FILE NO. 200047

[Supporting Proposed California Ballot Measure - Schools and Local Communities Funding Act of 2020]

Resolution supporting the proposed California state ballot measure, Schools and Local Communities Funding Act of 2020, that may bring revenue to the City and County of San Francisco, San Francisco Unified School District, and City College of San Francisco.

WHEREAS, For the last four decades, schools, cities, and counties in California have experienced underinvestment and devastating cuts to critical services and infrastructure that residents rely on; and

WHEREAS, Since the passage of Proposition of 13 in 1978, school funding in California has experienced severe limitations in what was once the main source of funding for schools, the property tax; and

WHEREAS, Per-pupil support, which relies on state funding, has declined from the top 10 in the nation to the bottom quarter; and

WHEREAS, School funding in California is \$2,400 per pupil less than the national average and \$10,000 below the top-funded states, while California's cost of living is among the highest in the nation; and

WHEREAS, Staffing ratios for teachers, guidance counselors, librarians, and administrators in California rank at the bottom in the nation; and

WHEREAS, The lack of adequate funding is the result of an inequitable tax system in which corporations and wealthy investors do not pay their fair share in property taxes; and

WHEREAS, These loopholes and tax schemes result in millions of dollars going to corporations and wealthy investors rather than to local communities for essential services; and

Supervisors Mar; Fewer, Walton, Mandelman, Haney, Preston, Yee, Ronen, Safai, Peskin, Stefani BOARD OF SUPERVISORS WHEREAS, The property tax is one of the few discretionary sources of revenue for cities and counties; and

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WHEREAS, Experts estimate that the *California Schools and Local Communities Funding Act* reclaims \$12 billion in property tax revenue every year by closing loopholes in California's property tax system; and

WHEREAS, The measure provides about \$5.3 billion annually for K-14 schools; and WHEREAS, The *California Schools and Local Communities Funding Act* does not affect property taxes for homeowners or renters because the initiative exempts all residential property; and

WHEREAS, Allocation of revenues to cities, counties and special districts will follow
 current property tax allocation; and

WHEREAS, The measure will provide billions in locally-controlled property tax funding
yearly for cities, counties, and special districts; and

WHEREAS, The measure will provide funding to all school districts, over and above Proposition 98 funding, and follow the local control funding formula to all students in need in all districts; and

WHEREAS, Academic researchers at the University of Southern California (USC) have identified that the vast majority of reclaimed revenue will come from a fraction of large commercial and industrial properties; and

WHEREAS, USC research shows that a majority of commercial owners already pay close to market value, making the current system inequitable among businesses, benefitting large owners who have held land for a long period; and

WHEREAS, The current failure to close the commercial property loophole has led to
poor land use and inflated land values, particularly affecting the ability to provide adequate
high-density housing; and

Supervisors Mar; Fewer, Walton, Mandelman, Haney, Preston, Yee, Ronen, Safai, Peskin, Stefani **BOARD OF SUPERVISORS**

WHEREAS, The measure incentivizes the development of residential units and provides more funding for communities to invest in affordable housing; and

WHEREAS, The measure provides new tax incentives to spur new investment in small businesses by eliminating the business personal property tax on equipment for California's small businesses; and

WHEREAS, The measure also exempts all small business owners whose property is worth \$3 million or less; and

WHEREAS, The measure levels the playing field for businesses that already pay their fair share in our communities; and

WHEREAS, The Schools and Communities Funding Act will bring in about \$800 million to the City and County of San Francisco, San Francisco Unified School District, and City College of San Francisco; and

WHEREAS, On April 24, 2018 the San Francisco Board of Supervisors adopted Supervisor Sandra Fewer's Resolution reaffirming the Board of Supervisors support for a splitroll reform of Proposition 13 in order to close the commercial property tax loophole and restore billions in revenue; and

WHEREAS, The Schools and Communities Funding Act will be on the November 2020 ballot; now, therefore, be it

RESOLVED, That the City and County of San Francisco endorses the California Schools and Local Communities Funding Act of 2020 for a ballot measure in November 2020; and, be it

FURTHER RESOLVED, That the City and County of San Francisco urges other municipalities to support the California Schools and Local Communities Funding Act of 2020.

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Supervisors Mar; Fewer, Walton, Mandelman, Haney, Preston, Yee, Ronen, Safai, Peskin, Stefani **BOARD OF SUPERVISORS**



City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Resolution

File Number: 200047

Date Passed: January 28, 2020

Resolution supporting the proposed California state ballot measure, Schools and Local Communities Funding Act of 2020, that may bring revenue to the City and County of San Francisco, San Francisco Unified School District, and City College of San Francisco.

January 28, 2020 Board of Supervisors - ADOPTED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

File No. 200047

I hereby certify that the foregoing Resolution was ADOPTED on 1/28/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

Unsigned

London N. Breed Mayor 02/07/20

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo Clerk of the Board

2020 Date