

Exercise:

San Francisco

The San Francisco of today has a rich and colourful history, starting in 1776, when it was founded by colonists from Spain, through The California Gold Rush of 1849, to being rebuilt after the 1906 earthquake and fire. In all this time it has seen some dark days, but none darker than the present. It became famous as the home of technology with its Silicon Valley, and the relationship the city has with this industry is the cause of all the pain, because of a proposal to levy a 'tech tax' on the companies that have fueled the city's transformation into a place that is increasingly uninhabitable for people on low or medium incomes.

Under the plan, large tech employers in the city, potentially including Google, Twitter, Uber, Airbnb and Salesforce, would be required to pay a 1.5% payroll tax. The estimated \$120m in annual revenue would be used to fund affordable housing and services for the city's large homeless population - 57,4% of homes there are worth more than \$1m, but hundreds of people sleep in tents on the street every night.

The rapid tech boom in the city threatens its ability to thrive and prosper because every week brings new outrages, whether it's the tenant in North Beach who, it emerged this week, received a notice informing him that his rent was increasing from \$1,800 a month to \$8,000, or the kindergarten teacher whose building was bought by two tech workers and, it was revealed this month, is now facing eviction for nuisance violations that include using appliances.

The city is deeply divided politically between technological evangelists who believe passionately in an industry that has spurred the local economy and made the already rich even richer, and others who believe the sector's recent encroachment into the city is responsible for erasing the city's rich culture and sparking a housing crisis.

Meanwhile, more than a few tech workers have gained viral notoriety for anti-homeless **screeds**, such as a February 2016 open letter that included the complaint, 'I shouldn't have to see the pain, struggle, and despair of homeless people to and from my way to work every day.'

A seminal moment came in 2011, when homegrown Twitter threatened to decamp somewhere cheaper and more business friendly. The city responded, first by offering a payroll tax break to companies like Twitter that located in its rundown Central Market neighborhood, and then by phasing out the payroll tax altogether and replacing it with a gross receipts tax - a popular change for tech companies that often have large workforces before they have any revenue.

The companies that took advantage of San Francisco's tech-friendly incentives were, back then, just getting started. Today, that same stretch of the city, where Twitter put down roots, now hosts companies (Uber, Spotify, Dolby, Square, Zendesk, Yammer) whose valuations collectively approach \$100bn. Silicon Valley natives like Google, LinkedIn, and even Apple are rapidly expanding into the city too.

The tech tax would partially turn back the clock, bringing back the 1.5% payroll tax, but only for tech companies. But surprisingly, the proposal has met with fierce resistance. The city's tech, political, and media establishment have savaged the proposal, and its mayor called it a 'job-killing' measure that would 'return this city back to the days of the Great Recession'. The San Francisco Chronicle called the tax 'a dangerously dumb idea' that is 'profoundly reckless and self-defeating'.

This debate, when it comes, will sharpen the divide between the two different San Franciscos, and there are few places that divide is more visible than the headquarters of Twitter - a 1937 art deco building in a neighborhood with a high concentration of low-income residents, many of the city's nearly 7,000 homeless people, and single-room occupancy residential hotels that still advertise that their televisions are colour.

A female Google employee stood on the sidewalk one afternoon recently, a block from Twitter HQ, distributing free hot dogs and watermelon to a cluster of homeless and poor people. The food was leftover from an event organized by HandsOn Bay

Area, a group that coordinates volunteer activities for corporations. When asked about her work she preferred not to be identified because the company frowns upon its employees speaking to the media.

Down the street, **millennials** were hunched over laptops in the Twitter HQs plaza. What once was an alley providing access to a wholesale furniture marketplace has been transformed into a pedestrian plaza with an Astro turf lawn, reclaimed wood boardwalks, a gas-fueled fire pit, and a glass gate that can be locked at night. Watching over it all was Robert Shields, a security guard who lives in a residential hotel and says he is worried about getting evicted. His job is pretty simple, he said, and mostly involves keeping homeless people out. The irony is that a guard paid to discourage the homeless is terrified of being evicted. The rich past this city has surely merits a better future and a little more human compassion.

The Guardian

The Questions

1) What is the writer trying to explain with this text?

- A) That companies in Silicon Valley don't want to pay tax.
 - B) That homeless people should be removed from San Francisco.
 - ☒ C) That the influx of rich people has generated a housing problem.
 - D) That the mayor is against the tax because it will affect his re-election.
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2) What, according to the writer, are the objectives of the people who advocate this plan in the second paragraph?

- ☒ A) To raise enough money to build homes for the homeless.
 - B) To finance community projects.
 - C) To pay for keeping homeless people away from the tech area.
 - D) To pay the homeless to move to another city.
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3) The writer uses the word **screeds** in the fifth paragraph to

- A) refer to some laws.
 - ☒ B) refer to some speeches.
 - C) refer to some advertisements.
 - D) refer to some internet jokes.
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4) Why, as the writer suggests in the sixth paragraph, did the city levy a receipts tax rather than a gross payroll tax in the past?

- ☒ A) Because startups had large numbers of employees but limited sales.
 - B) Because the city wanted to encourage investment.
 - C) Because the city wanted to encourage development of a rundown area.
 - D) Because the city wanted to reduce unemployment.
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5) What possible consequences of this proposed tax is the city's mayor afraid of, as articulated by the writer in paragraph 8?

- A) Huge layoffs leading to high unemployment.
 - B) Legal action against the city.
 - ☒ C) A reduction in competitiveness of some local companies.
 - D) The relocation of some major employers to another state.
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6) The writer uses the term **millennials** in the last paragraph to refer to

- A) a group of people with a lot of money.
 - ☒ B) a group of people with similar ages.
 - C) a group of people with computer skills.
 - D) a group of people who speak the same language.
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