



July 31, 2026

To: Chair Packard and Members of the Ballot Simplification Committee

% Clerk Karlie O'Toole

Via email to: BSC.clerk@sfgov.org, publications@sfgov.org, karlie.otoole@sfgov.org

Re: Changes to Real Property Transfer Tax — Request for Reconsideration of Approved Digest

Dear Chair Packard and Members of the Ballot Simplification Committee:

Thank you for the discussion at yesterday's BSC meeting.

I am writing to request changes on behalf of longtime affordable housing TODCO, and our affordable housing advocacy organization, Build Affordable Faster CA. While affordable housing financing is complicated and tedious, voters don't need to know or understand the intricacies of that work to make an informed vote on this measure. Thankfully, we have a Ballot Simplification Committee dedicated to helping voters understand what they need to know – (thank you for this public service.)

The measure is actually very simple:

We have different transfer tax rates that all currently go into the General Fund. We are eliminating the highest tax rates that currently go into the General Fund, and reinstating/replacing those top tiers with the exact same tax rates on luxury real estate to be dedicated only for affordable housing and housing assistance programs.

The Mayor's Office of Housing and Community Development will NOFA out the funds, and then the Controller will conduct an annual audit and report back to the Board of Supervisors to make sure the funding is being used for the purposes voters have mandated.

That's it. That's the measure.

As someone who has worked in affordable housing and tenant legal aid for most of my adult professional career, I want to ensure that voters understand that affordable housers are not "deceptive" as one urban planner alleged at yesterday's hearing. There is no funding category in this measure that does not legally qualify as affordable housing and is not already currently being underwritten, programmed, and overseen by the Mayor's Office of Housing and Community Development. The removal of "affordable housing" from the digest is not just misleading to voters but actually legally and factually inaccurate. Additionally, this is not a new tax – it is a dedication of a reinstated portion of a tax, and I trust that you will make this plain and simple for voters.

To that end, I hope that you will consider the requested corrections as laid out in the attached redline, and appreciate your service.

Sincerely,

Peter Stevens



**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*

*Changes to Real Property Transfer Tax**

Digest by the Ballot Simplification Committee

Status: Approved Digest — Redline of Requested Changes

On: Friday, July 31, 2026

Members: Packard, Wong, Bella, Paxton, Pon

Deadline to Request Reconsideration: 12:50 p.m. on Friday, July 31, 2026

Note: ~~Struck through red text~~ shows requested **deletions**; underlined blue bold text shows requested **insertions**.

The Way It Is Now: The City collects a transfer tax when most real estate changes hands. The tax rates depend on the property's sales price or value and the two highest tax rates are:

5.5% for properties between \$10,000,000 and under \$25,000,000, and

6% for properties at \$25,000,000 or more.

Some real estate transfers are exempt from the tax or are subject to reduced rates.

Revenues generated from the transfer tax may be spent for any governmental purpose.

The Board of Supervisors (Board) may amend, reduce, suspend, or repeal the transfer tax without voter approval. Voters must approve any increase of the transfer tax.

State law limits the total revenue, including tax revenue, the City may spend each year. The voters may approve increases to this limit for up to four years.

The Proposal: Proposition __ would dedicate half of the transfer tax revenues when certain real estate of \$10,000,000 or more changes hands, to be spent only on ~~alternative housing models~~ **affordable housing programs** and housing assistance. Specifically, the measure would:

For properties with a sales price or value between \$10,000,000 and under \$25,000,000:

Reduce the current transfer tax from 5.5% to 2.75%

Impose a new transfer tax of 2.75%

For properties with a sales price or value at \$25,000,000 or more:

Reduce the transfer tax from 6% to 3%

Impose a new transfer tax of 3%



For each property sold, the total tax rate paid under this measure will be the same as the transfer tax rate charged today.

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

The new transfer tax would also exempt the first sale of certain multifamily real estate if it is sold within 5 years of completion of new residential units.

The City could spend revenue from the new transfer tax only on ~~alternative housing~~ affordable housing programs and housing assistance as follows:

At least 60% for affordable housing production, with at least half to affordable social housing developments;

At least 25% towards the acquisition or rehabilitation of affordable housing, with at least 60% to acquisition of existing housing units;

At least 10% to tenant stabilization/homeless prevention programs, with at least half to eviction defense and prevention; and

Up to 5% for administration of the new tax revenue.

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.

Proposition __ would require the Controller to conduct a mandatory annual audit of the House SF Fund and report the results to the Board of Supervisors.

A "YES" Vote Means: If you vote "yes," you want to dedicate half of the transfer tax revenues when certain real estate of \$10,000,000 or more changes hands, to be spent only on ~~alternative housing models~~ affordable housing programs and housing assistance.

A "NO" Vote Means: If you vote "no," you do not want to make these changes.