



Daniel Lurie, Mayor

Janet Tarlov, Chair  
Stephanie Cajina, Vice Chair  
Mike Chen, Director  
Alfonso Felder, Director

Steve Heminger, Director  
Dominica Henderson, Director  
Fiona Hinze, Director

Julie Kirschbaum, Director of Transportation

December 8, 2025

The Honorable Daniel Lurie  
Mayor of San Francisco  
1 Dr. Carlton B. Goodlett Place, Room 200  
San Francisco, CA 94102

The Honorable Rafael Mandelman  
President, San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102

The Honorable Myrna Melgar  
Chair, San Francisco County Transportation Authority  
Supervisor, District 7, San Francisco Board of  
Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102

## RE: Parcel Tax Proposal

Dear Mayor Lurie, President Mandelman, and Chair Melgar,

Thank you for your steadfast commitment to Muni and to strengthening public transportation in San Francisco. Your leadership has been essential as we work to secure a sustainable future for transit and for the riders who rely on our system every day.

As requested, the SFMTA has refined and advanced a parcel tax proposal that is fair, affordable, and deeply informed by robust community and stakeholder engagement. Over the past several months, we convened two roundtables and held numerous discussions with labor partners, real estate and business leaders, community organizations, small business owners, transportation advocates, and local elected officials. Their feedback directly shaped the revised structure we are presenting to you today.

Working in close partnership with your offices, we grounded this proposal in three guiding principles: **Fair, Reasonable, and Sufficient**. The resulting structure reflects those principles while responding thoughtfully to the input we heard throughout our outreach.

This parcel tax we are recommending to you is designed to raise approximately **\$187 million annually**. In addition to providing significant revenue to address Muni's operating deficit and administer the tax, at least **\$20 million annually** would be invested in **Muni service improvements and expansion**.



To ensure equity and affordability, the proposal uses a **progressive, square-footage-based approach**, making it the first parcel tax of its kind in San Francisco. Smaller homes pay a modest, flat fee while larger residential, multifamily, and commercial properties contribute proportionally more based on their size.

Key elements of the structure include:

- **For single-family homes:** Approximately 76% of parcels in San Francisco are single-family residences, and 96% of those homes are under 3,000 square feet. Under the proposed structure, most homeowners would pay a simple **\$129 annual fee**, with small, incremental, marginal charges for homes above 3,000 square feet.  
**For multi-family buildings:** A **\$249 base rate** for buildings up to 5,000 square feet, plus a small per-square-foot rate, with a **\$250,000 cap**, ensures predictability for larger buildings.
- **For non-residential properties:** A **\$799 base rate** for the first 5,000 square feet to ensure the majority of small businesses receive the lowest non-residential rate, followed by progressive marginal rates for larger properties. Very large commercial parcels are capped at **\$400,000**.
- **For senior homeowners:** This proposal would exempt all senior homeowners, alleviating concerns among those living on a fixed income.
- **Other key terms:** The parcel tax will sunset after 15 years and will adjust with inflation each year based on the consumer price index.

Together, this structure **spreads the responsibility across all property types**, keeps costs low for homeowners and small businesses, and ensures that major employers and large properties contribute appropriately. This parcel tax measure represents one of the three essential pillars needed to stabilize Muni's long-term financial foundation, alongside the Bay Area's anticipated regional sales tax to support transit region-wide and the internal efficiencies and cost controls we continue to advance at the SFMTA.

Thank you again for your leadership and collaboration throughout this process. We look forward to continuing our work together to secure a strong, stable, and equitable transportation future for San Francisco residents and visitors.

Sincerely,

A handwritten signature in purple ink, appearing to read 'Julie'.

**Julie Kirschbaum**

Director of Transportation



**Attachment:  
Proposed Parcel Tax Structure**

Category	Square Footage Break Point	Rate
<b>Residential Parcels (Single Family Homes)</b>		
Residential Intro Rate	0 - 3,000	\$129.00
Residential, Marginal Rate 1	3,001 – 5,000	\$0.42
Residential, Marginal Rate 2	5,001+	\$1.99
<b>Multifamily Parcels (MF)</b>		
MF Intro Rate	0 – 5,000	\$249.00
MF Marginal Rate 1	5,001 – 837,503	\$0.30
MF Cap	837,503 +	\$250,000
<b>Non-Residential Parcels</b>		
Non-Residential Intro Rate	0 - 5,000	\$799.00
Non-Residential Marginal, Rate 1	5,001 – 50,000	\$0.76
Non-Residential Marginal, Rate 2	50,001 – 250,000	\$0.84
Non-Residential Marginal, Rate 3	250,001 - 448,990	\$0.99
Non-Residential Cap	448,990 +	\$400,000