



The Honorable Todd Gloria and The Honorable Raul Campillo
City of San Diego
202 C St.
San Diego, CA 92101
[Delivered Electronically]
19 October 2023

Dear Mayor Gloria and Councilmember Campillo:

As San Diego County's watchdog for effective and efficient local government, the San Diego County Taxpayers Association is committed to ensuring that tax dollars are spent in taxpayers' best interests and that vulnerable taxpayers do not experience undue burdens as a result of taxation. As such, we have historically conducted in-depth, data-driven analyses of proposed taxation.

We understand you may be proposing a revenue measure for the general fund in the November 2024 general election. The San Diego County Taxpayers Association will, as always, conduct a thorough review of any taxes appearing on the ballot.

The Association understands that San Diegans are increasingly concerned about the city's ability to deliver core municipal services. With the homelessness crisis concentrated in the city of San Diego, it is particularly important that the City exercise transparency and discretion when considering a tax increase.

1. Will you consider incorporating a sunset clause wherein the tax expires after a set time period (such as 4 years) and then goes back to the voters for reevaluation?
 - a. Public trust in the city's ability to use tax dollars effectively varies widely, and such a clause would afford the city the opportunity to demonstrate performance and earn trust consistently.
 - b. Would you like the revenue to be used for day-to-day expenses or for infrastructure development and major maintenance? If the former, will you consider making the sunset in four to eight years so that the City is restricted from borrowing to address the structural deficit?
 - c. **We do wish to note that the Association will OPPOSE a measure that does not have a sunset clause.**
2. Will you define performance targets are we trying to hit with any additional revenue?
 - a. Can you please plan to quantify the projected negative impacts (services, infrastructure, public safety, etc.) to taxpayers should a revenue measure fail? Given that so many San Diegans struggle to meet their basic needs, would you want to prioritize spending on core municipal functions? In answering this question, are you including or not including revenue from Measure C (November 2020)?
 - b. Given recent pay raises, we would like to understand how management assures that performance and productivity by the city's workforce has improved. What



other commitments can be put in place to assure that a new tax would not simply go to increased pay and benefits, but rather to improved constituent services?

- c. **The Association will also OPPOSE a potential measure if by July 2024 there is not a Council-approved long-term performance plan with defined measures and targets, minimally in the areas of homelessness, housing, and infrastructure. Furthermore, the Association will OPPOSE a potential measure if there is not a long-term plan to fully fund pension liabilities with current revenues.**
3. Will you consider other options besides a sales tax? Why is a sales tax uniquely appropriate for the city's goals when sales taxes are often the most regressive form of taxation? Will you consider what financial impact the tax is expected to have on constituents in different income brackets? Will you ensure the city tries to project the leakage that may occur as a result of a sales tax, if that's the option you ultimately decide to propose?

We appreciate your time and consideration of these questions, and we look forward to receiving your responses.

Yours respectfully,

A handwritten signature in blue ink, appearing to read "Haney Hong", written over a light blue circular background.

Haney Hong
President and CEO

CC:

The Honorable Joe LaCava
The Honorable Jennifer Campbell
The Honorable Stephen Whitburn
The Honorable Monica Montgomery Steppe
The Honorable Marni Von Wilpert
The Honorable Kent Lee
The Honorable Sean Elo-Rivera
The Honorable Vivian Moreno