

# **Rhinebeck Democrats Club**

## **Town of Rhinebeck Community Preservation Fund (CPF)**

The following is a summary of the presentation and visual information prepared and given at the Rhinebeck Town Board Meeting, March 25, 2024, by Carli Fraccarolli, the State Policy Manager, at Scenic Hudson.<sup>1</sup>

The information presented and discussed regarding CPF's was only an introduction to the program. Town adoption will require a lengthy process, involving community volunteers, research, public meetings, state legislation approval and a public referendum (vote) at a general election.

### **What is a Community Preservation Fund (CPF)?**

- A CPF is a dedicated revenue stream used to help a community preserve its farmlands, open space areas, land conservation and historic preservation.
- There are currently three communities in Dutchess County that have established a CPF, Red Hook, Northeast and Fishkill.

Elizabeth Spinzia stated that Robert McKeon, Red Hook Town Supervisor, will speak about Red Hook's experience with CPF at a future Rhinebeck Town Board meeting.

### **Origin and Need for a CPF**

Some of the factors that brought about the need for CPF's are:

- Increased post pandemic development pressure.
- Lack of local preservations funds.
- Planning for the community's future.
- Need to protect farmland and open space areas.
- Rhinebeck Village Board's request to the Town Board to consider pursuing a CPF as an offshoot to their Comprehensive Plan.

### **How a CPF is funded**

A CPF is financed through a Real Estate Transfer Tax (RETT) – up to 2% - on home purchases made above the median price for homes in Dutchess County. According to Brad Kendall, Dutchess County Clerk, this tax is based on the Dutchess County residential median price, as established by the NYS Department of Taxation and Finance (NYSDT&F) and currently stands at \$395,000 based on 2,993 home sales.<sup>2</sup>

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<sup>1</sup> *In Your Backyard: Funding Conservation and Smart Growth in Your Community*, by Carli Fraccarolli, State Policy Manager, Scenic Hudson, Inc.

<sup>2</sup> NYSDT&F, *Residential median sale price information by county*, found at <https://www.tax.ny.gov/research/property/assess/sales/resmedian.htm>.

It should be noted that this amount is based on information from the NYSDT&F for 2022. Information regarding the median sales price for 2023 and 2024 was unavailable on this site. However, according to Realtor.com, the median selling price for homes in Dutchess County was \$400K.<sup>3</sup> According to Rocket Homes, the median selling price for homes in Dutchess County for 2024 is \$425,000, up 7.1% from March, 2023.<sup>4</sup>

Elizabeth Spinzia stated homes under a median price of \$500,000 can be exempt from the RETT (tax) for a CPF.

### **How the Community Preservation Fund may be used**

Revenue from the fund would be used to purchase land designated as a “conservation priority” through a Community Preservation Plan (CPP). The generated revenue from the RETT would become a dedicated stream of funding for such projects as:

- Creation of parks, nature preserves, recreation areas, wildlife refuges and viable agricultural lands.
- Protection of areas of exceptional scenic qualities.
- Protection of wetlands, shorelines, threatened ecosystems, rivers, streams and drinking water.
- Development of public access to lands for recreational use, including streams and waterways.
- Preservation of historic places and properties.
- Protection of rare or endangered habitats.

### **Why Use a Real Estate Transfer Tax (RETT)?**

- Residents would not experience a new property tax. The RETT would be paid by the buyer or negotiated/divided between the buyer and seller.
- In no event shall RETT monies deposited in the CPF be transferred to any other account.

### **State Authorization**

The Hudson Valley Community Preservation Act (2007) authorized communities to do the following:

- Create a dedicated, non-transferable fund (CPF) for protecting community character.
- Use revenue to implement a Community Preservation Plan.
- Acquire interests or rights in real property in accordance with plan and with cooperation of willing sellers.
- Create a local Real Estate Transfer Tax (RETT).

There are only three counties (Westchester, Putnam, and Ulster) where towns are allowed to create CPFs without state approval. However, towns in Dutchess County do not have this authority. Therefore, the Town of Rhinebeck, as did the town of Red Hook, would need to qualify

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<sup>3</sup> Realtor.com: *Dutchess County, NY housing market*, found at [https://www.realtor.com/realestateandhomes-search/Dutchess-County\\_NY/overview](https://www.realtor.com/realestateandhomes-search/Dutchess-County_NY/overview).

<sup>4</sup> Rocket Homes: *Dutchess County Median Sold Price (2024)*, found at <https://www.rockethomes.com/real-estate-trends/ny/dutchess-county>.

for stand-alone authorization from NYS. This would require the involvement of our representatives in the NYS Senate and Assembly and the Governor. It would also involve support from local, regional, and national-level land conservation organizations.

### **What the (Rhinebeck) Community needs to do**

As a prerequisite, NYS mandates that a town would have to create a local Planning and Development Committee, composed of community volunteers, to work at generating a Community Preservation Plan (CPP). No member of the local legislative body may serve on the committee. Some of the issues the committee would need to address are:

- Goals
- Prioritization
- Readiness
- Costs
- Funding Sources

**Community Preservation Plan (CPP)** – Some of the tasks of this committee would be:

- Identification of community values.
- Compilation of the natural and cultural resource data for inventory and mapping.
- Identification of priorities - pre-identify what lands should be purchased by the town.
- An evaluation of land-use alternatives.
- The writing and revision of the CCP and summary tables of ranked priorities.

**Available resources** – The Planning and Development Committee could use the following resources for their work:

- Town of Rhinebeck Comprehensive Plan
- Open Space Inventory
- Open Space Plan
- Historic Resources Survey
- Inventory of Open Space Areas

### **Creation of local codes or laws**

- Community Preservation Fund (CPF)
- Community Preservation Committee and Plan (CPC and CPP)
- Real Estate Transfer Tax (RETT) to be applied to the CPF

### **How Scenic Hudson helps a community with a CPF?**

At the Town Board meeting, Ms. Fraccarolli stated that Scenic Hudson would provide support to such a project. According to *The Daily Catch*, Ms. Fraccarolli added that a town's CPF would open the door to other funding opportunities. As an example, she stated, "Scenic Hudson itself contributed half of the \$3 million used for the Town of Red Hook to purchase the Union Theological Center parcel, set to become an 82-acre waterfront park." <sup>5</sup>

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<sup>5</sup> "To Limit Development, Rhinebeck Eyes Creation of a Community Preservation Fund with a Tax on Some Home Sales," by Andrew Checcia. *Red Hook Daily Catch*, April 1, 2024.