

Member, Board of Supervisors

District 5



City and County of San Francisco

BILAL MAHMOOD

July 28, 2026

Ballot Simplification Committee City and County of San Francisco

Re: Request for Reconsideration of Digest Language for File No. 260692 (Real Property Transfer Tax Foreclosure Exemption)

Dear Members Packard, Wong, Bella, Paxton, and Pon,

Thank you for your time yesterday, and for the work your Committee put into drafting the digest for File No. 260692. We are writing to ask the Committee to reconsider a handful of passages in that digest. Below, we provide context on what the measure does, followed by our reasoning for each requested change, so the Committee has the full picture when it takes this up again.

For background, we wanted to share some of the data behind why this policy is being addressed by the Board of Supervisors, in case it's helpful in understanding the measure itself. The data comes from a public release by the Assessor-Recorder's office: from FY2007-08 through FY2022-23, of 4,114 claims for the foreclosure exemption, about 81% were for single-family residential properties and about 4-5% were valued above \$10 million. From FY2023-24 through FY2025-26, of 620 claims, about 23% were single-family and about 56% were valued above \$10 million. Claimed exemptions on income-producing and investment-oriented property transactions totaled over \$450 million in the last three fiscal years, compared to about \$50 million for similar transactions over the preceding fifteen years combined.

Below is each requested change, in the order it appears in the digest:

1. Proposes a more familiar phrasing for the opening sentence

The current digest reads, "The City collects a tax on the transfer of most real estate property in San Francisco." We propose "San Francisco charges a tax when most real estate in the city changes hands." The proposed version uses an active construction and a concrete verb ("changes hands") in place of the noun phrase "transfer of... property," which we think reads faster and sets a clearer frame for the sentences that follow, since this is the first thing every voter reads. Nothing about the substance changes, only word choice.

2. Offers an alternative way of explaining the tax calculation

The current digest describes the tax as applying to "the amount that the lender paid for the property minus the debt that the owner owes." We proposed rewording this as: the lender only

pays tax on the difference between what the property is worth and what the owner still owed on it. This is similar to how someone would only pay tax on the profit from reselling an item, rather than its full price. This sentence is what lets a voter judge how large the current tax break actually is, which matters because the rest of the digest asks them to weigh removing that break for some properties. A voter who doesn't follow the math here may not fully grasp what's being changed later on. We kept “lender” in this sentence since the explanation depends on identifying who's doing the paying.

3. Removes “to a lender” from the Proposal's opening sentence and added the effective date

We proposed keeping the original sentence structure and phrasing largely intact, “Proposition ___ would apply a transfer tax for properties such as commercial, industrial and large residential properties, that...” and editing only the clause describing how the property changes hands. “Are transferred to a lender through foreclosure or to avoid foreclosure” would become “go through foreclosure or are handed over to avoid foreclosure, starting March 1, 2027,” which removes the reference to the lender as recipient and places the effective date directly in the sentence. This is the sentence that first tells a voter what actually changes, so we thought it was worth naming the date here rather than leaving a voter to piece together when the change applies from elsewhere in the digest. The following sentence, stating that affected properties are taxed on full market value like any other sale, would remain unchanged.

4. Reframes the sentence that introduces the exemption list

The current digest introduces the list of exempt properties with, “the previous partial exemption would only apply to the transfer of:” This phrasing describes the exemption in terms of what's being narrowed, without saying who it still covers until the list itself. We proposed, “Homeowners and small residential buildings would keep the tax break. It would still apply to:” which names who's unaffected before the list starts. A homeowner reading this sentence gets a direct answer up front, rather than needing to read through “only apply to” and then check each line of the list themselves to see if their property qualifies. The list itself, and everything else in this section, is unchanged. This is a rewording of one lead-in sentence, not a change in what's covered or the order of the surrounding paragraphs.

5. Proposes a small change to the closing clause of the “YES” vote statement

We proposed keeping the opening of the “YES” vote statement unchanged, “If you vote 'yes,' you want to apply a transfer tax for properties such as commercial, industrial and large residential properties, that are transferred because of foreclosure,” since it already matches the Proposal section's description. We proposed rewording only the final clause, “keep exemptions for certain residential properties,” as “you want to keep the tax break for homeowners and small residential buildings,” naming the specific properties rather than referring to them abstractly. Because the “YES” and “NO” statements also appear on the ballot itself, this is one of the places a homeowner may see confirmation that the change doesn't affect them, so we thought it was worth naming them directly rather than leaving that to inference. We are not proposing any change to the “NO” vote statement, which we think already states the outcome clearly.

We're happy to walk through any of this further, or to answer questions on the enclosed redline against the currently approved digest. Thank you again for your time and attention to this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Bilal Mahmood". The signature is fluid and cursive, with the first name "Bilal" being more prominent than the last name "Mahmood".

Bilal Mahmood
Supervisor District 5
San Francisco Board of Supervisors