



July 31, 2026

Request for Reconsideration: Changes to Real Property Transfer Tax

Dear Chair Packard, and Councilmembers Wong, Bella, Paxton, and Pon:

Thank you for your time yesterday, and for your diligent and dedicated work on this measure and on simplifying language for measures across the ballot.

The Office of Economic and Workforce Development is suggesting further changes that will decrease voter confusion caused by the wording of this ballot measure. With two measures on the ballot that promise to deliver affordable housing, it is critical that voters understand that while the Housing Trust Fund ballot measure will fund the production and preservation of affordable units as classically defined, this measure will not. Rather, this measure focuses on collective social housing models. Confusion by the voters could jeopardize the measure that truly increases funding for affordable housing.

Additionally, our clarifications stress that transfers \$10 million and over will essentially be subject to the same tax rates that they were previously. As it reads currently, this could be perceived by the voters as cutting a tax rather than also raising one.

Below is a summary of the changes our office is proposing.

Requested Change 1 (The Proposal)

Add: For these transactions, the effective rate paid will remain the same, as the rate being cut is equal to the new tax rate being added.

FROM:

- *The same exemptions and tax reductions from the current transfer tax would still apply to the new transfer tax.*

TO (Tracked Changes):

- ***For these transactions, the effective rate paid will remain the same, as the rate being cut is equal to the new tax rate being added.** The same exemptions and tax reductions from the current transfer tax would still apply to the new transfer tax.*

TO (Clean):

- *For these transactions, the effective rate paid will remain the same, as the rate being cut is equal to the new tax rate being added. The same exemptions and tax reductions from the current transfer tax would still apply to the new transfer tax.*

Rationale: Clarifies to voters that this is not a tax cut, but rather the imposition of a new tax of equal value to what is being cut.



Requested Change 2 (The Proposal)

Substitute “housing programs” for “housing production” in bullet, “at least 60% for housing production, with at least half to social housing developments.”

FROM:

- The City could spend revenue from the new transfer tax only on alternative housing and housing assistance as follows:
 - At least 60% for housing production, with at least half to social housing developments;

TO (Tracked Changes):

- The City could spend revenue from the new transfer tax only on alternative housing and housing assistance as follows:
 - At least 60% for housing ~~programs production~~, with at least half to social housing developments;

TO (Clean):

- The City could spend revenue from the new transfer tax only on alternative housing and housing assistance as follows:
 - At least 60% for housing programs, with at least half to social housing developments;

Rationale: "Production" is a specific and misleading term. "Programs" is a better and more accurate way to describe how funds could be directed.

Requested Change 3 (The Proposal)

Strike: Proposition __ would approve an unlimited number of new affordable housing units for low-income households funded by revenue from the new transfer tax.”

FROM:

- The Board could only change the transfer tax consistent with the purpose of the tax. All other changes would require voter approval.
- Proposition __ would approve an unlimited number of new affordable housing units for low-income households funded by revenue from the new transfer tax.
- Proposition __ would increase the City's spending limit for four years.

TO (Tracked Changes):

- The Board could only change the transfer tax consistent with the purpose of the tax. All other changes would require voter approval.
- ~~Proposition __ would approve an unlimited number of new affordable housing units for low-income households funded by revenue from the new transfer tax.~~
- Proposition __ would increase the City's spending limit for four years.



TO (Clean):

- The Board could only change the transfer tax consistent with the purpose of the tax. All other changes would require voter approval.
- Proposition __ would increase the City's spending limit for four years.

Rationale: This sentence is misleading-- does not actually dedicate funds to this. Similar language was taken out of "Way it is Now," leaving this without context.

In summary, it is important not to confuse voters about what this measure will deliver. This measure will not fund the production or preservation of affordable housing as the voters understand it. We must clearly articulate how this measure is different from other measures on the ballot, which would fund these goals directly.

Thank you again for your critical work ensuring the legibility and accessibility of these ballot initiatives.

Sincerely,

A handwritten signature in black ink that reads "Leigh Lutenski".

Leigh Lutenski
Director of Development
Office of Economic and Workforce Development