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March 26, 2020

The Honorable Governor Gavin Newsom
California Governor's Office
1303 10th Street, Suite 1173
Sacramento, CA 95814

RE: COVID-19 Economic Recovery Package - Expanding Penalty Waiver for Property Taxes

Dear Governor Newsom,

On behalf of the Chamber of Commerce and the hundreds of large and small businesses we represent, I sincerely thank you for your continued efforts around supporting San Franciscans and protecting the City's economic resiliency during this time. On behalf of our members, I also thank you for your order to halt evictions, your work delaying residential mortgage payments, and protecting people against utility shut offs.

We deeply believe that all property owners who are able to pay their taxes on time should do so. We recognize that property taxes are an essential source of revenue for the City, and help support critical emergency and social services.

But the COVID-19 pandemic has caused economic instability for many working-class San Franciscans and small businesses. Many San Franciscans are no longer able to work due to the "Shelter in Place" order, and seniors living on a fixed income are worried about many challenges to their well-being. A large property tax bill during this uncertain time only amplifies the difficulties our residents are facing.

Due to the broad and evolving nature of the situation, we respectfully ask you to pursue all legislative and legal pathways to postpone property tax payment to July 10th for homeowners, property owners, and small businesses who have been negatively impacted by COVID-19.

We strongly encourage this to include real estate assets, residential homes, and unsecured properties. Many small businesses in San Francisco do not own the property they conduct business out of, but a majority have unsecured property that they pay property taxes on. By including unsecured property, your office can help small businesses owners, whether they own property or not, mitigate the negative economic impacts of the COVID-19 public health crisis.

Waiving penalties on property taxes until July 10th would align San Francisco closer with your March 12th Executive Order which pushed back California's tax deadline. Washington and Oregon have also both generated guidance materials to businesses who may qualify for waivers and extensions. California's Franchise Tax Board has postponed its filing and payment deadlines until July 15th.

A postponed date will also help landlords have more constructive, collaborative conversations with their commercial and residential tenants. All residents are feeling the economic pain of the COVID-19 pandemic, and providing property tax relief will allow property owners and tenants to work together to find common financial solutions.

Expanding and expediting the penalty waiver related to COVID-19 will help working-class families and small businesses stay afloat and sustain their cash flow during this turbulent time.

Thank you again for your service and consideration.

Respectfully,



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