



A look at Props A, J, and K from the San Francisco November 2004 Election

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Executive Summary

Props A (Affordable Housing Bond), J (Sales Tax Increase), and K (Gross Receipts Tax), supported by the Newsom administration, all lost in the November 2004 ballot. Prop A came close to receiving its supermajority, but Props J and K lost, needing 50% of votes for passage.

A detailed analytical look at the results, using regression analysis with several demographic indicators, shows why these measures lost. Prop A, even though it did well overall, had little support among homeowners and the Asian community. African-Americans supported it strongly. Prop J did not have strong African-American or Latino support, although it did better among homeowners. Prop K most closely resembled a standard left-right San Francisco issue, with homeowners and the Asian community rejecting the tax.

It is unlikely that the defeat of these measures was a 'statement' from the electorate; rather, these measures show that Newsom will have difficulty convincing his base to vote for more 'liberal' tax and housing measures. However, an examination of voting patterns for the California state bonds and tax increases that were on the November 2004 ballot shows San Francisco voters are much more willing to vote for state measures than similar local measures.

Background

The November 2004 election was the second citywide general election since Gavin Newsom became Mayor in 2003. On a personal level, Newsom has become immensely popular with bold moves like legalizing gay marriage, and increased attention to underserved San Francisco communities. However, at a policy level, it remained to be seen whether this popularity translates to electoral success with his stated agenda.

Newsom's first opportunity to use his popularity to sponsor initiatives came in the March 2004 election, with the Workforce Housing Initiative (WHI). This measure attempted to build housing and alter zoning in places like Dogpatch and Downtown. WHI was put onto the ballot with little community support, and it was trounced, losing 70-30%. WHI gained little support from City conservatives, and also among the moderates comprising Newsom's base. It also fared very poorly among the more liberal voters now enamored with him over his social policy decisions.

In a second attempt to further Newsom's agenda through the electorate, Newsom and his staff supported three measures of note on the November 2004 ballot.

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- Prop A, Affordable Housing Bond
 - This \$250 Million Dollar Bond was sold as 1) the companion to Care not Cash, and 2) a measure to increase both rental and owned housing stock. \$90M designated to go to homeless services, \$60M to affordable rental housing creation, \$25M to building new housing, and \$25M to first-time home ownership loans. Prop A had strong support in the housing non-profit and other liberal groups, as well as some moderate support. Prop A needed a two-thirds majority (66.7%) to pass.

 - Prop J, Sales Tax Increase
 - San Francisco is currently in a budget crisis, and Prop J was the first of two tax measures placed on the ballot to raise revenue. If not passed, cuts in City services and employment were promised. Prop J was a straight quarter percent increase in the City sales tax (from 8.5% to 8.75%). While this measure could capture purchases made by out-of-towners, it was also a regressive tax affecting rich and poor alike. Prop J was supported by many liberal groups while receiving a little moderate support as well. Prop J needed 50% to pass.

 - Prop K, Gross Receipts Tax
 - Prop K, which also became known as the Small Business Tax, would have taxed any San Francisco business that made over \$500,000 in gross receipts per year one-tenth percent of its gross receipts – on top of existing payroll taxes. This \$500,000 revenue floor was seen as very low to many small businesses that would have been affected by this tax. Most moderate groups and even many liberal groups opposed Prop K. Prop K needed 50% to pass.

The Newsom administration put forth varying degrees of effort selling these three measures. The Prop A campaign was run somewhat separately, while J and K, for the most part, were taken together as a partial solution to the City's budget problems.¹ Many different groups became involved in the Prop A effort, which faced an uphill battle from the start due to the required supermajority. Moreover, housing is always a contentious issue in San Francisco, especially at the ballot box.

Props J and K were sponsored by the Newsom administration as a way to avoid budget cuts, which would result in service cuts and layoffs. Prop J was never heavily plugged by the administration, while the anti-Prop K effort grew quickly due to the perceived bias against small businesses. In many ways, Newsom's support for some, if not all of these measures appeared to go against his core constituency. This theme was to play out also in Prop A, where some moderate groups objected to the small amount of funds set aside for new housing construction; and in Prop J, where any kind of tax increase bothered many right-of-center voters.

¹ Prop O, a statement of policy only that directed the funds raised from Prop J to go towards the disabled, seniors, children, etc., was often run as a companion to Props J and K. Prop O was brought forth by Supervisor Ammiano (D9).

Newsom’s support of these measures, along with the candidates he supported for School Board and Supervisor, became potentially a second test of his popularity and the coattails effect.

Results

All three measures were defeated. Table 1 shows the vote total for each measure.

Table 1: Citywide Results for Props A, J, and K

Measure	Required for Passage	Percent Voting ‘Yes’
A	66.7%	64.2%
J	50%	41.9%
K	50%	45.3%

Prop A came the closest, narrowly missing passage by 2.5%. For any other measure not requiring a supermajority, it could be said that Prop A did quite well. Unfortunately, because it was a bond measure, it did not do well enough. Prop J did the most poorly, which was somewhat surprising, considering its criticism was more muted than that of Prop K, which lost by 4.7%.

Given the defeat of all three measures, several questions need to be asked:

- Who voted for and against the three measures?
- Was the electorate making an anti-Newsom statement, or did each measure lose on its own for different reasons? Perhaps no tax or bond measure could have passed this year, given the faltering economy.
- What implications does this have for future tax and/or housing measures?

Through these analyses, I can really only answer the first question and make some educated guesses as to the second and third. Without published exit polling, it is only speculation to attach motives to the voting patterns of certain demographic groups. Similar to prior analyses, I leave it to other experts to interpret most behavioral patterns.

Here, I analyze the results of all three measures; from a citywide perspective and also from a more local (district) perspective. The election results dataset is from SF Department of Elections, and I created the demographic dataset in the summer of 2004. It is important to keep in mind that the data points for the analyses are precinct vote totals, not individual voter preferences gleaned from poll data. For a discussion of the analytical advantages and disadvantages of using these data, as well as the methodology of using the demographic dataset, please see “Correlation of San Francisco Precinct-

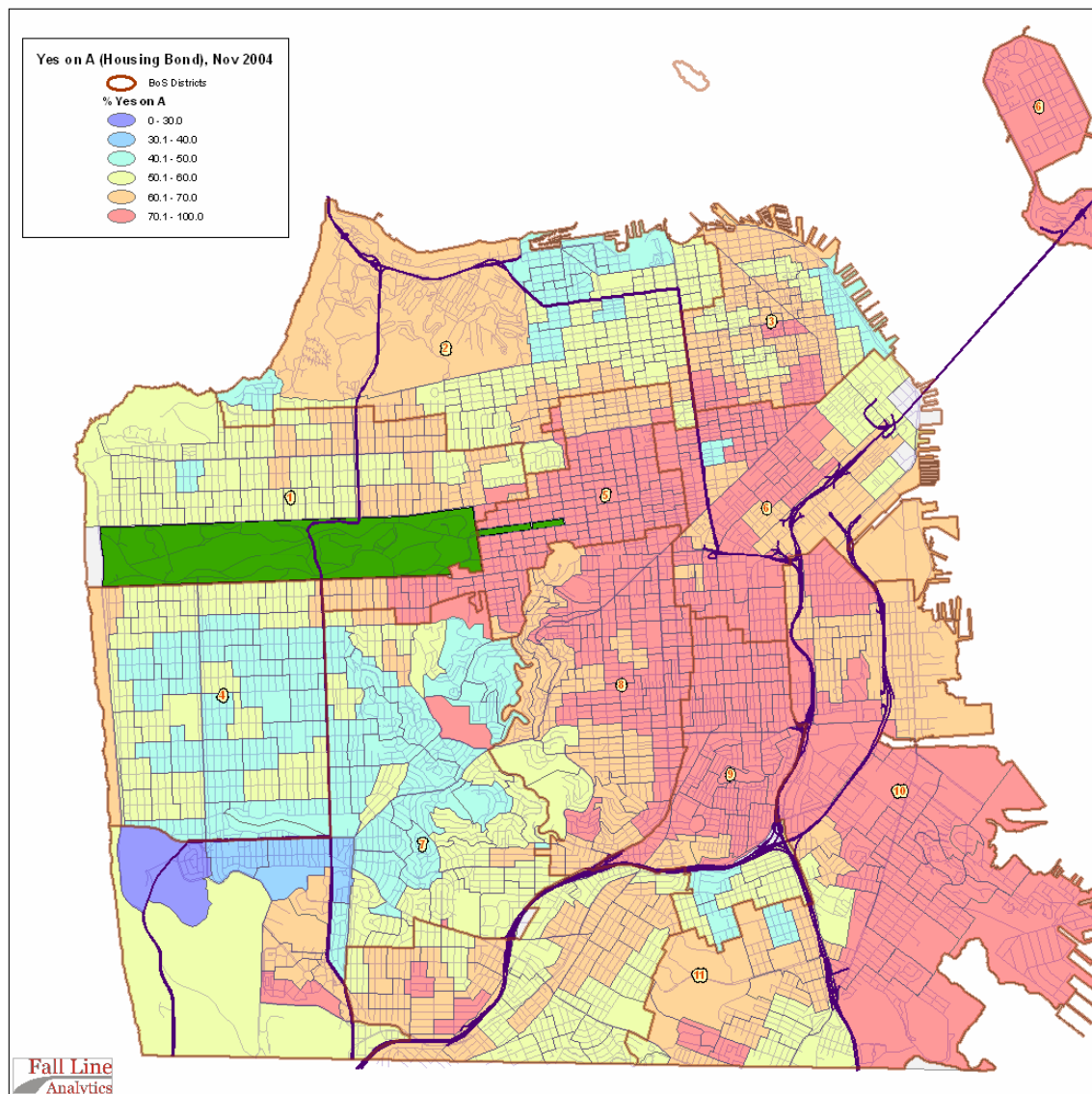
Level Demographic Data with DeLeon's Progressive Voter Index", available on Alex Clemens' *SF Usual Suspects* website.²

Analysis

Prop A

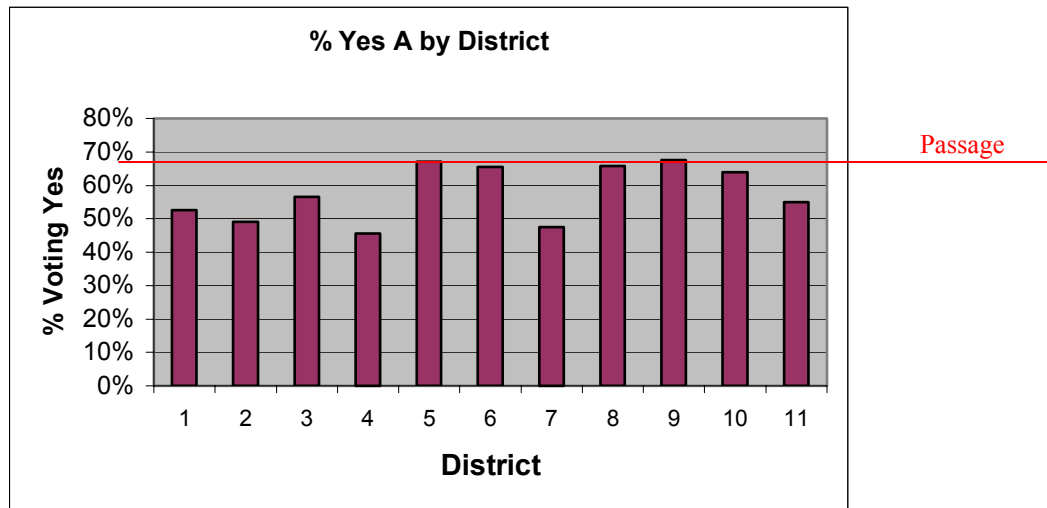
The housing bond came very close to passage. In order to receive 64% of the vote, it gained support from both liberals and moderates. Figure 1 is a map showing the vote distribution of Prop A. Figure 2 shows the breakdown of vote by district.

Figure 1: Map showing percent yes on Prop A by precinct



² <http://www.sfuusualsuspects.com/Latterman/Latterman%20PVIDemographic%20Correlations%20and%20Analysis1%20Jul%2004.pdf>

Figure 2: Chart showing district vote of Prop A



As is evident by Figures 1 and 2, Prop A did well in the traditionally liberal areas of San Francisco: D5, D6, D8, and D9. Prop A also did quite well in D10, especially in the largely African-American community. Where Prop A did not do as well was in the more conservative areas of D2, D7 (West of Twin Peaks), and somewhat surprisingly the Sunset. These areas are considered Newsom strongholds.

Figures 3 and 4 show the correlation to the Yes on A vote to the Progressive Voter Index (PVI), and to the 12/03 Newsom vote, respectively.³ There is a strong inverse correlation to the Newsom vote and a strong positive correlation to PVI. The clear anomaly to this trend is D10, which indicates Bayview/Hunters Point African-Americans voted for Prop A in higher proportions than would be expected given past voting trends. D5 African-Americans, in Western Addition and Hayes Valley, also voted in high numbers for Prop A, but they typically vote more liberally than the BV/HP community anyway.

³ PVI is Prof. Rich DeLeon's metric for the San Francisco liberal-conservative political continuum, assigned by precinct, based on past voting patterns. The lower the value, the more 'conservative' the precinct is. Please see Prof. DeLeon's work on SF Usual Suspects for a description and analytical details on this index.

Figure 3: PVI vs. percentage Yes on A (n=561, $R^2 = 0.79$)

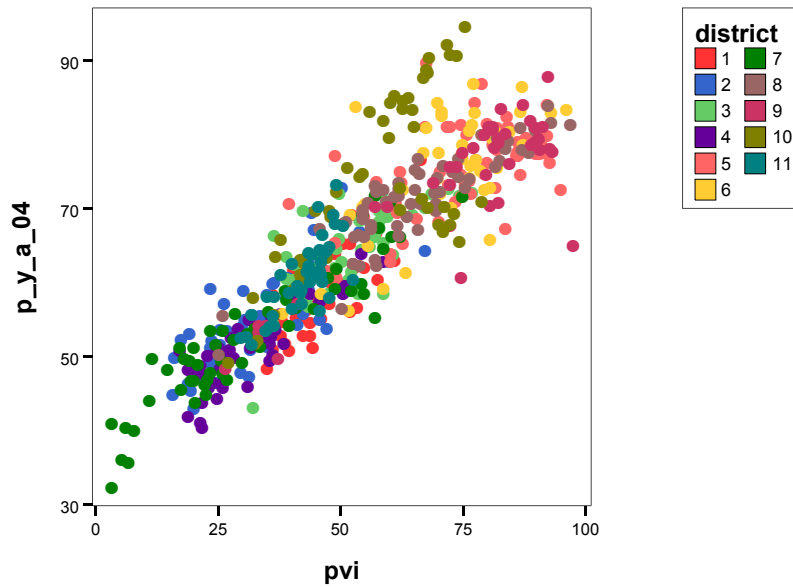
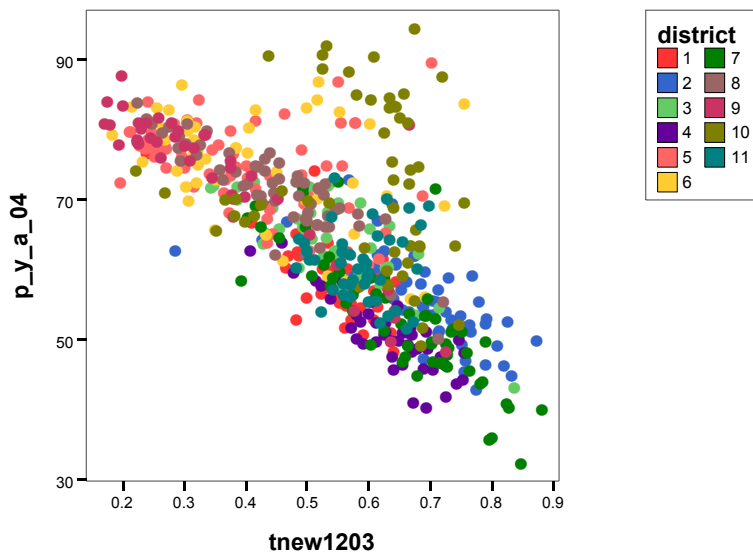


Figure 4: Percentage vote for Newsom in 12/03 vs. percentage Yes on A (n=571, $R^2 = 0.52$)



A more detailed way to examine which demographic groups in particular supported – or did not support – Prop A is running a relatively simple Ordinary Least Squares (OLS) regression model. I examined many models and sets of variables before settling on the one I choose here, since the idea was to keep it simple while discovering the essence of

support for various San Francisco measures. I also wanted to use the same set of variables for each of the three measures for consistency, even though one cannot really directly compare the results from one model to the other.

It is assumed the reader has some basic familiarity with reading OLS output tables. The B coefficient for each demographic (second column) is the ‘predictor’ for that demographic in the model. If it is negative, that demographic is negatively correlated with the dependent variable (the percent vote on the propositions), if B is positive, then the variable is positively correlated with the dependent variable.

Here, I provide the model summary and the coefficient table for each model (I exclude the ANOVA table). Then, I chart the coefficient and its 95% confidence interval for each demographic variable for easier reading. The residual plot and normal probability plot for each model are included in the Appendix. Table 2 shows the variables I use in the OLS model for each proposition.

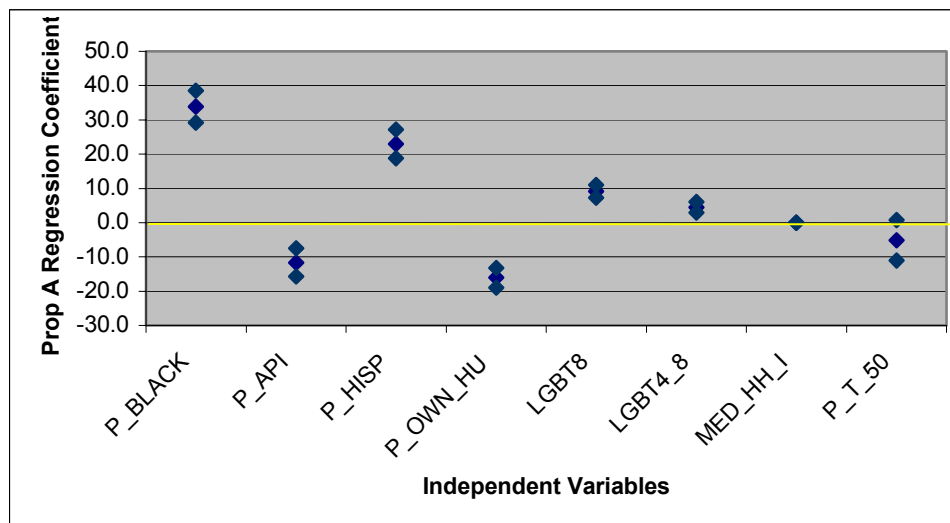
Table 2: Variables used in OLS models, taken from the 2000 U.S. Census

P_BLACK	Precinct percentage of blacks
P_API	Precinct percentage of Asians/Pacific Islanders
P_HISP	Precinct percentage of Hispanics (as defined by the Census, race irrespective)
P_OWN_HU	Precinct percentage of owned housing units
LGBT8	Precinct dummy index of households with > 8% same-sex partners (high LGBT population)
LGBT4_8	Precinct dummy index of households with 4.5-8% same-sex partners (medium LGBT population)
MED_HH_I	Precinct percentage of median household income
P_T_50	Precinct percentage of people 50 years of age and older

Table 3: Regression model for Yes on Prop A

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate				
1	0.88652034	0.78591831	0.78286546	5.43687415				
a	Predictors: (Constant), P_T_50, MED_HH_I, LGBT4_8, LGBT8, P_HISP, P_BLACK, P_OWN_HU, P_API							
b	Dependent Variable: P_Y_A_04							
Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	76.888	1.782		43.137	0.000	73.387	80.389
	P_BLACK	33.870	2.348	0.372	14.423	0.000	29.257	38.482
	P_API	-11.608	2.126	-0.186	-5.460	0.000	-15.784	-7.432
	P_HISP	23.000	2.156	0.262	10.670	0.000	18.766	27.234
	P_OWN_HU	-16.041	1.455	-0.360	-11.023	0.000	-18.899	-13.183
	LGBT8	9.216	0.947	0.209	9.735	0.000	7.356	11.076
	LGBT4_8	4.476	0.781	0.124	5.731	0.000	2.942	6.010
	MED_HH_I	0.000	0.000	-0.253	-6.994	0.000	0.000	0.000
	P_T_50	-5.185	3.002	-0.042	-1.727	0.085	-11.082	0.711
a	Dependent Variable: P_Y_A_04							

Figure 5: Graph showing the coefficients and 95% CI for the Prop A regression model. Higher positive coefficients are more strongly correlated with voting yes on Prop A, while higher negative numbers correlate strongly with voting no on Prop A



Looking at the results, it can be seen that precincts with high African-American and Latino populations strongly supported Prop A, while precincts with high Asian and homeowners percentages did not support Prop A. LGBT precincts supported Prop A more slightly, while older voters did not support Prop A (though the confidence interval is wider). Income seems does not seem to be a controlling factor.

Another way of looking at the results is by using Level of Importance (L-I) indicators.⁴ Here, the coefficients are multiplied by the mean values of the variable. This method reveals the relative importance of each demographic. For instance, although African-American strongly supported Prop A, they are fewer in number than Asians, who did not support the measure. Results are tabulated in Table 4.

Table 4: Level-importance indicators for the regression coefficients of the Prop A model

Variable	Mean (decimal percent)	Level-Importance for Prop A
P_BLACK	0.081	2.743
P_API	0.291	-3.378
P_HISP	0.132	3.036
P_OWN_HU	0.396	-6.352
LGBT8	0.08	0.737
LGBT4_8	0.12	0.537
MED_HH_I (x \$1000)	62.0	-0.008
P_T_50	0.287	-1.488

Looking at Table 4, the most important demographic, relative to its size, is homeowners. They came out strongly against Prop A, as they would have been taxed to support the measure. Other important demographics remain blacks (+), Asians (-), and Hispanics (+).

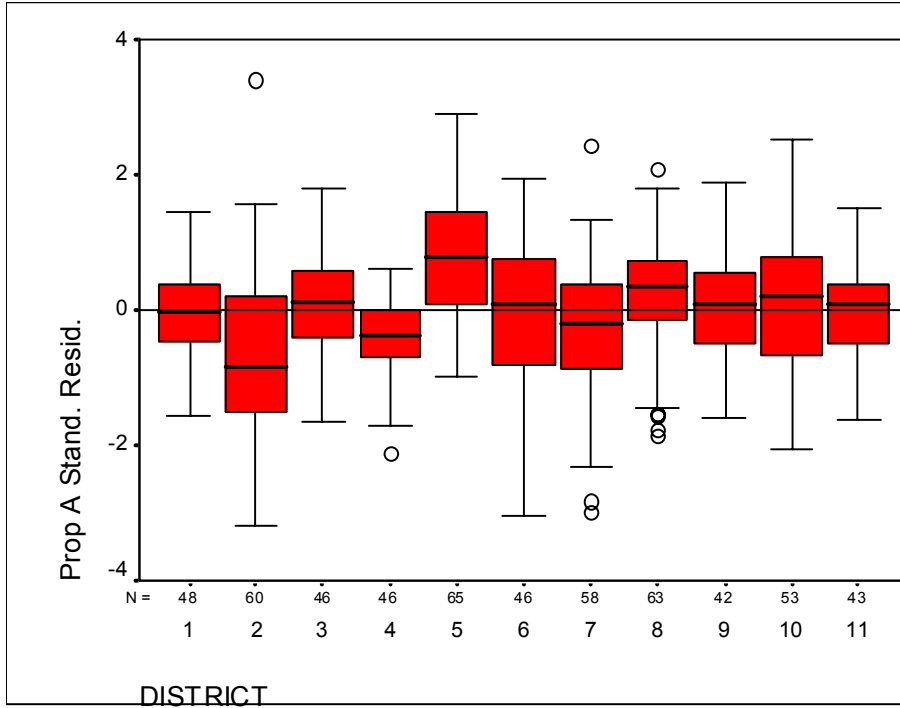
Finally, I examine a boxplot of residuals grouped by district (Figure 6). For each precinct (data point), there is a predicted value given the model and a real value. The residual is the difference. A residual of zero indicates that the model value for how each precinct voted on a ballot measure was the same as the actual value. Grouping values by districts gives some indication of whether the district values – in aggregate – are consistently higher or lower than predicted. This allows us to see how the districts supported Prop A, within the confines of the OLS model.

So in Figure 6, we see districts 2 and 4 have their mean residuals lower than zero, indicating that these districts voted against Prop A in higher numbers than would be predicted by the OLS model. Conversely, D5 voted for Prop A in higher numbers than would be predicted by the model. We see this often with D2 and D5⁵, but this shows that D4 came out more strongly against Prop A than this model, and many analysts, would have thought.

⁴ Thanks to Rich DeLeon, who was gracious enough to send me the details about using this method correctly.

⁵ This can be corrected for in the model itself by using district dummy variables, but they were not used here to more accurately compare the other districts.

Figure 6: Boxplot showing Prop A model residuals grouped by district. D2 is more ‘conservative’ than the model would predict, and D5 is more ‘liberal’. This is typical in these types of analyses. But, note D4 is also more conservative than predicted. The dark black line in each district graph represents the median value, the box represents the interquartile range of the values, the whiskers are the highest and lowest values – except for the outliers, which are the circles.



Prop J

The sales tax measure only received 41% of the vote, losing by a relatively wide margin. This number indicates that more than just the city conservatives voted against it. Figure 7 is a map showing the vote distribution of Prop J. Figure 8 shows the breakdown of vote by district.

Figure 7: Map showing percent yes on Prop J by precinct

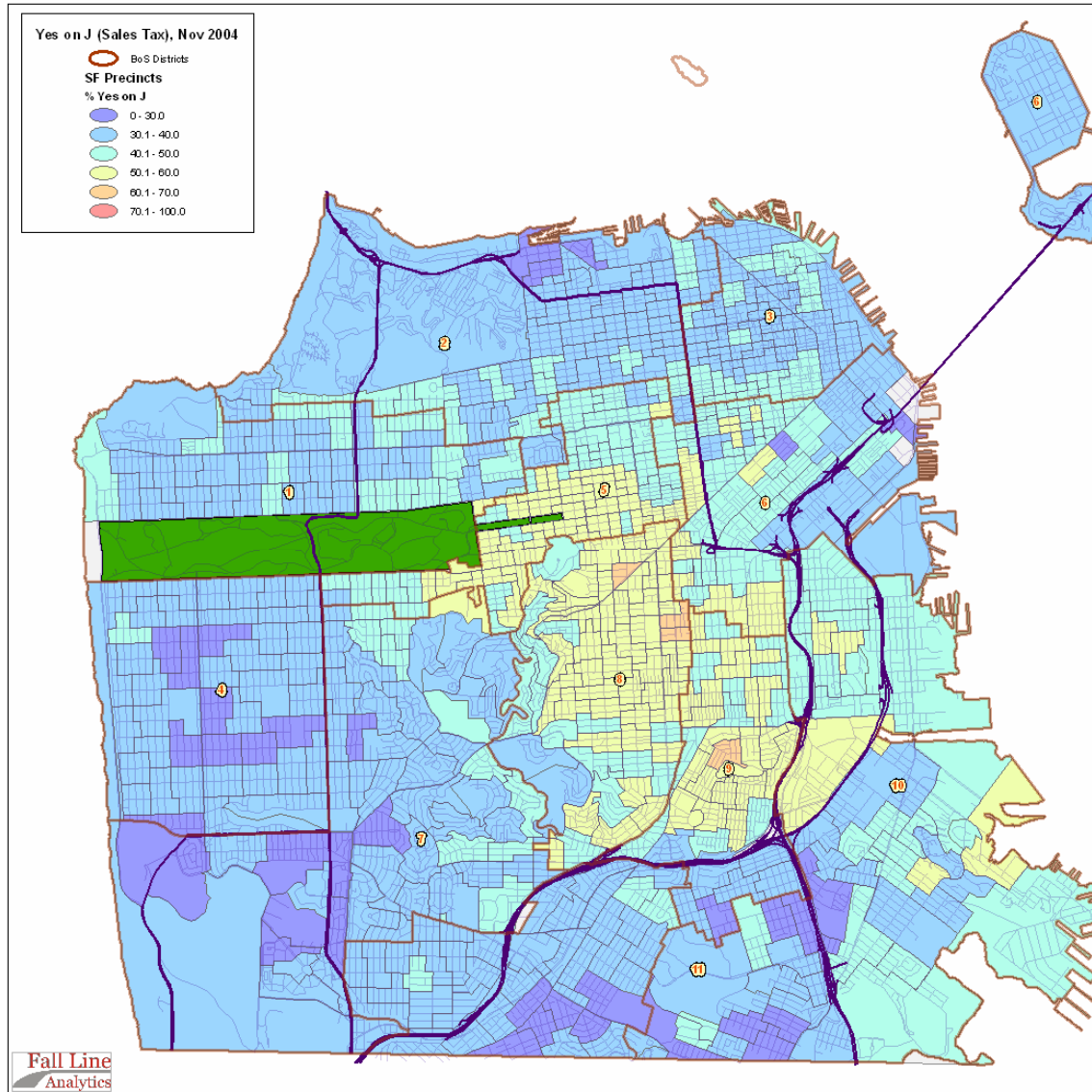
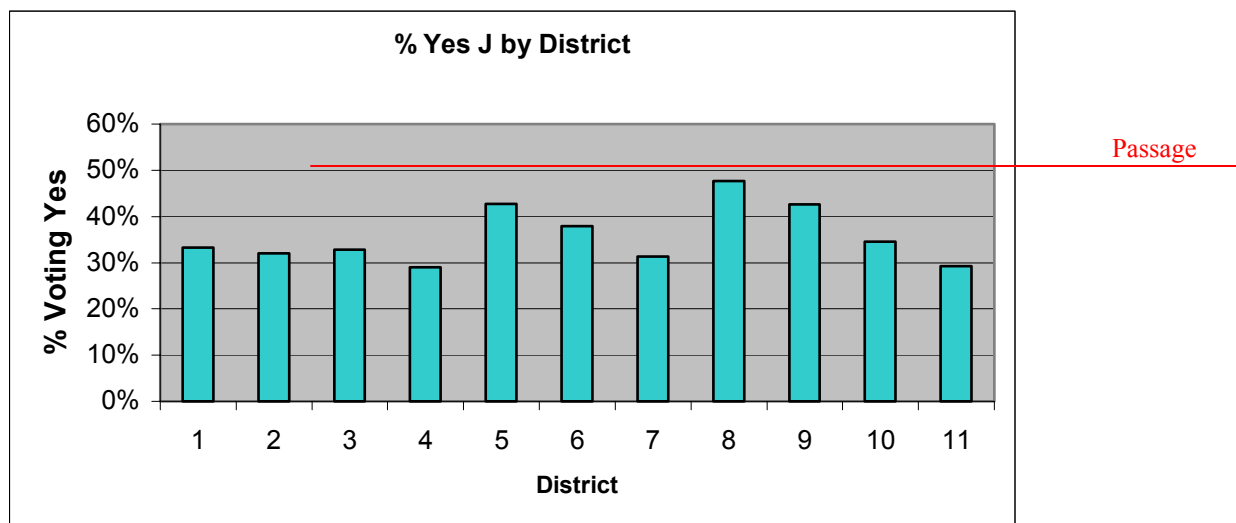


Figure 8: District breakdown of percent Yes on J



Prop J only did marginally well in parts of D5, D8, and parts of D9. Even support there was not as strong as often seen in other measures. One thing that stands out is how poorly Prop J did in D10, and in the African-American neighborhoods in D5. Also, normally D9 is strongly liberal in its voting pattern, but only the Outer Mission voted heavily for Prop J, the rest of the Mission – strongly Latino – did not. As seen in Prop A, D4 voted strongly against Prop J.

Figures 9 and 10 show the correlation to the Yes on J vote to PVI, and the 12/03 Newsom vote, respectively. There is a positive correlation to PVI, but it is not as strong as Prop A ($R^2=0.62$). This generally indicates that there was a significant portion of more liberal precincts that voted against J, even though one would normally associate a tax increase with liberal voters.

The correlation of percent Yes on J to the 12/03 Newsom vote was a clear inverse correlation, but yet more scattered than any of the other correlations presented in this paper. Generally, precincts that voted for Newsom voted against J, especially in D2, D4, D7, and D11, but there were precincts that did not vote for Newsom and also voted against J (D10).

It should be noted that many precincts in D6, D8, and D9 voted over 50% for Prop J, but even these totals were lower than typically seen in the left-right San Francisco continuum.

Figure 9: PVI vs. percentage Yes on J (n=561, $R^2 = 0.63$)

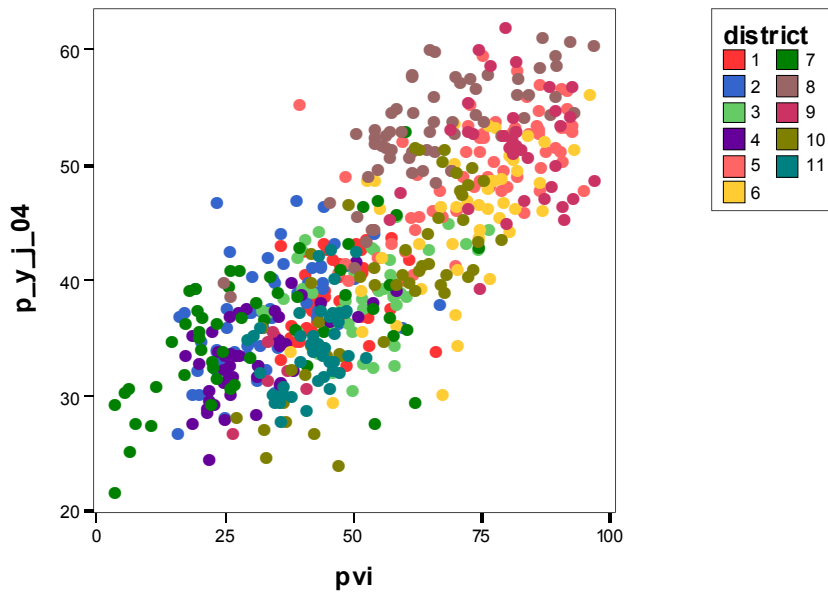


Figure 10: Percentage vote for Newsom in 12/03 vs. percentage Yes on A (n=571, $R^2 = 0.52$)

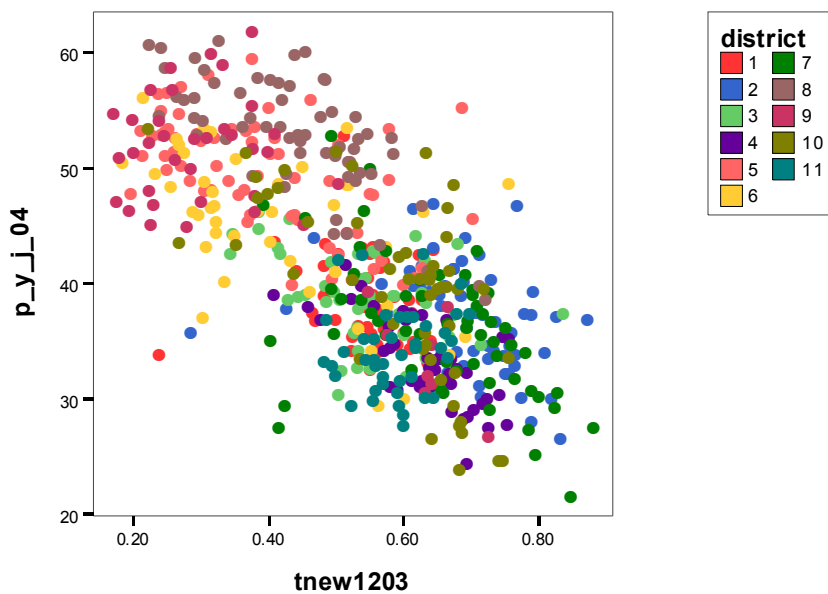
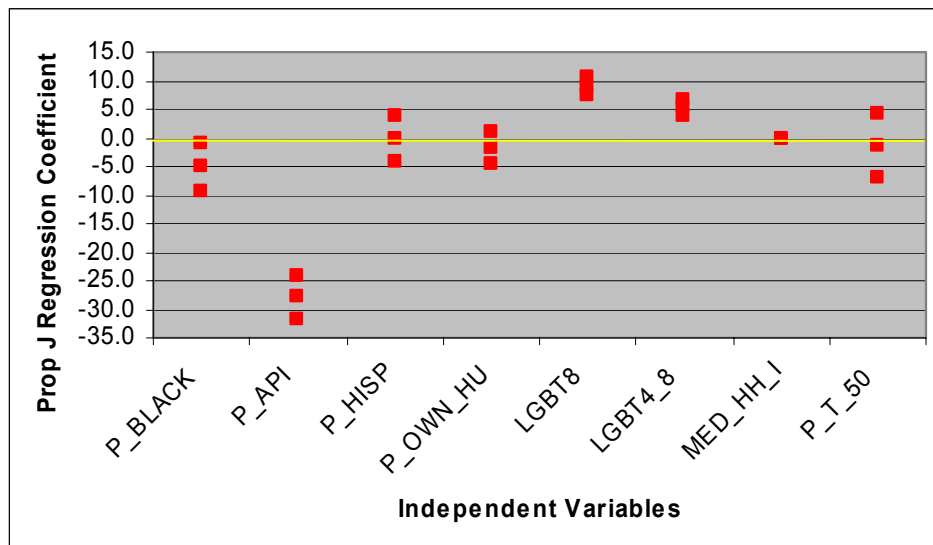


Table 5 and Figure 11 show the OLS regression model for Prop J, using the same variables as the Prop A model.

Table 5: Regression model for Yes on Prop J

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate				
1	0.80493001	0.64791232	0.64289147	5.06129528				
a	Predictors: (Constant), P_T_50, MED_HH_I, LGBT4_8, LGBT8, P_HISP, P_BLACK, P_OWN_HU, P_API							
b	Dependent Variable: P_Y_J_04							
Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	58.548	1.659		35.285	0.000	55.289	61.807
	P_BLACK	-5.197	2.186	-0.079	-2.377	0.018	-9.491	-0.903
	P_API	-27.967	1.979	-0.619	-14.130	0.000	-31.855	-24.079
	P_HISP	-0.124	2.007	-0.002	-0.062	0.951	-4.065	3.818
	P_OWN_HU	-1.816	1.355	-0.056	-1.341	0.181	-4.477	0.845
	LGBT8	8.948	0.881	0.279	10.153	0.000	7.217	10.679
	LGBT4_8	5.323	0.727	0.204	7.322	0.000	3.895	6.751
	MED_HH_I	0.000	0.000	-0.377	-8.127	0.000	0.000	0.000
	P_T_50	-1.377	2.795	-0.015	-0.493	0.622	-6.867	4.112
a	Dependent Variable: P_Y_J_04							

Figure 11: Graph showing coefficients and 95% confidence interval for the Prop J regression model



In the OLS model, one can see that Asians voted strongly against Prop J, while blacks voted somewhat against it, and the Hispanic vote was not statistically significant, indicating a type of neutrality.⁶ This in itself is noteworthy, considering how precincts

⁶ Models DeLeon and I ran omitting the age variable has the Hispanic vote statistically significant, with the B coefficient slightly positive.

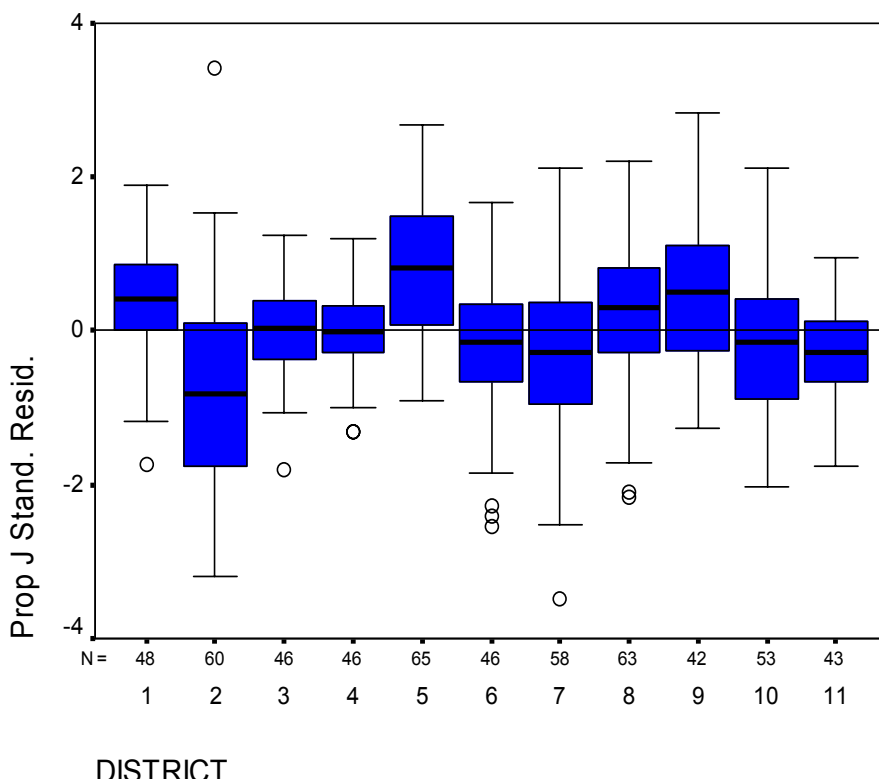
with high Latino populations very consistently vote liberally in San Francisco. Interestingly, the home ownership percentage by precinct had that same neutrality, even though this is well correlative to more conservative stances (i.e., no tax increases). Some moderate groups in the City did endorse Prop J, if not Prop K.

Table 6 is the L-I indicators for the Prop J model, and Figure 12 show the residual boxplots.

Table 6: Level-importance (L-I) indicators for the regression coefficients of the Prop J model

Variable	Mean (decimal percent)	L-I for Prop J
P BLACK	0.081	-0.421
P API	0.291	-8.138
P HISP	0.132	-0.016
P OWN HU	0.396	-0.719
LGBT8	0.08	0.716
LGBT4 8	0.12	0.639
MED HH I (x \$1000)	62.0	-0.009
P T 50	0.287	-0.395

Figure 12: Boxplot showing Prop J model residuals grouped by district.



The L-I Table shows that the Asian vote was crucial in helping to defeat Prop J. Each demographic except LGBT voters was inversely correlated with Yes on J, as well.

Examining the district breakdown from the residuals, we again see that D2 was strongly conservative – even more than it ‘should’ have been, just as D5 was more liberal than would have been predicted. D1 also was more liberal than predicted - surprising given its high Asian population. Other districts hovered around the zero line, meaning there were not other profound discrepancies among the districts. Notice in this case D4 is exactly as predicted.

Prop K

The gross receipts tax measure received 45% of the vote. Despite the fact there was a well-publicized campaign against Prop K, it still fared better than Prop J. Figure 13 is a map showing the vote distribution of Prop A. Figure 14 shows the breakdown of vote by district.

Figure 13: Map showing percent yes on Prop K by precinct

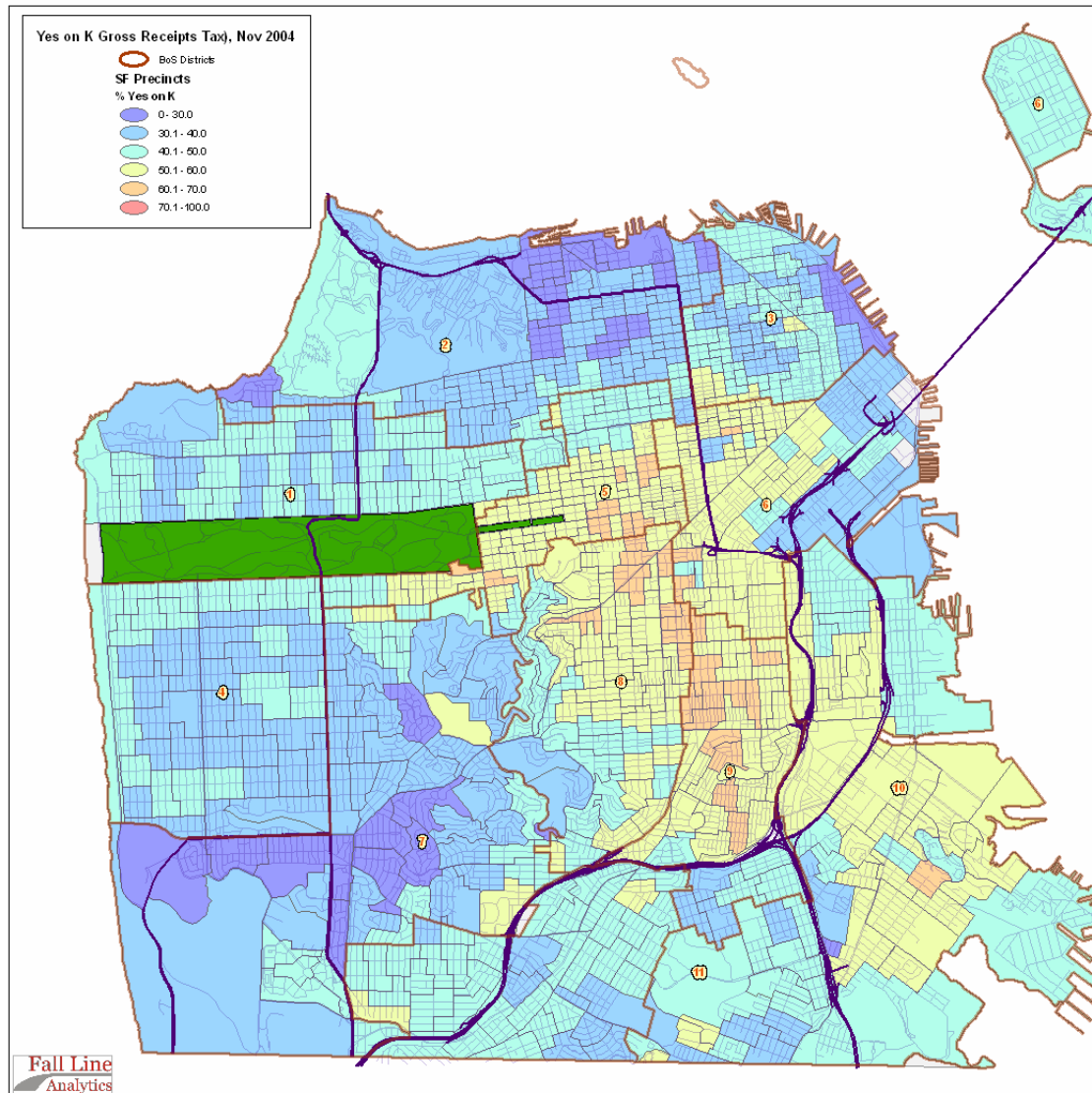
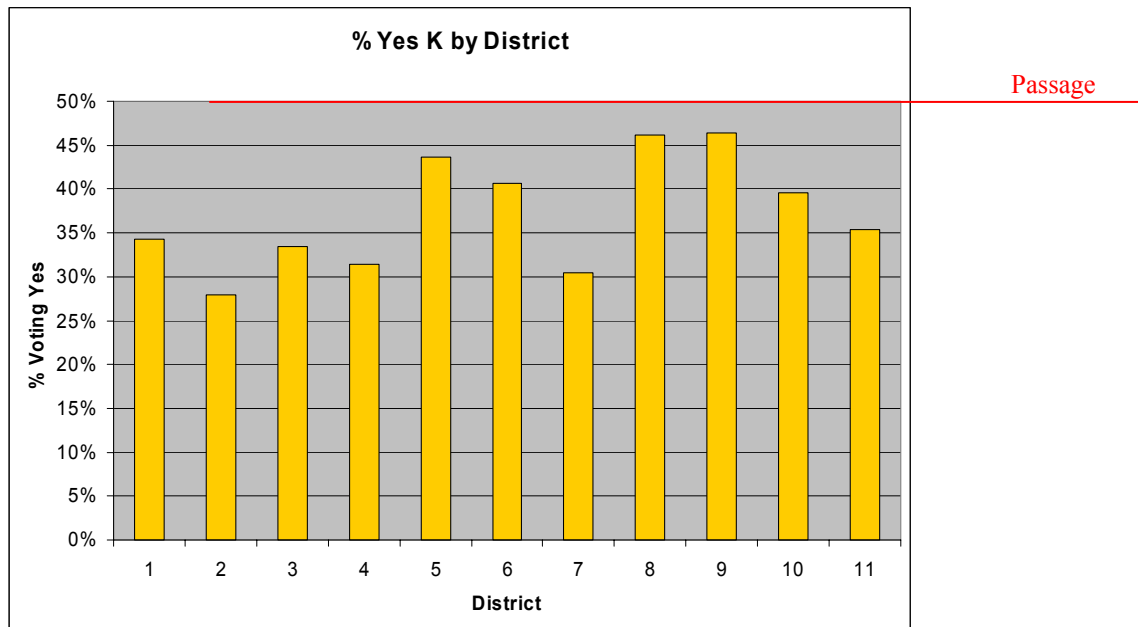


Figure 14: Chart showing district vote of Prop K



The Yes on K map looks similar to that of the Yes on J map, except there is more support for Prop K in D10 and D9. No district supported Prop K over 50%, though it did a little better than Prop J in the traditionally more liberal parts of San Francisco.

Figures 15 and 16 are charts of Yes on K vs. PVI and percentage vote for Newsom in 12/03, respectively. The correlations are stronger than that of Prop J.

Figure 15: PVI vs. percentage Yes on J ($n=561$, $R^2 = 0.79$)

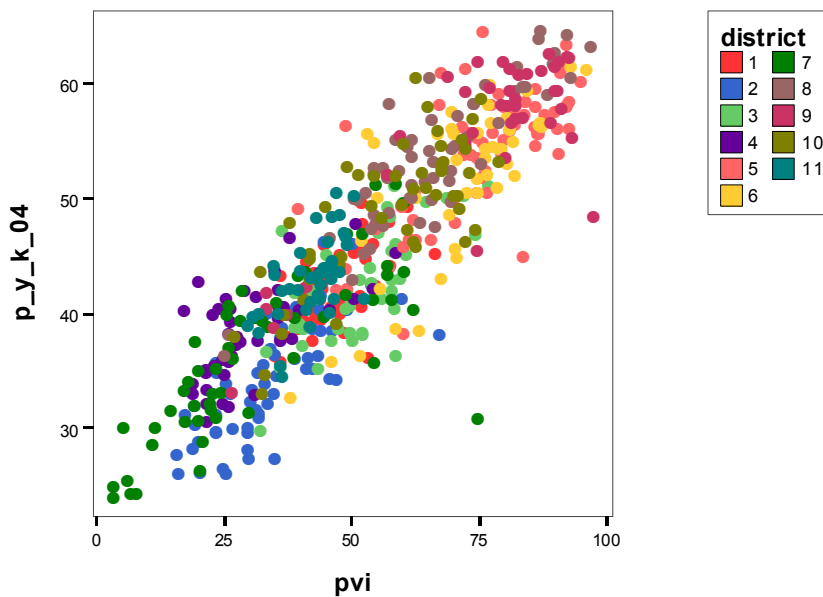
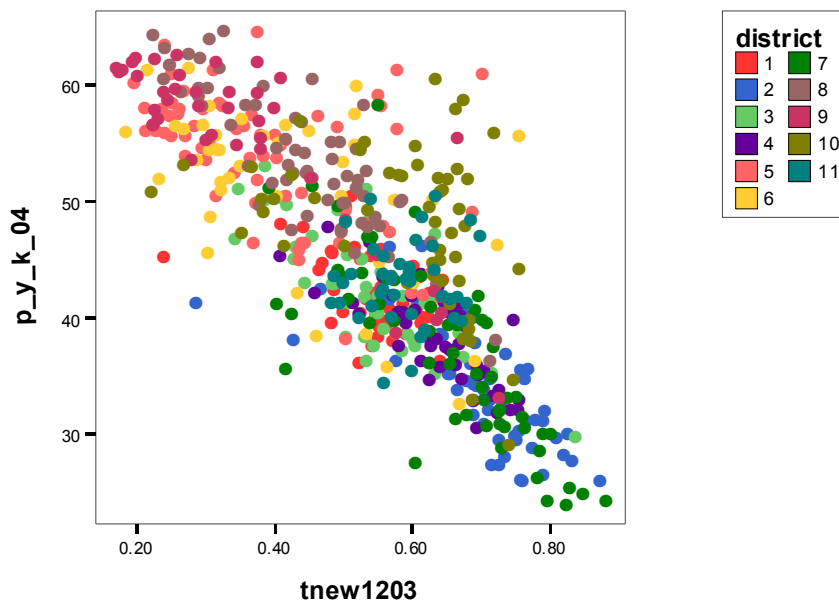


Figure 16: Percentage vote for Newsom in 12/03 vs. percentage Yes on K (n=571, $R^2 = 0.65$)



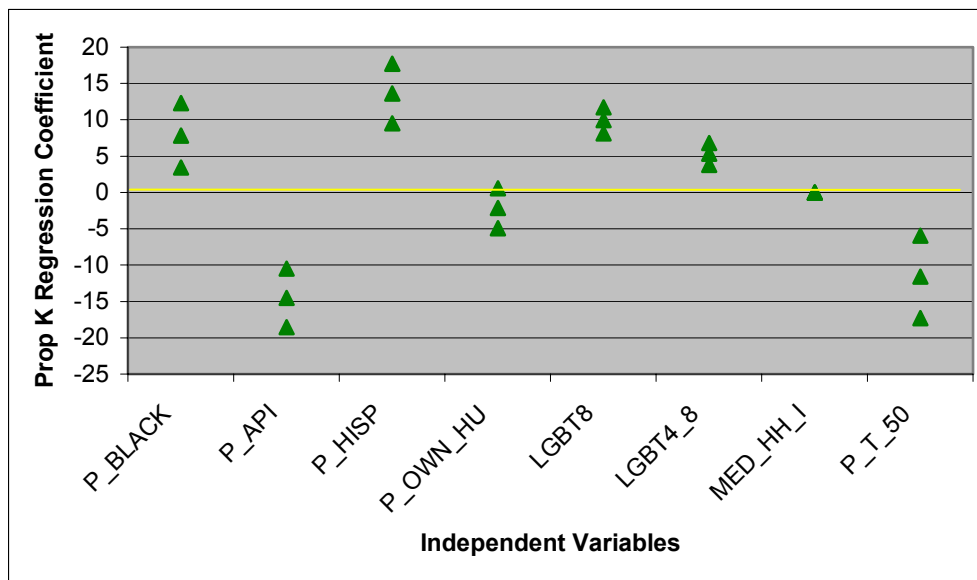
The Yes on K vote lines up pretty well with PVI, along the traditional left-right divide. As with the other measures, Yes on K correlates inversely with the Newsom vote from 12/03. Similarly to Prop A, D10 precincts supported Prop K strongly; at least more strongly than they did Prop J, another tax increase. Of all the measures examined here, Prop K most closely resembles a typical left vs. right voting pattern, well exemplified by the PVI metric.

Table 7 and Figure 17 show the OLS regression model for Prop J, using the same variables as the Props A and K model.

Table 7: Regression model for Yes on Prop K

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate				
1	0.82896829	0.68718842	0.68272765	5.24391582				
a	Predictors: (Constant), P_T_50, MED_HH_I, LGBT4_8, LGBT8, P_HISP, P_BLACK, P_OWN_HU, P_API							
b	Dependent Variable: P_Y_K_04							
Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	62.850	1.719		36.558	0.000	59.473	66.227
	P_BLACK	7.854	2.265	0.108	3.468	0.001	3.406	12.303
	P_API	-14.553	2.051	-0.293	-7.097	0.000	-18.581	-10.525
	P_HISP	13.637	2.079	0.195	6.559	0.000	9.554	17.721
	P_OWN_HU	-2.160	1.404	-0.061	-1.539	0.124	-4.917	0.597
	LGBT8	9.947	0.913	0.282	10.893	0.000	8.153	11.740
	LGBT4_8	5.306	0.753	0.185	7.044	0.000	3.826	6.785
	MED_HH_I	0.000	0.000	-0.513	-11.727	0.000	0.000	0.000
	P_T_50	-11.603	2.896	-0.117	-4.007	0.000	-17.291	-5.916
a	Dependent Variable: P_Y_K_04							

Figure 17: Graph showing the coefficients and 95% confidence interval (CI) for the Prop K regression model



The Prop K vote had voting patterns between that of Prop A and Prop J. For instance, African-American precincts supported Prop K – not as strongly as Prop A, but more strongly than Prop J. Hispanics also supported Prop K more strongly than Prop J. Asians, as we have seen with the other measures, came out strongly against Prop K, as

did older voters. The LGBT precincts supported Prop K by a thin margin. Table 8 shows the Level-importance (L-I) data for the Prop K model.

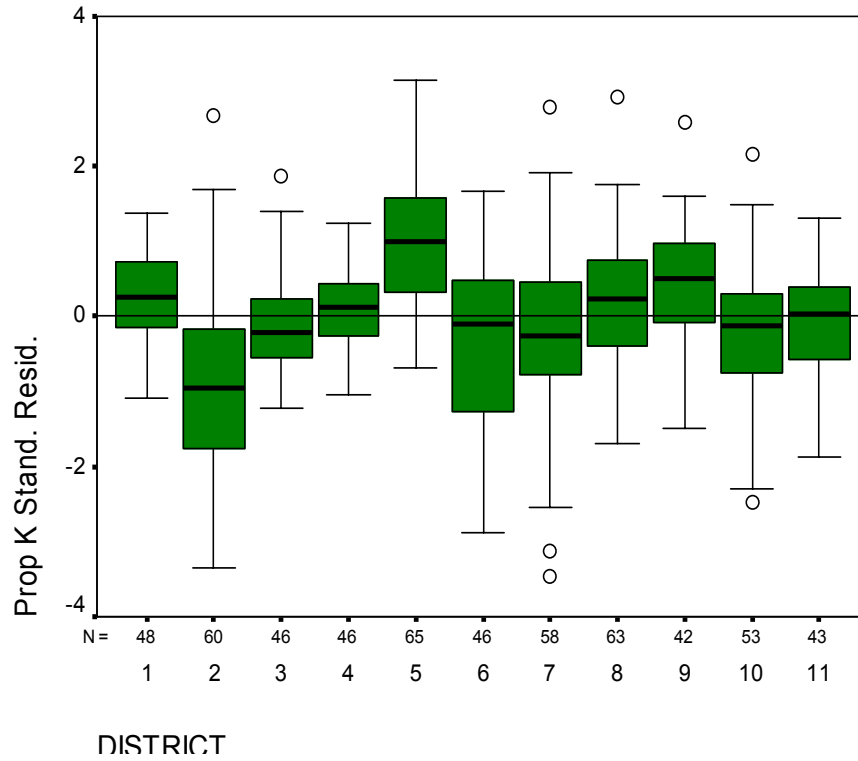
Table 8: Level-importance (L-I) indicators for the regression coefficients of the Prop K model

Variable	Mean (decimal percent)	L-I for Prop K
P BLACK	0.081	0.636
P API	0.291	-4.235
P HISP	0.132	1.800
P OWN HU	0.396	-0.855
LGBT8	0.08	0.796
LGBT4 8	0.12	0.637
MED HH I (x \$1000)	62.0	-0.013
P T 50	0.287	-3.330

The L-I indicators for Prop K reveal that Asian voters and older voters were influential in defeating Prop K. This makes sense considering D4 (Asian) and D7 (older) voted strongly against Prop K.

Figure 18 shows the residual boxplot, to further examine district voting given the OLS model I use. Results are similar to the other measures, in which D2 has a low mean residual and D5 has a high mean residual. Here, D9 comes in a bit higher than the model would predict.

Figure 18: Boxplot showing Prop K model residuals grouped by district.



Discussion

Figure 19 shows the summary district votes for Props A, J, and K, while Table 9 shows the summary Level-importance Indicators from each model.

Figure 19: Summary district vote for each measure

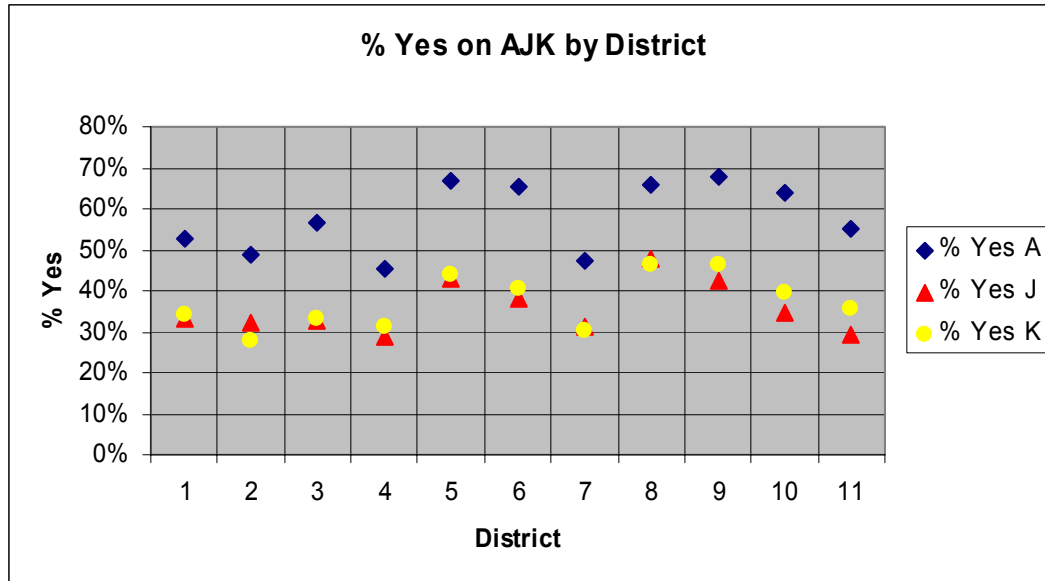


Table 9: Summary table for Level-importance indicators for the OLS model of each measure

Variable	Mean (decimal percent)	Level-Importance for Prop A	Level-Importance for Prop J	Level-Importance for Prop K
P_BLACK	0.081	2.743	-0.421	0.636
P_API	0.291	-3.378	-8.138	-4.235
P_HISP	0.132	3.036	-0.016	1.800
P_OWN_HU	0.396	-6.352	-0.719	-0.855
LGBT8	0.08	0.737	0.716	0.796
LGBT4_8	0.12	0.537	0.639	0.637
MED_HH_I (x \$1000)	62.0	-0.008	-0.009	-0.013
P_T_50	0.287	-1.488	-0.395	-3.330

All of the districts track together well, indicating that, for the most part, the districts voted similarly relative to one another. Prop A saw strong African-American and Hispanic support, but very low homeowner support. Prop J lost support among Africa-Americans and Latinos, only to gain it back for Prop K.

The regressive nature of the sales tax increase may have been one of the culprits for its poor showing among minority voters, who would have been disproportionately hit with the tax. Income, though, had a B coefficient of near zero in all of the OLS models, and I did not attempt to transform the variable. In one-to-one correlations, however, wealthier

precincts correlated well with *No* on Props A and K, but not so much Prop J. Wealthier precincts seemed not to mind as much the sales tax increase, but did mind the gross receipts tax. It is possible wealthier voters frequently work in larger establishments, so they would not have felt the effects of a ‘small business tax’. Many minority voters, though, do tend to work in smaller businesses. More data would be useful to help prove or disprove this assertion.

Asians voted strongly against all three measures. Considering this population was a strong supporter of Newsom, a more concentrated effort to sell these measures to the Asian community may have improved their chances, especially Prop A which only needed an additional two percent. Here, I do not break out the different Asian communities, but that should be considered in future work. It is pretty clear, though, that the D3 Chinatown community votes more liberally than the Sunset, while the Richmond is in between them.

While it seems unlikely that there was a conscious effort to vote against Newsom’s measures, had the Mayor sold these more strongly, at least Prop A and Prop K could have passed. Newsom’s Catch-22 is that his more conservative base will naturally vote against tax increases, and will not want to pick up the tab for additional bonds. Yet, with his popularity, he should have been able to persuade at least enough of his base to push some of these closer measures into passage.

Along those lines, the final thing I examine is how San Francisco *neighborhoods* voted for the **state** tax increases and bonds, compared to how they voted for Props A, J, and K. I choose neighborhoods because they are smaller and more distinct than districts, at least at the general level. Neighborhood delineations are taken from the SF Dept. of Elections data. Figure 20 is a map of some of the listed neighborhoods, as taken from the very useful SF GIS repository. Figure 21 displays the results chart.

I look at three state measures for comparison, along with Props A, J, and K vote for each neighborhood:

- Prop 61: Children’s Hospital Bond Act - Authorizes \$750,000,000 in general obligation bonds, to be repaid from state’s General Fund, for grants to eligible children’s hospitals for construction, expansion, remodeling, renovation, furnishing and equipping children’s hospitals.⁷
- Prop 63: Mental Health Services Expansion – Tax on personal incomes above \$1M (1%) to expand and develop mental health services and programs.
- Prop 72: Health Care Coverage Requirements⁸
 - Provides for individual and dependent health care coverage for employees, as specified, working for large and medium employers;

⁷ State measure descriptions taken from California Attorney General summary.

⁸ I include this to compare to Prop K, seen by some as anti-small business

- Requires that employers pay at least 80% of coverage cost; maximum 20% employee contribution;
- Requires employers to pay for health coverage or pay fee to medical insurance board that purchases primarily private health coverage;
- Applies to employers with 200 or more employees beginning 1/1/06;
- Applies to employers with 50 to 199 employees beginning 1/1/07. Applies to employers with 20 to 49 employees if tax credit enacted.

I omit the Stem Cell Bond since there are other issues at play than simply tax increases and services.

Figure 20: SF Neighborhood Map

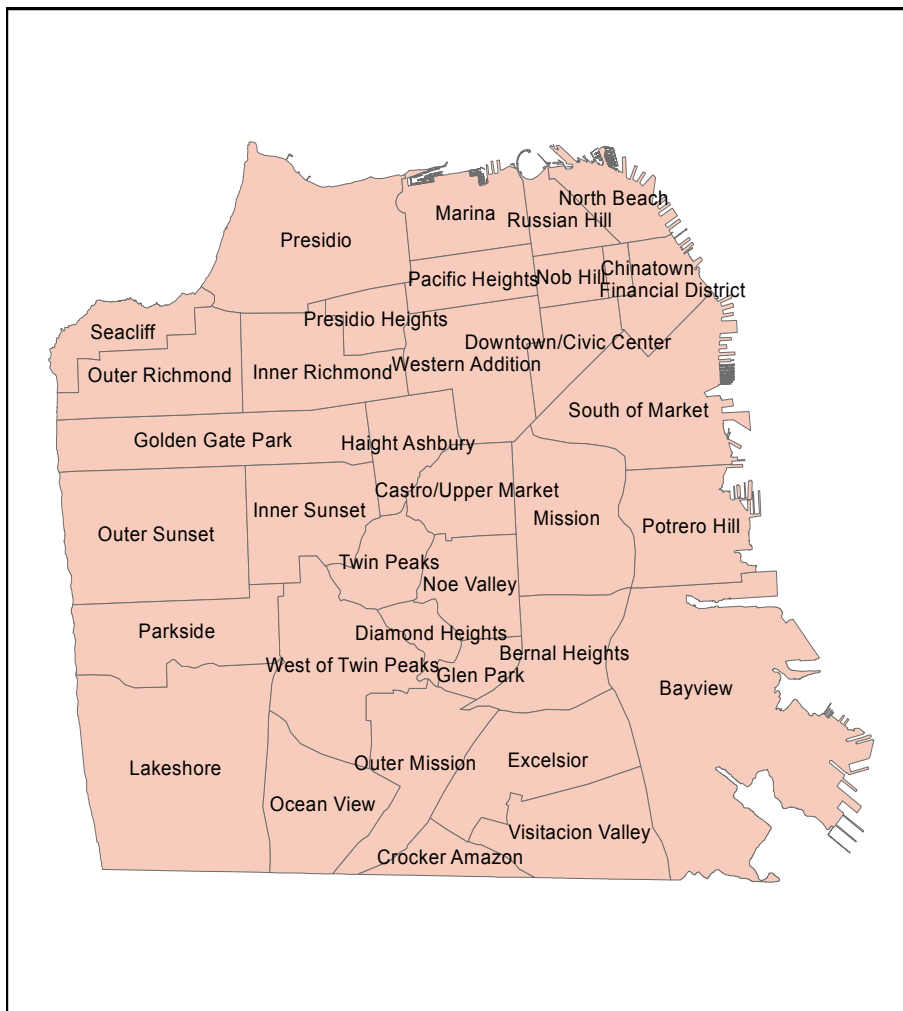


Figure 21: Chart of neighborhood yes vote for various local and state measures

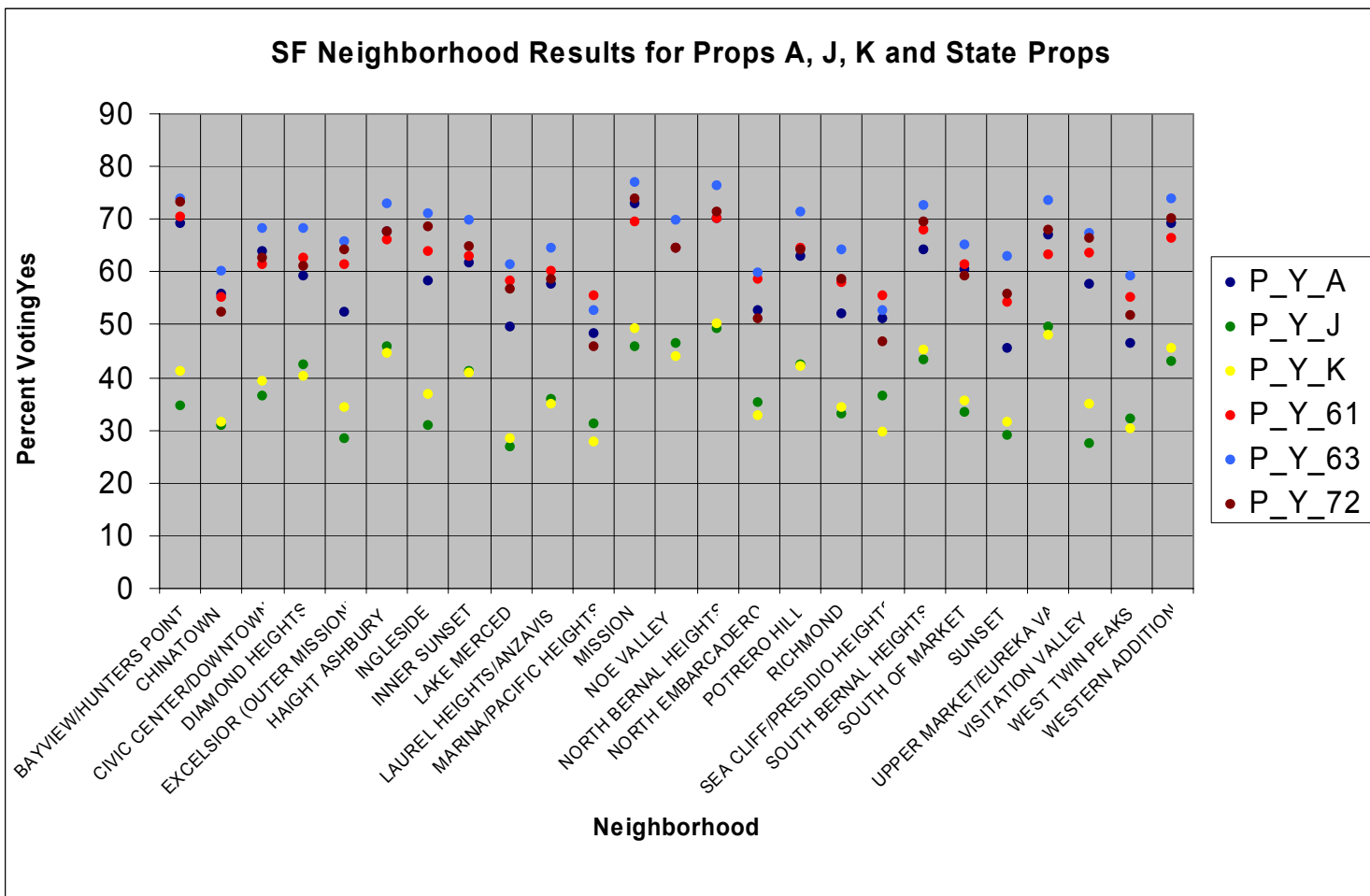


Figure 21 shows that nearly every neighborhood supported State Props 63 and 72 more than all San Francisco measures, especially Props J and K. Prop A tracked more closely to the results of the state measures. Prop 61, the least successful of the State measures listed here, still did much better than Props J and K and, in many cases, Prop A.

The pattern of the state and local results is similar within and among the neighborhoods, in that neighborhoods that voted strongly against a state measure also voted against Props A, J, and K. Also, the relative highs and lows among the different neighborhoods are, for the most part, the same for local and state measures.

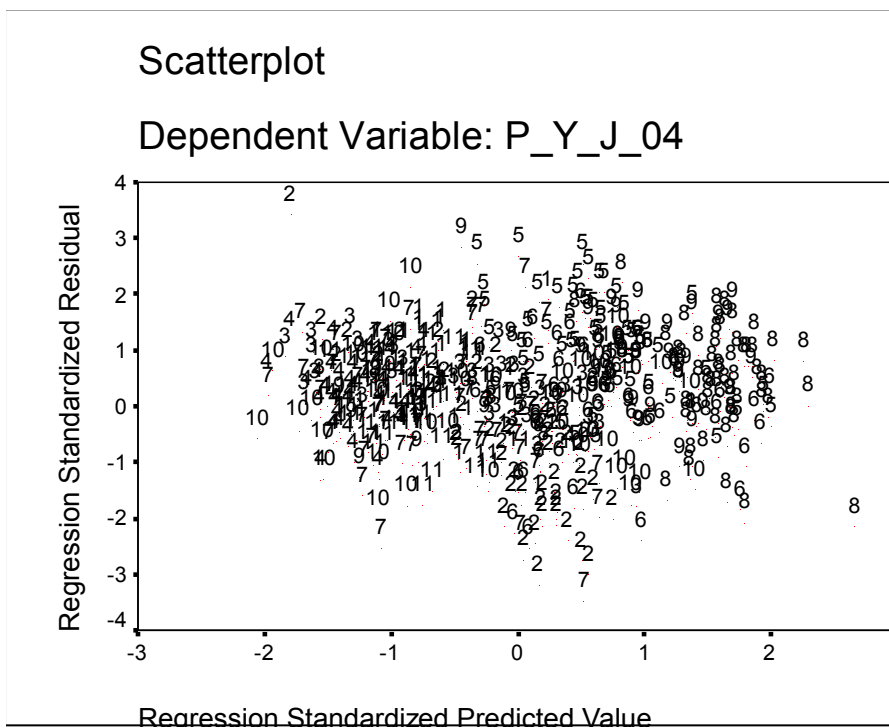
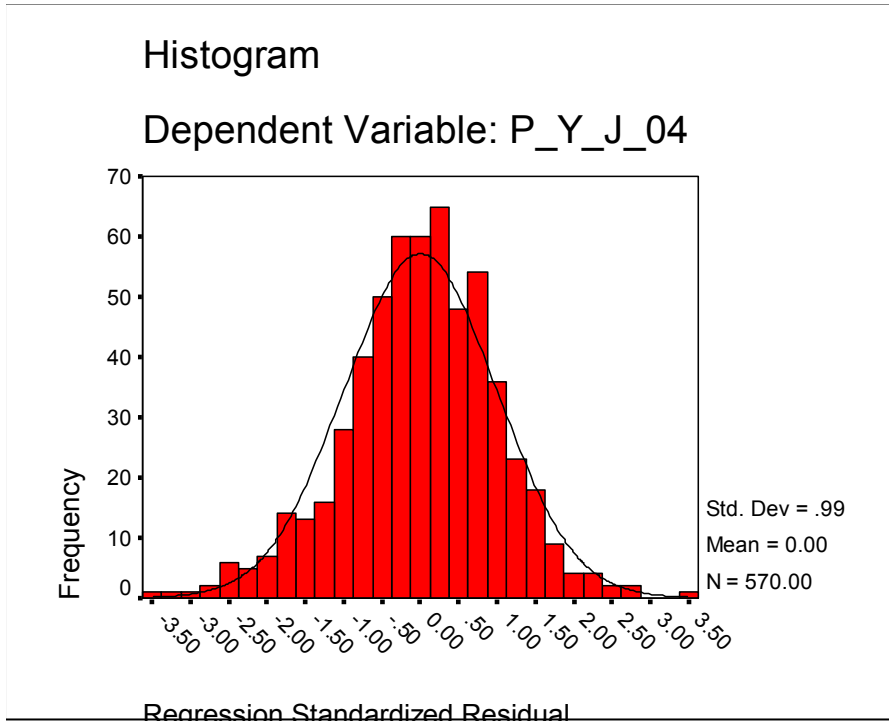
It is interesting that voters are much more willing to support bonds at the state level for a general service, but not specific bonds at the local level. Moreover, voters voted against a tax increase for businesses, but supported increased requirements on providing health care. It should be noted that Prop 63 could provide money to San Francisco for mental health treatment, alleviating to some extent the homeless situation. By the way, Props 61 and 63 passed at the State level, while Prop 72 narrowly missed.

Looking at these data to answer the questions I posed earlier, I do not think you can necessarily use the willingness to vote for state bond issues as proof that voters were making some kind of anti-administration statement. I think, generally, voters just did not want their taxes raised in uncertain times, and the people least likely to vote for new taxes are more conservative voters, who originally voted for Newsom. This is a fine line Newsom is going to have to walk as long as he is mayor.

As for the housing bond, it probably could have passed if it had been pushed harder in the Western neighborhoods. Notwithstanding, it did well, and even in the districts in which it did not do as well it still reached 40-50%. I believe this simply speaks to some campaigns needing to work harder in the conservative and Asian communities, who again, did show a willingness to vote at least 40% at the precinct level.

It will always be difficult to pass housing initiatives in San Francisco. WHI lost big because of the lack of support both from the left and right, and Prop A did not connect with homeowners and the Asian community in the Sunset. Still, there is a 'compromise' group in the middle, as the average precinct vote was over 50%. If these people can be convinced to vote for housing measures – either affordable housing or new construction – that is not a bond thus requiring 67%, then San Francisco may be able to slowly move forward on this issue.

Prop J



Prop K

