

LEAGUE OF WOMEN VOTERS OF SANTA MONICA EDUCATION FUND



**CITY OF SANTA MONICA BALLOT MEASURES
PROS AND CONS**

November 2, 2010 General Election

The League of Women Voters of Santa Monica, a nonpartisan political organization, encourages informed and active participation in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy.

*League Of Women Voters Of Santa Monica Education Fund
P.O. Box 1265, Santa Monica, CA 90406
310•394•4661*

For more election information:

www.lwvsantamonica.org

www.smartvoter.org

www.smvote.org

www.cavotes.org

League of Women Voters of Santa Monica Education Fund

MEASURE Y

CITY OF SANTA MONICA TRANSACTION AND USE TAX ORDINANCE

THE QUESTION: Shall an ordinance be adopted to enact a one-half percent transaction and use tax in the City of Santa Monica to offset severe state budget cuts, protect and stabilize City finances, and maintain essential services?

THE SITUATION: The State of California is in the middle of a fiscal crisis, much of which is beyond City control. The adoption of the state budget is the latest in history. To help balance its budget, Sacramento has taken back more than \$40 million in funding from the City of Santa Monica over the past six years. Because of this fiscal and political climate, the City anticipates a structural deficit of \$4.1 million for fiscal year 2010-11, despite actions taken to counteract the crisis and the actions of the State. The City's five-year forecast projects expenditures growing a rate that exceeds revenue growth, causing the structural deficit to grow over time, if there is no remedy to this situation at either the state or local level. Increasingly, local governments, including the City of Santa Monica, are looking for local solutions to maintain basic services.

THE PROPOSAL: Measure Y establishes a one-half of one percent transaction and use tax, also called a "sales" tax. The tax would be paid in addition to the existing sales tax. It would be collected at the same time and in much the same manner as the existing sales tax. The proposed tax follows many of the rules of the existing sales tax and would be administered by the State Board of Equalization. It would only apply to goods and services that are subject to the existing sales tax. Measure Y is a general tax and requires a simple majority (50% plus one vote) for voter approval. If approved, the first day the tax could be collected would be April 1, 2011. It would be subject to independent annual audits.

FISCAL EFFECTS: If the measure passes, it is estimated that approximately \$12 million annually in revenue for the City of Santa Monica General Fund will be generated, based on current estimates. Services and programs that can receive funding include: police, fire, paramedic and emergency 911 response, school, educational and afterschool programs, public transit, services for the disabled, gang and drug prevention programs, environmental and library services. It is estimated that approximately one-quarter of the new revenue will be generated by visitors and tourists.

PROPONENTS SAY: (1) Voting Yes on Measure Y is a vote for locally-controlled funding to maintain and protect the quality of vital local services like 911 emergency response, paramedics, police, fire, and neighborhood safety; (2) Despite careful financial management that has earned the City of Santa Monica the highest possible ratings, emergency funds are being drained to pay for essential day-to-day services; and (3) Approval of Measure Y will allow Santa Monica to increase the funding it shares with local public schools by approximately \$6 million annually to help reverse severe state-imposed school cutbacks.

OPPONENTS SAY: (1) Increasing the sales tax to over 10% can drive many people to shop elsewhere, causing permanent harm to our community; (2) This tax money can be used for ANY purpose and the possibility of education funding is only a politicians promise; and (3) This tax is unfair and will never expire. Fixed income individuals, seniors on social security, the disabled and unemployed really do suffer from the constant erosion of their limited funds.

SUPPORTERS: Signing the ballot arguments in favor: Jay Trisler (Santa Monica Police Officers Association Chair); Shari Davis (PTA Council President); Tom Larmore (Santa Monica Chamber of Commerce Past Chair); Denny Zane (Co-Founder Santa Monicans for Renters Rights); Barry Seid (AARP Tax Counseling for the Elderly District Coordinator).

OPPONENTS: Signing the ballot arguments in opposition: Scott Kelso (Unemployed); Stalla Casillas (Senior Citizen Widow); Tim Leisen (Disabled Veteran); Jeff Segal (Homeowner & Parent); Robert Kronovet (Rent Board Commissioner).

League of Women Voters of Santa Monica Education Fund

MEASURE YY ADVISORY MEASURE ON USE OF REVENUES FROM TRANSACTION AND USE TAX

THE QUESTION: *ADVISORY VOTE ONLY: If a local transactions and use tax is enacted in the City of Santa Monica, should half of its revenue be used to support school, educational and afterschool programs, with half of its revenue being used for general City services such as: police, fire, paramedic and emergency 911 response, public transit, services for the disabled, gang and drug prevention programs, environmental, library and other general fund services?*

THE SITUATION: The Santa Monica City Council placed Measure Y on the November 2, 2010 General Election ballot asking voters to approve an ordinance to enact a one-half percent transaction and use tax to offset severe state budget cuts, protect and stabilize City finances, and maintain essential services. At the same time, the City Council placed Measure YY on the same ballot, allowing voters to provide advice on how the new tax revenues should be used if Measure Y passes.

THE PROPOSAL: This measure is advisory only and is dependent on passage of Measure Y. It asks voters if half of the revenue raised if Measure Y passes should be used to support school, educational and after school programs, and the other half used to support other services, such as police, fire, and paramedics services, libraries, and social and environmental programs.

FISCAL EFFECTS: Because Measure YY is advisory, its passage would not legally compel the City to spend the revenues as described in the measure. Instead, the measure would supply information about whether the voters prefer that the revenues be allocated in the manner described.

PROPONENTS SAY: (1) Measure YY does NOT raise taxes -- it only advises the City that Santa Monicans want to protect and maintain both exceptional schools AND exceptional City services; (2) The advice given to City Hall by passing this measure is clear and fair; and (3) People choose to live in Santa Monica because the City provides high quality services and programs that contribute to the quality of life in our community.

OPPONENTS SAY: (1) We support funding Santa Monica schools. It is wrong to increase the sales tax to 10.25% with NO GUARANTEE the money will be given to the schools; (2) The City has the money now, but spends it on other projects; and (3) The school district should put their own sales tax measure on the ballot and be guaranteed all the money for education.

SUPPORTERS: Signing the ballot arguments in favor: Jay Trisler (Santa Monica Police Officers Association Chair); Shari Davis (PTA Council President); Tom Larmore (Santa Monica Chamber of Commerce Past Chair); Denny Zane (Co-Founder Santa Monicans for Renters Rights); Barry Seid (AARP Tax Counseling for the Elderly District Coordinator).

OPPONENTS: Signing the ballot arguments in opposition: Art Casillas (Retired Pico Neighborhood Resident); Nick Sanelli (Tenant); Clara Benrey (Teacher); Peggy Prunequ (Homeowner); Charles A. Isham (Homeowner).

League of Women Voters of Santa Monica Education Fund

MEASURE RR AMENDMENT TO THE CITY CHARTER OF SANTA MONICA

THE QUESTION: Should Santa Monica amend the City Charter to improve eviction protections for rent controlled tenants and extend these protections to some non-rent controlled units?

THE SITUATION: Current Law, Section 1806 of the Rent Control Law, establishes the permissible causes for evictions from controlled rental units. No parts of this law, except those that cover rental units in general, apply to units not under rent control.

THE PROPOSAL: These amendments would modify three of the permissible grounds for eviction. An eviction that is based on a rental agreement (other than the need to pay rent), a nuisance, or a refusal to grant the landlord access, under this modification, would also require that the landlord give written notice to cease, that a failure to cease could result in eviction, and that a reasonable time to correct the problems would be granted before eviction notice is given.

The second modification would prohibit a landlord from evicting a tenant for owner occupancy if the tenant was terminally ill or if the tenant had resided in the unit for at least five years and was either 62 years old or disabled. An exception would be made if the owner or relative seeking to occupy the family also fell into one of these categories.

The new article in the city charter would specify the same regulations on evictions for tenants in non-rent controlled units. Specific units are exempted and provisions authorize both civil and criminal enforcement.

FISCAL EFFECTS: Costs for the city should be limited to costs of enforcement offset by penalties. Although the provisions to cease are modeled on those adopted by voters in Oakland and upheld by the Court of Appeals, litigation is likely, should the measure pass.

PROPOSERS SAY: This would provide added protections for many renters. Presently a three-day eviction notice may be given for any violation of the rental agreement with no warning. Single-family homes and condos continue to be exempt.

OPPONENTS SAY: (There is no organized opposition to this measure and no opposition arguments were filed.)

SUPPORTERS: Signing the ballot arguments in favor: Bobby Shriver, Mayor; Ana G. Jara, Pico Neighborhood Association; Patricia Hoffman, Co-Chair, Santa Monicans for Renters' Rights; Jennifer Kennedy, Member, Santa Monica Rent Control Board; Richard Bloom, Member, Santa Monica City Council.

OPPONENTS: (No opposition arguments were filed.)