



REAL PROPERTY TRANSFER TAX: DESIGNATION OF FUNDING FOR HOMELESS AND AFFORDABLE HOUSING PROGRAMS

City Council Meeting
October 2, 2018

David Gouin, Director of Housing and
Community Services
Chuck McBride, Chief Financial Officer

Recommendation

This item provides the City Council with an opportunity to consider an amendment to City Council Policy No. 000-48 (Policy to Designate General Fund Funding for Homeless and Affordable Housing Production) to adjust the amount of Real Property Transfer Tax funding to be designated for homeless and affordable housing programs.

Background

- The Real Property Transfer Tax (RPTT) is a tax imposed on the transfer of real property from one person or entity to another.
- The tax is based on the property's sales price, due at time of property transfer.
- The City's RPTT is \$2.00 per \$1,000 of property value, and the County's is \$1.10 per \$1,000 of property value, for a combined total of \$3.10 per \$1000 of property value.

Background

- City currently receives approximately \$4 million each fiscal year from the RPTT, which are placed into the City's General Fund to fund general city services.
- Under current Council Policy No. 000-48, 25% of the RPTT funds are designated to be used by the Housing and Community Services Department for homeless and affordable housing programs.
- This item provides the Council with the opportunity to consider adjusting the amount of the designation for homeless and affordable housing programs.

Option

- RPTT was increased by \$1.45 per thousand dollars of value in 1990. It has been suggested that all of this \$1.45 increase be provided for homeless and/or affordable housing.
- To allow for adjustments for General Fund impact, this increase could be phased in over a number of years.
- Increases would be cumulative, until 100% of the increase (\$1.45) RPTT funds are allocated to homeless and/or affordable housing.

DISCUSSION