

A Community Preservation Fund For New Paltz

Public Hearing before the Town Board – 7/16/20



Cara Lee - on behalf of the New Paltz Community Preservation Task Force

Please see last slide for decision by the Town Board to reduce Real Estate Transfer Tax to 1.5%.



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



Community Preservation Fund Must Have...

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



Community Preservation Plan

Must Meet State's Hudson Valley Community Preservation Act Requirements

- Describes Purposes of Community Preservation Program
- Maps and Defines 7 Focus Areas
- For Each Focus Area, Identifies Parcels by Identification Numbers, Acreage, & Priority
- Identify & Evaluate Other Town Land Use Tools



Information for Focus Areas



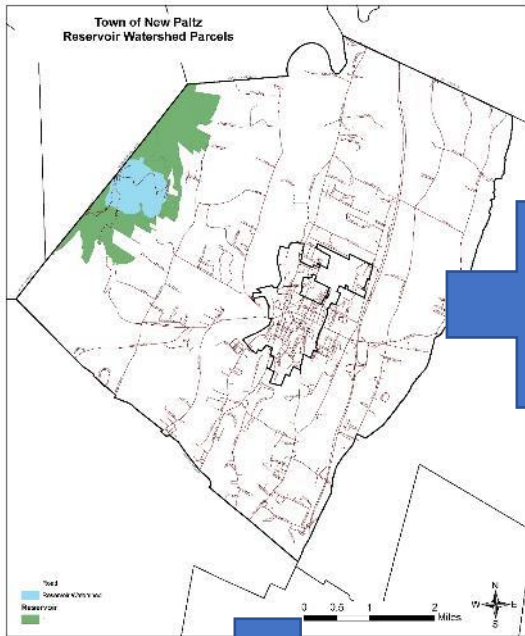
- Water Resources
- Agricultural Lands
- Habitat & Natural Areas
- Historic Resources
- Recreation Lands and Trails
- Scenic Resources
- Open Space Areas



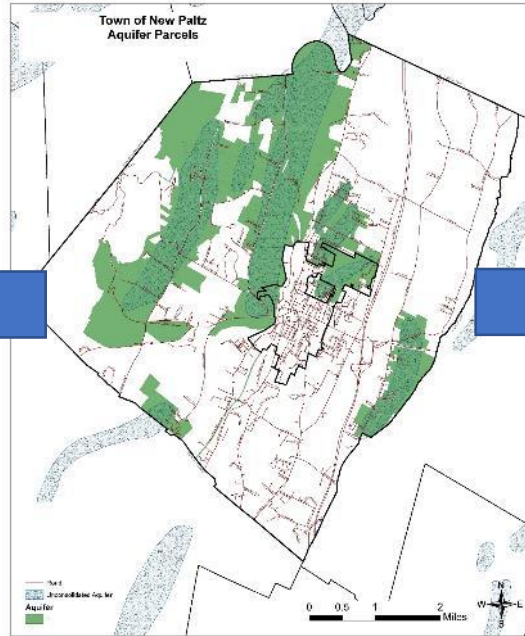
Example: Water Resource Priorities



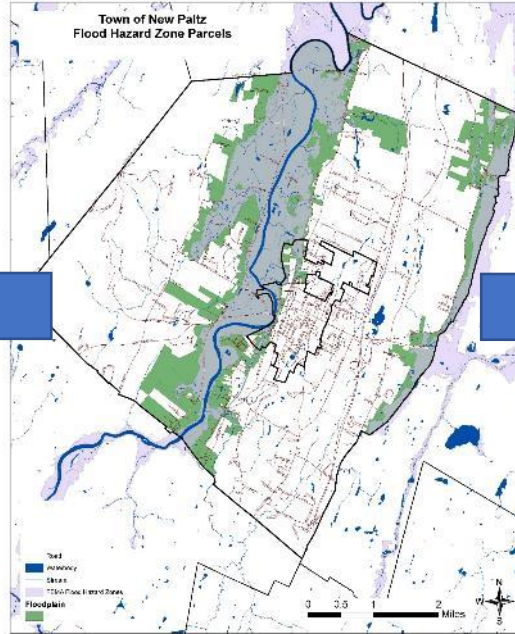
Reservoirs



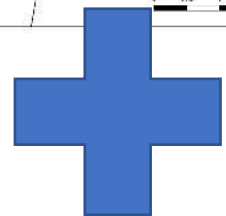
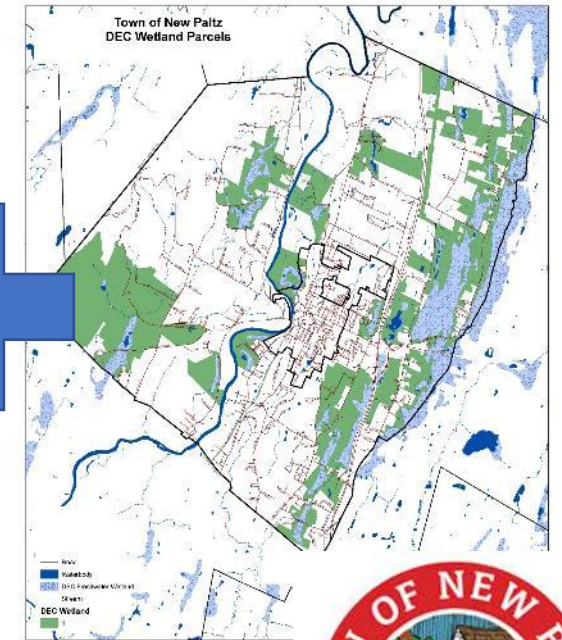
Aquifers



Floodplains



Wetlands



(4 more criteria)



Water Score



Overlapping Values



Water

Agriculture

Habitat

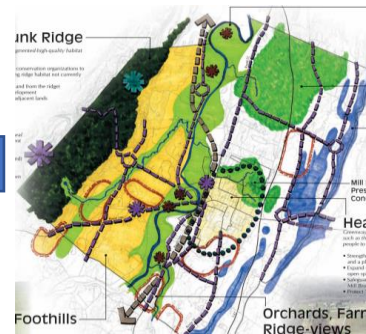
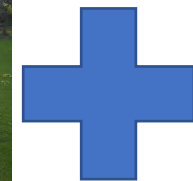
Historic



Recreation

Scenic

Open Space



**Total
Score**

Summary of the Plan

1572 parcels were identified containing priority resources, with scores ranging from 1 to 23 attributes.

The plan is a decision-support tool to prioritize eligible parcels for conservation under a community preservation program.



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



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**



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
- Up to 2%, with \$245,000 exemption (determined by Commissioner of NYS Department of Taxation and Finance)
Please see last slide for decision by the Town Board to reduce Real Estate Transfer Tax to 1.5%.
- Would generate approximately \$240,000 in revenue annually, to go Community Preservation Fund



Real Estate Transfer Tax Structure

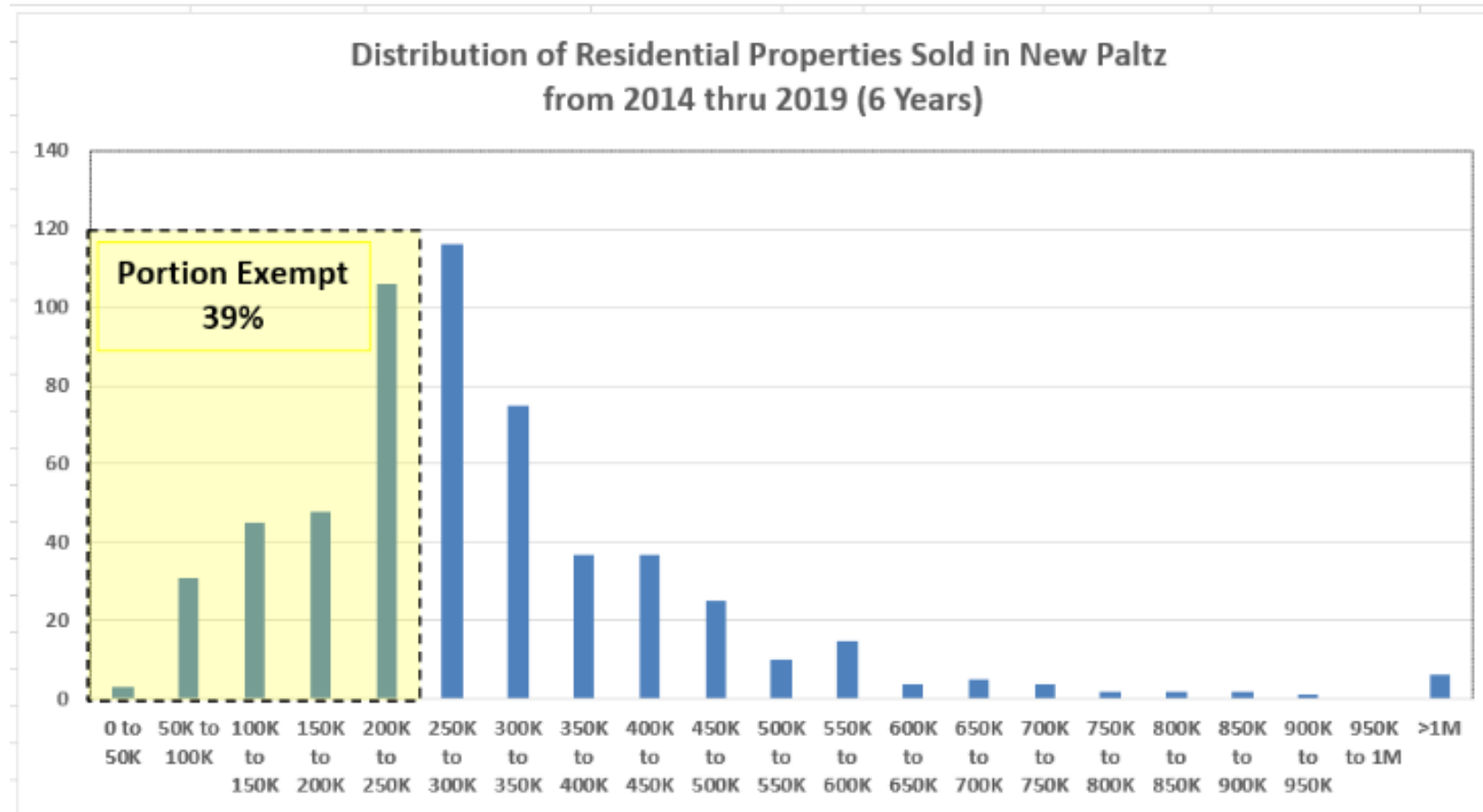
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| Basic Exemption Model | | |
|---|-----------|----------|
| Taxable = Property Value less Exemption | | |
| Exemption | \$245,000 | |
| Tax | 2.00% | |
| Est Yearly Revenue | \$240,000 | |
| Property Value | Taxable | RETT |
| \$245,000 | \$0 | \$0 |
| \$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 |

Based on 6 years of Ulster County MLS data

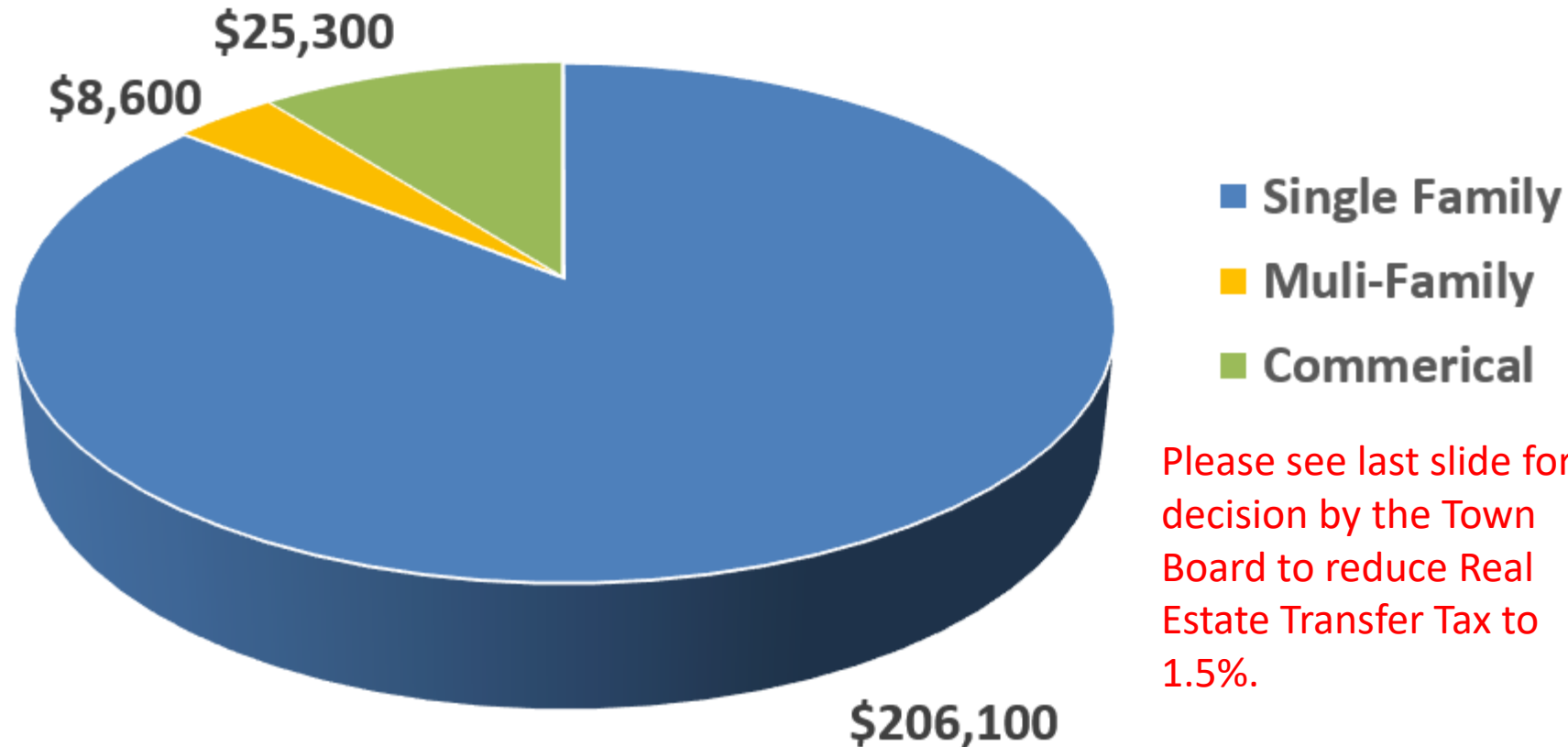


Exemption and New Paltz Market



Revenue for Community Preservation Fund

Estimated Annual Revenue
\$240,000 per Year



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“Take-Aways”

- A real estate transfer tax 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 property tax**
- **The exemption will benefit 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

Red Hook Experience

- The Town of Red Hook in Dutchess County has had a Community Preservation Fund in place for 10 years
- The number of real estate transactions has been higher every year since it was adopted
- Red Hook has used the \$2.4 million generated over 10 years to protect 1,800 acres of farmland and open space and create public access and trails.

Conclusion

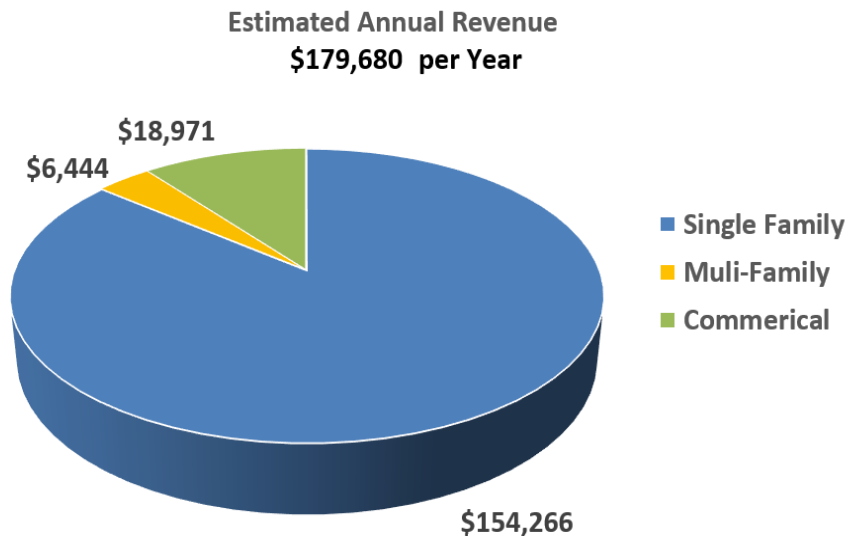
“Having a Community Conservation Fund and active conservation program is like an “insurance policy” that protects the future of the very qualities that will attract buyers to choose to live in New Paltz. A buyer wouldn’t skip doing the engineering report as insurance on the value of the home – this is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

Red Hook Supervisor Robert McKeon - 2020



Update: Results from Town Board Discussion

Following the public hearing, the Town Board voted unanimously to approve Local Laws B and C for the Community Preservation Fund and Plan. The Board then reviewed proposed Local Law D and agreed to reduce the proposed real estate transfer tax to 1.5% (from 2%). The next public hearing on this proposed tax, Local Law D1 – which would support the Community Preservation Fund – is scheduled for July 30. The following shows the projected revenue and RETT based on 1.5%.



| Basic Exemption Model | | |
|---|-----------|----------|
| Taxable = Property Value less Exemption | | |
| Exemption | \$245,000 | |
| Tax | 1.50% | |
| Est Yearly Revenue | \$179,680 | |
| Property Value | Taxable | RETT |
| \$245,000 | \$0 | \$0 |
| \$300,000 | \$55,000 | \$825 |
| \$350,000 | \$105,000 | \$1,575 |
| \$400,000 | \$155,000 | \$2,325 |
| \$500,000 | \$255,000 | \$3,825 |
| \$600,000 | \$355,000 | \$5,325 |
| \$800,000 | \$555,000 | \$8,325 |
| \$1,000,000 | \$755,000 | \$11,325 |



An aerial photograph of a lush, forested valley. In the center, a small pond reflects the sky, surrounded by dense trees. In the foreground, several houses are visible, partially obscured by trees. The background shows rolling hills under a soft, golden light, suggesting a sunset or sunrise. The overall scene is peaceful and scenic.

Thank you.

For More Information, Contact:
ENCB@townofnewpaltz.com

Plan, data and factsheets available
Town of New Paltz website