

File No. 231071

Committee Item No. _____

Board Item No. 32

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: February 27, 2024

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
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- Contract/Agreement
- Form 126 – Ethics Commission
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- Application
- Public Correspondence

OTHER

- Assessor-Recorder Report _____
- Recorded Notice of Delinquent Real Property Transfer Taxes and
Deficiency Determination - 10/13/22 _____
- Assessor-Recorder Letter - 10/13/23 _____
- _____
- _____
- _____
- _____

Prepared by: Lisa Lew

Date: February 23, 2024

Prepared by: _____

Date: _____

1 [Report of Delinquent Real Property Transfer Taxes - 988-992 Howard Street]

2

3 **Resolution confirming report of delinquent real property transfer tax under Business**
4 **and Tax Regulations Code, Section 1115.1(c), for Assessor’s Parcel Block No. 3725, Lot**
5 **No. 025 (988-992 Howard Street); and directing transmission of said report to the**
6 **Controller and Tax Collector for collection and deposit into the General Fund.**

7

8 WHEREAS, The Office of the Assessor-Recorder issued a demand letter to the owner
9 of Assessor’s Parcel Block No. 3725, Lot No. 025 (988-992 Howard Street) for unpaid transfer
10 tax liability, plus penalties and interest, and per Section 1115(d) of Article 12-C of the
11 Business and Tax Regulations Code, recorded a Notice of Delinquent Real Property Transfer
12 Taxes, and mailed a copy of the recorded notice, indicating that the Assessor-Recorder would
13 initiate lien proceedings if the delinquency was not paid; and

14 WHEREAS, On October 16, 2023, the Assessor-Recorder requested that the Board of
15 Supervisors initiate proceedings to impose a lien under Business and Tax Regulations Code,
16 Section 1115.1(a), for the total unpaid balance against the real property transferred December
17 31, 2019, Assessor’s Parcel Block No. 3725, Lot No. 025 (988-992 Howard Street), and
18 confirm costs outlined in said Report of Delinquent Real Property Transfer Taxes; now,
19 therefore, be it

20 RESOLVED, That the Report of Delinquent Real Property Transfer Taxes is hereby
21 confirmed by the Board of Supervisors for Assessor’s Parcel Block No. 3725, Lot No. 025
22 (988-992 Howard Street); and, be it

23 FURTHER RESOLVED, That a copy of this Resolution and a copy of the Report of
24 Delinquent Real Property Transfer Taxes confirmed by the Board of Supervisors shall be
25 transmitted to the Controller and the Tax Collector of the City and County, whereupon it shall



**Report to the City and County of San Francisco Board of Supervisors
Pursuant to San Francisco Business and Tax Regulations Code Section 1115.1(a)
988-992 Howard Street, San Francisco**

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid when the real property located at 988-992 Howard Street changed ownership on December 31, 2019 due to a legal entity ownership change involving Plaza Apartment Associates, L.P., Plaza Apartments GP LLC, The Housing Outreach Fund XI Limited Partnership, and Taylor Family Housing, Inc. (the persons liable for the tax pursuant to San Francisco Business and Tax Regulations Code Section 1103(a)). Transfer tax was not paid for this event and became delinquent on January 30, 2020.

A Notice of Delinquent Real Property Transfer Taxes and Deficiency Determination was recorded on October 6, 2022 as Document # 2022092550 (attached); the delinquent taxes, penalties and interest total \$1,147,932.50 (as of November 10, 2022). As of October 15, 2023, the delinquent taxes, penalties and interest will total \$1,222,650.00 due to an additional eleven months of accrued interest; interest will continue to accrue at a rate of 1% a month, or fraction thereof, on the amount of delinquent tax, exclusive of penalties and interest.

Pursuant to San Francisco Business and Tax Regulations Code section 1115.1, the Assessor-Recorder requests that the Board initiate proceedings to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the attached Notice of Delinquent Real Property Transfer Taxes, and summarized below.

Property Location/Situs: 988 - 992 Howard Street
Assessor's Parcel Numbers: 3725-025
Change in Ownership Date: 12/31/2019
Delinquency Date: 1/30/2020

Responsible Person(s): Plaza Apartment Associates, L.P.
Plaza Apartments GP LLC
The Housing Outreach Fund XI Limited Partnership
Taylor Family Housing, Inc.

C/O TNDC
201 Eddy Street
SAN FRANCISCO CA 94102

Recording Request by and when
Recorded return to:



Doc # **2022092550**

City and County of San Francisco
Office of the Assessor-Recorder
1 Dr. Carlton B. Goodlett Place
City Hall, Room 190
San Francisco, CA 94102

**City and County of San Francisco
Joaquin Torres, Assessor – Recorder**

10/6/2022	11:12:57 AM	Fees	\$0.00
Pages 1	Title 345	Taxes	\$0.00
Customer 023	AM	Other	\$0.00
		SB2 Fees	\$0.00
		Paid	\$0.00

**NOTICE OF DELINQUENT REAL PROPERTY TRANSFER TAXES
AND DEFICIENCY DETERMINATION**

(Filed pursuant to San Francisco Business and Tax Regulations Code Section 1115)

**THIS IS TO NOTIFY YOU THAT TAX LIEN PROCEEDINGS WILL BE INITIATED IF PAYMENT OF
OUTSTANDING TAXES, PENALTIES, and INTEREST ARE NOT REMITTED WITHIN 30 DAYS OF THIS NOTICE**

The Responsible Entities named herein are liable to the City and County of San Francisco for the total unpaid delinquent transfer taxes, penalties and interest for the properties as set forth herein:

Property Location/Situs:	988 - 992 Howard Street
Assessor's Parcel Numbers:	3725-025
Change in Ownership Date:	12/31/2019
Delinquency Date:	1/30/2020
Responsible Person(s):	Plaza Apartments GP LLC Taylor Family Housing, Inc. The Housing Outreach Fund XI Limited Partnership

The Responsible Person(s) is liable to the City and County of San Francisco for the total unpaid amount as set forth below:

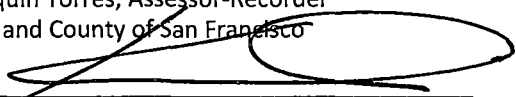
Tax Paid	\$0.00
Total Tax Due	<u>\$679,250.00</u>
Delinquent Amount	\$679,250.00
+ 25% Delinquency Penalty	\$169,812.50
+ 10% Delinquency Penalty	\$67,925.00
+ Interest (@ 1%/mo)	<u>\$230,945.00</u>
TOTAL Due if paid by 11/10/2022	\$1,147,932.50

The total amount due includes penalties and interest. Additional interest will continue to accrue at the rate of one (1.0) percent per month as prescribed by law.

Under San Francisco Business and Tax Regulations Code Section 1115.1, if the total amount due is not remitted within 30 days of the recordation date of this notice, this office will initiate proceedings at a noticed hearing before the San Francisco Board of Supervisors to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in this delinquency notice.



Joaquín Torres, Assessor-Recorder
City and County of San Francisco

By: 
Kurt Fuchs, Recording and Transactions Manager

Dated: 10/6/2022



October 13, 2023

Angela Calvillo, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

RE: Requesting that the Board of Supervisors Initiate Tax Lien Proceedings under San Francisco Business and Tax Regulations Code section 1115.1 for Delinquent Real Property Transfer Taxes – 988-992 Howard Street, San Francisco

Dear Ms. Calvillo:

The Assessor-Recorder hereby submits the attached Report to the City and County of San Francisco Board of Supervisors Pursuant to San Francisco Business and Tax Regulations Code Section 1115.1(a) for 988-992 Howard Street, San Francisco (“Report”) to the City and County of San Francisco Board of Supervisors under Section 1115.1(a) of Article 12-C of the San Francisco Business and Tax Regulations Code. This matter involves delinquent real property transfer taxes related to the transfer of real property located at 988-992 Howard Street on December 31, 2019, due to a legal entity ownership change involving Plaza Apartment Associates, L.P., Plaza Apartments GP LLC, Taylor Family Housing, Inc., and The Housing Outreach Fund XI Limited Partnership. The delinquent taxes, penalties and interest totaled \$1,147,932.50 (as of November 10, 2022). As of October 15, 2023, the delinquent taxes, penalties and interest will total \$1,222,650.00 due to an additional eleven months of accrued interest; interest will continue to accrue at a rate of 1% a month, or fraction thereof, on the amount of delinquent tax, exclusive of penalties and interest.

On December 31, 2019, Taylor Family Housing purchased a 99.99% membership interest in Plaza Apartment Associates, L.P., the legal entity holding title to the real property located at 988-992 Howard Street (Assessor Parcel Number 3725-025).

On November 2, 2021, the Assessor-Recorder became aware that this was an assessable change in ownership event for both property taxes and transfer taxes, and that transfer taxes were due on the fair market value of the property transferred.

On September 30, 2022, the Assessor-Recorder determined that the fair market value of the real estate, exclusive of non-realty, tangible and intangible personal property, as of December 31, 2019 was \$24,700,000, resulting in a transfer tax liability of \$679,250.

On October 6, 2022, the Assessor-Recorder recorded a Notice of Delinquent Real Property Transfer Taxes and Deficiency Determination on the property as Document # 2022092550. The total amount due was \$1,147,932.50, comprised of \$679,250 of additional taxes and \$468,682.50 in penalties and interest (if paid by November 10, 2022).

The same day, the Assessor-Recorder issued a demand letter via certified US Mail and email to all parties for the unpaid transfer tax liability, plus penalties and interest per Section 1115 of Article 12-C of the City and County of San Francisco Business and Tax Regulations Code. A copy of the recorded Notice of Delinquent Real Property Transfer Taxes and Deficiency Determination was included in the demand letter. The demand letter included language indicating that the Assessor-Recorder would initiate lien proceedings if the delinquency was not paid by November 10, 2022.

On November 10, 2022, the Assessor-Recorder received notification from the taxpayer through its partner, TNDC, that it was considering not paying the transfer tax because it could not afford to and because it questioned the valuation used as the tax basis. The Assessor-Recorder reached out to the taxpayer on December 12, 2022 to inquire about payment and to advise them of the Assessment Appeals Board process to dispute the property tax valuation, explained the transfer tax refund process, and advised them that interest will continue to accrue until payment is made.

On August 1, 2023, the Assessor-Recorder again reached out to the taxpayer to inquire about payment and to advise that if payment was not received, the Assessor-Recorder would initiate lien proceedings.

Based on the foregoing and the attached Report, the Assessor-Recorder requests the City and County of San Francisco Board of Supervisors initiate proceedings to impose a lien under San Francisco Business and Tax Regulations Code section 1115.1 for the total unpaid balance for the December 31, 2019 transfer of real property located at 988-992 Howard Street (APN 3725-025).

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Torres', with a stylized flourish at the end.

Joaquín Torres
Assessor-Recorder

From: [Lung, Holly \(ASR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Somera, Alisa \(BOS\)](#); [Cancino, Juan Carlos \(ASR\)](#)
Subject: Transfer Tax Lien Proceeding - 988-992 Howard Street
Date: Friday, October 13, 2023 4:03:59 PM
Attachments: [988-992 Howard NOD 2022092550.pdf](#)
[LTR 988-992 Howard Street Delinquency - Cover Letter to COB.pdf](#)
[RPT 988-992 Howard Street Delinquency - Report to BOS.pdf](#)
[RES 988-992 Howard Delinquency.DOCX](#)

Hello Jocelyn,

On behalf of the Office of the Assessor-Recorder, I am submitting the Resolution - Report of Real Property Transfer Tax along with the supporting documents for 988-992 Howard Street (APN 3725-025). If you have any questions, please let me know.

Thank you for your assistance.

Kind regards,
Holly

Holly Lung 龍聖如 (she/hers)
Director of Public Affairs
Office of the Assessor-Recorder
City and County of San Francisco
Phone: 628-652-8265, www.sfassessor.org

"Together, we work to ensure the financial stability of San Francisco. We seek to advance the principles of antiracism, equity, integrity and excellence, in service to our diverse constituents and communities."