



# PROS & CONS GUIDE

San Francisco Ballot Measures

Election Day: Tuesday, November 2, 2010

## PROPOSITION AA

## VEHICLE REGISTRATION FEE

Amendment to the San Francisco Business and Tax Regulations Code  
Placed on the ballot by the San Francisco County Transportation Authority

### The Question

Should the San Francisco County Transportation Authority (SFCTA) add \$10 to the annual registration fee for vehicles registered in San Francisco to fund transportation projects involving street repairs and reconstruction, pedestrian safety and transit reliability improvements?

### The Proposal

This proposition would amend the City's Business and Tax Regulations Code to add \$10 to the existing annual registration fee for vehicles registered in San Francisco to fund transportation projects. This increase would apply to vehicle registrations and renewals beginning May 2, 2011.

Under the SFCTA's Expenditure plan:

- 50% of the fee would be used for street repairs and reconstruction with priority given to streets with bicycle and public transit routes;
- 25% of the fee would be used for pedestrian safety, including crosswalk improvements, sidewalk repair or upgrade, and pedestrian countdown signals and lighting;
- 25% would be used for transit reliability improvements including transit stop improvements, consolidation and relocation, transit signal upgrades, travel information improvements and parking management projects.

The SFCTA would determine the specific projects and could use up to 5% of the funds for administrative costs.

### Fiscal Effect

The Controller states:

*Should the proposed measure be approved by the voters, in my opinion, it would gener-*

*ate additional tax revenue for the City of approximately \$5 million annually for projects related to street repair, pedestrian safety and transit improvements. The proposed measure would place an additional vehicle license fee of \$10 per vehicle registered in San Francisco County.*

### Arguments in Favor of Proposition AA

- This measure would provide the first new local funding for transportation in decades.
- All funds would stay in San Francisco and cannot be raided for other uses.
- Annual reports would guarantee accountability to the public.

### Arguments Against Proposition AA

- San Francisco residents do not need another fee increase.
- Road and transit and safety and repairs should be financed through our General Fund.

## PROPOSITION A

### EARTHQUAKE RETROFIT BOND

General Obligation Bond

Placed on the ballot by

Mayor Gavin Newsom

Requires two-thirds majority vote for passage

### The Question

Should San Francisco authorize the issuance of General Obligation Bonds in the amount of \$46.15 million to finance earthquake retrofitting on affordable housing and single-room occupancy buildings that are currently deemed to be at-risk during an earthquake?

(Proposition A continued on next page)

### ONLINE ELECTION INFO

[www.sfvotes.org](http://www.sfvotes.org)

**ELECTION DAY IS**

**TUESDAY, NOVEMBER 2**

- Polls open from 7 am to 8 pm
- Early voting starts October 5
- October 18 is the last day to register
- For more information, visit the SF Department of Elections at [www.sfgov.org/election](http://www.sfgov.org/election)

**TO VOTE IN THE NOVEMBER ELECTION, YOU MUST:**

- Be a U.S. citizen and a resident of California
- Be at least 18 years old by the date of the election
- Be registered to vote
- Not be in prison or on parole for a felony conviction
- Not have been judged mentally incompetent to vote by a court
- Federal and State Law now requires that every person who registers or re-registers to vote provide either a California Driver's License (or California ID card) or the last 4 digits of your Social Security number on your registration card.

## PROPOSITION A (continued)

### The Proposal

Proposition A would authorize the City of San Francisco to borrow up to \$46,150,000 by issuing General Obligation Bonds to fund loans and grants to pay for seismic retrofitting of low-income housing structures. Specifically, projects funded by the bond would include:

- A deferred loan and grant program of up to \$41,330,000 to pay for seismic retrofitting of 125 soft-story affordable housing buildings funded by government agencies;
- A loan program of up to \$4,820,000 to pay for seismic retrofitting of 31 soft-story single-room occupancy buildings.

The City agencies responsible for implementing these programs would set the terms and conditions for the loans and grants. But a property owner would be required to repay these loans and grants immediately if the property owner reduced the number of affordable housing units as part of a sale or transfer of the property.

Proposition A would require the Citizen's General Obligation Bond Oversight Committee to provide independent oversight of the spending of bond funds. One-tenth of one percent (0.1%) of the bond funds would pay for the Committee's audit and oversight functions.

Proposition A would allow an increase in the property tax to pay for the bonds. It would permit landlords to pass through 50% of the resulting property tax increase to tenants.

### Fiscal Effect

The Controller states:

*Should the proposed \$46,150,000 million in bonds be authorized and sold under current assumptions:*

- *The best estimate of the average tax rate for these bonds from fiscal year 2011-2012 through 2033-2034 is \$0.0016 per \$100 (\$1.60 per \$100,000) of assessed valuation.*
- *Based on these estimates, the highest estimated annual property tax cost for the owner of a home with an assessed value of \$400,000 would be approximately \$9.46.*
- *Based on these estimates, the highest estimated annual cost for a tenant in a unit with an assessed value of approximately \$156,000 would be \$1.98.*

*These estimates are based on projections only, which are not binding upon the City. Projections and estimates may vary due to the timing of bond sales, the amount of bonds sold at each sale, and actual assessed valuation over the term of repayment of the bonds. Hence, the actual tax rate and the years in which such rates are applicable may vary from those estimated above. The City's current debt management policy is to issue new General Obligation Bonds only as old ones are retired, keeping the property tax impact from General Obligation Bonds approximately the same over time.*

### Arguments in Favor of Proposition A

- The Department of Building Safety estimated that if a 7.3-magnitude earthquake were to hit the San Andreas Fault, up to 850 soft-story buildings would collapse and up to 2,400 would be uninhabitable for months.
- Although retrofitting all the buildings would cost about \$260 million, the seismic upgrades would prevent about \$1.5 billion worth of damage if a major earthquake hit.
- This measure would promote the safety of lives and property in San Francisco.
- There is precedence for issuing General Obligation Bonds to fund seismic retrofitting projects in the City of San Francisco (Earthquake Safety and Emergency Response Bond passed in June 2010 allowed the City of San Francisco to issue a \$412.3 million bond to pay for seismic retrofitting of the City's fire, earthquake and emergency response systems.)
- General Obligation Bonds are always used to fund big projects.

### Arguments against Proposition A

- Proposition A would be paid for by increasing the property taxes of over 130,000 homeowners and rent for tenants living in privately owned buildings.
- These bonds are only authorized for 156 buildings, which accounts for only 6% of the unsafe soft-story buildings in San Francisco that are privately owned.
- Many of these soft-story buildings have residents on the upper levels and small businesses on the ground floor. Displaced businesses would have to move or close for some months and may not be able to recover.
- The City and County have already used too many General Obligation Bonds to finance projects, which should be budgeted from the General Fund.
- Issuing excessive General Obligation Bonds may affect the City's credit rating.

## PROPOSITION B

### CITY RETIREMENT AND HEALTH PLANS

Charter amendment

Placed on the ballot by Initiative

### The Question

Should City employees increase their contributions to the retirement plan and pay a higher percentage of healthcare benefits for dependents?

### The Proposal

Proposition B would increase required employee contributions to the Retirement System, and reduce the City's share of funding that system, as follows:

- Uniformed members of the police and fire departments, excluding the Sheriff's department, would contribute up to 10% of their compensation to fund retirement benefits;

(Proposition B continued on the next page)

## **PROPOSITION B** (continued)

- All other employees in the Retirement System would contribute 9.0% of their compensation to fund retirement benefits;
- After current collective bargaining agreements with City employees expire, the City could not agree to pay any portion of the employee contribution.

Proposition B would decrease the employer contribution to the Health Service System, and increase the employees' share of funding that system, as follows:

- For medical plans, employers would pay only the amount that the ten-county survey requires;
- The City, but not the other three employers, would be prohibited from paying any additional costs for employee coverage;
- For employee dependent health care coverage, reduce the City contribution to no more than 50% of the cost of the lowest cost plan that the Health Services System offers for each level of coverage;
- For dental plans, the City, but not the other three employers, would contribute no more than 75% of the cost of employee coverage and 50% of the cost of dependent coverage.

In any arbitration to resolve disputes in collective bargaining over City employment, Proposition B would require the arbitrator to make findings about the costs to the City of retirement and health benefits and take those costs into account in deciding compensation.

Proposition B also states that if the City or an arbitrator awards an increase in wages or benefits for covered employees, the increase should first be subject to voter approval.

Proposition B would become effective on January 1, 2011. Some provisions would become operative only when current collective bargaining agreements expire.

### **Fiscal Effect**

The Controller states:

*Should the proposed Charter amendment be approved by the voters, in my opinion, the City will have significantly reduced costs for providing employee retirement benefits and health care benefits, with those costs being shifted from the City Government to City employees. Annual savings to the City would total approximately \$121 million by fiscal year 2013-2014, assuming current workforce levels and healthcare utilization. This includes approximately \$73 million in savings to the City's General Fund, and \$48 million in savings to other enterprise funds such as the Airport and Public Utilities Commission funds.*

### **Arguments in Favor of Proposition B**

- Because of the current economic climate, the City cannot continue to pay excessively high retirement and healthcare benefits without detriment to other City services. Proposition B would save \$600 million over the next 5 years.

- Proposition B would ensure that city workers continue to get healthcare, but will spread the costs more equal between employer and employees.
- City employees would continue to get healthcare at a lower cost than most employees in private businesses; only 60% of San Francisco businesses offer healthcare at all.

### **Arguments Against Proposition B**

- Under this measure, some children and families of City workers could lose healthcare coverage.
- The City could lose Federal health reform benefits for older employees, which amount to \$23 million per year.
- Proposition B does not distinguish between high and low wage workers and is more of a burden to lower paid employees.

## **PROPOSITION C**

### **MAYORAL APPEARANCES AT BOARD OF SUPERVISOR MEETINGS**

#### **Charter amendment**

Placed on the ballot by Supervisors Avalos, Campos, Chiu, Daly, Mar, and Mirkarimi

### **The Question**

Should the Charter be amended to require the Mayor to appear in person at one regularly scheduled meeting of the Board of Supervisors each month to engage in formal policy discussions with the Board?

### **The Proposal**

Proposition C is a Charter amendment that would require the Mayor to appear in person at one regularly scheduled meeting of the Board of Supervisors each month to engage in formal policy discussions with the Board.

Proposition C would also require the Board of Supervisors, in consultation with the Mayor, to adopt ordinances providing rules and guidelines about the Mayor's appearances before the Board.

### **Fiscal Effect**

The Controller states:

*Should the proposed Charter amendment be approved by the voters, in my opinion, it would not affect on the cost of government.*

### **Arguments in Favor of Proposition C**

- Proposition C would promote open public policy discussion between the Mayor and all the members of the Board of Supervisors.
- Regular dialogue between those with different opinions and ideas could increase understanding and improve cooperation between the different branches of government.

(Proposition C continued on the next page)

## PROPOSITION C (continued)

### Arguments Against Proposition C

- Voters have already voted on the proposal and rejected it.
- Historically, mayors have maintained an open door policy; the Supervisors do not require a Charter amendment to engage in dialogue and policy discussions with the Mayor.
- The mandatory meeting would result in “political theater,” which would distract from the business of solving the City’s real problems.
- The Charter already gives the Mayor the right to appear before the Board of Supervisors. An appearance has not been made mandatory because of the separation of the administrative and legislative functions of government.

## PROPOSITION D

### NON-CITIZEN VOTING IN SCHOOL BOARD ELECTIONS

#### Charter amendment

Placed on the ballot by Supervisors Chiu, Campos, Mar, Avalos, Mirkarimi, Maxwell, Daly, Dufty

### The Question

Should the City allow non-citizen residents of San Francisco who are 18 years of age or older and have children living in the San Francisco Unified School District to vote for members of the Board of Education which oversees and sets policy for the school district?

### The Proposal

Proposition D is a Charter amendment that would allow any non-citizen resident of San Francisco to vote for members of the Board of Education if the resident:

- is the parent, legal guardian or legally-recognized caregiver for a child living in the School District,

- is 18 years of age or older and not in prison or on parole for a felony conviction.

Proposition D would apply to the November 2012, 2014, and 2016 elections for members of the Board of Education. The measure would expire after the 2016 election unless the Board of Supervisors adopts an ordinance allowing it to continue.

### The Fiscal Effect

The Controller States:

*Should the proposed Charter amendment be approved by the voters, in my opinion, it would increase the cost of government, as estimated by the Department of Elections, by \$152,000 per election to print and distribute voting materials, train poll workers and develop procedures.*

### Arguments in Favor of Proposition D

- Immigrant voting is legal in other charter cities and some states.
- It is estimated that 1 out of 3 children in San Francisco public schools has an immigrant parent.
- It is essential that we expand parental involvement in our schools since greater parental participation is a key element in improving schools, particularly low-performing schools.
- Proposition D would encourage civic participation.

### Arguments Against Proposition D

- Non-citizen voting is not yet legal in California.
- Proposition D would allow illegal immigrants to vote in the San Francisco Board of Education elections.
- Allowing immigrants to vote would increase the cost of conducting elections.



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[www.smartvoter.org](http://www.smartvoter.org)



### ABOUT THE LEAGUE OF WOMEN VOTERS

The League of Women Voters of San Francisco, a nonpartisan political organization, encourages the informed and active participation of citizens in government. The League also influences public policy through action and advocacy. The League does not support or oppose candidates or political parties.

### ABOUT THE PROS AND CONS GUIDE

The Pros and Cons Guide is produced by the League of Women Voters of San Francisco Education Fund, a 501(c)(3) non-profit educational organization. No portion of the Guide may be reprinted without the express permission of the League of Women Voters of San Francisco Education Fund.

### OUR THANKS

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San Francisco Foundation    League of Women Voters Education Fund    Lisa and Douglas Goldman Fund

## PROPOSITION E

### ELECTION DAY VOTER REGISTRATION

Charter amendment

Placed on the ballot by Supervisors Avalos, Campos, Chiu, Daly, Dufty, Mar, Maxwell and Mirkarimi

#### The Question

Should the Charter be amended to establish Election Day voter registration specifically for municipal elections?

#### The Proposal

Proposition E would amend the Charter to establish "Election Day Voter Registration" specifically for municipal elections. There would be no advance registration deadline for these elections. San Francisco residents who are eligible to vote could register on Election Day, or anytime before the election, and cast a ballot in that election. The 15-day registration deadline would continue to apply to all combined federal, state, municipal and district elections. Voters who register on Election Day will cast provisional ballots. The Department of Elections will verify a voter's eligibility before counting the ballot.

#### Fiscal Effect

The Controller states:

*Should the proposed Charter amendment be approved by the voters, in my opinion, it would increase the cost of government, as estimated by the Department of Elections, by approximately \$424,000 per election.*

#### Arguments in favor of Proposition E

- Currently, voters have to register at least 15 days before an election. This unnecessary deadline disenfranchises thousands of potential voters.
- Because the new voters will cast provisional ballots, which the Department of Elections would verify before counting, a safe and fair election with greater voter participation would be ensured.
- Research shows that allowing young people to register on Election Day would increase youth turnout in presidential elections by as much as 14 percentage points.

#### Arguments against Proposition E

- Proposition E is too costly. The Controller says it would take at least \$500,000 to the General Fund.
- Proposition E would only allow voter registration every other year in exclusively municipal elections.

- There are no safeguards to prevent a person from using a fake ID to register to voter any number of times at different polling places on election day and having his or her fraudulent votes counted.
- Voter registration rules should be set by the State of California and not the City of San Francisco.

## PROPOSITION F

### HEALTH SERVICE BOARD ELECTIONS

Charter amendment

Placed on the ballot by Board of Supervisors

#### The Question

Should the City Charter be amended to reduce the number of Health Service Board elections to two elections every five years instead of four elections every five years?

#### The Proposal

Proposition F would amend the City's Charter to have the number of Health Service Board elections so that two members would be elected at the same time and two elections would occur every five years instead of four every five years. This would be accomplished by shortening the term that begins in 2011 to three years (to expire in 2014) and shortening the term that begins in 2013 to two years (to expire in 2015).

#### Fiscal Effect

The Controller states:

*Should the proposed Charter amendment be approved by voters, in my opinion, it will reduce the cost of government by an estimated \$30,000 annually by consolidating the elections for members of the Health Service Board.*

#### Arguments in Favor of Proposition F

- Proposition F would save the City money by resulting in fewer elections for the Health Service Board, with no reduction in the number of representatives by conducting fewer elections.
- Proposition F would retain the staggering of terms of Health Service Board members, while cutting the costs of elections.

#### Arguments Against Proposition F

- Proposition F would not save the City significant money, and any savings that result would not begin until 2016.
- Proposition F would politicize Health Service Board elections and could have unintended consequences such as a reduction in the independence of Health Service Board members.

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## PROPOSITION G

### TRANSIT OPERATOR WAGES

Charter amendment

Placed on the ballot by Initiative

#### The Question

Should the City eliminate the current method of determining MUNI Operator wages by a set formula, and instead use collective bargaining and binding arbitration, and make additional rules and changes to terms of employment for MTA employees?

#### The Proposal

Under Proposition G, the MTA would set MUNI operator wages and benefits through collective bargaining and binding arbitration. It would also:

- eliminate the current formula for MUNI operator wages,
- eliminate the trust fund that provides additional payments or benefits to MUNI operators,
- require that the collective bargaining agreement including the MTA, contribution for MUNI operators' health coverage be at least equivalent to the City contribution for the majority of other City employees,
- require binding arbitration when the MTA and MUNI operator unions are unable to agree in collective bargaining, and require the arbitrators to consider the impact of disputed proposals on MUNI fares and service,
- make incentive bonuses for MTA managers and employees optional,
- ensure that only the agreements that are included in the employees' collective bargaining and approved in writing by the MTA Executive Director or Board would be valid.

#### Fiscal Effect

The Controller states:

*Should the proposed Charter amendment be approved by the voters, in my opinion, it could either increase or decrease the cost of government depending on the outcome of collective bargaining and labor arbitration processes. Using the survey method, as of July 2010, MTA transit operators' highest wage rate is \$27.92 per hour, and for the last five years the City has been required to make deposits averaging \$5.0 to \$7.0 million annually to the transit operators benefit trust fund. The amendment makes incentive pay optional that is now mandated for certain employees. As of fiscal year 2009-2010, the amount of such incentive pay that would be made optional is approximately \$3.0 million. Overall, collective bargaining and labor arbitration processes could result in either a decrease or an increase to drivers' wage and benefit levels.*

### Arguments in favor of Proposition G

- All other City employees must negotiate their contracts, and MUNI drivers should be required to do the same. While service was cut and other MUNI employees had salary freezes and givebacks, MUNI operators took a 5% pay raise.
- Side-letters and informal agreements would be required to become part of the collective bargaining negotiations.
- MUNI operators are guaranteed the second highest salary in the country without allowing SFMTA to include an assessment of its ability to pay for increases in wages.
- Collective bargaining would allow the MTA to negotiate new work rules so that service is more reliable and more responsive to riders' needs.
- These changes will bring better service at reduced cost.

### Arguments against Proposition G

- The formula for MUNI driver salaries was approved by voters, has worked well for over 40 years, and is not subject to backroom deals.
- MUNI has a record of more than a quarter-century without a major labor dispute, unlike BART and AC Transit.
- Nothing in this ballot proposal would restore service cuts, improve on-time performance, or make MUNI buses cleaner.
- Proposition G would target drivers without fixing real problems with MUNI.
- MUNI drivers deserve their salaries for doing an unusually demanding job.

## PROPOSITION H

### LOCAL ELECTED OFFICIALS ON POLITICAL PARTY COMMITTEES

Ordinance

Placed it on the ballot by Mayor Gavin Newsom

#### The Question

Should the City prohibit elected City officials from serving on San Francisco political party county central committees?

#### The Background

San Francisco's city and county government has 18 elective offices: Mayor, Assessor-Recorder, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, and 11 seats on the Board of Supervisors. State political parties often have local chapters that are run by county central committees. These committees may engage in political activities such as registering voters or endorsing candidates and ballot measures. The California Elections Code currently recognizes the following state political parties: the Democratic

(Proposition H continued on the next page)

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## **PROPOSITION H** (continued)

Party of California, the California Republican Party, the American Independent Party of California, and the Peace and Freedom Party of California. Currently, an elected City official may also serve on a political party county central committee. Ethics and campaign finance laws apply to political party county central committee members and elected City officials.

### **The Proposal**

Proposition H would amend the City's Campaign and Governmental Conduct Code to prohibit elected City officials from serving on a political party county central committee. Persons violating this provision would be subject to civil, criminal, and administrative penalties, including possible suspension and removal from elective office.

### **Fiscal Effect**

The Controller states:

*Should the proposed ordinance be approved by the voters, in my opinion, it would not affect the cost of government.*

### **Arguments in Favor of Proposition H**

- Because current law allows elected officials in San Francisco to also serve as elected members of a political central committee, dual office holding is common. These offices are governed by different ethics and campaign finance laws. Political officials who hold dual offices risk the perception or possibility of conflict of interest.
- This prohibition advances good government by separating the duties of elected officials from the political activities of political committees.
- Voters deserve elected representatives who are solely focused on fulfilling the duties for one job, not trying to do two jobs at once by serving in two capacities.

### **Arguments Against Proposition H**

- Proposition H would create a double-standard that gives some elected officials great power than others and hurts local party efforts essential to democracy.
- In the past two years, candidates for positions on county central committees spent an average of \$4,374 running mostly grassroots, word-of-mouth campaigns, without any ethics complaints.
- Local political parties should have the right to elect their own leaders.

## **PROPOSITION I**

### **SATURDAY VOTING ACT**

Ordinance

Placed on the ballot by Initiative

### **The Question**

Should the City open all polling places twice during the November 2011 municipal elections, both Saturday November 5<sup>th</sup> and Tuesday November 8<sup>th</sup>?

### **The Background**

The City holds municipal elections on Tuesdays. After the November 2010 election, the next regularly scheduled municipal election is Tuesday, November 8, 2011. This election will include contests for Mayor, District Attorney and Sheriff. It may also include local ballot measures.

On Election Day, the City operates several hundred polling places throughout San Francisco where voters may vote in person or return vote-by-mail ("absentee") ballots. Before Election Day, voters may vote early by:

- voting in person at a City Hall polling place which opens 29 days before the election,
- mailing a vote-by-mail ballot to the Department of Elections

### **The Proposal**

Proposition I would create Saturday Voting Fund (the Fund) to pay for the operation of polling places on the Saturday before the November 8, 2011 election. Individuals and organizations could donate to the Fund.

Proposition I would require the City to open all polling places on the Saturday before the Tuesday, November 8, 2011 election if the Fund received enough money to cover the costs of Saturday voting.

After the November 2011 election, the measure would require the Department of Elections to prepare a report about the effects of opening polling places on Saturday to determine if it improves voter turnout and other outcomes.

### **Fiscal Effect**

The Controller states:

*Should the proposed measure be approved by the voters, in my opinion, it will affect the cost of government in that the City would accept donations to fund the cost of Saturday voting, and would expend funds for that purpose.*

### **Arguments In Favor of Proposition I**

- Working citizens would be able to vote on a non-work day, making voting more convenient.
- Proposition I would make it easier for voters to bring their children along with them and introduce them to democracy in action.
- (Similar proposals have been introduced at the federal level, but never enacted made it to the congressional floor for consideration. This pilot project could set an example of the advantages of allowing Saturday voting.

### **Arguments Against Proposition I**

- The Fund would cover the cost of Saturday voting but the City would be left to cover the cost of the Department of Elections preparing a report.
- A one-time trial of Saturday voting would not give sufficient information. It would be a first, unique condition and voters would not necessarily be aware of the opportunity.
- This country has traditionally voted on Tuesdays. Why change it now?

## PROPOSITION J

### HOTEL TAX CLARIFICATION AND TEMPORARY INCREASE

Ordinance  
Placed on the ballot by Initiative

#### The Question

Should the City increase the hotel tax rate from 14% to 16% for the next three years, confirm that anyone collecting rent from a hotel guest must also collect tax on room rental and related charges, and define “permanent resident” so that only an individual could qualify for the “permanent resident” exemption?

#### The Proposal

Proposition J would increase the hotel tax rate from 14% to 16%. This increase would be in effect from January 1, 2011 until January 1, 2014. Money collected from the increase would go to the General Fund and the City could use it for any public purpose.

Proposition J would confirm that the hotel tax applies to the amount a guest pays to occupy a room and related charges, and that anyone collecting payment from a hotel guest must collect the tax on that amount and pay it to the City.

Proposition J would define “permanent resident” so that only an individual could qualify for the “permanent resident” exemption.

If the voters adopt both Proposition K and Proposition J, the hotel tax rate would be determined by the proposition receiving the most votes.

#### Fiscal Effect

The Controller states:

*Should the proposed ordinance be approved by the voters, in my opinion, it would generate additional tax revenue for the City of approximately \$35.0 million annually that can be used for any public purpose.*

#### Arguments in Favor of Proposition J

- Proposition J would close loopholes that certain Internet hotel booking companies and large airlines use to avoid paying their fair share of the hotel tax.
- Proposition J would raise needed funds to help restore, or prevent the loss of essential services.
- There is no evidence that a temporary surcharge, which would add an average of \$3.00 per night to hotel bills, would harm the City’s economy.

#### Arguments against Proposition J

- The 2% increase in the hotel tax could eliminate jobs in the local convention and tourist industry.

- Proposition J would be among the highest hotel taxes in the country.
- San Francisco balanced its budget for this year without raising taxes that would threaten the local economy.

## PROPOSITION K

### HOTEL TAX CLARIFICATION AND DEFINITIONS

Ordinance  
Placed it on the ballot by Mayor Gavin Newsom

#### The Question

Should the City keep the hotel tax rate at 14%, confirm that anyone collecting rent from a hotel guest must also collect tax on room rental and related charges, and define “permanent resident” so that only an individual could qualify for the “permanent resident” exemption?

#### The Proposal

Proposition K would keep the hotel tax rate at 14%.

Proposition K would confirm that the hotel tax applies to the amount a guest pays to occupy a room and related charges, and that anyone collecting payment from a hotel guest must collect the tax on that amount and pay it to the City.

If the voters adopt both Proposition K and Proposition J, the hotel tax rate would be determined by the proposition receiving the most votes.

#### Fiscal Effect:

The Controller states:

*Should the proposed ordinance be approved by the voters, in my opinion, it would generate additional tax revenue for the City of approximately \$12.0 million annually that can be used for any public purpose.*

#### Arguments in Favor of Proposition K

- Proposition K would close the tax loopholes for online hotel reservations so that the City receives the full amount of the tax owed on a hotel room. The City loses approximately \$12 million in annual revenue from this loophole.
- Proposition K will raise revenue without costing the City jobs in the tourist services industry.

#### Arguments against Proposition K

- Hotel corporations put Proposition K on the ballot to confuse and deceive voters
- Proposition J’s hotel tax is large enough to prevent further cuts to schools, MUNI, safety, and health care but too small to discourage visitors.

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## PROPOSITION L

### SITTING OR LYING ON SIDEWALKS

Ordinance

Placed on the ballot by Mayor Gavin Newsom

#### The Question

Should the City amend the police code to prohibit sitting or lying on a public sidewalk in San Francisco between 7 a.m. and 11 p.m., with certain exceptions?

#### The Proposal

Proposition L would amend the Police Code to prohibit sitting or lying on a public sidewalk in San Francisco between 7 a.m. and 11 p.m.

The measure makes exceptions for:

- medical emergencies;
- people using wheelchairs, walkers or similar devices because of a disability;
- lawful sidewalk businesses;
- authorized parades, protests, festivals or similar events;
- sitting on fixed chairs or benches supplied by a public agency or property owner;
- customers sitting in line unless they block pedestrians;
- children in strollers; and
- Pavement to Parks projects.

Proposition L would require the police to warn offenders before citing them for violating this law. Penalties for violating the law would be:

- For the first offense, a fine of \$50-\$100 and/or community service.
- For a repeat offense within 24 hours of a citation, a fine of \$300-\$500, and/or community service, and/or up to 10 days in jail.
- For a repeat offense within 120 days of a conviction, a fine of \$400-\$500, and/or community service, and/or up to 30 days in jail.

Proposition L would require the Police Department to make written reports to the Mayor and the Board of Supervisors about the effect of enforcing this prohibition. It would also require the City to have a neighborhood outreach plan to provide social services to people who chronically sit or lie on public sidewalks.

If the voters adopt both Propositions M and L, and if Proposition M receives more votes, the prohibition against persons sitting or lying on sidewalks would not take effect. If the voters adopt both Propositions M and L, and if Proposition L receives more votes, both measures would take effect.

#### Fiscal Effect

The Controller states:

*Should the proposed ordinance be approved the voters, in my opinion, it would not affect the cost of government.*

## Arguments in Favor of Proposition L

- it closes a legal loophole that allows confrontational individuals to block sidewalks for hours a time.
- such individuals make people feel unsafe while shopping in San Francisco neighborhoods and hurt local businesses and residents.
- current laws do not authorize the police to ask people to stand or move.
- similar laws have been enacted in Los Angeles, Berkeley, Santa Cruz, Seattle and other cities, and have passed judicial review.

## Arguments against Proposition L

- current laws already prohibit obstruction of sidewalks, aggressive pursuit, stalking, harassment, loitering, assault and aggressive panhandling
- current laws are sufficient to deal with any individuals who are engaging in problematic behavior.
- The proposition is unnecessary and overbroad and infringes on individuals rights
- simply sitting or lying on the sidewalk should not be a crime.

## PROPOSITION M

### COMMUNITY POLICING AND FOOT BEAT PATROLS

Ordinance

Placed on the ballot by the Board of Supervisors

#### The Question

Should the City require the Police Commission to adopt a written community policing policy, require the Chief of Police to establish a comprehensive Foot Beat Patrol Program, and not amend its Police Code to prohibit sitting or lying on sidewalks?

#### The Proposal

Proposition M would require the Police Commission to adopt a written community policing policy. This policy would involve police interactions with the community, focusing police resources on high crime areas, and encouraging citizen involvement in combating crime.

Proposition M would require the Police Commission to begin work on adopting this policy within six months.

Proposition M would also require the Chief of Police to establish a comprehensive Foot Beat Patrol Program for all police stations. This program would include designated foot patrols, dedicated MUNI patrols, regular reviews of foot patrol routes, regular community input, and guidelines for foot patrol officers. Proposition M would require the Police Department to report on the program to the Board of Supervisors twice each year.

(Proposition M continued on the next page)

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## **PROPOSITION M** (continued)

Proposition M suggests that safety and civility in public spaces are better addressed by foot patrols than by a prohibition against sitting and lying on sidewalks. By voting for Proposition M, the voter intends that the Foot Beat Patrol Program override Proposition L, which would prohibit sitting or lying on public sidewalks.

If the voters adopt both Propositions M and L, and if Proposition M receives more votes, the prohibition against persons sitting or lying on sidewalks would not take effect. If the voters adopt both Propositions M and L, and if Proposition L receives more votes, both measures would take effect.

### **Fiscal Effect**

The Controller states:

*Should the proposed ordinance be approved by the voters, it could, in my opinion, increase the cost of government in order to fund additional police foot beat patrols and patrols on the City's transit lines. The ultimate cost of the proposal would depend on decisions made through the City's annual budget process and on decisions made in the San Francisco Police Department and the Municipal Transportation Authority (MTA.)*

*Implementation of the program as specified in the ordinance is likely to require additional General Fund support and as such would mean new funding must be provided or other services reduced. Note that an ordinance cannot bind future Mayors and Boards of Supervisors to provide funding for this or any other purpose. Under the City Charter, the ultimate cost of this proposal depends on decisions made in the City's annual budget process.*

### **Arguments in Favor of Proposition M**

- Increased foot patrols are an effective way to increase neighborhood safety.
- The City needs to raise the priority of foot patrols and community policing overall.
- Increased community policing is a more effective and ethical response to neighborhood safety concerns than a Sit/Lie law such as Proposition L.

### **Arguments against Proposition M**

- The police department is already showing a strong commitment to community policing.
- The Police Department should be given the leeway to determine the best way to meet neighborhood safety needs.
- Proposition M is unnecessary and is on the ballot to help defeat Proposition L.

## **PROPOSITION N**

### **REAL PROPERTY TAX TRANSFER**

Ordinance

Placed on the ballot by Initiative

### **The Question**

Should the City increase the tax rate to 2.0% for the sale of

real estate valued at more than \$5 million?

### **The Background**

The City imposes a transfer tax on the sale of real estate in San Francisco. The tax rate ranges from 0.5% to 1.5%, depending on the value of the real estate. The 1.5% rate applies to sales of properties \$5 million or more. The tax also applies to real estate leases with a term of 35 years or more.

### **The Proposal**

Proposition N would increase the tax rate for the sale of real estate valued at more than \$5 million. For real estate sale of \$5 million to \$10 million, the rate would increase to 2.0%. For real estate sales of \$10 million or more, the rate would increase to 2.5%. These increases would also apply to real estate leases with a term of 35 years or more.

### **The Fiscal Effect**

The Controller States:

*Had the ordinance been in place during the period from Fiscal Year 2000-01 through Fiscal Year 2008-09, in my opinion, it would have resulted in average annual revenue increases ranging from \$6 million to \$90 million, averaging \$36 million. While we estimate that the proposed ordinance would have resulted in average additional revenue of \$36 million per year in the recent past, it is important to note that this is the City's most volatile revenue source, and estimates based on prior years' activity may not be predictive of future revenues.*

### **Arguments in Favor of Proposition N**

- Every year, critical services are put on the chopping block as our city deals with massive deficits.
- We must raise additional revenue as part of a balanced budget solution.
- Proposition N raises the tax on sales of property worth more than \$5 million, helping balance our budget and protect services for seniors on fixed incomes and persons with disabilities. Proposition N would not cost an equitable way to balance our budget that does not cost average San Francisco homeowners a penny.

### **Arguments Against Proposition N**

- Increasing taxes on the sale and long-term lease of property in San Francisco would filter down to increased costs for renters, small business commercial leases, and other everyday San Franciscans.
- Proposition N would lead to higher rents for residential units and commercial businesses. The result will be more empty store-fronts as San Francisco small businesses get squeezed.
- Raising taxes of any kind puts too much of a burden on San Francisco residents.

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