

Community Preservation Fund (CPF) Fact Sheet

What is a CPF?

A *Community Preservation Fund* is a powerful tool for helping cities and towns (villages presently are not part of the state pending legislation) to preserve clean drinking water, natural areas, agricultural lands, open space, historic places, and public parks. A CPF will help ensure that your community is enhanced for future generations by supporting land and water conservation, and improving the health and quality of life for your residents of all ages, incomes and backgrounds.

The goal of CPFs is not to freeze time in your municipalities. Instead, it envisions a future in which change is inevitable and contemplates that there are emerging local priorities, including the need for affordable housing. The range of eligible parcels is diverse, from large open spaces with sweeping vistas to small lots that could someday be converted into “pocket parks” to improve neighborhood quality of life.

Which properties will be preserved and who gets to decide?

A CPF citizen advisory board will be appointed to advise your municipality on potential projects and expenditures, as well as on creative ways to work with willing landowners to protect land. A publicly noticed and municipally approved Community Preservation Plan will provide guidance by evaluating and prioritizing parcels of land according to nine preservation categories. The CPF law includes detailed safeguards to ensure accountability, full transparency and public involvement. Expenditures are subject to public hearings and your municipality’s approval. While each community is different, when it is time to enact your municipal CPF, some, if not, all of the below should be considered:

1. Recreation/Open Space
2. Drinking Water
3. Wetlands & Water Resources
4. Intact Forests
5. Habitats
6. Scenic Areas
7. Agriculture
8. Historic Properties
9. Large Parcels

What are the benefits of the CPF?

Your community members will be able to reap the environmental, economic, and social benefits of this program, including the protection of clean drinking water, access to new parks and open spaces, improved health and quality of life, the attraction of new residents and businesses, and the continued growth of property values.

How does the CPF Transfer tax work?

The CPF transfer tax is a one-time tax on real estate purchases greater than the median home sales price. The tax is incremental, meaning it applies only to that amount of the purchase price that is greater than the median home sales price. To be clear: this tax is not paid by your municipal land-owners, but by the “buyer”. Legislation presently before our state legislature would enable cities and towns to impose a real estate transfer tax of no more than 2% (subject to mandatory referendum) and deposit all the revenue into the CPF.