

Community Preservation Funds in the Hudson Valley

Overview:

Community Preservation Funds (CPFs) are an important tool to promote land conservation and historic preservation in the Hudson Valley. Established to support the protection of open spaces, natural resources, farmland, and historic sites, CPFs empower municipalities to safeguard their unique character and enhance quality of life for residents. This fact sheet provides an overview of how Community Preservation Funds work.

Purpose:

Community Preservation Funds aim to preserve and enhance the quality of life in local communities by protecting open spaces, natural habitats, agricultural lands, and historic properties. These funds help municipalities strike a balance between development and conservation, ensuring that natural lands and historic sites are conserved and maintained for current and future generations.

Authorization:

Passed in 2007, the Hudson Valley Community Preservation Act (HVCPA) authorizes cities, towns, and villages in the following counties to establish a CPF:

- Westchester County
- Putnam County
- Ulster County (added to the HVCPA in 2019)

In addition to the HVCPA, the following municipalities in the Hudson Valley have independent authorization to create a CPF, but have not yet completed the process:

- Town of Chester, Orange County (proposal on the November 2026 ballot)
- Town of Orangetown, Rockland County (proposal on the November 2026 ballot)
- Town of Clarkstown, Rockland County
- Town of Copake, Columbia County
- Town of Fishkill, Dutchess County (authority expires in 2027)
- Town of Northeast, Dutchess County (authority expires in 2028)

Requirements of Community Preservation Funds

To create a CPF, a community must pass three laws:

1. **Community Preservation Fund:** The municipal governing body must adopt a local law establishing a CPF. The municipal governing body must also establish an Advisory Board as part of the local law once the law is adopted (generally, this happens after the successful passage of the referendum).
2. **Community Preservation Project Plan:** After establishing the Fund, the municipal governing body must adopt a CPP by local law.
3. **Real Estate Transfer Tax:** After adopting the CPP, the municipality must adopt a local law imposing a real property transfer tax not exceeding 2% of the median value of property sold in the county in which the municipality is located. This law must be approved by local voters during a November election to be put into effect.

Funding Source:

The primary source of funding for CPFs is a tax on the transfer of real property located in the municipality. Known as a “Real Estate Transfer Tax,” it is customarily paid by the buyer of the property. The exact amount of the tax is set by local elected officials in the community, but may not exceed 2%. Under the HVCPA, communities may include an exemption for sales below the median sales price of residential real property within the community. If a community has independent authorization, there may be different rules for exemptions depending on the authorizing legislation. When the tax is collected, it generates a dedicated revenue stream that is directed to the local CPF. In addition, CPFs may also receive gifts of funds or interests in land.

Administration:

CPF programs are administered by local governments through an advisory board of community residents that have been appointed by the community’s elected leadership. The board is responsible for reviewing and selecting projects to receive funding, and must abide by the state’s Open Meetings Law to ensure that its actions are accountable to the

public. The board evaluates project proposals based on criteria and priorities that are included in the community's Community Preservation Project Plan (CPP), such as conservation value, historic significance, community benefit, and alignment with local preservation goals. Funds from the CPF may only be spent on projects that are included in the local CPP. The CPP must also include a detailed evaluation of land use alternatives to protect the unique character of the community.

Eligible Projects:

Community Preservation Funds can support a wide range of projects, including:

- Land Acquisition: Purchasing and conserving undeveloped land, scenic vistas, and natural habitats.
- Historic Preservation: Restoring and maintaining historic sites, buildings, and landmarks.
- Agricultural Conservation: Supporting the protection of local agricultural lands.
- Recreation: Developing parks and trails, and making improvements to allow public access and enjoyment.
- Water Protection: Safeguarding water resources, wetlands, and coastal areas.

Local Benefits:

- Conservation: CPFs play a crucial role in preserving open spaces, protecting biodiversity, and maintaining the natural beauty of local landscapes.
- Historic Preservation: Historic properties and landmarks are safeguarded, contributing to a sense of heritage and identity within communities.
- Quality of Life: Access to parks, recreational areas, local food, and cultural sites enhances residents' well-being and quality of life.
- Community Engagement: CPF programs often involve community input and collaboration, fostering a sense of ownership and shared responsibility.
- Water Quality: Protection of lakes, ponds, streams, and waterfronts, as well as land that surrounds municipal drinking water sources, promoting water quality in the community.

Success Stories:

Several Hudson Valley communities have seen notable successes through their CPF programs:

- With independent authorization, the Towns of Red Hook (Dutchess County) and Warwick (Ulster County) led the way as early adopters of CPFs in 2006. Using funds from their CPF, the Town of Red Hook has conserved 4,162 acres of farmland, and has just recently acquired two new properties that may be utilized for affordable housing, host public recreational trails, and be maintained as farmland in perpetuity.
- The Town of New Paltz (Ulster County) passed their CPF in 2020 and has since raised over \$1 million.
- The Towns of Gardiner and Marbletown (Ulster County) passed their CPFs in 2022, and Marbletown is already working on their first acquisition in collaboration with the Open Space Institute. This property will be used as a town park.
- The Town of Chatham, operating under independent authorization, passed their CPF in 2023 with a strong emphasis on farmland protection.

Conclusion:

Community Preservation Funds are a vital tool for Hudson Valley communities to balance development and conservation. By generating dedicated funds for the protection of open spaces, natural resources, and historic sites, CPF programs contribute to the long-term well-being and unique identity of localities across the region.

Interested in creating a CPF? Here are a couple of next steps:

- Compile relevant conservation plans and studies your municipality or county has already created.
- Undertake a Community Preservation Plan to engage the public and identify local conservation priorities.
- Determine if your community has state authorization to establish a CPF.
- Assess the readiness of your community to establish a CPF. Engage a consultant to conduct a feasibility study.
- Identify a coalition of people (local volunteers, land trust staff, etc.) that represent diverse interests and sectors of the community, and who will undertake this project and see the CPF through to Election Day
- Identify at least one ally on your municipal board.
- Start talking to community members about your desire to implement a CPF in your community.