

Addressing Budget Challenges to Protect City Services

Like other cities and states across the nation, the impact of the Coronavirus and sudden economic downturn created serious challenges. Santa Monica's economy is closely tied to tourism, with approximately 20% of the City's budget dependent on spending by visitors. As a result, the stay-at-home order had an immediate and dramatic impact on the amount of revenue available to support essential services. Loss of revenues required the City to recently reduce spending by almost 25% and make painful cuts to staff positions and programs.



Economic Recovery and Locally-Controlled Funding for a Strong Santa Monica

City staff are working closely with small businesses, employers and other stakeholders on an economic recovery plan. It will take time for our national and local economy to come out of this pandemic-induced recession. In order to maintain essential City services, additional revenue is needed.

Measure SM: Local Funding Measure for Essential Services

In order to maintain essential services, the City of Santa Monica has placed Measure SM on the November 2020 ballot. If approved by local voters, Measure SM would increase the existing tax on real estate transfers for property sales of \$5 million or more. The tax is a one-time charge, customarily paid by sellers in real estate transactions. The current transfer tax rate in Santa Monica is \$3 per \$1,000 of sales value, lower than neighboring cities.



Measure SM would increase the rate by . \$3 (only on sales of \$5 million+) and generate an estimated \$3 million/year in additional funding which could be used to:

- Keep public spaces including parks, beaches, beach restrooms, clean and safe
- Preserve homelessness prevention planning and programs and services that have been successful in reducing homelessness
- Protect tenants and seniors at risk of losing their housing
- Provide afterschool programs and mental health support for youth
- Maintain public safety and emergency response service times
- Re-open neighborhood libraries and restore library programs
- Promote economic recovery and help small businesses re-open safely
- Restore maintenance programs for city streets, sidewalks and alleys, and maintain trees
- Provide food programs, including Meals on Wheels

All funding from Measure SM would stay here in Santa Monica and could not be taken by the State or County.

Contact Finance.Mailbox@smgov.net to share your thoughts or with any questions you may have.

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