



# Workforce Housing & Climate Protection Act of 2025

## FAQ's for REALTORS®

- **Q: Why are we as REALTORS® proposing this initiative?**

*A: The Santa Cruz County Association of REALTORS® is proposing this initiative as an alternate option to the “Workforce Housing Solutions Act” proposed by Santa Cruz Mayor Fred Keeley and a coalition of non-profit and low-income housing developers. The initiative proposed by Mayor Keeley includes a parcel tax that is nearly double of what we are proposing (\$96 vs \$50 per parcel). Additionally, as a way not to punish working families and lower- or middle-income homeowners, we raised the base (or the starting point) of the transfer tax from \$1.8M to \$4M, above the moderate-income values we see in our community. With our proposed base of \$4M, the number of properties impacted will be extremely minimal.*

- **Q: How does this initiative impact businesses and commercial/industrial parcels?**

*A: Unlike the “Workforce Housing Solutions Act”, our initiative exempts all non-residential properties like commercial and industrial properties.*

- **Q: Who is funding this initiative?**

*A: The seed money for this initiative has been provided by the real estate community. Once we qualify this initiative, we plan to host community fundraisers for community monetary support.*

- **Q: Are Senior's Exempt in your initiative?**

*A: Yes, our initiative exempts all seniors. Under the “Workforce Housing Solutions Act” proposed by Mayor Keeley, unless you are a qualifying low-income senior over 65, you are NOT exempt from the parcel tax. As a senior, even if you are low-income over 65, you are NOT exempt at all from the transfer tax. Our initiative exempts all seniors over 55.*

- **Q: Why did you include Climate Protections?**

*A: As Realtors, we understand that tourism is an important component to the City of Santa Cruz and revenue generation. Providing revenues for the Wharf and other infrastructure impacted by climate change is important because it adds to the fiscal health of our community and provides additional indirect revenues that can help fund affordable housing. Additionally, because of good public services, residential properties maintain a good value.*

- **Q: What does it mean to be a “competing or competitive” initiative?**

*A: Under the California competitive initiative process, only one of the initiatives can pass, even if they both pass the 50% threshold normally needed. Whichever initiative receives the most votes is the victor, even if it's just by one vote.*

- **Q: What is a real estate transfer tax?**

*A: A real estate transfer tax, sometimes called a deed transfer or sales tax, is a one-time tax or fee imposed by a state or local jurisdiction upon the transfer of real property. In other words, it's a fee charged by the government to legally transfer ownership when a home is sold. Usually meaning the cost is based on the price of the property being sold.*

- **Q: Why are we as REALTORS® proposing a transfer tax?**

*A: The only way to make this a “competitive Initiative”, we were legally obligated to include a transfer tax in the initiative.*

- **Q: What’s the difference between your transfer tax and the one proposed by Mayor Keeley?**

*A: Our initiative is at a rate of .5% (half of a percent) on residential properties over \$4M. The Keeley initiative transfer tax starts at \$1.8M at a rate of .5% up to \$2.5M, then it kicks up even higher to 1% at \$2.5M to \$3.5M, 1.5% on sales of \$3.5M-\$4.5M and then 2% for anything above \$4.5M. Unlike our initiative, their initiative applies to ALL properties, not only residential.*

- **Q: Does this initiative impact all of Santa Cruz County residents?**

*A: No, this initiative only impacts parcels and homes in the city limits of Santa Cruz.*

- **Q: Is there a cap on the transfer tax?**

*A: Yes. Unlike the “Workforce Housing Solutions Act” that has a \$200,000 tax cap, our initiative is capped at \$100,000.*

- **Q: Does your initiative tax ever sunset?**

*A: Yes. Unlike the “Workforce Housing Solutions Act” that lasts 20 years, our initiative, the “Workforce Housing & Climate Protection Act” sunsets in half of that timeframe, down to 10 years.*

- **Q: Where will the tax revenue go?**

*A: The revenue will generate funding for the construction of affordable housing. Unlike their initiative, our initiative also requires that the units built be for sale, not only rental units. Additionally, funding will be available for first time homebuyers to access much needed down payments.*