



City Council Rescinds Jobs Tax

JOBS Coalition plans to work with the City Council and Mayor to develop a sustainable and effective affordable housing financing plan

SAN DIEGO (March 4, 2014) --- The San Diego City Council voted unanimously today to rescind the jobs tax.

“The City Council heard the voices of small businesses and job creators in San Diego and voted to rescind the jobs tax,” said Jerry Sanders, President & CEO of the San Diego Regional Chamber of Commerce. “We believe housing affordability is a critical issue and we will work with the City Council and the Mayor to find sustainable solutions that do not hurt our local economy in the process. It’s important to note that both sides need to work together to find a solution that is best for San Diego.”

Numerous members of the Coalition told the City Council they stand ready to work collaboratively to create a comprehensive plan to fund affordable housing in San Diego.

“In order to be the world-class city we all know San Diego can be, the city needs affordable housing, but it also needs to foster affordable manufacturing and job creation policies,” said Mark Cafferty, President & CEO of the San Diego Regional Economic Development Corporation. “Now that the City Council has decided to rescind the fee, I am confident we can find a sustainable solution to subsidized housing that will also safeguard our local economy. Together, we can make San Diego a better place for both businesses and residents.”

Joe Panetta, President & CEO of Biocom, said: “Biocom thanks the City Council for listening to the citizens of San Diego and rescinding the jobs tax. At a time of increasing regional and global competition for life science companies, the City of San Diego cannot be creating barriers to companies wanting to come to or expand in San Diego.”

In January, the JOBS Coalition turned in nearly 53,000 signatures it collected in less than 30 days from San Diego voters, signifying significant public opposition to the jobs tax. Once the signatures were verified, the City Council had to either vote to overturn its decision to tax job creators by 375 to 750 percent, or put the issue on the ballot for voters to decide.

The JOBS Coalition announced in December it would work to overturn a decision approved by a 5-4 majority of the San Diego City Council to significantly increase the jobs tax. Supporters called it a “linkage fee” because of the so-called link between some jobs and subsidized housing paid for by the tax. The Coalition called it a jobs tax because businesses of all kinds — both large and small, as well as



nonprofits, hospitals and private educational institutions — would have faced an additional tax on all new business development, expansion and some remodeling.

No other city in San Diego County charges a similar tax, which is why several neighboring cities began courting Qualcomm and other San Diego businesses when the massive jobs tax increase took effect. If it had not been overturned, the tax would have increased automatically every year without any approval by elected officials or voters.

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About The JOBS Coalition: *The JOBS Coalition is a group representing more than 50 regional organizations and San Diego small businesses that provide thousands of middle class jobs and billions of dollars to the economy, and opposes the Linkage Fee increase. Created in 2011 to oppose a similar increase and support robust funding alternatives that would actually provide a stable source of revenue for affordable housing, the Coalition announced a signature gathering campaign in December to overturn the City Council's decision to raise the jobs tax by approximately 375 to 750 percent.*

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