



September 2, 2025

Julie Kirschbaum  
Director of Transportation  
San Francisco Municipal Transportation Agency  
1 South Van Ness Avenue, 7th Floor  
San Francisco, CA 94103

**RE: Parcel Tax Proposal**

Dear Director Kirschbaum,

You know as well as anyone, a safe and reliable Muni is essential to revitalizing downtown San Francisco, bringing customers to our local small businesses, and helping our kids get to school. Since you assumed your role early this year, you have taken action to support the immediate and long-term health of Muni and the city's entire transit system. But our public transit system and our city's recovery are at risk if we don't address the San Francisco Municipal Transportation Agency's (SFMTA's) \$320 million deficit for Fiscal Year 2026-27 and secure sustainable funding for Muni.

Under your leadership, Muni has taken tremendous strides to regain the trust of San Franciscans. You've improved service despite financial constraints, and riders are reporting their highest satisfaction in years and using the system at the highest levels since 2020. At the same time, the SFMTA is showing San Franciscans a clear commitment to accountability and fiscal responsibility, making changes internally and finding savings wherever possible, without sacrificing service. Without the steps that you've already taken, such as eliminating more than 500 positions and using technology to improve operations, Muni's deficit would exceed \$440 million.

As we chart out Muni's future, we want to thank the SFMTA and the Controller's Office for convening the Muni Funding Work Group that issued its final report this summer. We deeply appreciate the engagement of the participants from business, labor, and community whose input helped prepare us to face the challenges ahead. The Working Group's discussions revealed a consensus: Without sufficient revenue, Muni is facing a worst-case scenario of deep service cuts that would pose an existential threat to San Francisco's recovery.

As we pursue cost-savings measures and a regional sales tax, the group's work suggested that the only way to avoid such cuts was to supplement those steps with a local revenue measure. We believe that a parcel tax is the best mechanism to generate the level of funding needed to support Muni service and that it can be structured in a way that is fair and affordable. We appreciate SFMTA's continued efforts to advance the Working Group's recommendation and **urge you to engage with critical partners in the community to collect feedback as you further develop a**

**parcel tax structure.** Between this local measure, a regional revenue measure, and the ongoing work to find savings at SFMTA, we can – and must – generate the funding necessary to avoid devastating Muni service cuts.

As you continue to engage communities across the city around a potential local revenue measure and explore a parcel tax structure, we must continue to hold the agency accountable and find additional ways to achieve savings internally. Your recent budget instructions, with 5% and 7% cost reduction scenarios that avoid cuts to Muni service, demonstrate your commitment to that goal as you plan for the two-year budget cycle.

Our city has made so much progress in just the last several months to recover after years of challenges. And we can continue to make progress for everyone in our city – but that progress depends on a safe, reliable Muni system with sustainable funding. Let's work together to ensure that our city's transit system continues to serve the millions of residents and visitors who are counting on Muni to drive San Francisco's comeback.

All my best,

A handwritten signature in black ink, appearing to read 'D. Lurie'.

Daniel Lurie  
Mayor of San Francisco

A handwritten signature in blue ink, appearing to read 'Rafael Mandelman'.

Rafael Mandelman  
President, San Francisco Board of Supervisors

A handwritten signature in blue ink, appearing to read 'Myrna Melgar'.

Myrna Melgar  
Chair, San Francisco County Transportation Authority  
Supervisor, District 7, San Francisco Board of Supervisors