

# LOCAL MEASURES

## SAN FRANCISCO STATISTICS

- Unemployment claims since March 2020: **205,000**
- Overall retail sales in San Francisco since the start of the pandemic: **-95%**
- San Francisco Budget: **\$13.7 Billion**
- Restaurants Non-Operational: **51.5%**

### LETTER

### SUMMARY

### SHORT STORY

# A

#### Health and Homelessness, Parks, and Streets Bond

Proposition for the City to incur a bond up to \$487,500,000 to finance the purchase or improvement of facilities to house and/or deliver services to those experiencing mental health challenges, substance abuse, homelessness; and parks, open spaces, and street structures. The ordinance would allow landlords to pass through 50% of resulting property tax increases to residential tenants. This bond does not raise taxes.

#### CHAMBER POSITION SUPPORT

**A “YES” Vote Means**  
You support the bond.

**A “NO” Vote Means**  
You do not support the bond.

# F

#### Business Tax Overhaul

Amend the Business and Tax Regulations Code to repeal the Payroll Expense Tax and increase the gross receipts tax rates for most industries by 15-20%. It would also raise the small business exemption to \$2 million. It is the Chamber’s position that introducing new taxes for companies when San Francisco has not reopened its economy threatens an already fragile economic climate. Our small businesses that do not meet the \$2 million exemption are struggling to stay afloat during the pandemic; and these new tax increases will ultimately make it harder for them.

#### CHAMBER POSITION OPPOSE

**A “YES” Vote Means**  
You support the proposed tax increase.

**A “NO” Vote Means**  
You do not support the proposed tax increase.

# H

#### Neighborhood Commercial Districts and City Permitting

A ballot measure focused on streamlining the permitting and inspection process for new businesses and relaxing zoning in all of the City’s neighborhood commercial (“NCD”) and neighborhood transit (“NCT”) zoning districts to alleviate burdens on small businesses. This measure makes great steps in removing some of the undeniably onerous hindrances to opening, operating, and growing a healthy business in San Francisco.

#### CHAMBER POSITION SUPPORT

**A “YES” Vote Means**  
You support streamlining permitting and zoning restrictions to support small businesses.

**A “NO” Vote Means**  
You do not support streamlining permitting and zoning restrictions to support small businesses.

# LOCAL MEASURES

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I

### Real Estate Transfer Tax

Increases the Real Property Transfer Tax rate from 2.75% to 5.5% on transfers of properties with a value of at least \$10,000,000 and less than \$25,000,000 and from 3% to 6% on transfers of properties with a value of at least \$25,000,000. This also applies to commercial leases over 35 years. It is the Chamber's position that this immediate tax increase will devastate small businesses by increasing their rents; and it will also cost us thousands of new housing units, including hundreds of affordable housing units, and hundreds of union construction jobs.

### CHAMBER POSITION OPPOSE

#### A "YES" Vote Means

You support doubling the transfer tax for certain properties and leases.

#### A "NO" Vote Means

You do not support doubling the transfer tax for certain properties and leases.

L

### Business Tax Based on Comparison of Top Executive's Pay to Employees' Pay

Increases the gross receipts tax (or administrative office tax) on businesses that have a 100:1 or more ratio between the business's highest-paid managerial employee (globally) and the median compensation paid to the business's employees (within San Francisco). It is important to note that this measure will disproportionately punish businesses in retail and manufacturing that provide seniors, people with disabilities, and first time job seekers with employment.

### CHAMBER POSITION OPPOSE

#### A "YES" Vote Means

You support a gross receipts tax increase on businesses that have a 100:1 global pay ratio.

#### A "NO" Vote Means

You do not support a gross receipts tax increase on businesses that have a 100:1 global pay ratio.

RR

### Caltrain Sales Tax

A resolution to impose a retail transactions and use tax at the rate of 0.125% within San Francisco, San Mateo, and Santa Clara County for up to 30 years to provide approximately \$100 million annually for Caltrain to prevent congestion, increase accessibility, reduce air pollution, and increase travel times and capacity.

### CHAMBER POSITION SUPPORT

#### A "YES" Vote Means

You support a 0.125% sales tax increase to support Caltrain operations and infrastructure.

#### A "NO" Vote Means

You do not support a 0.125% sales tax increase to support Caltrain operations and infrastructure.

# STATE MEASURES

## PROPOSAL

### PROPOSITION

# 14

**\$5.5 billion general obligation bond for the state's stem cell research institute and makes changes and developments to the institute's governance structure and programs.**

### PROPOSITION

# 15

**Reform Proposition 13 to create a split-roll property tax that would require commercial and industrial properties to be taxed on their market value instead of purchased value plus adjustment for inflation. Funds would go towards administration costs, local governments, K-12 public schools, and community colleges.**

#### ANALYSIS:

It is the Chamber's position that having the largest property tax increase in California history at the same time as a pandemic recession is not sustainable. A split-roll property tax will increase pressure on many businesses that are already struggling to survive.

### PROPOSITION

# 16

**Repeal the state ban on affirmative action. The state's current ban prohibits race-conscious and gender-conscious programs in public employment, public education, and public contracting based on an individual or group's race, sex, color, ethnicity, or national origin.**

## SHORT STORY

### CHAMBER POSITION SUPPORT

#### A "YES" Vote Means

You support the stem cell research bond.

#### A "NO" Vote Means

You do not support the stem cell research bond.

### CHAMBER POSITION OPPOSE

#### A "YES" Vote Means

You support the reform of Prop 13 creating a split-roll property tax.

#### A "NO" Vote Means

You do not support the reform to Prop 13 creating a split-roll property tax.

### CHAMBER POSITION SUPPORT

#### A "YES" Vote Means

You support the repeal of the state's ban on affirmative action.

#### A "NO" Vote Means

You do not support the repeal of the state's ban on affirmative action.

# STATE MEASURES

## PROPOSAL

### PROPOSITION

# 21

**Replace the Costa-Hawkins Rental Housing Act to allow local governments to adopt rent control on housing units, and require local governments that adopt rent control to allow landlords to increase rental rates by 15 percent during the first three years following a vacancy.**

#### ANALYSIS:

It is important to note that the Governor just signed new, statewide rent controls into law and this proposition would go into effect before we even have a chance to see the benefits of the new law's statewide renter protections. The Chamber believes that by creating an inconsistent and unpredictable patchwork of local ordinances, this proposition will prevent critical affordable housing development and drive rents and housing costs up even higher.

## SHORT STORY

### CHAMBER POSITION

#### OPPOSE

##### A "YES" Vote Means

You support replacing the Costa-Hawkins Rental Housing Act.

##### A "NO" Vote Means

You do not support replacing the Costa-Hawkins Rental Housing Act.

### PROPOSITION

# 22

**Override Assembly Bill 5 (AB 5) by considering app-based drivers to be independent contractors and not employees or agents. Provides app-based drivers new benefits and wage guarantees. This overrides AB 5 in favor of more specific driver guidelines, increasing availability, and affordability of these on-demand services that benefit consumers, small businesses, and our economy.**

### CHAMBER POSITION

#### SUPPORT

##### A "YES" Vote Means

You support classifying app-based drivers as independent contractors, and granting them guaranteed benefits and wages.

##### A "NO" Vote Means

You do not support classifying app-based drivers as independent contractors, and granting them guaranteed benefits and wages.