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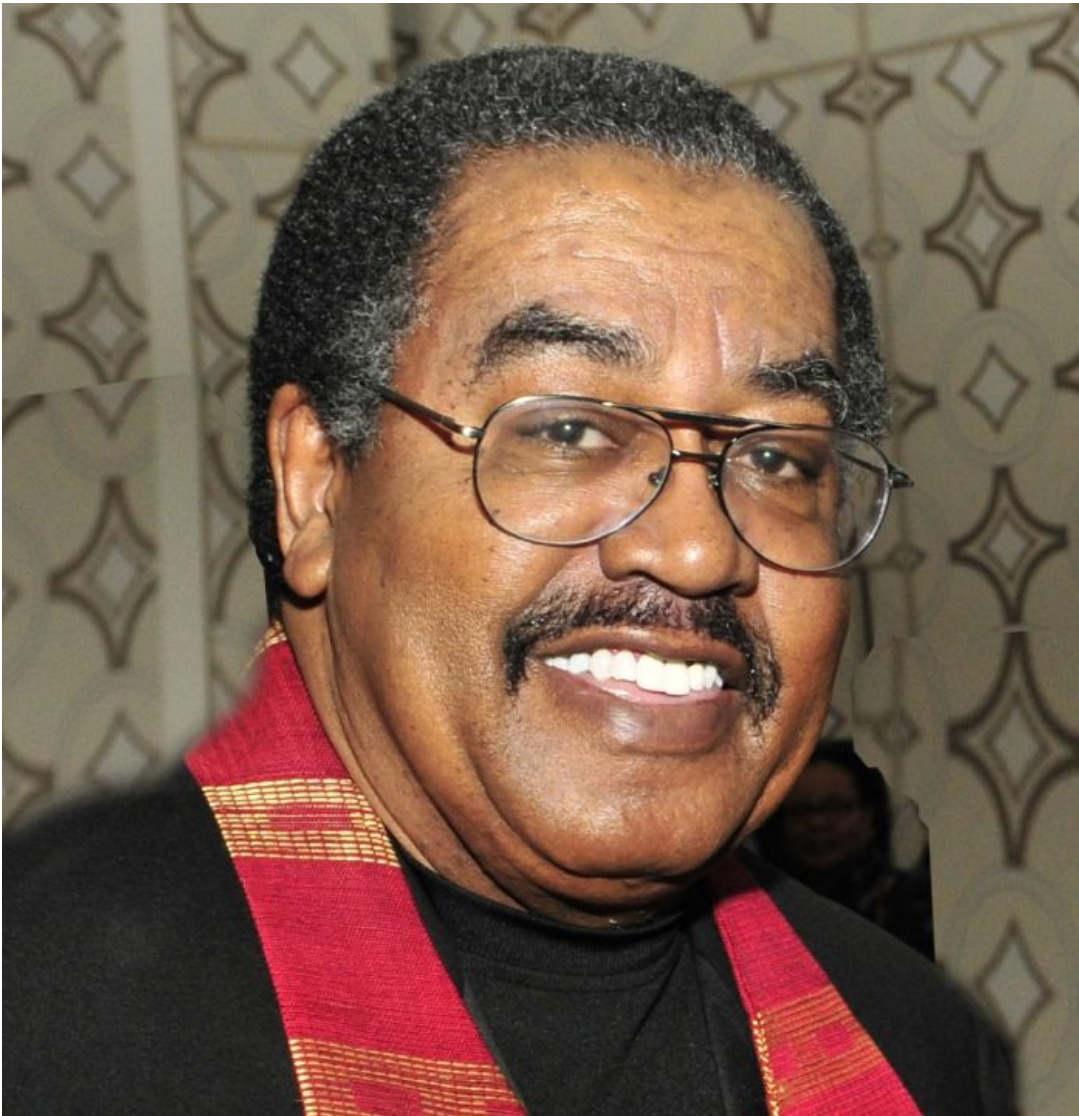
# Why Measures ULA and SP will be a Disaster for Black Businesses in the State of California

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By Earl "Skip" Cooper II

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***Earl "Skip" Cooper II (File photo)***

Running a business is becoming nearly impossible in the State of California—especially if you're a small, independent company. Ask any Black business owner how the last three years have gone between COVID lockdowns and 40-year-high inflation, and they will likely tell you the challenges have been overwhelming.

As the Chairman of the Board, President Emeritus, of the Black Business Association, headquartered in Los Angeles, the oldest active ethnic business support organization in California, I constantly hear from business owners here in Los Angeles about the struggles that small businesses are feeling right now. However, despite the difficult environment for Black businesses, there's a major threat on the horizon: Measures ULA and SP.

Measures ULA and SP are two property tax increases going before City of Los Angeles voters this November. Together they would be the largest tax increase in Los Angeles history at more than \$1.1 billion per year—making it even more expensive to operate businesses locally. Since the two initiatives are property tax increases, they will increase costs on businesses through higher rents and ultimately lead to higher prices for consumers on daily essentials like groceries, childcare and diapers.

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When times are already this economically difficult, the last thing Los Angeles needs is higher taxes. Black businesses are still struggling to recover from COVID-19 disruptions. Los Angeles County estimates that more than **15,000 businesses permanently closed** during the pandemic. Businesses owned by people of color, like restaurants, retail stores, beauty salons, and gyms **were disproportionately impacted** by restrictions and inequitable access to loans and government support programs.

Now businesses that managed to make it through the pandemic are facing a worker shortage and soaring inflation that is making operating a small business in Los Angeles even harder. Unfortunately, measures ULA and SP will only add more fuel to the fire pushing businesses to close their doors permanently.

Some have called Measure ULA a “mansion” tax, but the truth is that it will tax shopping centers and business parks that are home to Black businesses. When property taxes increase, it will be tenants who rent spaces for restaurants, offices, stores, dry cleaners, and barber shops who will end up paying the price—something they can ill-afford right now.

On top of Measure ULA, Measure SP will also damage small business tenants who own or rent their locations. It will raise property taxes by more than \$220 million per year on nearly every commercial and residential property in Los Angeles—leading to rent hikes and higher property taxes for local small businesses.

Measure ULA and SP’s higher taxes will leave Black-owned businesses in Los Angeles with no choice but to raise prices for their customers—creating further hardships in our communities. Three in four Los Angeles -area residents are **facing financial burdens** due to soaring inflation. Yet, Measure ULA will hit Angelenos with higher costs for daily essentials and will only make this burden worse.

And the kicker is that both Measures ULA and SP will increase housing costs for nearly everyone—making housing even less affordable. Both ballot measures will apply to apartment complexes and other multi-family housing properties, which is sure to drive rents up even higher.

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The good news is that organizations from across the state are uniting to say enough is enough and oppose Measures ULA and SP. The black business leaders are joining groups like the National Action Network Western Region, Greater Los Angeles Hospitality Association, and California Small Business Association as part of the growing coalition committed to defeating these tax hikes.

For decades, starting a small business was a path to a better life for Black communities. Unfortunately, that dream is at risk when our region becomes unaffordable and impossible to operate a successful business. That's why it's critical to oppose tax increases that make it even more expensive to live and work in Los Angeles.

Please join Black business leaders from across the City of Los Angeles in voting NO on Measures ULA and SP. ♦

*Earl "Skip" Cooper, II Chairman of the Board, President Emeritus, Black Business Association  
Member, Mayor's Small Business Office, Advisory Board from 1976-1990*

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