

## MEMORANDUM

**To: Agricultural Lands Preservation Committee (ALPC)**  
**From: David Viale, Agricultural Lands Programs Supervisor**  
**Date: 1/6/22**  
**Subject: APR Local Match policy**

**Purpose:** To inform and consult the ALPC regarding recommended changes to the Local Match Policy.

**Background:** ALPC minutes demonstrate that as early 1988 the APR Program has encouraged leveraging APR dollars with a local match.

In 2004 the Romney Administration introduced a Smart Growth Program called Commonwealth Capital, as an additional APR funding source. In 2005 it became the sole APR funding source. This program required a minimum 20% local match to APR purchases. The match could be provided by any combination of a municipality or non-profit providing cash or in-kind services or via a landowner bargain sale (accepting a lower purchase price). In addition, the 20% minimum match could be reduced by 5% for each of the following:

- 1) Adopting a Right to Farm bylaw
- 2) Establishing an Agricultural Commission
- 3) Establishing a system to keep track of lands protected by APR's within their community

Implementing all three would enable the local match to be reduced to as low as 5%.

In 2008, due to the economic downturn, an additional method to reduce the local match requirement was introduced. In lieu of establishing any of the three incentives above, Communities that could demonstrate they've historically provided a match could also receive a reduction to as low as 5%.

Although the Commonwealth Capital program has not been in effect for quite some time, the above Local Match Policy has continued to be implemented through the present day.

**Proposal:** APR staff has reviewed the policy and recommends the policy be updated to the following:

- 1) For projects valued less than or equal to the \$17,000 per acre cap, require a minimum 10% local match. This minimum can be reduced to 5% if a Right to Farm Bylaw has been established.
- 2) For projects that qualify to go over the \$17,000 per acre cap, a minimum 10% local match is required.

**Analysis:**

The recommended policy change included the following review:

- Analysis of data related to APR projects completed in the past 5 years, including % match required, % match received, and bargain sales. The takeaway from this analysis includes:
  - Nearly 90% of projects were eligible for a reduced match to 10% or less.
  - Bargain sales assist meeting the match at least 28% of the time.
  - Landowners shoulder the entire match at a significant frequency.
- Review of the three Commonwealth Capital incentives and their effectiveness. The findings of this review include:
  - It is a challenge to evaluate how active Local Agricultural Commissions and tracking systems are.
  - The Right to Farm by law is an incentive that can be adequately evaluated. It is also received ranking points for ACEP ALE.

- In addition, staff considered the following questions:

*Does this policy change require ALPC approval?*

No. APR regulations establish that the ALPC may advise and make a recommendation to the Department for Programmatic policy development or changes and that the Commissioner has sole discretion to establish and implement APR program policy. This differs from the recent Per Acre Cap Policy change that sought ALPC approval. The Cap Policy is an ALPC policy.

*Is a Local Match necessary?*

Technically no, but the program staff and previous ALPC's have seen value in leveraging local dollars. The Match has been viewed to stretch limited APR funding, demonstrate local support for projects, and provide a process to educate communities about the importance of APR land – thereby furthering local support.

*Are APR funds leveraged in other ways?*

Yes. In addition to the local match all APR projects currently leverage as much as 50% of the APR purchase price through either the ACEP-ALE program or another source if ACEP-ALE is not used.

*Is Community support evaluated in other ways?*

[APR Regulation 330 CMR 22.05 \(4\)](#) enables but does not require municipalities to provide comments or recommendations from their Agricultural Commission, Conservation Commission, Planning Board, chief executive officer, and chief administrative officer. The comments may include the compatibility of the Project with zoning by-laws, open space plans, natural resource inventories, and other relevant considerations; and a statement signed by the chief executive officer of the Municipality expressing the interest of the Municipality, or lack thereof, in providing funds or other assistance if the Project is approved by the Department.

*Are landowners rejecting offers or not applying to APR due to the local match?*

Anecdotal evidence suggests that it does occur, although not frequently. The data shows that landowners, at times, must decide whether to accept a bargain sale due to the local match requirement and that those bargain sales can be significant – ranging over \$200,000 (\$82,000 median and average). Based on this data it is reasonable to expect that at least some offers have and would be declined under such circumstances.

*What are the anticipated outcomes of the proposed policy?*

- The number and size of bargain sales will be reduced.
- The APR program may be viewed as a more attractive program to landowners.
- Applications may increase and the number of offers accepted may increase.
- A relatively small increase in spending of APR funds may occur (due to reduced local match).

*Is there funding available to cover any additional increase in spending?*

Yes. Based on the data, any increase in spending is expected to be in the range of \$35,000 per year. The Department has more than adequate discretionary funds available to cover this increase.

*Should there be a periodic review and update to this policy?*

Yes, the APR program is required by regulation to review our policies at least every 3 years.

**Next Steps:** APR staff will present to the ALPC at the January 10<sup>th</sup> 2022 meeting.

The Commissioner will determine whether to adopt the policy as is or with modifications.

If adopted, the new policy will be applied to new APR acquisition offers that are scheduled to go out to landowners soon after ALPC meeting (this January).