

Resolution of Support for City of Santa Fe Excise Tax in Support of Affordable Housing

Whereas there is a serious shortage of affordable housing in Santa Fe, and

Whereas over the last 18 years the City's Affordable Housing Trust Fund has been providing down payment assistance, emergency housing assistance, affordable housing repair and rehabilitation support, and support for construction of affordable housing, and

Whereas these programs have impacted over 2500 households over the last 3 years, and

Whereas additional continuing income to the Affordable Housing Trust Fund will enable expansion of these critical supports for the provision and retention of affordable housing, and

Whereas the City Of Santa Fe has approved placing on the November local election ballot an Excise Tax on the purchases of homes priced over \$1M,

Whereas the proposed Excise Tax is estimated to provide an income stream of at least \$4.5 million per year (and would have generated between \$5.1M and \$9.3M in each of the years 2020-2022, based on data from the Santa Fe Multiple Listing Service), and

Whereas the proposed Excise Tax is paid by the purchaser and only on that part of the purchase price of a home exceeding \$1 million is targeted at those most able to afford it, and that threshold is indexed to inflation to keep it so targeted at those most able to pay, and

Whereas the amount of this tax is far less than the commission amount paid by buyers and sellers to real estate brokers on the entire purchase price, and

Whereas 36 states and hundreds of local municipalities across the country levy an excise tax, usually on the entire purchase price, and

Whereas, while the excise tax will not solve all of Santa Fe's affordable housing problems by itself, it is an important step in the right direction,

Therefore Be It Resolved that the Democratic Party of Santa Fe declares its support for the proposed excise tax, and

Be It Further Resolved that the Democratic Party of Santa Fe should initiate a campaign to inform voters of its support for this measure.