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Sent: Tuesday, May 14, 2024 7:25 AM
To: Showalter, Pat
Cc: City Council
Subject: Transfer Tax - SILVAR Oppose

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Hello Mayor and Council,

I appreciate the work done by Ad Hoc Committee and staff to carefully look at revenue options and the careful consideration of how a transfer tax will impact homeowners in Mountain View. Homebuyers in Mountain View already pay a higher transfer tax than the majority of cities in California and certainly considering further increases to this tax is not something the council would take lightly.

While the Silicon Valley Association of REALTORS believes all increases in the transfer tax only serve to push up the costs of housing, it certainly is fair to recognize that not increasing the tax below a \$5 million sales threshold will impact relatively few single-family home sales in Mountain View. SILVAR respectfully opposes this proposed increase, but should the council choose to further pursue this tax measure, I would like to offer two quick suggestions for your consideration:

1) The threshold should be indexed to adjust for inflation every two to three years. Certainly, the past several years has been a lesson to us all on how quickly the housing market can change, and that such market reactions can be highly unpredictable. Having a way to account for changing market conditions would ensure that the council is targeting your desired threshold in future years.

2) The index should be a reliable measure of the actual housing market. Certainly, we all understand many things drive inflation, but we want to be sure we are measuring housing costs specifically. The Federal Housing Finance Agency (FHFA) publishes several indices based on geographic area and BLS and HUD do as well. I will provide links to those below along with a California Association of REALTORS index.

Including these two specifics into how the tax is implemented would be a fair way to account for market changes, ease the cost for those looking to achieve homeownership, and likely decrease the impact on those creating gentle-density multifamily opportunities as well. Again, I thank you for considering these suggestions and certainly would be happy to be a resource in any way possible.

Thank you very much,

Ryan Carrigan
Silicon Valley Association of REALTORS

<https://www.car.org/en/marketdata/data/housingdata>

<https://www.fhfa.gov/DataTools>

<https://www.bls.gov/data/tools.htm>

<https://www.huduser.gov/portal/datasets/fmr.html>