

9/8/20 (Updated)

For Our Future – A Community Preservation Plan for New Paltz

The Town of New Paltz this year established a Community Preservation Fund that would support the conservation of important town assets such as clean water, working farms, natural areas, and historic sites – *without raising taxes for residents*. At the same time, the Town Board approved a new Community Preservation Plan that would guide conservation activities in the future. This Q&A provides helpful information about the Plan and Fund.

New Paltz is well known for its iconic landscape setting including the Shawangunk Mountains and the expansive Walkkill River Valley and flats. New Paltz also is home to important wetlands, woodlands, and farms. New Paltz's extraordinary cultural history is captured in homes, businesses, farms and properties that are the foundations of our unique community character. The richness of New Paltz's natural resources, small-town flavor and the aesthetic beauty of its countryside all contribute to the sense of place and quality of life enjoyed by those who live, work or visit here.

- Our abundant wetlands and forests provide clean water and fresh air and are nature's first lines of defense against the impacts of climate change such as flooding and heat.
- Our farms produce fresh local food.
- Our outstanding network of trails provide unsurpassed recreational opportunities.
- Our architectural and historic landmarks and sites reflect a valuable heritage. These features contribute to the sense of community, the health and wellbeing of New Paltz residents and visitors, and the ability to sustain the economic future of the community.

During this period of social distancing due to COVID-19, many residents have a renewed appreciation for outdoor opportunities for walking, hiking, biking, exercise, and the appreciation of nature in New Paltz.

New Paltz consistently has a good track record of protecting important places, but we need to do more to ensure that our most precious open spaces and historic resources are here for future generations. This will require creating a long-range vision for New Paltz, and the will to realize that vision.

Here are some key questions you may have on the benefits for the community; the steps the Town is taking; the contents of the Community Preservation Plan; the way the Community Preservation Fund works; and how you can get involved in this important initiative.

Do we really need more conservation?

Over a few decades, New Paltz has worked with conservation partners to protect some of our most valuable and irreplaceable resources. Recent examples include the River-To-Ridge Trail, the Mohonk Testimonial Gateway and surrounding landscape, Mill Brook Preserve, Taliaferro Farm, Historic Huguenot Street, and two

Huguenot Street farms. These places perfectly illustrate the value of protection to our community, but many other important places remain vulnerable.

What can the Town do in anticipation of development pressure?

Our existing Comprehensive, Open Space, and Farmland Protection Plans all call for additional protection of these resources in the face of encroaching development. The past 10 years our region has seen an explosion of commerce, culture, investment, and relocation. Real estate prices have continued to climb as more and more people flock to the Hudson Valley, with its enhanced 21st-century identity as an oasis, with farm-fresh food, craft beverages, artisanal goods, and living close to nature. This trend is on the upswing in recent months.

As the population here continues to grow and suburbanize, it is increasingly important to define a vision and goals for the future of the New Paltz community. Consolidating development in our center is one strategy. Equally important is protecting outlying natural areas such as the Shawangunk Mountains, forests, wildlife corridors, wetlands near the Wallkill and Swartekill Rivers, working landscapes including farms and forests, cultural and recreational resources, historic places and scenic corridors, trails and public access.

What steps are being taken?

The Town of New Paltz has recently consolidated and updated our existing open space and historic protection plans and created a tool to help prioritize places that most need protection. With this plan, New Paltz is eligible to create a **Community Preservation Fund**, dedicated to protection of open space and historic preservation. **Protection, such as purchase of conservation easements (limiting the right to develop a property), would only be done with willing sellers.**

What is in the Plan?

The plan is drawn from our existing plans and inventories of natural and historic resources, as well as other sources of GIS data for our region. It will provide a method for setting priorities for places that need protection, including historic properties or features.

Who created the Plan?

Volunteers from the Town of New Paltz's Environmental Conservation Board, Clean Water Open Space Protection Commission and Historic Preservation Commission came together as the Community Preservation Plan Task Force. This task force has consolidated data from our existing plans to help guide future preservation and conservation activities. We also conducted a community survey to gather information and views from residents. A consultant helped create the finished plan.

What is a Community Preservation Fund?

In 2019, New York State amended the Hudson Valley **Community Preservation Act** to include Ulster County. This legislation offers an excellent opportunity for the town to protect our open spaces and farms, environment, and community character without increasing property taxes. It enables communities to impose a local Real Estate Transfer Tax when real estate is purchased in their jurisdiction to support these efforts. These revenues go into a dedicated **Community Preservation Fund** that can only be used toward protection of priority places identified in the Community Preservation Plan.

How much would the Real Estate Transfer Tax be?

A Real Estate Transfer Tax is a levy on property sales representing a small percentage of the purchase price to be paid for **by the buyer**. Authorized towns may establish a local transfer tax of up to 2 percent. New Paltz proposes enacting a 1.5% tax with an exemption on the first \$245,000 of the purchase price of a residential home.

So how does the Exemption work to lower the Real Estate Transfer Tax?

Under this scenario, a New Paltz home selling for \$300,000 would have a \$245,000 exemption, and thus the tax would only be applied to the remaining \$55,000. At a rate of 1.5%, the tax on the sale would be a fee of \$825 to be paid at closing by the buyer. These fees are eligible to be financed as part of closing costs, spreading that cost over 30 years. With mortgage rates at 50-year lows, this tax is a small payment to help protect the very attributes that motivate a person to choose to move and live in a community.

Would this increase my taxes?

No. This approach enables a community to conduct open space protection and historic preservation **without increasing taxes for residents**. The fee would be limited to **new purchases** of homes or properties. To help first-time homebuyers, the tax would not apply to homes or properties under \$245,000.

Will more conservation reduce our tax base?

Land that is undeveloped is generally taxed at a lower level, so it contributes relatively low revenue. Properties that are protected by conservation easements are not removed from the tax rolls, and assessments do not generally change. While residential development is sometimes believed to increase the tax base, in fact, many studies have concluded that increased services required by residential development exceed anticipated tax revenue. In other words, more residential development costs the community more than the taxes it brings in.

What are the benefits of the fund vs. the option of taking no action?

The Town of New Paltz has a goal of protecting farmland; natural areas and open spaces (including wetlands, forests, and recreational trails); and historic structures. Although the need is real, currently our funds for doing this are very limited. The Community Preservation Fund is the key to unlock matching funds from the state, allowing us to stretch our local dollars further. The anticipated annual revenue would allow the town to plan long term to achieve critical community preservation objectives, just as other communities have done successfully. Now, as local governments are facing greater financial constraints, this is a way to secure open space and New Paltz's community character for the future, and is a small payment by newcomers to protect the very things that motivate a person or a family to move to a community.

Have other communities created conservation funds? How is it going?

Several communities in our region, including Warwick and Red Hook, have gone the Community Preservation route with great success – and New Paltz has studied their plans.

When will this occur?

With a new Community Preservation Plan complete, the Town Board in July approved resolutions for the Plan and the Community Preservation Fund. The board also approved the Real Estate Transfer Tax and the establishment of a **public referendum in November 2020**. Residents will vote in the referendum on the proposition of a 1.5% Real Estate Transfer Tax that will support the Community Preservation Fund. This fund may be matched by state and federal funding, and will require full public disclosure of all spending. The fund will be used for conservation and preservation of New Paltz's working farms; the water quality of rivers, lakes and streams; recreational areas; wildlife habitats; and historic resources.

How can I get involved?

If you are interested in helping with the development of New Paltz's Community Preservation Fund, please contact the CPF Task Force at ENCB@townofnewpaltz.org.