

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

6.17.19 6:00 PM Room 408 of Town Hall

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

Special Guest: Dan Lyons, real estate agent for COMPASS as well as Parks and Rec Commissioner

The chair opened the meeting at 6:05 PM.

The meeting minutes were held from the meeting on 5.15.19 because edits had not been incorporated. The Chair will incorporate the edits and will distribute before the next meeting.

For the benefit of the special guest, the Chair described the charge of the committee and some of the work done to date. Members did introductions to provide the guest insight into the backgrounds and skillsets in the room.

Dan Lyons described his background, his service on the Parks and Recreation Commission, and his personal experience with the two attempts to pass the CPA. He indicated that he has observed the real estate lobby opposing most legislation that raises taxes or levies fees in this area. He wouldn't be surprised if they come out in opposition on this initiative.

Linda asked the question whether the real estate lobby has taken a position on the Governor's proposal to double the filing fees for the register of deeds in order to address climate change, specifically resiliency planning.

Dan indicated that he had reached out to Don Chastalski and the counsel from Greater Boston Real Estate Board/Association in order to get their official stance. When he received something, he would send it along.

Our current proposal with a \$500,000 exemption would be roughly \$5,000 on a \$1,000,000 property sale if it were a 1% fee.

Blair indicated that we should look at whether \$500,000 is enough of an exemption and whether the percentage should be graduated: 1% on 1 million, 2% on 2 million, etc. He also suggested that we need to have a public hearing to account for any blind spots that we may have.

Harold asked whether this transfer tax would impact developers. If it did, how would it and would it affect overall new growth? He did not see a way to test this with the current data that we have.

Blair offered to ask some developers he knows to provide us information on the potential impact to their investment/financing structure might be in order for us to analyze.

Brief discussion about current residential developments that have commercial space on the first floor. Many of these developments cannot find any retailers to go into the spaces and they remain empty. These spaces also have not seemed to lower commercial rents overall.

There are only a handful of commercial developments in Brookline a year.

Bob asked how effective the political power is of the real estate lobby with the state legislature.

Dan indicated that with housing prices so high, their power might be diminished. But traditionally, they have been powerful and effective. If the exemption were to be increased to above \$500,000, it might lower opposition.

David L stressed that more and more cities and towns are sponsoring or co-sponsoring bills that address these issues indicating that the problem is universal.

The chair described what the current status is with our legislative delegation.

David L offered an updated based on a more recent conversation with Representative Vitolo.

Blair would like to know what the difference in impact would be for a transfer tax versus an operational override.

Dan said that the real estate lobby will target any bills that seek to assess a fee or tax.

David L said that if they target Representative Connolly's bill on affordable housing, a home rule petition might be the safer value.

Linda asked Dan about the Open Space and Recreation Planning Master Document. It shows that we don't have enough space for the community needs that have been identified. Do we need a land bank?

Dan affirmed that we do need a mechanism in order to buy land that becomes available. He supported the CPA when it was before the voters both times. Cost and availability remain an issue in town.

Harold raised the point that we are currently paying in to the CPA despite not being able to take advantage of its benefits. He asked what would have a better chance to pass, the CPA? The land bank? Both? He believes the only way we will be successful at getting a transfer tax to pass is if it is a concession away from rent control. Harold also offered an example from Pittsburgh, PA where there is a 4% transfer tax and their economy and development is booming.

The Chair briefly described the arrangements in Nantucket, Martha's Vineyard, and Cape Cod with their transfer tax system.

Dan pointed out that most residents on Cape Cod, Martha's Vineyard, and Nantucket do not use the public schools or many town services.

The group reviewed the memo produced by Marilyn Newman on outstanding questions that had been raised during the original warrant article review by the Advisory Committee.

Marilyn asked how we start to answer some of these questions. What has been the experience of the 38 communities across the United States that have a transfer tax? There is a study regarding the City of Toronto. Has anyone looked at it? Could we get Anthony Flint of the Lincoln Institute to come before us as a possible guest?

Linda asked what if we exempted commercial property from this transfer tax?

David P asked if we can get data from the Tax Assessor's office on how much money would be produced under various scenarios?

Next steps discussed include:

- 1) Refine the broad strokes language for a home rule petition or local option
- 2) Meet with Somerville/Cambridge to understand if we should sign on to one of their initiatives
- 3) Attempt to answer outstanding questions first raised by the AC
- 4) Get data from Tax Assessor's office
- 5) Understand implications to pro-formas

Meeting adjourned at 7:43 PM.

Potential guest speaker for an upcoming meeting: Gary McCabe, Tax Assessor's office, Ken Lewis, local commercial real estate developer

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