



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 – 141 Eddy 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 141 Eddy 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 141 Eddy Street on February 29, 2020 due to a legal entity ownership change involving West Hotel L.P., Taylor Family Housing, Inc., Turk Street Inc., and The Banc of America Housing Fund IVA Limited Partnership, LLLP. The amount of delinquent transfer tax, penalties and interest totals \$298,721.25 (as of November 15, 2022). As of October 15, 2023, the delinquent taxes, penalties and interest will total \$318,397.50 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 February 29, 2020, Taylor Family Housing purchased a 99.99% membership interest in West Hotel, L.P., the legal entity holding title to the real property located at 141 Eddy Street (Assessor Parcel Number 0340-018).

On April 5, 2022, 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 October 4, 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 February 29, 2020 was \$7,950,000, resulting in a transfer tax liability of \$178,875.

On October 13, 2022, the Assessor-Recorder recorded a Notice of Delinquent Real Property Transfer Taxes and Deficiency Determination on the property as Document # 2022094022. The total amount due was \$298,721.25, comprised of \$178,875 of additional taxes and \$119,846.25 in penalties and interest (if paid by November 15, 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 15, 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 the taxpayer of the Assessment Appeals Board process to dispute the valuation, explained the transfer tax refund process, and advised the taxpayer 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 February 29, 2020 transfer of real property located at 141 Eddy Street (APN 0340-018).

Sincerely,

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

Joaquín Torres  
Assessor-Recorder