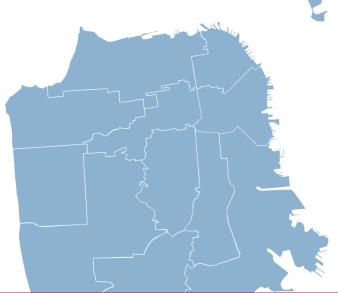


Pros & Cons Guide



Nonpartisan Information on Election Ballot

Election Day is Tuesday, November 3, 2020

Polls are open from 7:00 am to 8:00 pm on Election Day

Early voting starts October 5 Register to vote by October 19



This guide was made by volunteers for the League of Women Voters of San Francisco, a nonpartisan political nonprofit. LWVSF provides education to help people participate in the democratic process and engages in advocacy to influence public policy that benefits the community.

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PROPOSITION A Health and Homelessness, Parks, and Streets Bond

Bond measure placed on the ballot by the Board of Supervisors. Needs the approval of at least two-thirds of voters (66.66%) to pass.

THE QUESTION:

Shall the city issue up to \$487.5 million in general obligation bonds to fund homelessness projects, facilities and services for persons with mental health and substance use disorders, as well as improvements to parks, open space, recreation facilities, streets, curbs, and other street infrastructure?

BACKGROUND:

The City provides a variety of projects and services, including mental health and homelessness programs, parks, open spaces and recreational facilities, streets, curb ramps and plazas. There is a gap in City services for people with mental health and substance use disorders, and new health facilities and institutions. It is estimated that on any given night around 8,000 people are homeless in the City, and the City can offer shelter for less than half of them.

Parks, recreation facilities, and open spaces are essential to City residents' quality of life, and the COVID-19 pandemic has increased use and demand. The city currently has a large backlog of deferred maintenance of these facilities.

THE PROPOSAL:

Proposition A is a bond measure that would allow the city to borrow up to \$487.5 million by issuing bonds. Part of the money could be used to upgrade facilities to house and deliver services for persons experiencing mental health challenges, substance use disorder, and/or homelessness. Bond proceeds could help to create a more sufficient supply of Permanent Supportive Housing units for those needing long-term affordable housing and on-site social services.

Bond proceeds could also be allocated to the City's parks and recreation infrastructure, addressing public safety hazards, improving disabled access, enhancing green infrastructure, climate resiliency, and seismic safety, thereby improving the overall condition of our neighborhoods and parks. Streets, curb ramps, street structures, and plazas would be upgraded, and the City's backlog of deferred maintenance addressed:

Bond funds would be allocated as follows:

- Mental health, substance use disorders, and/or homelessness: \$207 million
- Parks, open spaces, and recreation facilities: \$239 million
- Streets, curb ramps, and plazas: \$41.5 million.

Proposition A would allow a property tax increase to pay for the bonds if needed. City policy is to limit the amount of money it borrows by issuing new bonds only as prior bonds are paid off. Landlords could pass up to 50% of any increase through to residential tenants. The City may authorize tenants to seek waivers from the pass-through based on financial hardship.

Proposition A would require bond expenditures to be overseen by the Citizens' General Obligation Bond Oversight Committee.

CONTROLLER'S STATEMENT:

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop%20A%20-%20GO%20Bond%20Health%20and%20Recovery.pdf

A "YES" Vote Means: If you vote "yes," you want to authorize the City of San Francisco to issue up to \$487.5 million in bonds to raise money for facilities and services for those experiencing homelessness, mental health and substance use disorders, as well as to improve city parks, recreation facilities, open spaces, and streets.

A "NO" Vote Means: If you vote "no," you do not want the City to issue these bonds.

ARGUMENTS IN FAVOR OF PROP A:

Our city's already sizable homelessness and mental health crisis has been exacerbated by the COVID-19 pandemic. The need for quality and substantial shelter, permanent supportive housing, and mental health resources has grown significantly.

- Bond money will stimulate the local economy, accelerating our city's recovery through job creation in a time of significant economic downturn and unemployment. Bond expenditures would be overseen by the Citizens' General Obligation Bond Oversight Committee, ensuring fiscal responsibility and accountability.
- The Proposition does not raise taxes on homeowners, ensured by the City's policy of retiring old bonds before new bonds are issued.
- Proposition A is the result of a collaborative effort between the city and community groups.

ARGUMENTS AGAINST PROP A:

- The Office of the Controller has projected that the total cost in interest and principal will total \$960 million in debt obligations. This increase in debt obligations could worsen the City's fiscal crisis by pushing it deeper into debt.
- This bond may not have set aside enough money for mental health initiatives.
- The Neighborhood Parks allotment has identified projects located at India Basin, Gene Friend Recreation Center, Hertz Playground Recreation Center, Buchanan Street Mall, and Japantown Peace Plaza. Other neighborhoods, like the Tenderloin, may not be properly addressed.
- We need more creative solutions to our decades-old problems of homelessness and mental health. This bond is just a repeat of previous failed policies

PROPOSITION B Department of Sanitation and Streets, Sanitation and Streets Commission, and Public Works Commission

Charter amendment placed on the ballot by the Board of Supervisors. Needs the approval of a simple majority of voters (50% +1) to pass.

THE QUESTION:

Shall the City amend the Charter to create a Department of Sanitation and Streets, overseen by a Sanitation and Streets Commission; create a Public Works Commission to oversee the Department of Public Works; and to require an annual performance audit and cost and waste analysis for both departments?

BACKGROUND:

The City's Department of Public Works, which was created by the City Charter, has four divisions:

- Operations, which maintains City buildings, streets, sewers, street trees, sidewalk trash cans and sidewalks, and removes graffiti;
- Building Design and Construction, which designs, builds and renovates City buildings and structures:
- Infrastructure Design and Construction, which maintains City streets, sidewalks, curb ramps, plazas, bridges, tunnels and stairways; and
- Finance and Administration.

The City Administrator oversees the Department of Public Works and appoints its director with the Mayor's approval.

THE PROPOSAL:

Proposition B is a Charter amendment that would create a Department of Sanitation and Streets, which would take over some of the duties of the Department of Public Works.

This new Department of Sanitation and Streets would be responsible for:

- Sweeping streets and cleaning sidewalks;
- Providing and maintaining sidewalk trash cans;
- Removing graffiti and illegally dumped waste; and
- Maintaining City buildings, public restrooms and street trees.

Under Proposition B, the Board of Supervisors, by a two-thirds vote, could modify these duties.

The Department of Public Works would continue to provide all other services required by law.

Proposition B would create a five-member Sanitation and Streets Commission to oversee the Department of Sanitation and Streets. The Board of Supervisors would appoint two members to this commission, the Mayor would appoint two, and the City Controller would appoint one.

The Mayor would appoint the Director of Sanitation and Streets from candidates selected by the Sanitation and Streets Commission.

Proposition B would also create a five-member Public Works Commission to oversee the Department of Public Works, thus removing it from the purview of the City Administrator. The Board of Supervisors would appoint two members to this commission, the Mayor would appoint two, and the City Controller would appoint one.

The Mayor would appoint the Director of Public Works from candidates selected by the Public Works Commission.

Proposition B would require the Services Audit Unit to evaluate whether there are inefficiencies or waste in the administration, operations and spending of both departments each year.

CONTROLLER'S STATEMENT:

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop%20B%20-%20Public%20Works%20and%20Streets%20Commissions 0.pdf

A "YES" Vote Means: If you vote "yes," you want to create a Department of Sanitation and Streets with oversight from a Sanitation and Streets Commission, and you want to establish a Public Works Commission to oversee the Department of Public Works.

A "NO" Vote Means: If you vote "no," you do not want to make these changes.

ARGUMENTS IN FAVOR OF PROP B:

The measure would require the Services Audit Unit to conduct annual cost and waste analyses of both the Department of Sanitation and the Department of Public Works to evaluate whether there are inefficiencies or waste in the administration and operations of both departments.

- The measure creates a standalone department to handle street cleaning and hygiene, which is an ongoing problem in many San Francisco neighborhoods - hygiene and cleanliness are especially important given the COVID-19 emergency.
- Creation of a separate Department of Sanitation brings San Francisco in line with other major US cities.
- The measure provides additional oversight of the Department of Public Works and oversight of the new Department of Sanitation.

ARGUMENTS AGAINST PROP B:

- The proposal could cost between \$2.5 million and \$6 million annually, according to a City Controller's analysis, primarily due to additional staffing and administrative needs.
- Removing the maintenance of streets and buildings from the department that designs and builds them creates operational inefficiencies.
- The creation of a new government department and two commissions expands government bureaucracy which could delay new projects.
- The creation of a new government department could create initial confusion among the general public regarding the department's core services and responsibilities.

PROPOSITION C Removing Citizenship Requirements for Members of City Bodies

Charter amendment placed on the ballot by the Board of Supervisors. Needs the approval of a simple majority of voters (50% +1) to pass.

THE QUESTION:

Shall the City amend the Charter to remove the requirement that people serving on City boards, commissions and advisory bodies be registered voters and U.S. citizens, and continue to require those people be old enough to vote in City elections and be San Francisco residents?

BACKGROUND:

The City government includes many boards, commissions, and advisory bodies (City Bodies), which are created through either the City's Charter or an ordinance. City Bodies may make recommendations and influence decisions on policy matters that impact the daily lives of all San Francisco residents.

Currently, the people allowed to serve on City Bodies must be both:

- 1. Registered to vote in San Francisco, unless:
 - The Charter sets a different rule for City Bodies created through the Charter. (For example, people below voting age may serve on the Youth Commission.)
 - For City Bodies created by ordinance, the public official appointing members may waive the San Francisco residency requirement because a qualified San Francisco resident cannot be found.
- 2. Members of all City bodies, whether created by Charter or ordinance must be U.S. citizens.

San Francisco is home to people from many different, diverse, backgrounds, with immigrants making up as much as 35% of our population.

In 2008, San Francisco voters approved a City Charter Amendment that required Commissions and Boards to reflect the diversity of San Francisco's population and that appointing officials be urged to support these candidates. An analysis in 2019 evaluated the representation of San Francisco City Bodies of women, people of color, LGBTQ individuals, people with disabilities and veterans. The results showed:

- Although people of color make up 62% of San Francisco's population, only 50% of appointees identify as a race other than white.
- The representation of people of color has gone down over the last few years.
- Latinx and Asian groups are underrepresented: Latinx individuals are 14% of the population but make up only 8% of appointees. Asian individuals are 31% of the population but make up only 18% of appointees.

In 2019, Governor Newsom signed Senate Bill 225 into law, allowing all Californians, regardless of citizenship or immigration status, to serve on state commissions, boards, and advisory bodies. This law allowed more Californians to be considered for public service based on ability not based on immigration or citizenship status. The State law does not extend to local boards.

THE PROPOSAL:

Proposition C is a Charter amendment that would make all San Francisco residents old enough to vote in City elections eligible to participate on local boards, commissions, and advisory bodies, regardless of citizenship or immigration status, by removing the requirement that a person be a registered voter and a U.S. citizen to serve on any City Body.

Proposition C would continue to require that people serving on City Bodies be old enough to vote in City elections and be San Francisco residents, unless the Charter or ordinance sets a different rule for a particular City Body.

For City bodies created by ordinance, Proposition C would continue to allow these requirements to be waived if a person meeting them cannot not be found.

CONTROLLER'S STATEMENT:

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop%20C%20-%20Removing%20Citizenship%20Requirements%20for%20Members%20of%20City%20Bodies.pdf

A "YES" Vote Means: If you vote "yes," you want to amend the City Charter to remove the requirement that people serving on City boards, commissions, and advisory bodies be registered voters and U.S. citizens, and continue to require that people be old enough to vote in City elections and be San Francisco residents.

A "NO" Vote Means: If you vote "no," you do not want to make this change.

ARGUMENTS IN FAVOR OF PROP C:

- Proposition C would align San Francisco law with the 2019 California state law.
- Expanding eligibility could help the City to better deliver services, as more residents with different life experiences advocate for public policy that supports and protects all people.
- Noncitizens living in San Francisco are required to pay taxes but are currently not allowed to participate on City Bodies addressing issues that could impact their daily lives (for example, the Immigrant Rights Commission). Proposition C would give all residents, including noncitizens, the opportunity for better representation and equal rights if they are allowed to serve on boards and commissions in San Francisco.

ARGUMENTS AGAINST PROP C:

- All members of City boards and commissions should be legal residents. Removing the citizenship requirement opens the possibility of people without legal status to join City Boards and Commissions.
- San Franciscans are best able to influence and benefit from San Francisco public policy if they are U.S. citizens.
- This measure may require undocumented residents to disclose more information about their immigration status, which may put themselves and their families at risk.

PROPOSITION D Sheriff Oversight

Charter amendment placed on the ballot by the Board of Supervisors. Needs the approval of a simple majority of voters (50%+1) to pass.

THE QUESTION:

Shall the City amend the Charter to create the Sheriff's Department Oversight Board to advise and report findings and recommendations to the Sheriff and the Board of Supervisors regarding Sheriff's Department operations, and to create the Sheriff's Department Office of Inspector General, to investigate complaints of non-criminal misconduct by employees and contractors of the Sheriff's Department and in-custody deaths?

BACKGROUND:

The Sheriff is elected by San Francisco voters. The Sheriff's primary duties are managing and operating City jails, being responsible for people in custody, and preserving the peace. The San Francisco Sheriff directs about 800 sworn employees.

The Sheriff's Bureau of Internal Affairs investigates employee misconduct in the Sheriff's Department. Findings and recommendations from the Bureau of Internal Affairs are submitted to the Sheriff who is responsible for determining any disciplinary action. The District Attorney investigates and prosecutes criminal misconduct by the Sheriff and Sheriff's Department employees. The City Ethics Commission investigates violations of ethics laws. The Sheriff's Department also has a policy that governs the use of force by its sworn employees.

Under state law, the Board of Supervisors may supervise the conduct of the Sheriff but not interfere with the Sheriff's duties as an investigator and prosecutor. There is currently no City department, board or commission dedicated to the oversight of the Sheriff or Sheriff's Department.

THE PROPOSAL:

Proposition D is a Charter amendment that would create the Sheriff's Department Office of Inspector General (OIG) and the Sheriff's Department Oversight Board (Oversight Board).

The OIG would be a City department independent of the Sheriff's Department. An Inspector General would head the OIG. The OIG would have at least one investigator for every 100 sworn employees of the Sheriff's Department. The OIG would report to the Oversight Board and provide information, advice, and recommendations to the Sheriff and Board of Supervisors.

Subject to certain limitations, the OIG would have the power to investigate complaints regarding Sheriff's Department employees and contractors; investigate in-custody deaths, unless that investigation would interfere with a criminal investigation; recommend the Sheriff take disciplinary action when the OIG determines an employee violated law or Sheriff's Department policy; make recommendations regarding Sheriff's Department use of force policy; monitor sheriff's operations; and refer cases to the District Attorney or the City Ethics Commission as appropriate.

The Sheriff's Department Bureau of Internal Affairs would maintain its ability to investigate in-custody deaths, employee misconduct and violations of department policies. Criminal misconduct would still be referred to the District Attorney.

The Oversight Board would consist of seven members, four appointed by the Board of Supervisors and three appointed by the Mayor. One of the Board of Supervisors' appointees must be a person with experience representing labor unions.

Subject to certain limitations, the Oversight Board would have the power to appoint, evaluate, renew and remove the Inspector General; evaluate the performance of the OIG; and seek input from the public and people in custody regarding the Sheriff's Department operations and jail conditions.

Based on information from the OIG and its own processes, the Oversight Board would make at least four reports per year to the Sheriff and the Board of Supervisors. The Oversight Board would be responsible for an annual report to the Sheriff and the Board of Supervisors about the activities of the OIG and the Oversight Board.

Subject to certain limitations, both the OIG and the Oversight Board would have the power to hold hearings and subpoena witnesses. Proposition D would not prohibit or limit the Sheriff from investigating the conduct of an employee or contractor or taking disciplinary or corrective action.

Neither the Oversight Board nor the OIG would have the authority to hire, fire, or discipline Sheriff's Department personnel, or set policy for the Sheriff's Department.

CONTROLLER'S STATEMENT:

 $\underline{https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Nov2020PropDControllerS}\\tatementUPDATED08312020.pdf$

A "YES" Vote Means: If you vote "yes," you want to amend the Charter to create a Sheriff's Department Office of Inspector General and a Sheriff's Department Oversight Board that would make recommendations to the Sheriff and the Board of Supervisors about the operations of the Sheriff's Department.

A "NO" Vote Means: If you vote "no," you do not want to make these changes.

ARGUMENTS IN FAVOR OF PROP D:

- Lawsuits against the Sheriff's Department have cost the City millions in settlement and resources. Having the Office of Inspector General and Sheriff's Department Oversight board establishes transparency, oversight, and accountability for the Sheriff's Department.
- This measure will establish true public oversight and transparency over the Sheriff's department. It creates a mechanism for the public and those in custody to provide information about misconduct and use of force.
- The OIG would recommend a use of force policy and internal review process for the use of force and critical incidents for the Sheriff's Department.

ARGUMENTS AGAINST PROP D:

- Creating more positions and Boards adds yet more bureaucracy to the City, we should be using existing oversight mechanisms instead.
- This measure would overlap functions already provided by the Sheriff's Bureau of Internal Affairs, District Attorney, and the Department office of Police Accountability, with no guarantee that lawsuits will not be filed in the future.
- The estimated annual cost for the Oversight Board and OIG, including new staff, office space, materials and supplies is \$2 million to \$3 million, an increased strain on the City's budget.

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PROPOSITION E Police Staffing

Charter Amendment put on the ballot by the Board of Supervisors. Needs the approval of a simple majority of voters (50%+1) to pass.

THE QUESTION:

Shall the City Charter be amended to remove the current required minimum number of 1,971 full duty sworn police officers and instead determine future staffing levels through a Police Department evaluation and report to the Police Commission every two years?

BACKGROUND:

In 1994 San Francisco voters approved Proposition D, which set forth in the city charter a mandatory police department staffing level of 1,971 sworn officers. This requirement resulted from a 1979 class action settlement to address race and sex discrimination in the department. At the time of the settlement, the force of 1,670 had only 60 women and 200 Black, Asian, or Hispanic officers. The settlement required the police department to set a minimum staffing level of 1,971 officers and maintain that level for three years. It became part of the city charter in 1994 with the passage of the ballot measure.

THE PROPOSAL:

If approved, the proposed measure would remove the requirements that the Police Department maintain a minimum number of full-duty sworn police officers and a minimum number of full-duty sworn officers for neighborhood policing and replace those requirements with regular evaluations of police staffing levels.

The measure would require the Chief of Police to submit a report to the Police Commission at least every two years describing the current number of full-duty sworn officers and recommending future officer staffing levels. The report would include current overall staffing, the workload handled by the Police Department's employees, the department's public service objectives, the department's legal duties, and other information the Chief of Police deemed relevant to determining proper staffing levels of full-duty sworn officers.

The measure would require the Police Commission to hold a public hearing on the report, and adopt a policy at least once every two years for the Chief of Police to use in evaluating staffing levels. It would further require the Police Commission to consider the staffing report in its approval of the Police Department's proposed budget every fiscal year, but the Commission would not be required to accept or adopt any of the recommendations in the report.

The controller states that the measure would not significantly impact the cost of government and might achieve cost savings by allowing for the reallocation of funding currently set aside to achieve the currently required minimum staffing levels.

CONTROLLER'S STATEMENT

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop%20E%20-%20Police%20Staffing.pdf

A "YES" Vote Means: You want to remove the City Charter requirement that the San Francisco Police Department maintain a minimum of 1,971 full-duty sworn officers and replace it with regular evaluations of police staffing levels.

A "NO" Vote Means: If you vote "no," you do not want to make these changes.

ARGUMENTS IN FAVOR OF PROP E:

- The current required staffing level is arbitrary and not responsive to the current population or neighborhood needs; the process for determining police staffing levels should be data driven.
- This measure would allow for a thorough assessment of community needs by the Police Commission, with public comment, and therefore provide them with more accurate data.
- The current minimum staffing level makes it more challenging for the city to transition to supplementing its police force with social workers and substance use counselors for non-criminal calls

ARGUMENTS AGAINST PROP E:

- This measure is a mechanism for the Board of Supervisors to reduce Police Department funding and staffing rather than a true effort to implement data driven staffing determinations.
- This Charter Amendment is unnecessary because the current minimum staffing level requirements for the SF Police Department have never been met. There is already flexibility to meet additional policing needs.
- The required minimum number of police officers should not have been put in the City Charter in the first place.

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SECRETARY OF STATE ALEX PADILLA

PROPOSITION F Business Tax Overhaul

Charter Amendment and Ordinance placed on the ballot by the Mayor and the Board of Supervisors. Needs the approval of a simple majority of voters (50%+1) to pass.

THE QUESTION:

Shall the City overhaul business taxes by eliminating the payroll tax, increasing gross receipts and administrative office taxes, reducing taxes for some small businesses, and further increasing business taxes if the City loses either of the lawsuits filed against the Early Care and Education tax and the Homelessness tax?

BACKGROUND:

The City collects taxes from San Francisco businesses, including:

- The payroll expense tax;
- The gross receipts tax;
- The administrative office tax;
- The annual business registration fee;
- The early care and education commercial rents tax (Child Care Tax); and
- The homelessness gross receipts tax (Homelessness Tax).

Before 1999, San Francisco taxed companies based on either payroll or gross receipts. In 1999, the City was sued to eliminate the gross receipts tax. The city decided to scrap the gross receipts tax and lost a large amount of money as a result. In 2012, the gross receipts tax was reintroduced, but this change did not bring in enough new revenue.

In 2018, San Francisco voters approved measures to impose the Early Care & Education Rents Tax and the Homelessness Gross Receipts Tax. The Child Care and Homelessness Taxes have been challenged in court in separate lawsuits, and the money collected through these taxes has been impounded pending settlement.

State law limits the amount of revenue, including tax revenue, the City can spend each year. State law authorizes San Francisco voters to approve increases to this limit to last for four years.

THE PROPOSAL:

Proposition F proposes several changes to the taxes the city collects from San Francisco businesses, including:

- Eliminating the payroll expense tax beginning in the 2021 tax year;
- Increasing the gross receipts tax rate in phases
- Expanding the small business tax exemption from the gross receipts tax to \$2,000,000 and eliminating the credit for businesses that pay a similar tax elsewhere
- Increasing the administrative office tax rate in phases; and
- Reducing the annual business registration fee for businesses with less than \$1,000,000 in gross receipts

Other changes would only if certain conditions are met:

- If the City loses the Child Care Tax lawsuit the City would be required to collect a new tax on gross receipts from the lease of certain commercial spaces
- If the City loses the Homelessness Tax lawsuit, gross receipts and administrative office tax rates would increase for some businesses
- If the City loses either lawsuit, the City Charter would be amended to change how baseline funding is calculated. Baseline funding is where the Charter sets a base amount of funding for a particular purpose, e.g., the Public Education Enrichment Fund. The Board of Supervisors and the Mayor have no discretion to change these Charter-mandated baselines.

Proposition F would increase the City's spending limit for four years from November 3, 2020.

Tax increases would be generally phased in over three years beginning in tax year 2022, resulting in additional annual revenue to the city of approximately \$97 million once fully implemented, according to the Controller. The proceeds would be deposited in the City's General Fund. Temporary rate reductions for tax years 2021, 2022, and 2023 are proposed for industries heavily impacted by current economic conditions, including those paid by the hospitality, restaurant, and retail sectors.

CONTROLLER'S STATEMENT:

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop%20F%20-%20Business%20Tax%20Overhaul.pdf

A "YES" Vote Means: If you vote "yes," you want to: eliminate the City's payroll expense tax but Increase gross receipts and administrative office tax rates in phases, reduce business taxes for some small businesses, further increase the City's business taxes if the City loses either of the lawsuits regarding the Early Care and Education Commercial Rents Tax or the Homelessness Gross Receipts Tax, but exclude money collected from these increases when determining baseline funding.

A "NO" Vote Means: If you vote "no," you do not want to make these changes to the business tax system.

ARGUMENTS IN FAVOR OF PROP F:

- Provides tax relief for sectors most impacted by COVID-19 pandemic including retail, restaurants, and hospitality.
- Raises the ceiling for exemption from the gross receipts tax for small businesses
- Generates new revenue to protect and maintain critical city services stymied by pending lawsuits against homelessness and early childhood taxes.
- Creates an estimated 5,500 jobs by eliminating the payroll tax and transitioning to a more equitable business tax system which encourages businesses to hire again.

ARGUMENTS AGAINST PROP F:

- We don't know what types of businesses will be here in the future. Implementing a new tax system will create even more uncertainty when we should be fostering predictability and stability.
- It is a massive tax increase of \$97 million annually that will discourage new businesses from starting up and closed businesses from reopening.
- It is a lengthy and complicated overhaul of city business taxes, making it difficult to understand its impact on businesses and the City as a whole.
- It should have been two separate measures not a combined charter amendment and ordinance.

PROPOSITION G Youth Voting in Local Elections

Charter Amendment placed on the ballot by the Board of Supervisors. Needs the approval of a simple majority of voters (50% plus 1) to pass.

THE QUESTION:

Shall the City amend the Charter to allow San Francisco residents to vote on local candidates and local ballot measures if they are U.S. citizens, at least 16 years old and registered to vote?

BACKGROUND:

Article XVII of the San Francisco charter defines "voter" as an elector who is registered to vote under state law. Applicable state law provides that U.S. citizens and residents of the state who are at least 18 years of age at the time of the next election are eligible to register and vote. In 2016, the Board of Supervisors submitted a Charter amendment to the voters that would have authorized 16- and 17-year-olds to vote in municipal elections. The measure failed to obtain the voters' approval. In 2020, Board of Supervisors President Norman Yee introduced Proposition G on behalf of the City's Youth Commission, which advises City Supervisors and the Mayor on policies and laws impacting young people.

THE PROPOSAL:

Proposition G would allow San Francisco residents to vote on local candidates and local ballot measures if they are U.S. citizens, at least 16 years old and registered to vote. Local candidates include candidates for City offices, the Board of Education and the Community College Board of Trustees. Proposition G does not allow 16- and 17-year-olds to vote for state candidates, state ballot measures or federal candidates.

The amendment could be expected to increase the number of registered voters for municipal elections by up to approximately 1.5 percent if 16- and 17-year-olds register to vote at the same rate as the general population.

CONTROLLER'S STATEMENT:

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop%20G%20-%20Youth%20Voting.pdf

A "YES" Vote Means: If you vote "yes," you want to amend the Charter to allow San Francisco residents to vote for local candidates and local ballot measures if they are U.S. citizens, at least 16 years old and registered to vote.

A "NO" Vote Means: If you vote "no," you do not want to make this change.

ARGUMENTS IN FAVOR OF PROP G:

- Allowing young people to vote at a time when they are engaged with their local communities will establish a life-long habit of voting and increase overall voter turnout.
- By including youth in local elections, San Francisco will have a more representative electorate and a fairer electoral system.
- 16- and 17-year-olds are as capable as and possess the same level of civic knowledge as adults. They are just as able to make decisions about issues impacting their schools and communities.
- Many 16- and 17-year-olds have jobs and pay taxes. They should have the right to vote.

ARGUMENTS AGAINST PROP G:

- 16- and 17-year-olds lack the maturity and experiences necessary to vote. Some 16- and 17-year olds don't hold jobs or pay taxes, so may not fully understand the implications of some issues they may be voting on.
- 16- and 17-year-olds are not adults under the law. Laws prohibit individuals under age 18 from serving on juries, renting vehicles and purchasing tobacco or alcohol.
- Parents are responsible for the actions and well-being of 16- and 17-year-olds, for example, parental permission is required to join the military or to marry. Why should voting be any different?
- Prop G opens the door to having even younger children vote

PROPOSITION H Neighborhood Commercial Districts and City Permitting

Ordinance placed on the ballot by the Mayor. Needs the approval of a simple majority of voters (50% +1) to pass.

THE QUESTION:

Shall the City amend the Planning Code for Neighborhood Commercial Districts to allow for more permissible uses, eliminate public notification, and expedite the permitting process?

BACKGROUND:

Neighborhood Commercial Districts (NCDs) in San Francisco are commercial areas outside the downtown area with commercial use allowed on the ground floor and other uses on upper floors.

San Francisco's City Planning Code determines acceptable uses in residential, commercial, and industrial-zoned districts. Each zoning district use may be permitted, conditionally permitted, or not permitted. Conditionally permitted uses require extensive review and approval by the Planning Commission.

In order to open and operate a business in San Francisco, business owners may need permits from several City agencies separately, including permits for construction from the Department of Building Inspection; the sale of food from the Department of Health, etc.

In order to change the use of property in certain districts, the person applying for building permits must post notification of the proposal for neighbors for 30 days. During this time, the City is not allowed to issue permits and the public is allowed to request a review.

THE PROPOSAL:

Proposition H is an Initiative Ordinance that would change the current Planning Code for Neighborhood Commercial Districts to (1) amend the permitting and inspection processes across the city and (2) adjust zoning in all of the City's neighborhood commercial and neighborhood transit districts.

1. PERMIT AND INSPECTION CHANGES

- a. Streamline the current permitting and inspection process to 30 days and allow simultaneous cross-department review of applications rather than the current sequential, multi-agency review.
- b. Require City agencies to coordinate their inspections and schedule them within 2 weeks of an inspection request. Inspections would be limited to compliance with an objective checklist adopted by the agency

1. ZONING CODE CHANGES

- a. Revise zoning to increase the types of permitted and conditionally permitted uses to include arts and entertainment activities, community facilities, social and philanthropic services, retail, and restaurants, among others.
- b. Address reduced capacity in restaurants in compliance with COVID-19 social distancing by expanding the use of outdoor areas
- c. Allow businesses to permit certain types of co-working uses as "retail workspaces." For example, this would allow a restaurant to act as a workspace for the public on days when the restaurant is open.

In addition, Proposition H would change restrictions to allow temporary uses in bars and entertainment venues, and temporary retail "pop-ups" in vacant storefronts.

CONTROLLER'S STATEMENT:

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop%20H%20-%20Neighborhood%20Commercial%20Districts%20and%20City%20Permitting.pdf

A "YES" Vote Means: If you vote "yes," you want to change the city's Planning Code for Neighborhood Commercial Districts to amend the permitting and inspection process for new businesses and expand zoning uses in the City's neighborhood commercial and neighborhood transit districts.

A "NO" Vote Means If you vote "no," you do not want to make these changes.

ARGUMENTS IN FAVOR OF PROP H:

- The measure supports San Francisco's small businesses, streamlining permitting and making it easier for them to compete with online shopping and mitigate the impact of the pandemic.
- Changes in cost to the City for review, inspection and approval could be offset by increases in taxes from new businesses and savings of City staff time due to shorter permitting windows.
- Nonprofits could be allowed to open offices in neighborhood commercial districts, which would help them find more affordable space and fill vacant storefronts.
- Expanding outdoor dining and restaurant use would help maintain the City's vibrancy and culture, especially needed during the pandemic.

ARGUMENTS AGAINST PROP H:

- The creation of new permitting and inspection processes could create confusion among the general public, businesses, and neighborhoods.
- The proposition is complicated and changes land use and City permits without public hearings.
- Neighborhood Commercial Districts were developed more than 30 years ago and have been adjusted over time to address neighborhood and small business concerns as they arise. There was no neighborhood or small business input in developing Proposition H.
- Changing the planning should be done at the Planning Commission and the Board of Supervisors, not as a ballot measure.

PROPOSITION I Real Estate Transfer Tax

Ordinance placed on the ballot by the Board of Supervisors. Needs the approval of a simple majority of voters (50%+1) to pass.

THE QUESTION:

Shall the City permanently double the transfer tax rate on sales and leases of 35 years or more on real estate transactions with a value of \$10 million to \$25 million, and transactions with a value of \$25 million or more for an estimated average revenue of \$196 million a year?

BACKGROUND:

The City collects a transfer tax on certain sales as well as leases of 35 years or more of residential and commercial real estate in San Francisco. The tax rate usually depends on the real estate's sale price. The current transfer tax rates are:

Sale Price of Real Estate	Current Tax Rate
More than \$100 and less than or equal to \$250,000	0.50%
More than \$250,000 and less than \$1,000,000	0.68%
At least \$1,000,000 and less than \$5,000,000	0.75%
At least \$5,000,000 and less than \$10,000,000	2.25%
At least \$10,000,000 and less than \$25,000,000	2.75%
At least \$25,000,000	3.00%

If property is sold to the City, the transfer tax does not apply. If property is sold to qualified affordable housing nonprofits, the transfer tax rate is no greater than 0.75%.

State law limits the amount of revenue, including tax revenue, the City can spend each year. State law authorizes San Francisco voters to approve increases to this limit for a maximum of four years.

The money collected from this tax goes into the City's General Fund.

THE PROPOSAL:

Proposition I would increase the transfer tax rate on certain sales as well as leases of 35 years or more of real estate with a price of at least \$10 million. For property with a sale price of less than \$10 million, the current transfer tax rate would not change. The proposed tax rates are:

More than \$100 and less than or equal to \$250,000	0.50% (no change)
More than \$250,000 and less than \$1,000,000	0.68% (no change)
At least \$1,000,000 and less than \$5,000,000	0.75% (no change)
At least \$5,000,000 and less than \$10,000,000	2.25% (no change)
At least \$10,000,000 and less than \$25,000,000	5.50%
At least \$25,000,000	6.00%

The transfer tax rate increase would not apply if property is sold to the City or to qualified affordable housing nonprofits.

If the measure passes, the new tax rates would go into effect on January 21, 2021.

Pursuant to applicable laws, Proposition I would also increase the state's limit on the City's annual tax revenue spending by the amount of additional taxes collected under the proposed rate increases. The increased limit would last for four years from November 3, 2020.

CONTROLLER'S STATEMENT:

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop I - Transfer Tax.pdf

A "YES" Vote Means: If you vote "yes," you want to double the transfer tax rate on sales and leases of 35 years or more of real estate with a value of at least \$10 million.

A "NO" Vote Means: If you vote "no," you do not want to make these changes.

ARGUMENTS IN FAVOR OF PROP I:

At a time when San Francisco faces a projected deficit of between \$1.1 billion and \$1.7 billion over the next two years, this progressive tax measure will generate much-needed emergency funds.

- The Board of Supervisors unanimously passed a resolution making emergency rent relief and permanently affordable housing a top priority for new revenue. This measure will enable health workers and other essential service providers to live and work in the City.
- The tax increase is only on sales and leases having a value of \$10 million or more and will not impact homeowners, renters, or small business owners.
- Proposition I raises revenue from those who can afford to pay. It is asking the wealthy to pay their fair share

ARGUMENTS AGAINST PROP I:

- The money raised by this tax will go into the General Fund and there is no oversight of how it is to be spent.
- San Francisco's transfer tax is already among the highest in the country. If it is increased, businesses could choose to move elsewhere. Already approved market rate building may never be built, exacerbating our housing shortage.
- The taxes could be passed on to small businesses and renters who are struggling to stay afloat during the COVID-19 crisis.
- The City will not be able to rely on the funds raised by this measure because doubling the transfer tax on transactions over \$10 million could lead to unpredictable tax avoidance strategies according to the Controller.

PROPOSITION J Parcel Tax for San Francisco Unified School District

Ordinance placed on the ballot by the Mayor and the Board of Supervisors. Needs the approval of at least two-thirds of voters (66.66%) to pass.

THE QUESTION:

Shall the City replace the 2018 Parcel Tax for the San Francisco Unified School District (SFUSD) with a different tax that changes the annual tax rate from \$320 per parcel to \$288 per parcel, adjusted for inflation each year, and with an exemption for people age 65 or older for an estimated revenue of \$48.1 million per year?

BACKGROUND:

Parcel taxes are a property tax paid by the owners of real estate. Unlike standard property taxes, they are not based on the value of the property. Parcel taxes can be based on the characteristics of a property or they can be a flat rate.

The beneficiary of this parcel tax, the San Francisco Unified School District (SFUSD), educates about 54,000 students a year and employs about 6,900 teachers.

In June 2018, a majority of San Francisco voters approved an annual parcel tax of \$320 per parcel of taxable property (with annual adjustments for inflation) to provide funding to the SFUSD (Proposition G: 2018 School Parcel Tax). People age 65 or older before July 1 of the tax year are exempt from this tax if they own an interest in the property being taxed and if the property is where they live most of the time.

The 2018 School Parcel Tax passed with a simple majority, but a lawsuit was filed contending that it needed a two-thirds vote to pass, and the funds were frozen pending the outcome of the suit. If the lawsuit finds that the 2018 School Parcel Tax is invalid, then taxes collected so far would be returned to parcel owners. If the lawsuit finds that the 2018 School Parcel Tax is valid, then the taxes collected so far would be allocated to the SFUSD. No matter the outcome of the lawsuit, if the new Proposition J passes with a two-thirds majority, it would be enacted in place of the 2018 School Parcel Tax.

THE PROPOSAL:

Proposition J would replace the 2018 School Parcel Tax (Proposition G), which was approved with 61% of the vote, with a new parcel tax that needs the approval of two-thirds (66.66%) of voters.

Proposition J would change the tax rate from \$320 to \$288 per parcel of taxable property beginning on July 1, 2021. This tax would be adjusted for inflation each year and, like the 2018 tax, would expire on June 30, 2038. People age 65 or older before July 1 of the tax year would be exempt from this tax if they own an interest in **the property being taxed and if** the property is where they live most of the time. Revenue from this parcel tax is estimated to be \$48.1 million annually.

SFUSD could use the money collected through this tax for the same purposes as the 2018 School Parcel Tax. to:

- Increase salaries and benefits for teachers, paraeducators, and other SFUSD employees;
- Increase staffing and program funding at high-needs schools and community schools;
- Provide professional development;

- Invest in technology, including full support of digital teaching and learning tools for students, educators, and their families;
- Fund public charter schools;
- Provide oversight to ensure funds are allocated only to these purposes.

CONTROLLER'S STATEMENT:

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop%20J%20-%20Parcel%20Tax%20Replacement_0.pdf

A "YES" Vote Means: If you vote "yes," you want the City to replace the 2018 School Parcel Tax with a new tax that changes the annual tax rate from \$320 per parcel to \$288, beginning on July 1, 2021, adjusted for inflation each year, and with an exemption for people age 65 or older.

A "NO" Vote Means: If you vote "no," you do not want to make this change.

ARGUMENTS IN FAVOR OF PROP J:

- San Francisco Unified School District will face a projected \$148 million deficit in Fiscal Year 2021-22, a 16% reduction in the current budget. Without the parcel tax, these budget cuts would have a devastating impact on student learning and outcomes.
- San Francisco is one of the most expensive places to live in the country. Paying educators a living wage would help SFUSD attract, support, and retain high-quality teachers
- The funds are not controlled by the State of California, so funds would be spent in San Francisco to directly benefit the City's students and teachers.

ARGUMENTS AGAINST PROP J:

- As a flat tax, this parcel tax would punish single occupancy property owners, while forfeiting an opportunity to collect more revenue on multiple occupancy parcels.
- This measure results from teachers' union salary negotiations, which provided solid increases over three years; this tax would provide an additional 2% increase. Voter referendums are not the best way to resolve contractual issues.
- SFUSD already receives \$53 million in sales tax, \$40 million from two other parcel taxes, and \$130 million from other special taxes.

PROPOSITION K Affordable Housing Authorization

Ordinance placed on the ballot by the Board of Supervisors. Needs the approval of a simple majority of voters (50% +1) to pass.

THE QUESTION:

Shall the City own, develop, construct, rehabilitate, or acquire up to 10,000 residential units of low rental housing projects within the City for the purpose of providing affordable rental housing?

BACKGROUND:

Currently, the City has a variety of affordable housing programs, including those that:

- Create, preserve and improve affordable housing;
- Convert market-rate housing to permanently affordable housing;
- Provide loans to first-time homebuyers; and
- Help eligible homeowners and renters stay in their homes.

However, Article 34 of the State Constitution requires the approval by a majority of San Francisco voters before:

- The City can develop, construct or acquire low-income rental housing projects; or
- Nonprofits and companies can develop, construct or acquire low-income rental housing projects with financial assistance from public agencies.

THE PROPOSAL:

Proposition K would provide Article 34 authorization for 10,000 affordable rental housing units, specifying that City government will have the authorization to own, develop, construct, acquire, or rehabilitate these units. This ordinance does not provide funding for the housing but does authorize the City to take any actions necessary to implement the ordinance subject to applicable laws.

If approved by voters, city policymakers would next need to assess and decide which functions would be directly conducted by the City (e.g., housing development, property acquisition, construction, property and asset management). At the City's discretion, this would include identifying the expansion or modification of city agency structures, new processes, staffing, other costs, and providing the operational funding.

CONTROLLER'S STATEMENT:

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop%20K%20-%20Affordable%20Housing%20Authorization.pdf

A "YES" Vote Means: If you vote "yes," you want to authorize the City to own, develop, construct, acquire or rehabilitate up to 10,000 units of low-income rental housing in the City.

A "NO" Vote Means: If you vote "no," you do not want to make this change.

ARGUMENTS IN FAVOR OF PROP K:

- The addition of 10,000 affordable rental housing units would help to provide more rental options for middle and lower-income residents searching for homes in the City.
- Proposition K would be a step toward reversing Article 34, established in 1950, which primarily impacted and excluded minority citizens from moving into certain neighborhoods by blocking the creation of affordable housing.
- The ordinance would authorize municipal social housing, a form of permanently affordable housing, used in other major cities, which can help to address displacement and homelessness.

ARGUMENTS AGAINST PROP K:

- Although the authorization of Proposition K will be of no cost to taxpayers, the construction of the housing units could incur high operational costs, which would be funded by taxpayer dollars.
- The ordinance does not specify how the housing units will be funded.
- If the affordable housing units built by the City are not properly maintained, there is a risk that the buildings will fall into disrepair and negatively impact the communities in which they are located.



PROPOSITION L Business Tax Based on Comparison of Top Executive's Pay to Employee's Pay

Ordinance placed on the ballot by The Board of Supervisors. Needs the approval of a simple majority of voters (50% +1) to pass.

THE QUESTION:

Shall the City amend the Business Tax and Regulations Code to impose an additional gross receipts tax or an administrative office tax on businesses with a greater than 100:1 ratio of the compensation of the business's highest paid managerial employee to the median compensation paid to the business's employees based in the City; and increase the City's appropriation limit by the amount collected under the additional tax for four years from November 3, 2020?

BACKGROUND:

The City currently imposes several taxes on businesses doing business in San Francisco. For example:

- The City collects a tax on gross receipts (Gross Receipts Tax) from some businesses at a rate of between 0.16 percent and 0.65 percent annually, which is deposited in the General Fund.
- Businesses with more than \$1 billion in gross receipts, 1,000 employees nationwide and administrative offices in San Francisco pay an administrative office tax (Administrative Office Tax) based on their payroll expense instead of their gross receipts. This tax rate is 1.4 percent of their payroll expense and goes to the General Fund.
- Not all business taxes collected are designated for the General Fund, which can be used for any City purpose. At present, one business tax dedicates 85 percent to funding early care and education for young children, with the remaining 15 percent for the General Fund. Another business tax is dedicated to funding services for homeless people and preventing homelessness

According to the August 2020 City Controller's required report on the Mayor's proposed budgets for the next two Fiscal Years (FY):

- The COVID-19 emergency and resulting public health mandates in 2020 negatively impacted the City's business tax revenue base due to increases in unemployment, temporary and permanent business closures, and reduced employee commuting into the City. (Business tax revenue includes payroll tax, business registration fee, administrative office tax and gross receipts tax).
- FY 2020-21 business tax revenue is 20.9 percent less than what was budgeted.
- Next year's business tax revenue (FY 2021-22) is budgeted to be 24 percent greater than the proposed FY 2020-21 budget.

THE PROPOSAL:

If passed, this ordinance would place an additional tax on some businesses in San Francisco when their highest-paid managerial employee (Top Executive Pay) earns more than 100 times the median compensation paid to their employees in San Francisco (Employee Pay). Taxes collected are to be deposited in the General Fund.

- For a business that pays the Gross Receipts Tax, if its Top Executive Pay is more than 100 times Employee Pay, the business would pay an additional tax from 0.1 percent to 0.6 percent of its San Francisco gross receipts.
- For a business that pays the Administrative Office Tax, if its Top Executive Pay is more than 100 times Employee Pay, the business would pay an additional tax from 0.4 percent to 2.4 percent of its San Francisco payroll expense.

If passed, it would also increase the limit on the City's annual tax revenue spending by the amount of additional taxes collected under the proposed tax. The increased limit would last four years.

CONTROLLER'S STATEMENT:

https://sfelections.sfgov.org/sites/default/files/Documents/candidates/2020Nov/Prop%20L%20-%20Business%20Tax%20on%20Comparison%20of%20Top%20Executive%20Pay%20to%20Employee %20Pay.pdf

A "YES" Vote Means: If you vote "yes," you want to place an additional tax on some businesses in San Francisco when their highest-paid managerial employee earns more than 100 times the median compensation paid to their employees in the City.

A "NO" Vote Means: If you vote "no," you do not want to make this change.

ARGUMENTS IN FAVOR OF PROP L:

San Francisco economists project a budget deficit of between \$1.1 billion and \$1.7 billion over the next two years due to the COVID-19 pandemic. Businesses with Top Executive Pay of more than 100 times that of Employee Pay can help the City recover by paying this added business tax.

- Over the last 30 years, executive salaries in the United States increased by 940%, while employee wages grew by 11%. Proposition L is intended to encourage businesses in the City to invest more in their workers by reducing the disparity between their Top Executive Pay and median Employee Pay.
- San Francisco is a desirable location for business headquarters. For businesses with disproportionately high Top Executive Pay compared to their Employee Pay, this tax is expected to increase the City's yearly spending limit by the amount collected. That amount is projected to be between \$60 million and \$140 million annually.

ARGUMENTS AGAINST PROP L:

- This added business tax won't solve San Francisco's looming budget shortfall. Future revenues are unpredictable due to the narrow base of expected taxpayers, annual fluctuations in value and form of executive compensation, and number of employees working in the City versus telecommuting.
- Market rates and executive experience influence what businesses and their boards of directors' set for their Top Executive Pay. This attempt to redistribute wealth could provide an incentive for businesses impacted by this tax to leave San Francisco, resulting in reduced tax revenues. From 2018 to November 2019, 35 businesses in San Francisco are reported to have relocated out of state.
- Impacted businesses could avoid this new tax requirement. For example, they could reduce the number of their employees working in the City by allowing more of those employees to telecommute or by limiting new hires in the City.

Be a voter!

You are eligible to register to vote in San Francisco if you are:

- ✓ A United States citizen
- ✓ A resident of San Francisco
- ✓ At least 18 years old on Election Day
- ✓ Not in prison or on parole for a felony conviction
- ✓ Not found mentally incompetent to vote by a court

Are you age 16 or 17? You can pre-register to vote at registertovote.ca.gov.

Not a citizen? Learn about voting for School Board at sfelections.org/noncitizenvoting.

Want more voting information? Visit sfelections.sfgov.org or call 415-554-4375.

Get even more election resources

This Pros & Cons Guide is just one of many nonpartisan resources the League of Women Voters of San Francisco provides that can help you become a more informed and active participant in elections. We also offer:

- Candidate forums
- Statements from candidates
- ...and more!

Visit lwvsf.org for all of our election resources. Follow us on Facebook (facebook.com/LWVSanFrancisco) and Twitter (twitter.com/LWVSF).

