



## DEAN PRESTON

July 25, 2022

Chair Packard and Members of the Ballot Simplification Committee  
Care of Clerk Claire Miranda  
1 Dr. Carlton B. Goodlett Place City Hall,  
Room 48 San Francisco, CA 94102  
Via email to: [publications@sfgov.org](mailto:publications@sfgov.org)

### **Re: Initiative Ordinance: Tax on Keeping Residential Units Vacant**

Dear Chair Packard and Members of the Ballot Simplification Committee:

Thank you for crafting the digest for the Tax on Keeping Residential Units Vacant, and for all your work to help inform voters throughout this busy calendar year. I write to request additional context for the draft digest for the initiative ordinance.

I should start by commending your efforts to distill what may be considered a complex policy proposal. I believe your draft is a clear and concise description of the measure's purpose and main points.

My request is to include additional context on situations where this tax does not apply. Working with community partners to shape the policy, we took great care to parse out situations where a vacant unit may be unoccupied unintentionally, or through no fault of the property owner. It was important to ensure these instances were not unfairly penalized through this tax, and as such to the extent possible we believe voters should be made aware of those exceptions.

The first paragraph of "The Proposal" section in the current draft helpfully lists the situations where the owner would be categorically exempt from having the tax apply, including in buildings of two units or less, tourist units, or units owned by a 501(c)(3) nonprofit. There are, however, additional situations that, while not categorically exempt, do allow for additional time before a unit is considered vacant for taxable purposes under this measure.



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Additional time to fill a vacant unit applies with:

- **Rehab, Repair, or Construction:** a year-long period for permit application, after permit issuance, and after certificate of occupancy;
- **Natural Disaster:** two years after a fire, earthquake or other natural disaster;
- **Owner In Care or Death:** a period during which an owner is in long term care, or during a probate period following an owner's death.

In the interest of brevity, I suggest adding to the end of the first paragraph under "The Proposal" the following sentence: "In certain instances, the measure allows additional time to fill vacant units before the tax applies, including repair of an existing unit, new construction, a natural disaster, or death of owner."

This additional context will help voters understand that the policy is not intended to apply in situations where a property owner has reasonable cause for a prolonged vacancy. In our estimation this should be considered a main point for voters to understand the measure and the purpose it is pursuing.

Again, I appreciate the time and care with which you have written this digest, and appreciate your consideration of this requested addition.

Sincerely,

A handwritten signature in blue ink that reads "Dean Preston".

Dean Preston  
District 5 Supervisor