

Community Preservation in New Paltz

Part 2: The Community Preservation Fund and Real Estate Transfer Tax



Cara Lee - Clean Water Open Space Protection Commission
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Hudson Valley Community Preservation Act

- To allow communities to create dedicated, non-transferrable fund for protecting community character
- To use fund to implement *Community Preservation Plan*
- To acquire interests or rights in real property in accordance with plan and with cooperation of willing sellers
- To receive funds, revenues, gifts of land or funds
- To create a local Real Estate Transfer Tax



What Can Community Preservation Fund Be Used For?

- Parks, nature preserves or recreation areas
- Open space
- Lands of exceptional scenic value
- Protection of wetlands
- Aquifer recharge areas
- Shorelines
- Wildlife refuges
- Rare or endangered habitats
- Unique or threatened ecosystems
- Public access to land for recreational use including streams and waterways
- Protection of rivers
- Preservation of historic places and properties
- Contributing to Greenbelts
- Viable Agricultural lands

Up to 10% of Fund for
stewardship of CPP protected
land



CPF Land Management

- Allows for **public use** and **enjoyment** consistent with natural, scenic, historic and open space character
- Preserves natural **biological diversity**
- **Limits improvements to enhancing access** such as trails and peripheral parking
- **Preserves cultural properties** consistent with standards for historic preservation
- May **enter into agreements** with not-for-profits to **engage in land trust activities**
- **May not be sold, leased, exchanged, donated or otherwise disposed of w/o act of the State Legislature**



Community Preservation Fund Must Have...

- **Community Preservation Plan**
 - Priorities
 - Must Identify All Eligible Parcels
- **Community Preservation Advisory Board (5 – 7)**



Community Preservation Funding Source

- Real Estate Transfer Tax on Property Sales
- Up to 2% of the purchase price, paid for by the buyer
- Exemption for homes equal to the Ulster County median home price



Real Estate Transfer Tax – New Paltz

- Alternative to current bond model, which costs New Paltz taxpayers
- Real Estate Transfer Tax - One-time, paid by buyer
- 2%, with \$245,000 exemption (determined Commissioner of NYS Department of Taxation and Finance)
- Would generate approximately \$239,573 in revenue annually, to go Community Preservation Fund

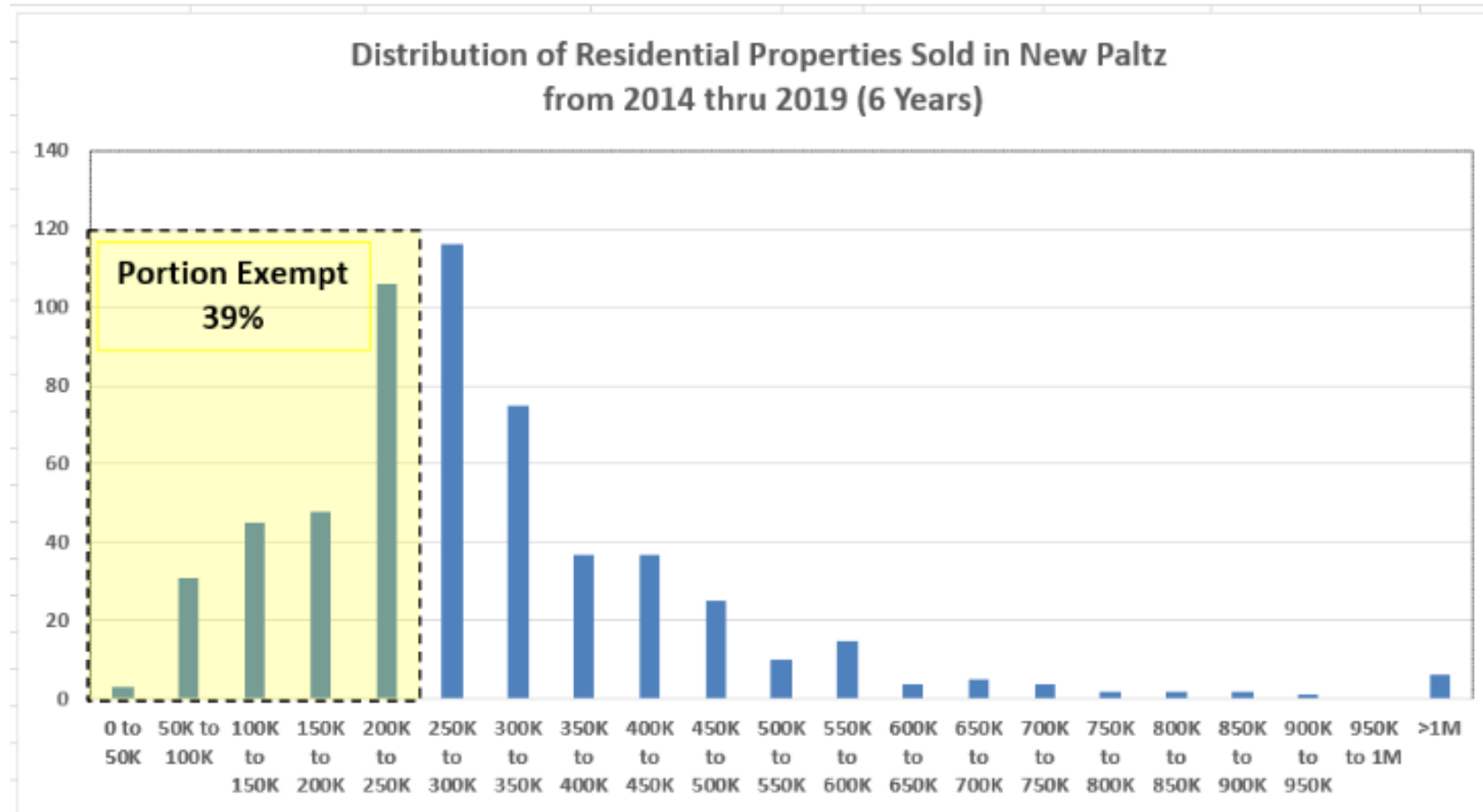


RETT Tax Structure

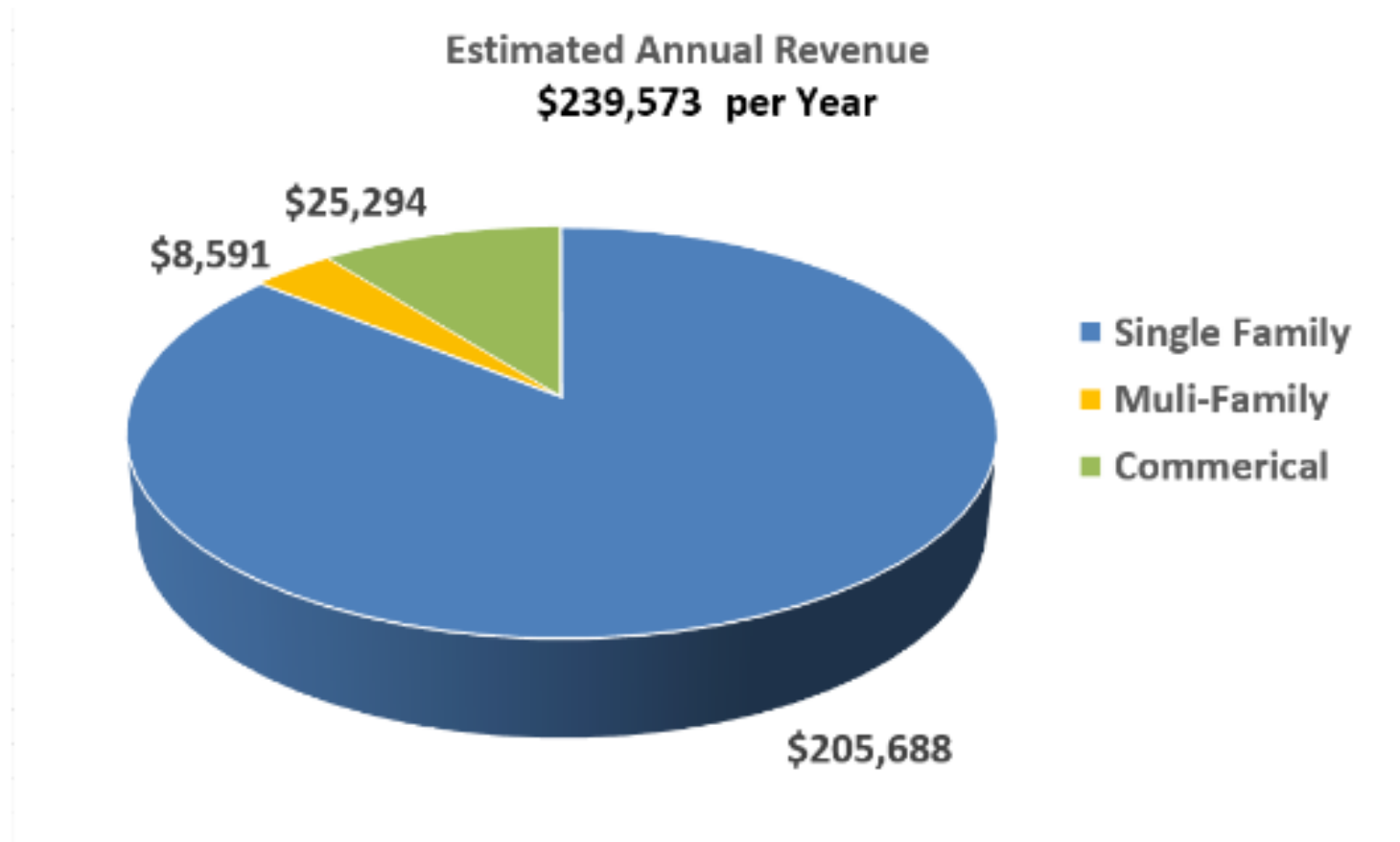
Basic Exemption Model		
Taxable = Property Value less Exemption		
Exemption	\$245,000	
Tax	2.00%	
Est Yearly Revenue	\$239,573	
Property Value	Taxable	RETT
\$245,000	\$0	\$0
\$300,000	\$55,000	\$1,100
\$350,000	\$105,000	\$2,100
\$400,000	\$155,000	\$3,100
\$500,000	\$255,000	\$5,100
\$600,000	\$355,000	\$7,100
\$800,000	\$555,000	\$11,100
\$1,000,000	\$755,000	\$15,100



Exemption and New Paltz Market



Revenue for Community Preservation Fund



RETT “Take-Aways”

- RETT is a **sustainable source of revenue** for open space and historic preservation in New Paltz and **benefits the whole community**
- **Residents of New Paltz will not experience a new tax**
- **The exemption will benefits buyers at the low end of the market, protecting affordability for first-time home buyers**
- Program will **protect the qualities that attract buyers** to New Paltz
- Buyers will be investing in maintaining the value of their properties

Conclusion

“Having a Community Conservation Fund and active conservation program is like an “insurance policy” that protects the future of the very qualities that will attract buyers to choose to live in New Paltz. A buyer wouldn’t skip doing the engineering report as insurance on the value of the home – this is really no different.”

Red Hook Supervisor Robert McKeon - 2020



An aerial photograph of a lush, forested valley. In the center, a winding pond reflects the sky. The surrounding area is densely packed with trees in various shades of green and brown. In the foreground, several houses are visible, partially obscured by the trees. The background shows rolling hills under a soft, hazy sky.

Thank you.

For More Information, Contact:
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Photo: Bob Fagan

FAQs

- How Will It Impact Home Sales?
- Where Else Is It Being Done?
- How Will It Affect Property Values and Sale Prices?
- Who Administers the Funds?

