



The Honorable Todd Gloria and The Honorable Raul Campillo
City of San Diego
202 C St.
San Diego, CA 92101
[Delivered Electronically]
15 February 2024

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. **We estimate that there may be as many as thirty to thirty five tax proposals around San Diego County for the November 2024 ballot**, and we conduct in-depth, data-driven analyses to offer recommendations to taxpayers.

On 19 October 2023, we sent a letter requesting information about the design of a potential general fund revenue measure in the November 2024 general election. We are disappointed that we did not receive a response to this letter and are now following up. If we do not hear back from you by 29 February, we will communicate directly with the Chief Operating Officer on our concerns.

The Association understands that San Diegans are increasingly concerned about the city's ability to deliver core municipal services. We want to note that concurrent to this potential revenue measure, Council President Sean Elo Rivera has proposed a stormwater fee. While we acknowledge that investment in stormwater is necessary, we are not surprised that it is the failure of past city councils to appropriate monies to stormwater that has led to many of the challenges we are seeing today. **According to your open data portal for a period of 10 years from FY12 to FY20, the city council appropriated zero dollars into stormwater.**

Given recent news about road quality and some data we have about affordable housing permits often taking longer than the 30 days promised during the January 2023's state of the city address, we are very skeptical about any additional revenue achieving better performance at the basics. Therefore:

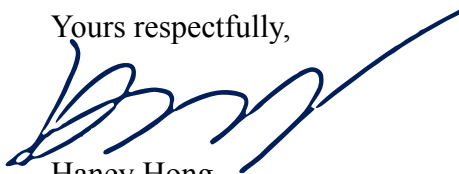
1. Will you consider incorporating a sunset clause wherein the tax expires after a set time period (such as 4 years) and then goes back to the voters for reevaluation?
 - a. Public trust in the city's ability to use tax dollars effectively varies widely, and such a clause would afford the city the opportunity 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 we are 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,



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