

Meeting Minutes for the fourth meeting of the Land Bank Study Committee

2.27.19 6:30 PM Room 111 of Town Hall

Present: David Lescohier, Linda Pehlke, Harold Petersen, Bob Lepson, Blair Hines, David Pearlman, Joanne Sullivan, Heather Hamilton, Chair

Members of the Public: Bob Schram

The chair opened the meeting at 6:22 PM.

Each member of the committee introduced themselves since there was a member of the public that didn't know everyone.

Blair started by referencing the comparison document that David Lescohier created to show the differences between the proposed real estate transfer tax (to create a land bank) with the CPA. The point he wanted to raise is that it may be easier to change the CPA (what you can spend the monies on) instead of trying to get the state legislature to grant you the ability to establish a transfer tax. Some member of the committee stressed that changing the CPA (since it is now in many more communities throughout the state) would be just as arduous.

David Lescohier likes the idea of the CPA, but added that even if we had passed the CPA, we would still need another mechanism to address many of the resource constraints that Brookline faces. This is another mechanism to allow for that.

Blair would like to explore making two amendments to the CPA; one that would allow for transfer tax instead of the usual form of funding in place currently, and then adding acquiring land for school purposes.

There was debate among members as to whether acquiring land for schools should be included since they have the ability to petition for overrides and they have yearly funding through the town budget. Open space has no such fall back.

Joanne Sullivan suggested that we check in with our state legislators to see if a transfer tax is a realistic endeavor since many other communities have tried and been unsuccessful.

David Lescohier recommended we check in with Mike Connolly of Cambridge as well since he has submitted many of these bills related to transfer tax, land banks, and affordable housing.

David Pearlman suggested it might be easier to get an exemption that might allow us to use funds for school property. Since Boston is often exempted, there is precedent already set.

Bob Lepson cautioned that Towns are often treated differently than cities. Cities can have ordinances, whereas Towns are subject to the Attorney General's scrutiny. This might be limiting.

Linda Pehlke asked for the definition that was written in the original warrant article.

David Lescohier stressed that his vision was for land only to be acquired, not buildings that would need to be torn down or retrofitted.

Harold Petersen presented his analysis on the effects of the land banks on Nantucket and Martha's Vineyard.

Both transfer taxes instituted a 2% tax. Cape Cod tried to follow suit, but was unsuccessful for a number of years. The state legislature claimed that Martha's Vineyard and Nantucket were special cases. Cape Cod eventually reached an agreement where they were able to obtain a 3% surcharge on property taxes with a state subsidy. This would be the precursor to the CPA.

David Lescohier referenced a paper published in Real Estate World that had been presented at the Advisory Committee a number of years ago where Real Estate Agents asserted that their commissions would be eroded by any transfer tax.

Harold Petersen said it was difficult to analyze the economic impact because there is little data going back into the early 1980s. So he used equalized valuations because in 1980, because of Proposition 2 1/2, this created a standardization. It is very difficult to control for interest rates and the state of the economy, so he stressed that he does not have high confidence in the results.

He aggregated all of the towns on Martha's Vineyard and the one town on Nantucket. He looked at short periods: 1982-1984 and then 1984-1986 before and after implementation of each of the land banks on each island. The results were not statistically significant, but looked like an immediate negative impact in the short term. He did the same for Cape Cod and tried to analyze whether a surcharge or a transfer tax was more negative. He stressed there was a very small sample, but that the analysis showed that a surcharge was more negative.

David Pearlman referenced the table on the last page and pointed out that the only deviation from the rest of the comparison is 2008-2012. Brookline's prices stay flat while the others decline. What could account for that?

Bob Lepson inquired when did Brookline and other communities like Brookline become desirable places to live (exclusive or wealthy)? He suspects that in the 1980s, people were more price sensitive than the current residents today since there is such a high demand to live here now.

David Lescohier cited the Lincoln Institute's **Land Policy that looked at Proposition 2 ½ impact**. He said their conclusion is that communities that have successful overrides tend to have higher property values.

Linda Pehlke asked Harold why he thought the implementation of these transfer tax or surcharges would delay development.

Harold Petersen responded that in the short-term, projects in the pipeline wouldn't stop because of a few percentage point changes. However, it might have an effect on future projects because that is more capital that is required.

Harold also updated the group on the current status of the home rule petitions. Somerville's home rule petition has been refiled and is H 2423. It has been sent to the Committee on Revenue and has four sponsors. It would only allow the money to be spent on land for affordable housing. Another bill H 1769/SD 334 is a local option real estate transfer tax allowing up to 2% for all communities but only for the purpose of affordable housing and only if the municipality has a Housing Trust Fund. This bill has been referred to the Committee on Municipalities and Local Communities and has 38 sponsors.

Nantucket introduced a bill H 3970 that would add an additional ½% onto their real estate transfer tax for affordable housing. Provincetown has also filed similar bills in the past, not sure if they have refiled for this year. The Governor's proposal to raise the fees for Deeds might also provide additional funding for CPA.

The Chair provided an update on the meeting she had with the Brookline Land Trust. The meeting was held in Town Hall with Erin Gallentine, Tom Brady, and Werner Lohe. The Trust only owns three parcels and does not have the bandwidth to take on more responsibilities. There is not a lot of participation or structure. There were also ongoing issues with upkeep and maintenance and a brief issue regarding tax status. The Chair will send around the charters for the organization.

The next task was to discuss next steps and assignments. Due to the issues raised and the interest expressed by some members, the following assignments were given:

- 1) Marilyn Newman will continue to look at Town budget allocation processes as they currently apply to funding land acquisition and acquisition planning, how they would work with legislation authorizing a RETT/Land Bank, and whether any improvements to support strategic land acquisitions could be implemented in the absence of (or in advance of approval of) state legislation
- 2) David Lescohier and Blair will work on what it would take to modify the CPA as opposed to each municipality trying to get a local option tax and to call Representative Vitolo and Representative Connolly on their assessment of the currently filed bills chances of passage
- 3) Linda will continue to research studies from Trust for Public Land
- 4) A literature review of transfer taxes on economic development - TBD
- 5) More research on the Municipal Reform Act – TBD
- 6) Chair will send out charters for Land Trust

Public comment: Chair asked Bob Schram why he came and if there was a special area of interest. Bob responded that he is interested in open space and finding a mechanism to obtain and preserve open space. He is concerned that there are opportunities popping up that the Town won't be able to take advantage of without a mechanism to dedicate funding.

Meeting adjourned at 7:36 PM.

Potential guest speaker for an upcoming meeting: Sean Cronin, former Deputy Town Administrator, Currently Senior Deputy Commissioner for Local Services at the Department of Revenue

Our next meeting will be determined through a Doodle pool sometime in March.