AFFORDABLE HOUSING GUARANTEE ACT

FAQ

Background: In November 2020, SF voters approved Proposition I with 58% support to increase the transfer tax on high-value real estate sales, with the clear public expectation that these funds would support affordable housing and housing stability. Since its passage, Proposition I has generated more than $504 million in revenue.

However, in recent years, almost half of these funds have been diverted to non-housing purposes, even as our housing affordability crisis has worsened. To make matters worse, the Mayor has proposed repealing the luxury transfer tax increase all-together as a benefit for mega-wealthy real estate investors.

To guarantee that the voter-approved funds are used for affordable housing, housing advocates are submitting to voters for the November 2026 ballot the **Affordable Housing Guarantee Act (AHGA)**. Advocates have a goal of gathering 16,000 signatures by July 6, 2026 in order to submit this citizen-led initiative for a simple majority vote of the people in the November 2026 general election.

1 Is AHGA a new tax?

This measure **does not create** a new tax. It restores and dedicates an existing, voter-approved tax to its intended purpose: funding permanently affordable housing and preventing displacement.

3 Why this measure and not just fund through GO bonds + increase property taxes?

The State has mandated the creation of 46,000 new homes affordable to both low-income and middle-class residents, yet the City lacks a reliable, dedicated funding source to meet this need. The luxury transfer tax is one of the only revenue sources capable of delivering funding at the scale required to address the affordable housing crisis — **generating approximately $100 million annually on average, and up to $200 million in strong market years.**

2 Who does the AHGA tax and by how much?

This is a small tax on high-end real estate office towers and mega-mansion sales of 5.5% for sales between $10M--$25M and 6% for over $25M. (By way of example, if Trump were to sell his Trump Tower at 555 California St., roughly valued at $2B in 2026, AHGA would ensure that he paid $120M toward affordable housing production and preservation.)

This tax also targets known contributors to the affordability crisis – Big Real Estate corporations and developers who are making more money building office towers and mega-mansions than multi-family housing for everyday San Franciscan tax payers who already support public infrastructure.

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4 If I already voted for this and the government isn't implementing the program, why should I trust that AHGA will get used for its intended purpose?

This is exactly why advocates are ensuring that the funds are dedicated, because we cannot rely on political fluctuations at the Board of Supervisors and Mayor's Office to determine whether the affordability crisis is prioritized. The AHGA has a well-researched expenditure plan that is based off of a year-long process undertaken by the Prop I Housing Stability Oversight Fund board. Their recommendations are also based on State requirements for extremely-low, low-income, moderate-income and middle-income workforce housing requirements, and allocated to specific buckets. These buckets include building new permanently affordable housing, rehabbing public housing, expanding co-ops and land trusts, building social housing, preserving and acquiring existing housing to **prevent displacement, and providing tenant protections, eviction defense, and homelessness prevention.**

The measure also included capped funds for oversight, admin and public accountability, with required reporting to ensure the funds are being spent on time and for their intended use.

5 Is this a baseline dedication that will gobble up the General Fund?

No, unlike other models of funding that dedicate a portion of the General Fund regardless of the source, the AHGA merely dedicates a portion of the transfer tax to affordable housing, that would otherwise be one of many other sources of funding into the General Fund.

6 Is there a risk that AHGA may disincentivize residential developers from buying and selling properties?

It is completely false that AHGA has ever or will have an impact on residential development. In fact, the opposite is true: both market-rate and affordable housing developers have consistently said that financing is the top barrier to getting housing built. By guaranteeing affordable housing funds, we ensure that developers can get certainty and investment up front to jumpstart development to meet the urgent need.

The measure also exempts first time home sales (recently constructed units) for 5 years.

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