

Is Holyoke's Community Preservation Act tax too much? Council might ask voters

Mar. 05, 2024. [Aprell May Munford | AMunford@repub.com](#) [Story source: MassLive.com](#)

HOLYOKE — Holyoke city councilors are debating if the Community Preservation Act surcharge is too much for property owners, and might put the question to voters in November alongside the presidential election.

CPA dollars help finance historic preservation, recreation opportunities, open space and housing. A recent reconsideration by the City Council proposes a ballot question to ask voters if they would like to their CPA real-estate surcharge cut from 1.5% to 1%. The council will further discuss the measure on Wednesday.

Opponents to the existing surcharge, like City Councilor Linda Vacon, say reducing it is responsive to the rising financial stress of city property owners.

Fans of the CPA, such as Meg Magrath-Smith, city councilor and chair of the Community Preservation Act Committee, say any reduction would cut an important source of funding for the city that is matched by the state.

Vacon did not immediately respond to a request for comment.

Magrath-Smith said in 2023, the average single-family home was valued at \$236,262, and the average homeowner paid \$38.34 toward the CPA fund. Property owners in the city who pay the tax are automatically exempt for the first \$100,000 of their assessed property value.

The total raised last year by Holyoke was \$582,832. The state match was 38.51%, or \$219,810. The overall Community Preservation Act Committee budget this year is \$802,642.

While a reduction would save residents about \$12.76, it would slash much needed CPA investments by one third, Magrath-Smith said.

“Proponents say a cut would save residents money, but really it is hamstringing a source of funding that invests in the city,” Magrath-Smith said.

In the early days of the the act, people were hesitant to support the surcharge, Magrath-Smith said. But, recently when campaigning for her Ward 7 City Council seat, she said residents she spoke with were wildly supportive, now that they’ve seen how it has transformed parts of the community.

“Before opponents cherry pick issues, they should step back, and look at the program as a whole. CPA funding makes the city different and better over time,” she said.

Magrath-Smith said she encourages residents to do their due diligence, look at the information on the Community Preservation Act Committee's website to gain a full understanding of the projects that have been funded.

"We are funding a playground each year, fixing up blighted properties (which) is generating property taxes for the city ... collecting something where otherwise we would not," she said.

The city's Community Preservation Act Committee and surcharge were established in 2016 with a formal vote. Each year, the CPA Committee has been able to fund all its focus areas, Magrath-Smith said. [Projects include](#) the restoration of the Lady Liberty statue, overhauls of blighted properties, the infill of vacant lots and installation of playgrounds.

If the CPA Committee hadn't stepped forward to provide the seed funding, the city wouldn't have gotten the funding match for the Anniversary Hill-Scott's Tower project, she said.

According to the [Community Preservation Coalition](#), 172 municipalities in the state have adopted the CPA program, which allows the creation of a local preservation fund; cities and towns opt in by vote. Money is raised locally through the surcharge of up to 3% of property taxes.

Depending on the volume of sales recorded at the Registry of Deeds, the state will match CPA grant funding, but the percentage varies. For example, during COVID when a lot of real estate was changing hands, the state matched CPA funding at 41%, she said.

Magrath-Smith said 1.5% for a community surcharge is smack dab in the middle, compared with other surrounding cities that collect the tax.

"Springfield is much larger, and it collects about \$1 million each year," she said; Springfield also has a 1.5% surcharge.

The debate on the surcharge began last April, when [the City Council voted](#) 7-6 to place a question on the November ballot to reduce the surcharge to 1%.

Then, Holyoke Mayor Joshua A. Garcia [vetoed](#) the City Council's order, saying the city should wait until the November 2024 presidential election to take advantage of higher voter turnout.

In response, some city councilors [challenged the veto](#), but a Hampden County Superior Court judge ultimately denied the attempt in September.

Although the ballot question amendment is on Wednesday's [City Council agenda](#), it more than likely will head back to subcommittee for more deliberation before returning to the council for a vote, said Magrath-Smith said.

The ballot must be set 90 days before the election, she said.

