

**Santa Monica-Malibu School District – Council of PTAs
Study of Measure SM, Balloted for November 3, 2020**

MEASURE “SM”:

To protect essential services including addressing homelessness, cleaning beaches/parks, public safety/ fire/ emergency response, protections for tenants and seniors, supporting libraries, small business recovery, food for the hungry, and after-school/mental health services for youth, shall the City of Santa Monica increase the one-time real estate transfer tax paid on each sale of property for \$5 million or more by \$3.00 per \$1,000 of sales price, exempting affordable housing projects, providing \$3 million annually for local services?

TEXT OF MEASURE SM / BALLOT ARGUMENTS, REBUTTALS / CITY ATTORNEY’S IMPARTIAL ANALYSIS

[Link to City of Santa Monica SM VOTE Page on Measure SM](#)

URL: <https://www.smvote.org/BallotMeasures/detail.aspx?id=53687108062>

See also Attachments A, B, C

CITY COUNCIL AGENDA RESOURCES (July 28, 2020/Item 8.A)

URL: http://santamonicacityca.iqm2.com/Citizens/Detail_Meeting.aspx?ID=1232

1. Staff Report recommending the tax be placed on the November ballot and other information presenting the rationale for placing the measure on the ballot. [Link to Staff Report](#) 4163.

URL:

http://santamonicacityca.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1232&MediaPosition=&ID=4163&CssClass=

2. A Resolution of The City Council of The City of Santa Monica Submitting to the Voters a Measure to Amend Santa Monica Municipal Code Chapter 6.96 and Set the Real Property Transfer Tax Rate at Six Dollars Per Thousand Dollars of Consideration on Property Value Transferred for All Sales or Transfers of Five Million Dollars or Greater. (The Resolution includes the language voters will see on their ballots and its Exhibit 1 is the measure in full showing all proposed amendments to the Santa Monica Municipal Code.)

BACKGROUND

Like other cities across the country, the City of Santa Monica has suffered a precipitous economic downturn due to COVID-19. Our economy has been closely tied to tourism and, according to City sources, approximately 20% of the City’s budget has been dependent on the dollars brought in by visitor spending. Those of you who watched the City Council budget hearings know that this dramatic drop in revenue and its ongoing

impact required the Council to make deep budget cuts – reducing spending by about 25% and cutting staff and programs.

Specifically, according to City Attorney, Lane Dilg and fiscal staff, “...the stay-at-home order has had an immediate and dramatic impact on the amount of revenue available to support essential services, and the City is currently facing a budget deficit of nearly \$224 million through the end of fiscal year 2021.

City staff are working with small businesses, employers, and other stakeholders on an economic recovery plan. The City Manager was recently the guest speaker at a Chamber of Commerce virtual convening for their membership to discuss this and related issues. By all credible accounts, projections are showing that it will take a long time for our local and national economies to fully recover – and, practically speaking, we don’t know what the full effects of the pandemic will be and what Santa Monica or the rest of the country will really look like when we come out on the other side of it.

Specifically with regard to schools, the City has historically supported SMMUSD’s General Fund with stable, ongoing financial resources generated by local initiatives including Measures S, R, Y and YY, and GSH and GS, as well as the ongoing Master Facilities Use Agreement. The resources generated by the active measures are projected to be less in the 2019-20 school year, because of the COVID-19 related economic slowdown.

In the meantime, the City’s stated obligation to us, its residents, is to maintain essential City services. That means looking for a way to bring in additional revenue without further harming those who are most vulnerable in our community. A regressive tax, therefore, would not be the answer. So, the City adopted the resolution of this local funding measure for what they designate as essential services to be placed on the November 2020 ballot.

CURRENT LAW

The real estate transfer tax, also called the documentary transfer tax, is collected whenever property is sold. The tax is collected by the County of Los Angeles. Numerous cities and counties in California, including Santa Monica, impose this kind of tax. The current rate in Santa Monica is \$3.00 per \$1,000 of sales value. The tax is typically paid by the seller of a property when the property is sold. Like all general taxes, transfer taxes are placed in the City’s General Fund for general municipal purposes (police, fire, libraries, recreation, etc.).

BASIC PROPOSAL

The basic proposal is to increase the tax paid on properties selling for \$5 million or more by an additional \$3.00, making the total \$6.00 per \$1,000 of sales price. According to the staff report, based on Council’s direction, staff is proposing to make certain affordable housing transactions exempt from the increased tax.

The tax is a one-time charge, and would be paid by sellers in real estate transactions. If approved by the voters, it is projected that this measure would initially generate an estimated \$3 million/year in additional funding which could be used to protect essential local services, as described in the proposed ballot language above.

FISCAL IMPACTS (excerpted from the July 28, 2020 staff report)

The staff report reports that, “based on averages of the last three fiscal years, approximately 10% of parcels sold in Santa Monica have a value of \$5 million or more, yet these transfers generate about 65% of the taxes collected.” City staff projects that if passed, Measure SM would generate approximately \$3 million annually in the next three-to-four years, based on historical averages and the current conditions that have lowered estimates by 50%. They further project that the revenue generated after that will rise to approximately \$5.5 million annually over the long term.

Transfer receipts can vary from year-to-year, based on transactions that occur during any year. The projected revenues, therefore, are based on a longer-term average to account for volatility.

Staff notes, and the proposed amendments to the Santa Monica Municipal Code reflect, that the County is not able to implement a tiered tax structure at this time, such that the City will be required to administer a process to potentially identify, bill and collect, and enforce collection of the higher rate, creating a tiered structure for those sales \$5 million and over. (Please read pages 5 and 6 of the staff report for more detail of proposed implementation and accountability plans, including a discussion of tiered tax structure, to make this proposal work in the midst of the COVID-19 pandemic.)

CITY ATTORNEY’S IMPARTIAL ANALYSIS (see Attachment A)

One of the provisions of the resolution placing this measure on the ballot is direction that the “City Attorney prepare an impartial analysis of the effects of the measure on the existing law, as well as on the operation of the measure.”

ARGUMENTS IN FAVOR, AGAINST (see Attachment B)

REBUTTALS TO ARGUMENTS IN FAVOR, AGAINST (see Attachment C)

PROPONENTS

Kevin McKeown, Mayor, City of Santa Monica
Natalya Zernitskaya, President, League of Women Voters of Santa Monica
Shari Davis, Chair, Community for Excellent Public Schools (CEPS)
Tim Van Pelt, Emergency Room Nurse, UCLA-Santa Monica Hospital
Denny Zane, Co-Chair and Co-Founder, Santa Monicans for Renters’ Rights (SMRR)

OPPONENTS

Matt Neco, Santa Monica Resident/Renter
Stanley H. Epstein, Attorney

RELEVANT PTA AUTHORITIES

General Principles for Consideration of Proposed Legislation

3. Effective governance systems and practices that are rooted in social justice to effectively serve the needs of children, youth and families.
4. Coordination and planning by all agencies with clear definition of responsibility at each level of government.
5. Establishment of and adherence to fiscal responsibility in government, with concern for fair taxation, but keeping priorities for the needs of all children and youth foremost.
7. Strong and broadly based tax structures at state and local levels.
8. Budgets and financial support to provide needed public services for all children and youth...
9. Local control when it serves the best interest of all children and youth.

Legislation Planks

California State PTA will support legislation:

8. To protect and improve the health of all families through the prevention, treatment and control of disease.
9. To extend and improve physical and mental health services and facilities, including rehabilitation.
11. To prevent, control or eliminate hazards to the health, safety and well-being of all children and youth.
13. To provide effective community services and facilities for all children, youth and adults, directed toward the well-being of the family.
14. To promote public policy that contributes to the stability of families and to the adequate physical, emotional, and financial support of children and youth.
15. To provide services and facilities for the care, protection and treatment of abused, dependent, neglected or abandoned children and youth.
18. To promote public policies that protect and conserve natural resources and provide a quality environment for present and future generations.
19. To improve governance systems and practices in order to effectively serve the needs of children and youth.
20. To support the needs of vulnerable children in all aspects of their lives.

Resolutions

California K-12 Public School Funding Crisis. This Resolution provides, in relevant part:

Resolved, That the California State PTA and its units, councils and districts work to educate local public officials, the community and the media that California K-12 public schools are underfunded ...

[Link to text](#)

URL:

<http://downloads.capta.org/res/CaliforniaK-12PublicSchoolFundingCrisis.pdf>

Education: A 21st Century Vision. This Resolution provides, in relevant part:

Resolved, That the California State PTA, its units, councils and districts engage public policy makers and community members in the discussion of what is required to define a vision for a 21st century education, and...That the California State PTA, its units, councils and districts, support legislation to implement the vision for a 21st century education for all California children.

[Link to text](#)

URL: <http://downloads.capta.org/res/EducationA21stCenturyVision.pdf>

Financing California's Public Schools. This Resolution provides, in relevant part:

Resolved, That the California State PTA and its units, councils and districts support the ongoing efforts to explore new models of public school funding to ensure a quality education for every student

[Link to text](#)

URL:

<http://downloads.capta.org/res/FinancingCaliforniasPublicSchools.pdf>

Homeless Families with Children. This Resolution provides, in relevant part:

Resolved, That the National PTA seek and support legislation that will provide help for homeless families with children

[Link to text](#)

URL: <http://downloads.capta.org/res/HomelessFamiliesWithChildren.pdf>

Lowering the 2/3 Vote Requirement on School and Library Bonds. This Resolution provides, in relevant part:

Whereas, Free and public educational systems, including schools and libraries, are the cornerstone of democracy; and

Whereas, Local communities must be given the ability to do adequate planning and to generate the necessary funds for school facilities and libraries

[Link to text](#)

URL:

<http://downloads.capta.org/res/LoweringThe23VoteRequirementOnSchoolAndLibraryBonds.pdf>

Mental Health Services for our Children and Youth. This Resolution provides, in relevant part:

Resolved, That California State PTA and its units, councils, and districts support legislation, regulations and other measures at all levels of government to allocate funds that are sufficient to address mental health issues in our children and youth.

[Link to text](#)

URL:

<http://downloads.capta.org/res/MentalHealthServicesforOurChildren%26Youth.pdf>

PTA Priority: Support for Public Education. This Resolution provides, in relevant part: That the California State PTA focus its resources on obtaining adequate financing for public education.

[Link to text](#)

URL: <http://downloads.capta.org/res/PTAPrioritySupportOfPublicEd.pdf>

School Funding. This Resolution provides, in relevant part:

That the California State PTA urge its units, councils and districts to study, support and encourage the education of the parents, teachers and community regarding the financing of their school districts.

[Link to text](#)

URL: <http://downloads.capta.org/res/SchoolFunding.pdf>

Position Statements

Accountability Systems: Statewide, Federal and Local. This Position Statement provides, in relevant part:

Accountability rests on the conviction that improving student learning is a responsibility shared by all participants in the education system, including individuals (e.g. students, parents and families, teachers) and organizations (e.g., schools, school districts, policy-making bodies), and also by the public and all levels of government.

[Link to text](#)

URL:

<http://toolkit.capta.org/advocacy/position-statements/accountability-systems-statewide-federal-and-local/>

Assistance to Families in Need. This Position Statement provides, in relevant part:

The California State PTA believes that children are our most important natural resource, that the family is the basic unit of society responsible for the support and nurturing of children, and that every effort must be made to ensure that public policies concur with the best interest of children and families. California State PTA further believes that society has a responsibility to establish policy that ensures effective community services and assistance programs when necessary for families in need. These programs should be structured and delivered in ways that contribute to the integrity and stability of families and to ensure that children will have adequate support to meet their basic needs. California State PTA supports government assistance programs intended to help families survive a temporary crisis and protect children from the extreme effects of poverty. California State PTA believes that the government has the responsibility to plan and coordinate these programs for families in need, establishing a clear definition of responsibility

at each level of government and adhering to governmental fiscal responsibility, but keeping foremost the priorities of children and youth.

[Link to text](#)

URL:

<http://toolkit.capta.org/advocacy/position-statements/assistance-to-families-in-need/>

[Before- and After-School Options for Children and Youth.](#) This Position Statement provides, in relevant part:

California State PTA recognizes that a range of before- and after-school programs is needed to serve children and youth from pre-school through high school. Each program needs to be based on the particular needs of the young people in the community.

[Link to text](#)

URL:

<http://toolkit.capta.org/advocacy/position-statements/before-and-after-school-options-for-children-and-youth/>

[Behavioral Health and Social Emotional Development.](#) This Position Statement provides, in relevant part:

The California State PTA believes such concerns and other external and internal barriers to learning and teaching must include collaboration within the school-community. Collaboration is essential in planning and implementing a full range of interventions to promote behavioral health and social emotional development and provide a systemic approach to prevention, early intervention, and treatment of manifesting problems. And by supporting such efforts, PTA can help assure that schools and communities work together in a comprehensive and cohesive manner to improve the well being of children and youth, and their families, and enhance equity of opportunity for all children and youth to succeed at school and in life.

[Link to text](#)

URL:

<http://toolkit.capta.org/advocacy/position-statements/behavioral-health-and-social-emotional-development/>

[Education: Support of Public Education.](#) This Position Statement provides, in relevant part:

The California State PTA recognizes that excellence in education will cost money. All levels of government, local, state and federal, must share in providing adequate funding for our schools.

[Link to text](#)

URL:

<http://toolkit.capta.org/advocacy/position-statements/education-support-of-public-education/>

Homeless Children and Families. This Position Statement provides, in relevant part: California State PTA ... believes: All children should have access to safe and affordable housing. PTA urges all government agencies... Provide temporary shelters for homeless families and their children, working to keep the family intact; Give assistance to homeless families in securing low-cost, safe housing in their community.

[Link to full text](#)

URL:

<http://toolkit.capta.org/advocacy/position-statements/homeless-familieschildren/>

Library Services. This Position Statement provides, in relevant part:

Community (Public) Libraries: California State PTA acknowledges the important role of community libraries. PTAs should work to encourage every community to provide the necessary public and private funds for a total library service that will meet the needs of its population.

[Link to full text](#)

URL:

<http://toolkit.capta.org/advocacy/position-statements/library-services/>

State Tax Reform. This Position Statement provides, in relevant part:

California State PTA ... believes that local control and responsibility for generating and expending funds for local services should be encouraged, and promoted through the democratic process based on a majority vote of the public on all issues.

[Link to full text](#)

URL:

<http://toolkit.capta.org/advocacy/position-statements/state-tax-reform/>

COMMENTS/DISCUSSION

California State PTA has authorities that support the well-being of children, youth, families, and communities. Because Measure SM creates a mechanism to generate millions of dollars in additional funding for local community services, which could be used, for example, to address homelessness, public safety and emergency response, support for libraries, afterschool and mental health services for youth, and other programs, the PTA has authority to support this measure.

The City of Santa Monica has historically contributed financial resources to SMMUSD through local initiatives such as Measures Y and YY, and GSH and GH. In the most recent years, since passage of GSH/GS in 2016, the total financial contributions to SMMUSD from the City alone have been more than \$26 million per year, or more than 20% of

the School District's revenue. Adding in parcel tax funds, the District's revenue from local sources climbs to more than \$35 million per year, roughly 30% of its budget, over the same time period.

For the time period between 2003 and the 2018-19 school year (the last year for which totals are available), the aggregate, total dollar value of local initiatives (excepting bond measures) that generate ongoing financial resources for the SMMUSD is \$338,950,000. These initiatives include Measure S (2003-2008); Measure R (2008-current); Major Facilities Use Agreement (2005-current); Measure Y and YY (2010-current); Measure GSH and GH (2016-current) (See Attachment D.)

Although the expenditure of revenue generated by the proposed Measure SM is not prescribed, the language of the question which represents Measure SM on the ballot (the question at the top of this study), indicates the City's intentions about how the revenue will be spent.

Additionally, the [City Council Staff Report for this measure](#) enumerates specific foundational services (see the report's Discussion section) that would be preserved and restored with the revenue from Measure SM, should it be approved by voters.

Santa Monica-Malibu Council of PTAs ("SMMPTA"¹) has actively supported the campaigns for earlier, local tax ballot measures including Y and YY, and GSH and GH, which have generated millions of dollars a year, split evenly between the City and the School District in keeping with the advisory measures. (See Attachment D.)

The SMMUSD Board will vote on whether to endorse Measure SM on September 17, 2020. Language of SMMUSD Resolution 20-06 is in Attachment E.

There was a similar tax placed on the 2014 ballot, H and HH. Measure H failed, HH (the advisory measure) passed, but was invalidated because of the failure of Measure H.

When the City was asked if they were considering a dual measure approach again like H and HH, Y and YY, GS and GSH – one general tax statement and the other a companion, advisory measure, their answer was no, for the following reasons:

*While we have used advisory measures before when we had a specific need that required additional funding, we are not considering an advisory measure this time **because the need is to preserve services at a broader level.** Should this general tax measure pass, the new revenues would preserve the services that are essential to Santa Monica in the short term, when we are dealing with severe revenue shortages but also **increased needs for our basic programs.** As we pull out of this crisis, we are anticipating a continuation of the trend that had started before COVID-19-- the decline in traditional revenue streams that we have relied on for decades (parking, sales tax) due to changes in consumer behavior and use of the internet, and we*

¹ As used hereinafter, SMMPTA is an abbreviation for the Santa Monica-Malibu Council of PTAs.

could see an exacerbation of some of these trends as COVID-19 will likely leave behind a new world with new habits. The new funds would help counteract these declines and stabilize our funding streams going forward so that we can continue to preserve and hopefully restore more services. While we expect this measure to bring in approximately \$3 million a year now, we expect that this number will almost double in 5 years.

The current rate of \$3/\$1000 of sales value is 33% lower than the City of LA and Culver City.

RECOMMENDATION

After thorough study and analysis, the study committee recommends that the SMMPTA support Measure SM.

The committee further recommends that

- 1) the SMMPTA take an active role in the campaign to pass the ballot measure;
- 2) the SMMPTA authorize the campaign to include the name of the SMMPTA in campaign materials, while retaining our right to review those materials before publication; and
- 3) the SMMPTA encourage its Council members and Units to actively campaign for passage of Measure SM. Given the circumstances of COVID-19 restrictions, the campaign efforts are limited to online or distanced measures. These efforts may consist of email campaigns, digital flier distribution, social media posts, and other actions coordinated with other SMMPTA unit advocacy priorities including “get out the vote,” and support for state ballot propositions.

ATTACHMENT A

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE SM

The Santa Monica Municipal Code imposes a one-time tax on each transfer of real property in Santa Monica. Currently, the tax rate is \$3.00 per \$1,000 of consideration (generally the sale price) or property value transferred. This rate is the same regardless of the amount of the consideration.

This measure would increase the tax rate to \$6.00 per \$1,000 for transfers involving consideration or property value transferred of \$5 million or more. For transfers involving less than \$5 million in consideration or property value transferred, the existing tax rate of \$3.00 per \$1,000 would remain unchanged.

The City currently imposes the transfer tax on properties transferred to non-profit corporations and community land trusts that provide affordable housing. This measure would exempt certain affordable housing transfers from the proposed tax rate increase for transfers involving consideration or property value transferred of \$5 million or more. Affordable housing transfers that qualify for this exemption would continue to be taxed at the existing tax rate of \$3.00 per \$1,000 of consideration or property value transferred. The measure defines the requirements for affordable housing transfers to qualify for this exemption.

Currently, the County of Los Angeles administers the City's existing flat tax rate of \$3.00 per \$1,000 of consideration or property value transferred. The measure authorizes the County to continue collecting the existing tax rate of \$3.00 per \$1,000 on all transfers. For transfers involving consideration of \$5 million or greater, the measure authorizes the proposed tax of \$6.00 per \$1,000 to be collected in two equal parts: (1) a County collected portion of \$3.00 per \$1,000; and (2) a City collected portion of \$3.00 per \$1,000. For transfers involving consideration or property value transferred of \$5 million or greater, the measure requires the recording party or agent to pay the City collected portion before recording a transfer at the County Recorder and requires escrow companies to ensure that the City collected portion is either paid before the recording of the transfer or set aside in escrow for payment to the City at the time of recording.

The measure would allow the City Council or the Director of Finance to establish regulations to implement the tax. If the tax is not paid, the measure authorizes administrative penalties, interest, property liens, and direct assessments. The measure establishes a reconsideration process for deficiencies and a public hearing procedure before a lien or direct assessment is imposed on the property.

The measure authorizes the City Council to amend the Municipal Code sections relating to the tax as long as the amendment does not increase the authorized tax rate.

The City would be permitted to use the tax revenue for any governmental purpose.

The Santa Monica City Council placed this measure on the ballot. A “yes” vote supports the passage of the amendment to the Santa Monica Municipal Code; a “no” vote opposes passage of the amendment. A majority vote (i.e., more than 50% of the votes cast) is required to pass the measure.

GEORGE S. CARDONA, Interim City Attorney

ATTACHMENT B

ARGUMENT IN FAVOR

2020 has been a challenging year, and your vote for Local Revenue Measure SM is part of the solution.

Santa Monica has a legacy of coming together to solve our most challenging problems. We are rising to the unprecedented public health threat of COVID-19, the economic impacts it has created, and the overall stress that people are feeling. Our community is taking sensible public health measures, supporting our local small businesses, and protecting our most vulnerable neighbors.

Measure SM is a vital part of rebuilding our community’s strength, and it raises taxes only on corporations and those who sell properties worth \$5 million or more.

Renters, people living with homelessness, families struggling with uncertain employment, homebound senior citizens, and those struggling with mental health issues will all benefit from Measure SM.

Vote YES on Local Revenue Measure SM to protect Santa Monica, especially public health and vital public services that so many people rely on:

- Maintain clean beaches and parks
- Protect 911 emergency response services
- Fund economic recovery efforts, including helping businesses to re-open safely
- Restore library programs
- Continue programs and services proven to reduce homelessness
- Support rental assistance programs for local seniors and others to keep them in their homes
- Fund Meals on Wheels and the Westside Food Bank
- Restore after-school programs and mental health services for Santa Monica youth

Every penny raised by Measure SM will be spent here in Santa Monica and cannot be taken by the State of California or the County of Los Angeles.

Measure SM will be applied only to real estate property sales of \$5 million or more. Measure SM leverages Santa Monica's high property values to help protect public health and essential public services for all of us.

We will get through this together.

Please join us in voting YES on Measure SM for a strong Santa Monica.

ARGUMENT AGAINST

Vote NO. An incremental increased transfer tax is a good idea, but that's NOT what this proposal is. It is BADLY written by the current City Council, fails to close loopholes and may have created some.

This should be a progressive tax. Instead it doubles the tax from the first dollar for any transfer valued at over \$5 million. Preferable would be keeping the tax as is on the first \$5 million and increasing it on amounts over \$5 million, perhaps by more than proposed.

There is zero evidence there would be \$3 million more a year, or where amounts would be used. The affordable housing exception may have a loophole that gets challenged in expensive litigation because of poor drafting.

City Council also failed to fix loopholes that would allow: the sale of stock in companies holding realty; subdividing property where parts sell for less than the whole; very long term ground or other leases such as the proposed Plaza deal; delaying collection indefinitely by triggering the payment of tax based on recording deeds; collecting tax on the greater of value or consideration.

City Council wants to manipulate voters with biased wording like "to protect essential services including [list of services]." Demand straight-forward, fair, and unbiased measures without loopholes coming out of your City Council by voting NO. Next election let's have a better, well written and impartial transfer tax increase measure.

ATTACHMENT C

REBUTTAL TO ARGUMENT IN FAVOR

VOTE NO

If passed, all funds collected will go into the general fund and can be used for any purpose. Not one dollar will be specifically earmarked for the causes itemized by the pro group, which are designed to tug on your heartstrings. Instead, much of the new revenues will likely go to increased compensation of staff (some already overpaid), unnecessary consultants and large vendors. The majority of the money will not stay in or be spent in the City.

Santa Monica Residents, even before the lootings, firing of rubber bullets, lobbing of tear gas and arrest of peaceful Black Lives Matters protesters on May 31, 2020, did you and do you now really believe those in favor of the measure about:

1. Any legacy of coming together to solve challenging problems? When was the last time you felt the Council collaborated on issues that concern you? How did they do on the scooters? On developing the Plaza space most residents don't want? On extravagant buildings?
2. Taking sensible public health measures? How? Having closed Palisades Park for a time? Addressing homelessness and food insecurity? People not wearing face coverings? Gatherings of more than 10 people?
3. What small businesses have you heard feel supported by the City? We haven't seen small business owners thanking the City, especially after the lootings.
4. Protecting the vulnerable?

We should reject a measure providing for an irrational tax increase structure and perpetuating major loopholes, and thereby ignore the deceptive arguments by the proponents.

REBUTTAL TO ARGUMENT AGAINST

Raise your hand if you DO NOT own a \$5 million property. Congratulations! You won't pay this tax.

The opponents' argument is just plain wrong on the substance, and designed to confuse voters. Despite their series of straw-man arguments, even they agree an incremental increase in the transfer tax on luxury properties is a good idea, and give you reason to vote for Measure SM.

Measure SM is straightforward. Our entire community will benefit from funds ensuring safe, clean parks and beaches, reduced homelessness, improved mental health services, libraries, youth programs, and other essential services.

Measure SM is specifically limited to individual property sales of \$5 million or more and would not impact any property sales under that amount.

Measure SM protects seniors and renters by discouraging "quick flip" property speculation, often leading to evictions.

Measure SM exempts affordable housing projects that Santa Monica sorely needs.

Public school advocates support Measure SM because it benefits children, with safe places to play, after-school programs, and mental health services for youth.

Locally owned small businesses are SUPPORTING Measure SM because it will help revitalize our local economy and ensure public health.

Renters, senior citizens, and advocates for affordable housing, parks, beaches, and libraries support Measure SM.

Now, when our community is working to support each other through crisis, it's reasonable that real estate corporations – who've profited enormously from Santa Monica's high quality of life – pay their fair share to keep our city strong.

Vote Yes on SM.

ATTACHMENT D

Total dollar value (in millions) of local initiatives generating ongoing financial resources for SMMUSD

SCHOOL YEAR	MEASURE S	MEASURE R	MFUA "CONTRACT"	Y+YY	GSH/GS
2003-04	6				
2004-05	6				
2005-06	6		6.2		
2006-07	6		6.4		
2007-08	6		6.7		
2008-09		10	7.4		
2009-10		10	7.4		
2010-11		10	7.8	1.5	
2011-12		11	8.0	6.0	
2012-13		11	8.0	6.0	
2013-14		11.2	8.3	7.5	
2014-15		11.28	8.4	6.6	
2015-16		11.3	8.6	7.95	
2016-17		11.65	8.8	8	.6
2017-18**		11.88	9.0	8.2	8.2
2018-19**		12.1	9.2	8.4	8.4

2019-20		Awaiting number	Awaiting number	Awaiting number	Awaiting number
TOTAL (in millions of \$)	30	121.4	110.2	60.15	17.2

GRAND TOTAL: \$338,950,000
Source: Community for Excellent Public Schools

ATTACHMENT E

Adopt Resolution No. 20-06 - Endorsing Measure SM on the November 3, 2020, Ballot (5 min)

Recommended Motion

It is recommended that the Board of Education adopt Resolution No. 20-06 - Endorsing Measure SM on the November 3, 2020, Ballot.

Rationale

Our school district and the City of Santa Monica are longstanding partners in sustaining high quality schools through the City’s significant direct financial contributions to SMMUSD, totaling \$25.2 million annually, through the Master Facilities Use Agreement and Measures Y and GSH revenue-sharing agreements. Revenue generated by the passage of Measure SM would benefit our students and families.