



MEASURE C EXPLAINED

As many of you know, Santa Cruz voters approved Measure C, also known as the “Workforce Housing Affordability Act of 2025.” The measure creates two new local taxes intended to fund affordable housing and homelessness-related programs within the City of Santa Cruz.

Because these changes directly affect real estate transactions and property ownership within city limits, we wanted to provide members with a brief overview of what the measure does and what it may mean for REALTORS®, buyers, sellers, investors, and property owners moving forward.

WHAT MEASURE C DOES

Measure C establishes:

- A new annual parcel tax of \$96 per parcel on most properties located within the City of Santa Cruz
 - A new graduated real estate transfer tax on higher-value property sales above \$1.8 million
 - A 20-year funding program dedicated primarily to affordable housing and homelessness programs
- According to the City, revenues generated by Measure C are legally restricted for housing-related purposes and are subject to oversight and audits.

WHEN IT TAKES EFFECT

The taxes associated with **Measure C begin July 1, 2026.**

The annual parcel tax will appear on regular property tax bills beginning in Fiscal Year 2026–2027.

The transfer tax will apply to qualifying real estate transactions closing on or after July 1, 2026.

TRANSFER TAX THRESHOLDS

The Measure C transfer tax applies only to transactions above \$1.8 million. The tax increases based on the value of the sale.

This is in addition to existing transfer taxes already imposed during real estate transactions.

Members working in luxury, coastal, multifamily, investment, or commercial markets within the City of Santa Cruz should pay close attention to how these additional transaction costs may affect negotiations, pricing strategies, and buyer/seller behavior.

POTENTIAL IMPACTS ON REALTORS® AND THE MARKET

Measure C may impact our industry in several ways:

- Increased transaction costs on qualifying property sales
- Potential effects on property valuations and seller expectations
- Additional escrow and closing considerations for REALTORS® and title companies
- Possible shifts in buyer behavior for higher-priced properties
- Added operating costs for some property owners and investors

In addition, Measure C specifically prohibits residential landlords from passing the annual parcel tax directly onto tenants.

EXEMPTIONS

Certain exemptions may apply, including for:

- Qualified low-income homeowners
- Certain seniors
- Affordable housing properties
- Schools, religious institutions, and some tax-exempt organizations

Property owners seeking exemptions must submit required forms and documentation to the City of Santa Cruz by the applicable deadlines.

HELPFUL LINKS

City of Santa Cruz Measure C Information Page:

[City of Santa Cruz Measure C Information](#)

Official Measure Text and Election Materials:

[Santa Cruz County Elections – Measure C](#)

City Attorney Impartial Analysis:

[Measure C Impartial Analysis PDF](#)

SCCAR will continue monitoring implementation of Measure C and providing updates as additional guidance becomes available from the City regarding administration, exemptions, and transaction procedures.

As always, we encourage members to consult with legal counsel, tax professionals, escrow officers, and title representatives regarding transaction-specific questions.

Thank you for your continued involvement and engagement and if you have further questions, feel free to email our GAD, Victor Gomez at gad@mysccar.org