

Sheree Kansas

Subject: FW: Opposition to Councilmember John McCann's anti-Proposition 15 resolution

From: Rita Clement <[REDACTED]>

Sent: Sunday, August 23, 2020 11:37 AM

To: Francisco Estrada <FEstrada@chulavistaca.gov>

Subject: Opposition to Councilmember John McCann's anti-Proposition 15 resolution

**Warning:
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Email**

Hi Francisco,

I strongly oppose Councilmember John McCann's anti-proposition 15 resolution.
I reside in his District 1.

Prop 15 is a fair and balanced reform that closes nonresidential commercial property tax loopholes benefiting wealthy corporations at the expense of schools and essential services in our local communities. The most expensive 10% of nonresidential business properties account for 92% of Prop 15's loophole-closing revenues. Prop 15 targets loopholes benefiting the wealthiest corporate owners of California's most expensive corporate properties. This includes the San Diego Country Club, which owns over 150 acres in Chula Vista, and pays taxes on 1978 property values that amount to 2 cents per square foot. New homeowners in the same neighborhood pay 90 cents per square foot in property taxes, exemplifying the shifting burden of property taxes from commercial and industrial property owners to homeowners. In 1978, homeowners carried 55% of the property tax burden, now homeowners carry 72% of the property tax burden.

Prop 15 keeps business property taxes below most other states by maintaining Prop 13's low 1 % limit on business property tax rates. By contrast, for example, commercial property in Dallas, Texas is taxed at 2.56% of market value.

- Prop 15 cuts small business taxes by completely eliminating the business personal property tax small businesses pay on their equipment, computers and fixtures.
- Prop 15 specifically exempts all businesses operated out of the home, which accounts for more than half of all small businesses. (Source: California Department of Industrial Relations).
- Prop 15 also exempts small businesses owning nonresidential commercial property worth \$3 million or less.

Prop 15 is phased in over three or more years so small businesses potentially threatened with rent increases will have time to pursue better alternatives. If landlords try to raise rents after Prop 15 passes, they will risk losing their tenants to the many landlords who will have no reason to raise rents because their property taxes won't have changed.

THE CONSEQUENCES

- Per-pupil spending in California has fallen from 7th in 1978 to 39th, and we are dead last in the ratio of students to nurses, counselors, and librarians. This disinvestment has fallen heaviest on Black, Latino and low-income children.
- California Community College students, 2/3 of whom are people of color, often take more than 2 years to earn a 2 year degree because the courses they need aren't offered when they need them.

- Our cities and counties have also suffered from chronic budget shortfalls—and we've been forced to “nickel and dime” our way to provide services through sales taxes, parcel taxes, fees.
- The COVID crisis has been a wake up call, revealing neglect and underinvestment in vital public health departments, public hospitals and community clinics. This has left them unprepared for this crisis and future crises. This is true for our Firefighters, who entered another wildfire season without the equipment and personnel they truly need. And, our “disaster” of homelessness that now requires a deep public investment.
- And, this broken system has incentivized keeping land vacant, driving sprawl and contributing to the high cost of developable land.
- It has created an unequal playing field for businesses too—especially start-ups and small businesses—who are paying fair market rent—but having to compete with some of these large companies in the marketplace. Nor are they getting the city/county services they need.

THE SOLUTION

- Prop 15 will require that all commercial/industrial properties **valued at \$3M or more** be reassessed at fair market value, and pay taxes on that basis. This is how it is done in every other state.
- Prop 15 will maintain the current tax rate of 1%—one of the lowest property tax rates in the country.
- Prop 15 explicitly protects all residential properties from increased taxes. It also protects all agricultural properties.
- In addition, it not only exempts small businesses with properties valued at \$3 million or less (indexed for inflation) from increased taxes, it also provides a tax cut to them by eliminating the business personal property tax on the first \$500K on equipment/computers/machinery/furniture. This will help small businesses recover.
- Research shows that this will raise up to \$12B every year in California, when fully implemented.
 - o The largest share of this new revenue will go for K-12 education and community colleges (40%). And, the education share is allocated according to the Equity Formula (LCFF) so that the poorest students get the most support. The PTA, Education Trust West and other major education groups are all supporting, including the CTA and CFT, and charter school leaders such as Marshall Tuck.
 - o The Community Colleges of California voted unanimously to support this, since it raises a projected \$480 million every year for their 115 campuses—who will be on the frontlines of worker retraining during the recession.

- The balance (60%) is divided between cities, counties and special districts--that we can use for addressing homelessness, community clinics, water infrastructure, public safety.
- The residents of Chula Vista would benefit greatly from Prop 15. The City of Chula Vista would gain more than \$5 million a year, the elementary school district over \$14 million, the high school district over \$26 million, the water and other special districts serving residents would gain over \$1 million a year.
- New analysis shows that just 10% of all commercial properties will account for 92% of all the new revenue. The taxes are concentrated on those at the top who have been avoiding paying their fair share for decades.
- Prop 15 will help Chula Vista residents move forward by generating the resources to invest in our children, our families, and our future.

Thank you for your consideration and please advise Mayor Salas to vote to oppose John McCann's anti Proposition 15 on August 25.

Best regards,

Rita Clement

[REDACTED]
Chula Vista, CA 91914

[REDACTED]

Sheree Kansas

Subject: FW: Oppose: Agenda Item 17 - Resolution Opposing Prop 15

From: Margaret Baker <[REDACTED]>

Sent: Monday, August 24, 2020 11:45 AM

To: Mary Salas <MSalas@chulavistaca.gov>; Francisco Estrada <FEstrada@chulavistaca.gov>; Albert Velasquez <avelasquez@chulavistaca.gov>

Subject: Oppose: Agenda Item 17 - Resolution Opposing Prop 15

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Dear Mayor Salas,

On behalf of South Bay People Power, I am writing in STRONG OPPOSITION to the resolution proposed under agenda item #17 for the Council meeting on Tuesday, August 25. **INSTEAD, we urge your full-fledged support for Proposition 15 on the November ballot.** This important and timely proposition will bring great benefits to our community. Specifically, Proposition 15 will provide funding for public schools, community colleges, and local government services - all areas that have been negatively impacted by the COVID-19 pandemic. The need for Proposition 15 could not be more clear at this time, and to fail to support its passage would be foolish!

Since the passage of Proposition 13 in 1978, we have watched with dismay how powerful corporations have exploited tax loopholes and used shady accounting schemes to avoid paying their fair share of taxes leading to cuts in much-needed government services. Some businesses have hidden changes in ownership of commercial properties and others have held their land for so long that they are still paying taxes based on outdated property values set over 40 years ago.

One example is the San Diego Country Club. Located in my neighborhood in the 91911 ZIP code, this for-profit business owns over 150 acres in Chula Vista. It's ridiculous that the business pays taxes based on 1978 property values that amount to a mere 2 cents per square foot, while new homeowners in the my neighborhood pay 90 cents per square foot in property taxes. This is just one example of the unfair tax burden on homeowners, and reveals how our local government is denied much-needed tax revenues that could support our schools, firefighters, small businesses and most importantly, our local health system.

Here are some ways the current tax system is hurting our local communities:

- Per-pupil spending in California has fallen from seventh place in 1978 to 39th place, and have left California schools in last place in the ratio of students to nurses, counselors and librarians. This disinvestment has fallen heaviest on Black, Latino and low-income children. These same groups of students are also most negatively affected by the COVID-19 school closures.
- California Community College students, two-thirds of whom are people of color, often take more than two years to earn a two-year degree because the courses they need aren't offered when they need them.
- City and county governments throughout the state have also suffered from chronic budget shortfalls. Localities have been forced to raise regressive sales taxes, parcel taxes and other fees to provide the most basic government services. These forms of taxation have an unfair impact on low-income residents and workers in our community.
- California's current property tax system has not led to smart growth: it incentivizes holding land vacant, contributes to the high cost of developable land and drives sprawl.
- Small businesses and start-ups face an unequal playing field when they compete with existing businesses who are not paying fair market rent. The resulting loss in tax revenues for local government means these newer businesses do not get the city and county services they need.

- As California is thrust into an early and disastrous wildfire season, we also see the inadequacies of state fire-fighting resources. We can only hope that our South Bay region can escape the scourge at least until other areas are under control.
- One of the most devastating recent consequences of this broken tax system is the lack of preparedness for the current COVID-19 crisis. The high rates of infection and deaths in the South Bay and throughout California are a direct reflection of the chronic underinvestment in vital public health departments, public hospitals and community clinics. Irrespective of age or underlying medical conditions but in part due to longstanding barriers to medical care, Latinos in the South Bay have higher positivity rates and are dying at disproportionate rates. (SEE ATTACHED ARTICLE: Alicia Riley and Leticia Cazares, "Structural racism is shaping the Latino COVID-19 experience in San Diego County", San Diego Union-Tribune, August 13, 2020)

It is clear that this tax system is broken. No other state in the US taxes commercial and industrial property the way we do in California. Change is long overdue and now, during the COVID-19 crisis, Chula Vista leaders and voters have an opportunity to fix our tax system by supporting Proposition 15. It will:

- Require that all **commercial/industrial properties valued at \$3 million or more be reassessed at FAIR market value**, and pay taxes on that basis. This is FAIR, and how it is done in every other state;
- **Maintain the current tax rate of 1%** which is one of the lowest property tax rates in the nation;
- **Explicitly protect all residential properties and all agricultural properties from increased taxes (CONTRARY to the unfounded claim in Councilmember McCann's resolution: commercial farmers will NOT be negatively affected);**
- **Exempt small businesses with properties valued at \$3 million or less (indexed for inflation) from increased taxes (CONTRARY to the unfounded claims in Councilmember McCann's resolution);**
- **Provide a tax cut to these small businesses by eliminating the business personal property tax on the first \$500,000 on equipment/computers/machinery/furniture**, which will help small businesses with post-COVID recovery. (A personal note: EVERY female- and small-business owner I know supports Prop 15!)

Proposition 15 will raise up to an estimated \$12 billion statewide every year once fully implemented.

- A large share (40%) of this new revenue will go for K-12 education and community colleges. The amount for education will be allocated according to the Equity Formula (LCFF) so that the poorest students will get the most support. Major education groups, including the California PTA, Education Trust West, CTA, CFT and charter school leaders such as Marshall Tuck are all supporting Proposition 15.
- The Community Colleges of California voted unanimously to support Proposition 15. A projected \$450 million every year will go to the 115 campuses which will be on the frontlines of worker retraining during the recession.
- The balance (60%) will be divided between cities, counties and special districts for use in addressing homelessness, community clinics, water infrastructure and public safety.

Recent analysis projects that just 10% of commercial properties will account for 92% of all the new revenue. The taxes are concentrated on those businesses at the top that have been avoiding paying their fair share for decades.

Locally, the residents of Chula Vista will benefit greatly from Proposition 15. Here are the annual amounts anticipated for:

- The City of Chula Vista: more than \$5 million a year
- CVESD: over \$14 million
- Sweetwater Unified High School District: \$26 million
- Water & other special districts serving residents: over \$1 million

South Bay People Power urges you to support Proposition 15. Please help Chula Vista residents to move forward by generating the resources to invest in our children, our families and our future.

Thank you for your work to make Chula Vista a welcoming and sustainable place to live.
Sincerely,

Margaret A. Baker, DrPH
Convener, South Bay People Power

South Bay People Power promotes social justice by nonpartisan civic engagement.

Sheree Kansas

Subject: FW: Aug 25 City Council Meeting, Prop 15 OPPOSE McCann Resolution

From: Nicole O <[REDACTED]>

Sent: Monday, August 24, 2020 4:43 PM

To: Francisco Estrada <FEstrada@chulavistaca.gov>; Albert Velasquez <avelasquez@chulavistaca.gov>; Steve C. Padilla <spadilla@chulavistaca.gov>; Mike Diaz <mdiaz@chulavistaca.gov>; Jill Galvez <jmgalvez@chulavistaca.gov>

Subject: Aug 25 City Council Meeting, Prop 15 OPPOSE McCann Resolution

**Warning:
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Hello,

My name is Nicole and I am writing because I support Prop 15. I urge you to keep Prop 15 as is and wish that you do not accept the Resolution that John McCann has suggested. Do not allow the large, multinational corporations to exploit the corporate tax loophole in California any longer. These large corporations must be taxed fairly in order to adequately support public education and local services. Please put our schools and communities first and OPPOSE the McCann resolution.

Thank you for your time,
Nicole Oga

Sheree Kansas

Subject: FW: Opposition to Prop 15

From: Vanessa Cecena <[REDACTED]>
Sent: Monday, August 24, 2020 3:41 PM
To: Albert Velasquez <avelasquez@chulavistaca.gov>; Francisco Estrada <FEstrada@chulavistaca.gov>
Cc: Dulce Garcia <[REDACTED]>
Subject: Opposition to Prop 15

**Warning:
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Dear Mr. Estrada,

My name is Vanessa Ceceña and I am writing to you today on behalf of Border Angels, a nonprofit that advocates for the rights of migrants and immigrants in the borderlands of San Diego County. Many of the community members we support call Chula Vista their home. We urge Mayor Salas to denounce the anti-Prop 15 efforts of some Councilmembers.

No other state in the country taxes commercial and industrial property the way we do in California. Working-class residents are tired of having to pay the price for poor decisions made by elected officials. Prop 15 would ensure that property taxes wouldn't be increased for our working-class community members. Prop 15 would allocate the necessary funds for our school districts and community colleges. Let's invest in our youth and in our community's future. Let's pass Prop 15.

Sincerely,

Vanessa Ceceña
Communications Coordinator
Border Angels

Sheree Kansas

Subject: FW: City Counsel meeting post

From: Claire Pratt <[REDACTED]>
Sent: Monday, August 24, 2020 6:53 PM
To: CityClerk <CityClerk@chulavistaca.gov>
Subject: City Counsel meeting post

**Warning:
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Please post this comment: Item 17 on agenda August 25: opposed to McCann's Prop 15 resolution. I posted this city counsel site under comments , but do not see it listed

Claire Pratt. I oppose the McCann resolution. It makes no sense to continue allowing big business get a pass on paying their share of taxes when that share could go to our schools which are in desperate need of financial support, now exacerbated by COVID. Why would any Chula Vista City Council member oppose Prop 15? Prop 15 corrects the underlying reason schools became underfunded in the first place: namely The Jarvis Tax code, 1978, which was initiated and funded by big business interests and decimated state school funding. Its time to right that wrong. We need Pro 15. Oppose McCann's resolution.

Claire Pratt
Bonita