



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

**Ben Rosenfield**  
**Controller**

**Todd Rydstrom**  
**Deputy Controller**

August 15, 2016

Mr. John Arntz  
Department of Elections  
City Hall, Room 48  
Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

RE: Proposition W – Ordinance to increase real property transfer tax on properties of at least \$5,000,000

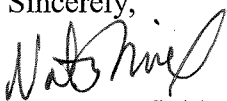
Dear Mr. Arntz,

The proposed ordinance would increase the real property transfer tax assessed on transfers in excess of \$5 million, and would in my opinion generate significant additional revenues for government services.

The ordinance would increase the property transfer tax rate on transactions between \$5 million and \$10 million from 2% to 2.25%, the tax rate on transactions between \$10 million up to \$25 million from 2.5% to 2.75%, and the rate on transactions valued at least \$25 million from 2.5% to 3%. Applying these tax rates and current estimated property values to transactions that occurred during the most recent economic cycle, annual revenue resulting from this proposition would have ranged from a low of \$10 million to a high of \$73 million, with an average of \$45 million.

While we estimate that the proposed ordinance would have resulted in average additional revenue of \$45 million per year based on transactions from the most recent economic cycle, it is important to note that this is the City's most volatile revenue source, and estimates based on prior years' activity may not be predictive of future revenues.

Sincerely,

  
Ben Rosenfield  
Controller