100 Alden Street	Cape End Manor	CEM Board of Directors	17,599 s.f.

That question is now being posed to the Town’s affordable housing consultant funded by a \$15,000 grant previously awarded by the Cape Cod Commission. Given Provincetown’s needs and demographics, the PHS Annex could be looked at for one-bedroom units; the library as one-bedroom and/or single-room occupancy (SRO); and the manor as one and two-bedroom senior housing.¹² The Board of Selectmen has already adopted a policy statement on local preference for affordable housing [Selectmen’s Policy Statement 2003-09-08]. Every consideration should be made to prioritize the housing created on these properties for year-round residents and members of our year-round workforce. Some guidance from the Community Preservation Coalition:

[Can a town give preference to town employees \(i.e. teachers, fire fighters, police, government employees\) for CPA funded affordable housing or does it have to be open to anyone?](#)

ANSWER: There is nothing in the CPA that prevents a town from adopting local preferences, so long as the people being served qualify under the income limits of the Act. However, there are fair housing laws which prevent discrimination on certain bases (race, religion, etc.) in the provision of housing. In addition, to the extent that a community wants the affordable housing it creates to count toward the 10% goal for purposes of G.L. c.40B, there may be limitations on the number of units that can be rented on a local preference basis. If you are creating less than 5 units of housing in the proposed project, you will probably have more discretion since most affirmative marketing requirements are for 5 units of more. These Massachusetts fair housing law are beyond the scope of this document, however, and for more details, towns should consult with their counsel to make sure that their plans are in line with all existing laws in addition to the CPA.

Historic Preservation – Town Hall Structural Repairs

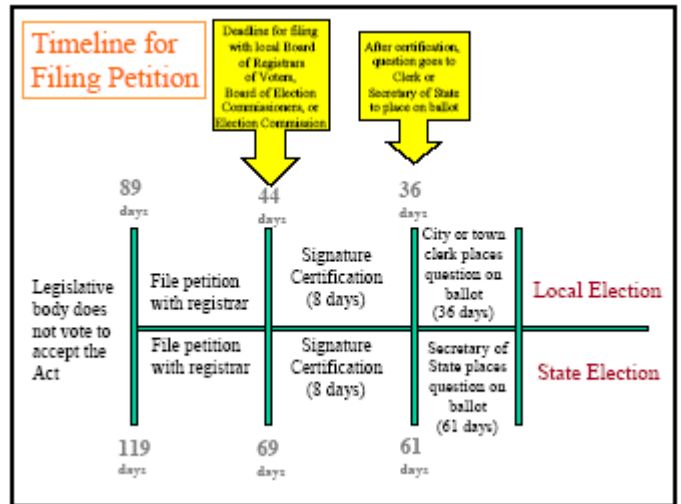
The Town’s five-year Capital Improvements Program has diagnosed the need to make structural repairs to Provincetown Town Hall-- including replacing the sills along the building’s eastern foundation-- at an estimated cost of \$620,000. There would be a minimum of \$750,000 in borrowing authority available for historic preservation, which could be used for such a purpose. The CPA was amended in 2002 to clarify that its funds could be used on buildings that were already owned by a community but not purchased with CPA funds. The Act now allows for the acquisition, preservation, rehabilitation, and restoration of historic

¹² Recall that a condition of the \$571,716 grant from the Executive Office of Elder Affairs for 100 Alden Street requires that the property’s use benefit elderly persons.

structures, landscapes, and just about any other historic resource in a community that has been determined by the local Historic Commission to be significant in the history, archeology, architecture, or culture of a city or town. CPA funds may be spent on these historic resources regardless of whether they were purchased with CPA funds or not.

Acceptance – Ballot Question

The CPA requires acceptance by the voters on the ballot of a regular state or local election. Provincetown’s May 4, 2004 Annual Town Election is our next opportunity. The question can be placed on the ballot by (1) a vote of town meeting held more than 35 days before the election or (2) a petition signed by 5% of all registered voters (156 out of a total of 3,125 voters). The April 4, 2004 Annual Town Meeting will be too late for getting a question on the May 4, 2004 Annual Town Election, so the question could come either to a special town meeting held before April, or by petition filed between February 5 and March 21, 2004 (i.e., between 89 and 44 days before the May 4, 2004 election).



General By-law: Community Preservation Committee

Also, Town Meeting would need to adopt a general by-law that establishes the Community Preservation Committee. The text of such a by-law was drafted and approved by Article 19 of the April 1, 2002 Annual Town Meeting (attached as “D”), but that by-law was only to have taken effect upon acceptance of a home rule petition—never enacted—authorizing Provincetown to substitute the CPA for the Cape Cod Land Bank. That bill died in a prior session of the legislature, and so the by-law language never took effect. Another town meeting vote is required.

The Community Preservation Committee (CPC) is the only entity authorized by MGL C.44B to make CPA spending recommendations to Town Meeting, so its make-up is important. MGL C.44B, §5(a) provides that the CPC can be comprised of between 5 and 9 members, and must be comprised of one member each from the following (as designated by those boards): the Conservation Commission, the Historical Commission; the Planning Board; the “Board of Park Commissioners,”¹³ and the Housing Authority. If housing is a particular priority for the Town, then this could be expressed by adding a representative from the Local

¹³ If the named board does not exist, the statute continues: “or persons, as determined by the ordinance or by-law, acting in the capacity of or performing like duties of the commissions, board or authority if they have not been established in the city or town. If there are no persons acting in the capacity of or performing like duties of any such commission, board or authority, the ordinance or by-law shall designate those persons.”

Housing Partnership, as well. The by-law could also provide for at-large members appointed by the Board of Selectmen.

Building a Community Coalition

During the debate on the real estate transfer fee this spring, many cited the Community Preservation Act as a preferable funding source for affordable housing. After this analysis, I must agree—especially given the CPA’s matching state funds, its broader definition of moderate income, and its ability to help us address the Cape End Manor Care Campus in Truro. Moreover, the CPA only requires the Town to accept a general law, rather than to have to go and get our own special act of the legislature.

As mentioned above, if the CPA were adopted, we could forego further efforts to amend the Land Bank Act—especially given the unlikelihood of passage of House Bill 3842, and the short money to be obtained for housing if it did pass. Increasing the Land Bank share for housing from 10% to 35% only increases our total borrowing authority from \$600,000 to \$2-million for that purpose—and with no further state match.

As such, the remaining \$1.5-million in unallocated Land Bank borrowing authority should be used to make purchases in Provincetown which satisfy the original purposes of the Land Bank—i.e., “open space for the purpose of acquiring land and interests in land for the protection of public drinking water supplies, open space, and conservation land, the creation of walking and bicycling trails, and the creation of recreational areas” [C.293, St. 1998; §2].

We can also leave dormant the pursuit of any other home rule legislation for a dedicated funding source for housing (e.g., a real estate transfer fee, etc.)—since only the CPA yields additional state matching funds.

As was done in Chatham—the only community on Cape Cod to thus far adopt the CPA—it makes sense to touch bases with those local entities that would become part of the Community Preservation Committee under the CPA, and so I have copied those town boards and other interested parties, so that a discussion can commence.

Impact on Property Taxpayers

The CPA’s principal drawback is that it is a surcharge paid by property taxpayers. The 3% surcharge effected in Year One—presumably FY 2005— becomes part of the bill that that property pays thereafter. In time, the CPA surcharge payers’ investment in a Cape End Manor Care Campus, for example, could result in a reduction in or elimination of the annual operating subsidy for the nursing home’s operations,¹⁴ so some long-term financial benefit can be expected to accrue. But in the short term-- for the next few years at least—both sets of costs would overlap as the CPA surcharge takes effect while the Town continues to own and operate the existing manor.

¹⁴ Recall that the 2002 Roush proposal for a Care Campus at Site Y involved Town subsidies to Roush of \$165,000 per year in Years 1 through 4 which would be repaid in years 5 through 9.

Residential Property Exemptions. In the meantime, there are important exemptions available under the CPA which can exempt low and moderate homeowners from paying any surcharge, and reduce the amount paid by all other residential properties. Provincetown's Town Meeting can vote to accept one or more of the following exemptions: (1) for property owned and occupied as a domicile by a person who would qualify for low income housing or low or moderate income senior housing in the city or town; and (2) for \$100,000 of the value of each taxable parcel of residential real property. Using the "CPA Calculator" at the Community Preservation Coalition's website, <http://www.communitypreservation.org>-- and updating the data for FY 2003-- the following information is derived:

How much can be raised through CPA annually at various levels of exemptions?

Primary funding for the CPA comes from a surcharge of up to 3.0% on the local real property tax levy. The surcharge, however, may be offset in part by certain exemptions: The following table shows the amount of CPA funds that could be raised at various surcharge rates and types of exemptions:

How much will a typical homeowner pay as a CPA Surcharge?

At the current residential tax rate of \$5.57 per \$1000 of value in Provincetown, the following tables illustrate the CPA tax that would be paid by a typical homeowner given a range of property values, surcharge rates, and exemptions:

(1) Typical CPA Tax with no exemptions:

No Exemptions	CPA Tax for Residential Property Valued At:				
Surcharge	\$100,000	\$200,000	\$300,000	\$500,000	\$750,000
3%	\$16.71	\$33.42	\$50.13	\$83.55	\$125.33

(2) Typical CPA Tax with first \$100,000 exempt:

\$100,000 Exempt	CPA Tax for Residential Property Valued At:				
Surcharge	\$100,000	\$200,000	\$300,000	\$500,000	\$750,000
3%	\$0.00	\$16.71	\$33.42	\$66.84	\$108.62

Property Tax Burden: Who Pays?

Based on his preliminary analysis of DOR financial information, Director of Municipal Finance Bruce T. Miller indicates that Provincetown's average single family tax bill is at about the midpoint-- 170 out of 351--among cities and towns in Massachusetts.

As we look at increases in the property tax levy, it is helpful to review who pays, and how much is paid by new growth. The amount of the levy increase for FY 2003 was substantially mitigated by the addition to the tax rolls of so-called "new growth" properties-- a category which includes new construction, substantial renovations, condominium conversions, subdivisions of land, and exempt properties being returned to the tax rolls. As shown below, for FY 2003, there were 157 "new growth" properties-- 4.4% of the total of 3,566

properties—which paid \$191,835, or 31.4%, of the \$611,432 levy increase. The remaining 3,409 properties (95.6%) pay the remaining

	Parcels		Tax	Levy increase
New growth properties	157	4.4%	\$191,835	31.4%
Remaining properties	3,409	95.6%	419,597	68.6%
Total properties	<u>3,566</u>		<u>\$611,432</u>	<u>+6.8%</u>

\$419,597 (68.6%) of the levy increase. As such, 2.1% of the 6.8% increase in the levy that year was paid by new growth properties; 4.7% by all others.

Increased in assessed value. How much any individual property's tax bill goes up is affected as well by how much its assessed value changes in comparison to all other properties. Total assessed valuations increased by 20.81%. If a property's value increased by less than this, its tax bill increase will be less than the total levy increase of 6.8%. In fact, 808 properties (22.66% of the total) will see their tax bills *decrease* between FY

2002 and FY 2003. For another 265 properties (7.43%) their taxes will increase by less than 2.5%; and another 384 properties (10.77%) by 2.5% to 5.0%. For the median single family home assessed at \$440,800, its FY 2003 property tax bill was \$2,455.26. The CPA would add \$56.95 to that amount, as shown above.

	Median Single Family Assessment	\$440,800
<i>minus</i>	Residential exemption	<u>(100,000)</u>
<i>equals</i>	Net Value Surcharged	340,800
<i>multiplied by</i>	Municipal Tax Rate (per \$1,000 AV)	<u>X \$5.57</u>
<i>equals</i>	Amount subject to surcharge	\$1,898.26
<i>multiplied by</i>	CPA Surcharge Rate (3%)	<u>X 0.03</u>
<i>equals</i>	Amount paid toward CPA fund	\$ 56.95

Please let me know what questions you have or additional information you require. Thanks very much.

Attachments:

- A – If Provincetown accepted the CPA - 20-year financial projections
- B – Map of Truro showing limit of 1952 special act for Provincetown water supply
- C – Assessor's property cards: 5 Holway Avenue, 330 Commercial Street, 100 Alden Street.
- D – Community Preservation By-law Language - April 1, 2002 Annual Town Meeting Article 19