

# City Democratic Club Endorsements for November 2018 Election

## City and regional offices

Board of Supervisors, D2: Catherine Stefani  
Board of Supervisors, D4: 1) Jessica Ho, 2) Trevor McNeil  
Board of Supervisors, D6: 1) Christine Johnson, 2) Sonja Trauss  
Board of Supervisors, D8: Rafael Mandelman  
Board of Supervisors, D10: 1) Shamann Walton, 2) Theodore Ellington

Assessor/Recorder: Carmen Chu  
Public Defender: Jeff Adachi  
Board of Education: Michelle Parker, John Trasviña  
City College Board: Victor Olivieri, Thea Selby

BART Board, District 8: Melanie Nutter

In ranked-choice and multi-seat races, the listed candidates are the only ones named on the required 60% of ballots (in any position, for ranked-choice offices).

## City measures

Yes on A, No on B, No on C, Yes on D, Yes on E

## State measures

Yes on 1, Yes on 2, No on 3, No on 5, No on 6, Yes on 7, Yes on 8, No on 10

There is no Proposition 9 per court order. The club has no endorsement on Propositions 4, 11 and 12.

## State and Federal offices

State Assembly: David Chiu, Phil Ting  
Board of Equalization: Malia Cohen

Governor: Gavin Newsom  
Lieutenant Governor: Eleni Kounalakis  
Secretary of State: Alex Padilla  
Controller: Betty Yee  
Treasurer: Fiona Ma  
Attorney General: Xavier Becerra  
Insurance Commissioner: Ricardo Lara  
Superintendent of Public Instruction: Tony Thurmond  
U.S. House: Nancy Pelosi, Jackie Speier  
U.S. Senate: Dianne Feinstein

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<p>Prop A, Seawall Bond</p> <p>Support</p>	<p>San Francisco's seawall is a century-old, unseen piece of infrastructure that protects our eastern shoreline from Bay incursions during storms and tides. Built to then-current standards, the seawall would be insufficient today even if it hadn't suffered a hundred years of erosion, and even if global warming were Fake News. It's in dire need of seismic upgrades and all-around strengthening.</p>
<p>Prop B, City Privacy Guidelines</p> <p>Oppose</p>	<p>With Cambridge Analytica now a household name, and with daily headlines trumpeting data misuse, a Charter Amendment to protect citizen privacy would be an appropriate response.</p> <p>However, this measure is merely a set of guidelines and a directive to the City Administrator to prepare a report. The measure:</p> <ul style="list-style-type: none"> <li>• Creates no new ordinances;</li> <li>• Lays out policies that, by its own language, "are not binding or self-executing, but rather are intended as a guide" to City government; and</li> <li>• Specifies that "the Board of Supervisors shall have authority by ordinance to implement these principles as it deems appropriate."</li> </ul> <p>Everything in this measure can and should be done by ordinance. This is effectively a policy statement codified in the Charter.</p>
<p>Prop C, Gross Receipts Tax for Homeless Services</p> <p>Oppose</p>	<p>Imposes a gross-receipts surtax on businesses with more than \$50 million in annual revenue, with rates varying by business line.</p> <p>The gross-receipts tax is not a magic pot of gold. Real City businesses pay these taxes and reflect them in their price tags to real City residents.</p> <p>June's Propositions C and D also went after gross-receipts taxes for very headline-friendly causes (children, homelessness). While this Prop. C is different from June's Prop. D, the same basic pitch is being made, the same heartstrings being tugged.</p> <p>This Prop. C, though, weaponizes the gross receipts tax by:</p> <ul style="list-style-type: none"> <li>• Imposing it only on businesses with more than \$50 million in gross receipts, promoting a Big Guy vs. Little Guy narrative; and</li> <li>• Imposing wildly varying tax rates on different business activities, from 0.175% on retail and wholesale trade to 0.5%-0.69% on tech, food service, manufacturing, finance, insurance and consulting. Real estate gets the second-lowest tier at 0.325%.</li> </ul> <p>The Ethics disclosures practically write themselves. Even if simply throwing money at the problem would fix it - and it has proven not to - chopping up City businesses in this manner is somewhere between pettiness and cronyism.</p>
<p>Prop D, Cannabis Tax</p> <p>Support</p>	<p>Establishes taxes on recreational cannabis. Exempts medical use.</p> <p>San Francisco is among the last municipalities to enact a cannabis tax. The measure language allows for future rate changes.</p> <p>There is ample precedent for taxes on substances that impact public health or order, ranging from alcohol to tobacco to soda.</p>
<p>Prop E, Hotel Tax Allocation</p> <p>Support</p>	<p>Allocates to various arts programs a dedicated stream of money from the City's hotel tax, starting at \$32 million per year.</p> <p>A similar but smaller dedicated allocation existed until its recent expiration. Though this club scrutinizes new set-asides with rigor, this measure doesn't create a set-aside as much as renew one that was part of the original intent of the tourism tax.</p>

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<p>Prop 1 Bonds for Housing Assistance</p> <p>Support</p>	<p>Would authorize \$4 billion in general obligation bonds for housing-related programs, loans, grants benefiting low- and moderate-income renters, buyers and veterans.</p> <p>The measures funded by this issuance are Obvious Good Things:</p> <ul style="list-style-type: none"> <li>• \$1.5 billion for the Multifamily Housing Program (MHP), which offers loans for the construction, rehabilitation, and preservation of rental housing for persons with incomes of 60 percent or below of the area median income;</li> <li>• \$1 billion for the CalVet Home Loan Program, which offers loans to veterans for the purchase of homes, farms, units in cooperative developments, and mobile homes;</li> <li>• \$750 million for grants, programs and loans for affordable housing;</li> <li>• \$300 million for grants and loans for farmworker housing;</li> <li>• \$300 million for the Self-Help Housing Fund, which provides forgivable loans for mortgage assistance, the development of multiple home ownership units, and manufactured homes; and</li> <li>• \$150 million for the Transit-Oriented Development Implementation Fund, which offers loans and grants to local governments and developers for housing projects near transit stations.</li> </ul>
<p>Prop 2 Bonds for Existing Housing Program for Mentally Ill</p> <p>Support</p>	<p>Authorizes the use of \$2 billion in Prop. 63 (2004) revenue bond proceeds toward homelessness prevention programs for the mentally ill. The original bond was to fund mental-health programs. This initiative statute amends the original ballot issue to override existing litigation.</p> <p>The Legislature passed a law to allocate this money on 2016, but it was tied up in the courts over a lawsuit as to whether this was a permissible use of the money under Prop. 63 (2004). This statute explicitly authorizes this use.</p>
<p>Prop 3 Water Bonds</p> <p>Oppose</p>	<p>Initiative bond issue, \$8.87 billion, for various water quality purposes.</p> <p>The club has supported all water bonds in recent memory, in this year's primary and in 2014. What makes this \$8.87 billion bond issue different is that it's an initiative, coming not from the Legislature but from a submission and signatures.</p> <p>Over its 50 pages, the measure doles out money to at least a dozen individual organizations, some in increments as small as \$10 million ("small" here meaning that it is 0.1% of the total pot). Much of the money is earmarked for particular projects, while some organizations are specifically prohibited from receiving any funding.</p> <p>The measure concludes with a clause that any language in the initiative overrides any existing law that conflicts with it. The measure thus is not self-contained; any of its provisions could have been written specifically to override an existing law.</p>
<p>Prop 4 Children's Hospital Bonds</p>	<p>The club did not endorse on this measure.</p>

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<p>Prop 5</p> <p>Prop 13 Rollback for Over-55s</p> <p>Oppose</p>	<p>Amends Proposition 13 such that once a person (or spouse) reaches the age of 55, the Prop. 13 property basis becomes permanent, regardless of the number of subsequent moves, the value of the property, or the distance moved. Current law allows a one-time exemption to persons over 55, but only to a property of equal or lesser value in the same county.</p> <p>The club has supported all Prop. 13 special exemptions in memory, most recently for solar panels and rain-capture systems. We believe that homeowners should not be punished for making improvements that reduce natural resource consumption and have agreed that these kinds of improvements shouldn't cause recalculation of Prop. 13 tax bases.</p> <p>Proposition 5 rewards not those who contribute to the public good, but rather all who reach the age of 55. Once a person (or his or her spouse) reaches the age of 55, the Prop. 13 tax exemption becomes permanent.</p> <p>The consequence of Prop. 13, intended or not, already is that younger adults pay proportionally more property tax because of more frequent moves for job or family reasons. This measure makes that effect explicit and intentional, which the club does not support.</p>
<p>Prop 6</p> <p>Rollback of Gas Taxes</p> <p>Oppose</p>	<p>Opposed even by the California Chamber of Commerce, Prop. 6 is a cynical ploy by the Republican party to drive turnout in hopes of preventing a flip of the House of Representatives. The measure would repeal gas tax increases enacted by the Legislature as SB 1 in 2017, the first such increase in nearly a quarter century. In doing so, could scrap hundreds of thousands of jobs for those who would fix the roads. Faces near-uniform opposition from newspapers, civil engineers, firefighters and highway patrol officers across the state. (We expect front-end alignment shops would be in favor.)</p> <p>All Californians, whether drivers or riders, know how shoddy the state's roads are. Prop. 6 not only slashes transportation funding by \$5 billion annually (Legislative Analyst estimate), it also requires all future fuel and vehicle taxes to go to the ballot. This is gridlock by all definitions of the word.</p>
<p>Prop 7</p> <p>Daylight Saving Time</p> <p>Support</p>	<p>Proposition 7, a legislatively referred statute, allows California to establish all-year daylight saving time (DST) if the Federal government would permit it by changing existing law <i>and</i> if 2/3 of each house of the Legislature approves. It would repeal an existing California law (an initiative statute passed by the voters in 1949) so that the Legislature could consider permanent DST. California has had no fewer than four elections on various permutations on DST in the last 90 years (1930 and 1940 initiatives were defeated; a 1949 initiative passed as was a 1962 legislative referral statute extending DST by a month).</p> <p>The effect of this measure is limited, allowing a supermajority of the legislature to establish permanent DST if there's popular support for it, assuming the Federal government eliminates preemption.</p> <p>This procedural measure reserves to the Legislature the power to consider the arguments <i>for</i> and <i>against</i> all-year DST, if Congress and the President agree, that the Legislature passed by substantial majorities (2/3 in the Senate and 85% in the Assembly). The nominal opposition came from both parties.</p>

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<p>Prop 8 Regulation of Kidney Dialysis Clinics</p> <p>Support</p>	<p>Caps revenue of kidney dialysis clinics; requires refunds over the permitted amount. Initiative statute, placed by signatures.</p> <p>This measure would require kidney dialysis clinics to refund to patients, or their health insurers, revenues in excess of 115% of the clinics' direct patient services costs. It was placed on the ballot after a signature-gathering campaign by SEIU-UHC West, a healthcare workers' union that is trying to organize employees in California's two main dialysis firms, DaVita and Fresenius Medical Care, the state's major dialysis businesses.</p> <p>Currently, patient care suffers because the firms' profits are at 17% of revenues, nearly five times the profits of hospitals. Dialysis costs about \$150,000 per year; according to Blue Shield of California, it takes 3,800 enrollees to cover the cost of a single dialysis patient, thereby raising rates for all.</p> <p>Dialysis clinics have an effective monopoly in California. This market power is used, as is often the case, to raise prices and profits at the expense of clinic workers, patients, and their insurers.</p> <p>The California Labor Federation and the California Public Employees Retirement System are in support.</p>
<p>Prop 9</p>	<p>(Removed by court order)</p>
<p>Prop 10 Expanded Rent Control Authority</p> <p>Oppose</p>	<p>The renter vs. landlord argument is one that drives many a bar fight in our fair City. The club was not so divided, opposing Proposition 10 by a wide margin.</p> <p>The measure would repeal the Costa-Hawkins Act, which tightly restricts cities' ability to enact rent control. With its repeal, opponents warn - and proponents hope - that much more expansive rent control could come to San Francisco and other cities with progressive governance. Nothing in this measure requires enacting rent control; it only allows cities to do so.</p> <p>Rent control is but one of many distortions on the property market. Repealing Costa-Hawkins is permissive, not prescriptive. And Costa-Hawkins itself introduced distortions and loopholes. But the political repercussions in San Francisco would be profound, reaching far beyond this single law.</p> <p>As a good-government matter, policy like this belongs in the halls of legislature, not on the ballot. The club opposes Prop. 5 because it would make a market distortion much bigger. The same argument can apply to Prop. 10.</p>
<p>Prop 11 Private-Sector Ambulance Work Rules</p>	<p>The club did not endorse on this measure.</p>
<p>Prop 12 Rules on Confinement of Farm Animals</p>	<p>The club did not endorse on this measure.</p>