



SANTA CRUZ
COUNTY OFFICE OF
EDUCATION
DR. FARIS SABBAH - SUPERINTENDENT OF SCHOOLS

Santa Cruz County Board of Education • 400 Encinal Street, Santa Cruz, CA 95060 • Tel (831) 466-5900 • www.santacruzcoe.org
Mr. Ed Acosta • Mr. Edward Estrada • Mr. Greg Larson • Ms. Sue Roth
Mr. Abel Sanchez • Mr. Bruce Van Allen • Ms. Rachel Williams

Student Trustee: Natalie Hofkins and Ruben Marcus

RESOLUTION #25-09
SUPPORTING THE SANTA CRUZ WORKFORCE HOUSING AFFORDABILITY ACT

WHEREAS, the City of Santa Cruz and most local jurisdictions are making progress toward the construction of more market rate housing as required by State law, there is still a significant gap in meeting the housing needs of essential workers, families, seniors and young people who are struggling to live in our community;

WHEREAS, essential workers in our region includes educators and school staff who are also facing severe housing challenges, both in availability and affordability;

WHEREAS, Santa Cruz City Schools has already proposed and received City approval for a new educator workforce housing project on school property as an essential tool for recruiting and retaining quality school teachers and staff ;

WHEREAS, other regional educators and leaders are interested in housing solutions to maintain the strength of the educational fabric throughout Santa Cruz County;

WHEREAS, educator workforce housing is a priority of the California School Boards Association through both its educational programs and sponsorship of two bills this year supporting educator workforce housing;

WHEREAS, Housing Santa Cruz County and leaders from other nonprofits, the city, education, business and labor are leading the signature-gathering effort to place the Santa Cruz Workforce Housing Solutions Act on the November ballot in the City of Santa Cruz;

WHEREAS, the Workforce Housing Affordability Act will generate over \$5 million a year to increase the supply of affordable workforce housing for essential workers, including educators and school employees, as well as families and students facing housing stress and potential displacement;

WHEREAS, the Workforce Housing Affordability Act will provide funding for the Santa Cruz Affordable Housing Fund with a balanced and progressive pair of taxes, including a \$96/year parcel tax and a 0.5 to 2% escalating real estate transfer tax on the value of properties purchased over \$1.8 million, to a maximum tax of \$200,000 (adjusted annually based on CPI up to 3% for the prior year);

WHEREAS, the Workforce Housing Affordability Act provides numerous exemptions for nonprofit, local government, low income, and within-family parcels and transfers, limits the total administrative costs to 3% maximum, and sunsets after 20 years;

WHEREAS, 87% of all funds generated would be used only for affordable housing projects and programs with an additional 10% set aside to address and prevent homelessness;


WHEREAS, the success of additional workforce housing in the City of Santa Cruz will help relieve housing pressures regionally and provide a model for implementation elsewhere in the County;

WHEREAS, educators and school staff throughout Santa Cruz County are essential workers and much more needs to be done to ensure the availability and affordability of housing necessary to attract and retain educational staffing in all of our school districts, as well as for impacted student families; and


NOW, BE IT THEREFORE RESOLVED, that the Santa Cruz County Board of Education hereby supports placing the Santa Cruz Workforce Housing Affordability Act on the City of Santa Cruz November Ballot for determination by the voters.

PASSED AND ADOPTED by the Santa Cruz County Board of Education, County of Santa Cruz, State of California, this 20th day of March 2025, by the following vote:

AYES: Estrada, Larson, Roth, Williams
NAYS: None
ABSTAIN: Van Allen
ABSENT: Acosta, Sanchez



Edward Estrada, Board Vice-President
Santa Cruz County Board of Education



Dr. Faris M. Sabbah, Secretary
Santa Cruz County Superintendent of Schools

Attachment:
City Attorney Ballot Title and Summary for the Workforce Housing Affordability Act

The full ballot measure is available at: <https://www.WorkforceHousingNow.net/background>

A PROPOSED AMENDMENT TO THE CITY OF SANTA CRUZ MUNICIPAL CODE ENACTING “THE CITY OF SANTA CRUZ WORKFORCE HOUSING AFFORDABILITY ACT OF 2025” SUPPORTED BY A NEW 20-YEAR PARCEL TAX AND REAL PROPERTY TRANSFER TAX

This measure would amend the City of Santa Cruz Municipal Code to add Chapter 3.34, “The City of Santa Cruz Workforce Housing Affordability Act of 2025” and would authorize two new special taxes, a parcel tax and a real property transfer tax, to fund it for twenty years before expiring. The use of revenue from both taxes would be restricted to the purposes specified in the measure, which include the following:

- 87% for affordable housing programs and projects;
- 10% for programs and facilities to address and prevent homelessness; and
- a maximum of 3% for community oversight, accountability and administrative expenses in implementing the measure.

The proposed parcel tax would be imposed annually upon all parcels of real property in the City in the amount of \$96 per parcel. Exemptions would be available to qualifying low-income households, low-income senior households, affordable housing projects, schools, religious institutions and other entities that are otherwise exempt from property taxes.

The proposed real property transfer tax would be levied on the value of property transferred or sold in excess of \$1.8 million, as follows: A 0.5% tax (\$5/\$1,000) on the price paid in excess of \$1.8 million but less than \$2.5 million; a 1% tax (\$10/\$1,000) on the price paid in excess of \$2.5 million but less than \$3.5 million; a 1.5% tax (\$15/\$1,000) on the price paid in excess of \$3.5 million but less than \$4.5 million; and a 2% tax (\$20/\$1,000) on the price paid in excess of \$4.5 million, subject to a cap of \$200,000. No tax would be imposed on the price paid for property transferred that is under \$1.8 million.

These thresholds would be increased annually by the change in CPI for the prior year. Thus, for example, if the CPI for Fiscal Year 2026-2027 is 3%, then commencing July 1, 2027, the exemption threshold for the tax would increase to \$1,854,000. The \$200,000 transfer tax cap would be adjusted annually by CPI up to 3%.

A variety of real property transactions would be exempt from the proposed tax including, but not limited to transfers: by inter-vivos gift or inheritance; from a public agency to a non-profit corporation; to or from exempt public entities; of marital property; of restricted affordable units; of certain partnership property; made as part of bankruptcy proceedings; and deeds in lieu of foreclosure.

Both taxes imposed by this measure would expire after the 2046-2047 fiscal year, and the City Council would be prohibited from placing a measure on the ballot to increase transfer tax rate or extend the tax while it is in effect.

As a citizen-led special tax measure, passage requires simple majority (50% +1) of voters who cast ballots to pass. A “yes” vote is a vote to approve the taxes; a “no” vote is a vote to reject the taxes.

s/ANTHONY P. CONDOTTI
City Attorney