2020 City Council Candidate Questions

CITY GOVERNANCE

What is your position on Proposition 15, the constitutional amendment to require commercial and industrial properties to be taxed based on their market value, rather than their purchase price?

PAT BURT
I support Prop 15.

REBECCA EISENBERG
I am an official, trained spokesperson for Schools & Communities First, now known as Prop 15! I have been a supporter of this measure for years that it was in the making, and you can find my name on its official list of endorsers. (yes15.org)

Prop 15 will close commercial property tax loopholes and end shady schemes that big corporations and the wealthiest few have used to avoid paying their fair share of property tax. It will reclaim $12 billion for public schools, and local communities, with iron-clad protections for renters, residential homeowners, agricultural land, and landlords. It also exempts small businesses from reassessment, and even provides badly-needed tax relief to small businesses, who are hit so hard by this pandemic. With the $23 million Palo Alto will receive from Prop 15, we can invest in affordable housing, and help repair the damage done this year to our city services.

Prop 15 is badly needed to conform Prop 13 to voter expectations when they enacted Prop 13. Studies make clear that the majority of voters who enacted Prop 13 did so to protect residents, and had no idea that the property tax exemptions designed to allow people to age in their homes, also would apply to corporations! Voters did not intend to give businesses, which have no natural life, exemptions from property tax. Rather, most voters expect businesses who own valuable property to share the burden of paying for city services with the residents.

Before this loophole, corporations used to contribute 70-80% of property tax revenues to fund public schools and community services. Now it is residents that pay the vast majority of property tax, while billionaire commercial real estate investors -- many of whom are located outside the state and even outside the country! -- pay virtually nothing. This injustice is bankrupting our public schools, harming our communities, and lowering the quality of life and even property values for residents.

I hope you will join me in voting for this extraordinarily important California Proposition in November: Prop 15.

LYDIA KOU
I have not completed my research and analysis of Proposition 15. I support ending the abusive property transfer loophole and I support having a “split tax roll”. Since Prop13, the burden of property taxes has dramatically shifted from commercial properties to residential properties. But I worry about unintended consequences. I have concerns about Prop15 harming small businesses, many of which are community-serving. The proposition claims to exempt small businesses but defines them as having property worth less than $3 million. At today’s real estate prices, that is not much. And it provides no protection for even tiny businesses that rent space in larger buildings: The owner of that building won’t be exempted and will pass on the tax increases to the tenants. One of the big beneficiaries of Prop13 has been owners of apartment buildings because they tend to be rarely sold. I haven’t seen an analysis of how much of a tax increase the profit margins of owners of apartment buildings could absorb without forcing rent increases. However, I reject some of the
claims made by the prominent Prop15 opponents and am very suspicious of the others – they seem to be slogans not backed by credible analysis.

ED LAUING
I am in support of Proposition 15.

STEVEN LEE
Yes, I support Proposition 15. It's time that business owners begin to pay more of their fair share to support our K-12 public schools, community colleges and the services provided by local governments.

RAVEN MALONE
I support Proposition 15. In a time of budget cuts, this will help ensure that we have the funds to protect our schools and other essential local services.

GREER STONE
I am in favor.

GREG TANAKA
This measure would impose a split roll property tax so that commercial and industrial properties in California would be assessed on current market value. There could be several consequences for the California economy: taxes would become unpredictable for employers that operate in commercial and industrial properties; compliance expenses would increase; taxes would increase significantly for many businesses. The COVID-19 pandemic is impacting our city, state, and federal budgets. The economy will take time to recover, so fiscal pressures will remain for at least the next year. We must manage our newly-limited city resources wisely to ensure that Palo Alto emerges from the pandemic as unscathed as possible. With our economy heading into one of the deepest recessions on record, local businesses are facing major unprecedented challenges. As a business owner, I understand how small businesses are being impacted. From adapting to quarantine restrictions to adjusting to the lockdown lift, to re-establishing their former customer bases and revenues we face an economic recovery that could take up to 10 years. Given the current situation, many local businesses will fail if they don’t receive immediate help, hence the reason why one of my top priorities is to support local businesses here in Palo Alto.

CARI TEMPLETON
The most important tax reform we need right now is to fix corporate property tax loopholes. That’s why I supported the Schools and Communities First campaign, which reforms funding for local government and schooling, to be on the ballot this November. Today, I continue to support it in its current form as Ballot Proposition 15.

AJIT VARMA
I think properties should be taxed on their market value so that all businesses are treated equally, and preferential treatment isn’t provided just because someone has owned a property longer (often by large and wealthy companies). Prop 15 also doesn’t phase in for quite some time which will give businesses more than enough time to recover but if we need more time I would be in favor of delaying enforcement.