INFORMATIONAL MEMORANDUM

TO: Agency Commissioners

FROM: Fred Blackwell, Executive Director

SUBJECT: Media Clippings from 01.27.11 to 02.09.11

Enclosed is a collection of newspaper and media clippings that refer to the Redevelopment Agency or an Agency-related project or program.

(Originated by Gia Casteel-Brown, Executive Assistant)

Fred Blackwell
Executive Director

BAYVIEW HUNTERS POINT / HUNTERS POINT SHIPYARD / VISITACION VALLEY:

Attachment 1: SFGate.com: “Redevelopment key to Visitacion Valley revival,” January 30, 2011


Attachment 3: SFGate.com: “Stadium plans depend on redevelopment funds,” February 6, 2011


Attachment 5: The Examiner/sfexaminer.com: “Hunters Point residents might receive electricity directly from San Francisco,” February 9, 2011

MISSION BAY / TRANSBAY / YERBA BUENA:

Attachment 6: SAN FRANCISCO Business Times: “UCSF agrees to hire more San Francisco residents for hospital project,” January 28, 2011

Attachment 7: The Examiner/sfexaminer.com: “Local hiring numbers lead to dispute at hospital project,” January 29, 2011
Attachment 8: SFGate.com: “SFPD’s Mission Bay building could set design tone,” January 30, 2011


Attachment 10: SFGate.com: “UCSF Medical Center’s new stem cell labs building,” February 5, 2011

Attachment 11: SFGate.com: “Arterra livens up Mission Bay,” February 6, 2011


Attachment 13: SFGate.com: “Dolby building is new hub for UCSF stem cell center,” February 9, 2011

MID MARKET SURVEY AREA:


Attachment 16: SFGate.com: “Mid-Market tax break plan in works to lure Twitter,” February 8, 2011

REDEVELOPMENT:

Attachment 17: The Examiner/sfexaminer.com: “Redevelopment industry, critics launch into a full-defense mode”, January 27, 2011


Attachment 22: SFGate.com: “Deal on state redevelopment agencies in works,” January 30, 2011

Attachment 23: SFGate.com: “Jerry Brown makes a case for his budget plan,” February 1, 2011

Attachment 24: SFGate.com: “Jerry Brown now tries to sell voters hard choices,” February 1, 2011

Attachment 25: The Examiner/sfexaminer.com: “Infrastructure Finance District could be new way to fund redevelopment,” February 1, 2011

Attachment 26: The Examiner/sfexaminer.com: “Redevelopment savings not so frugal after all,” February 1, 2011


Attachment 30: SFGate.com: “Budget critics suggest alternatives,” February 2, 2011

Attachment 31: SFGate.com: “Enterprise zone program too costly to keep as is,” February 6, 2011

Attachment 32: SFGate.com: “Brown pitches budget plan to California lawmakers,” February 8, 2011

Attachment 33: SFBG SAN FRANCISCO BAY GUARDIAN ONLINE: “SF’s redevelopment miracle,” February 8, 2011
Joaquin Escobar, a produce store owner in San Francisco's southernmost neighborhood, Visitacion Valley, has been waiting for a city-backed economic revival to take hold in the area's shopping district since he opened in 2006.

Chances are he'll have to wait a while longer.

"Business is up and down here more than a lot of neighborhoods in the city," said Escobar, who opened La Loma Produce #2 on Leland Avenue as part of a publicly funded program to attract businesses. "When there's unemployment, the neighborhood feels it really hard because we have a lot of laborers and blue-collar people."

During the past decade, city and community planners have worked persistently and spent money in hopes of boosting commerce in this working-class area that was hammered when its biggest employer, the Schlage Lock Factory, closed in 1999.

A Muni streetcar extension, streetscape improvements and a new library were all supposed to work in concert with the industrial cleanup and redevelopment of the Schlage site and some adjoining land. At 20 acres, the property is roughly the size of 15 football fields, plenty big enough for a planned transit village, with housing, parks and retail space.

The problem is that the sum of the recent improvements isn't enough to pull the area out of its long-standing slump without the Schlage site coming to fruition. That was always going to be a long haul because the property required years of cleanup. But now, as developers are scheduled to start building by the second quarter of 2012, Gov. Jerry Brown's threat to eliminate redevelopment is raising concerns about whether the project will go forward as planned.

No destination

"I'm pretty sure something will happen (on the Schlage land) eventually, but if redevelopment is out, it's hard to know what it will be," said Russel Morine, who owns the Joe Leland coffee shop on Leland Avenue. "And the timeline would be up in the air."

In the meantime, Leland Avenue, called downtown Visitacion Valley by locals, is a mishmash of Laundromats, salons, bakeries, small restaurants and other shops, but it lacks a destination to attract customers from outside the area. Storefront vacancy on Leland is at about 13 percent, and stores - including Escobar's produce shop - have been burglarized in recent months. The commercial corridor is busy during the day, but shuts down by 8 p.m.
The surrounding neighborhood also features a complex mix of factors that make a potential infusion of new dollars and activity particularly relevant.

Visitacion Valley is home to three public housing developments, including Sunnydale, the largest in San Francisco. The area has seen its share of violence and continues to suffer from jobs lost in the recession. Industrial uses are more common than retail, and the city's largest waste transfer station, a PG&E substation and the Caltrain railroad tracks are all nearby.

"The Schlage project would unify our neighborhood; we don't have adequate retail space or a major grocery store, and everyone has to leave the valley to do major shopping," said Fran Martin, chairwoman of the Visitacion Valley Planning Alliance. "Without the project, it would be like cutting us off at the knees."

A portion of the valley near and including the factory site was surveyed as a redevelopment zone in 2005, and the Schlage land was transferred to developer Universal Paragon Corp. in 2008. Since then, Universal Paragon and the city's Redevelopment Agency have collaborated with the community to design a project that attracts new residents and stores and spills over into the existing commercial corridor.

In that vein, the new and old areas literally would be connected. Four neighborhood streets that now end at the Schlage site would be extended into the completed development. According to the theory, each side would benefit from the other with improved pedestrian walkways and traffic controls on busy Bayshore Boulevard, which separates the two.

"The redevelopment of the Schlage land is the final piece of the puzzle. When you add it into the mix, you have a much more holistic, complete solution," said Kelley Kahn, the Redevelopment Agency manager for the project. "Whenever you can get an influx of people, the businesses will do better and start to thrive - it's a real ticket to vitality."

Approval by april

Universal Paragon development director Jonathan Scharfman said the first half of the project site will probably get approval from environmental regulators by April. He hopes that a development agreement with the Redevelopment Agency, including provisions for affordable housing, will be complete by early spring and that infrastructure work could start by the second quarter of 2012.

During the past couple of weeks, officials in San Francisco and other cities have discussed accelerating redevelopment projects if it appears they'll be eliminated by Brown's proposed cuts.

Brown has talked about disbanding redevelopment because it is funded through property taxes that otherwise would go to the state, counties and cities for schools and other local services. The reality is more nuanced. Redevelopment includes a financing structure that allows a public agency to borrow against future property tax increases generated by the new development.

The borrowed funds, which are paid back by the property taxes, go toward redevelopment projects built by private developers, but the projects are not uniform.

Some are like the Schlage project or the Hunters Point Shipyard - polluted and blighted sites that require significant investment before they can become productive. In others, redevelopment funds have been used to
prep parcels on less challenging land, where developers were likely to locate even without the tax money to pay for roads and other improvements.

**Costly planning**

Most developers and planners do not believe that Brown would scuttle legitimate projects already on the books, but no one knows for sure. Universal Paragon and the city Redevelopment Agency say that planning for Schlage has been costly and is too important to delay.

"It's reasonable for people to speculate about what might happen in Sacramento," Scharfman said. "Our take is that we have a plan and we are executing it. We've been working hard with the city on this, and we are committed to continuing."

Leland Avenue's small business owners hope the Schlage project stays on track. They note that the Schlage build-out would bring much-needed jobs.

"The thinking with Schlage is that with 1,300 new housing units, some of the vacancies on Leland would be snatched up by entrepreneurs who want to open the next great San Francisco restaurant and would see an opportunity here," said Nick Wolf, who runs a nonprofit that helps local merchants. "If Schlage goes away, that kind of interest may go with it."

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San Francisco's Mayor Lee takes another run at 49ers

San Francisco Business Times

Date: Monday, January 31, 2011, 7:10am PST

San Francisco's Mayor Ed Lee said he will work to build a personal relationship with San Francisco 49ers President Jed York in fighting to keep the NFL team from leaving the city, the San Francisco Chronicle reports.

Lee did not say that he could restart negotiations in persuading the team to consider a deal for $100 million from a private developer that would put a new stadium at Hunters Point shipyard, but said he wanted to talk with York.

Lee also said he planned to build relationships with other prominent area figures, such as Oracle CEO Larry Ellison, who has brought the America's Cup regatta to the city, and Twitter CEO Dick Costolo, whose company the mayor wants to see expand in San Francisco.
Gov. Jerry Brown's plan to wipe out redevelopment agencies might be the kiss of death for Santa Clara's proposed 49ers stadium - and also for hopes of building new homes for either the Raiders or A's in Oakland.

Santa Clara officials say they agreed to contribute up to $42 million in redevelopment money as part of the Niners' $937 million stadium deal.

Losing that money would be "devastating," said Carol McCarthy, the city's acting assistant city manager.

Worse yet, Santa Clara has already maxed out its available redevelopment funds, and would have to go through a special state legislative process to allow additional bonding capacity. Redevelopment agencies allow cities to issue bonds that are repaid from the increases in property taxes created by the new development.

McCarthy said it's still unclear whether either Santa Clara or the 49ers could find the $42 million from other sources. "But obviously we are concerned," she said.

The 49ers argue that regardless of what happens with the state budget, Santa Clara still must contribute the full $42 million, which includes $17 million the team has offered as an advance.

"This investment ... was approved in the June 8, 2010, ballot by the citizens of Santa Clara and remains an important funding component in the overall financing of the stadium," team executives said in a statement.

Meanwhile, Oakland's plans for a new A's ballpark near Jack London Square and a new Raiders stadium near the Coliseum would rely on redevelopment funds being available to pay for studies, land purchases and infrastructure improvements.

"I'm not saying we couldn't overcome it, but it makes those projects a little more difficult and challenging," City Council President Larry Reid said.
At the same time, the threatened elimination of redevelopment money has spurred San Jose to rush to complete the sale of a half-dozen city properties - with the idea of using $19.5 million in proceeds to buy the two remaining pieces of land needed for an A's baseball park.

Redevelopment Executive Director Harry Mavrogenes said he expects Major League Baseball will back the proposed A's move, clearing the way for voters to sign off on the privately built stadium deal in June - just ahead of Brown's redevelopment lockdown on July 1.

Super deal: Speaking of football, entertainment conglomerate AEG - as in billionaire Philip Anschutz, owner of the San Francisco Examiner - made quite a splash last week with an announcement that his company had reached a naming-rights deal with Farmers Insurance for a proposed downtown Los Angeles stadium.

The pact calls for Farmers to shell out $700 million for the naming rights over 30 years. News reports say AEG, which already owns the neighboring Staples Center arena, would get $1 billion if it can lure two teams to the stadium.

As for chances that either the 49ers or Raiders would move there?

Unlikely.

An L.A. City Hall source tells us the San Diego Chargers are at the top of the poaching list, followed by the St. Louis (formerly L.A.) Rams or Minnesota Vikings.

New sheriff: BART is setting up a new office to investigate civil complaints against its police officers, and it's not coming cheap.

The creation of the watchdog office follows the fatal Oscar Grant shooting on Jan. 1, 2009.

All the finalists were asking for salaries over $100,000, according to BART director Lynette Sweet.

After a round of interviews the other day, BART directors narrowed their pick to two - both of whom will be presented to the full board for consideration as early as this week.

The office is also expected to get an investigator and administrative assistant for an opening tab of $500,000 a year.

In 2008, BART police logged only 13 complaints.

Since the fallout from the Grant case, the number of complaints shot up to 80 last year.

BART spokesman Linton Johnson attributed the big leap to BART's new policy of logging every complaint, no matter how seemingly trivial.
Bessie Spears was suicidal when she arrived at an Adult Day Health Care center in San Francisco four months ago. Ben Dubinsky was slipping further into depression until he walked through the center's front doors last year. And Ernest Badger was in pain and barely walking when he started the program eight months ago after hip replacement surgery.

All three are now healthier and feeling better. But the elderly San Francisco residents are at risk of losing the four-hour-a-day program, which provides medical care, physical therapy, exercise, counseling, socialization and other support to low-income, disabled and elderly adults in California. Gov. Jerry Brown has proposed eliminating the $176 million a year program as part of his plan to close the state's $25.4 billion budget shortfall.

The Adult Day Health Care program, which serves 37,000 Californians a year at 310 licensed centers, is one of just two social services programs up for elimination under the Democratic governor's plan. The other is the similar Multipurpose Senior Service Program, which provides social and health care for frail, elderly clients who are certifiable for placement in a nursing facility but who wish to remain in the community.

**Multiple services**

At San Francisco's Bayview district center on a recent morning, several dozen elderly people sat around cafeteria-style tables, doing arts and crafts projects, playing dominos, sipping coffee or simply catching up with friends. Some, in wheelchairs, were too severely disabled to interact with other people, while others played word games, read the paper or joked around with staff members. Around 11 a.m., the center's recreation director, Jay'e Richardson led the group in simple exercises such as raising their hands above their heads.

The center is located in a school district building - the site of the now-shuttered Gloria R. Davis College Preparatory Academy. Off the main room are areas reserved for physical therapy, counseling, recreation activities and a small infirmary; in the back is a kitchen, where hot lunches are prepared daily. Across town at a Richmond District center, a similar scene played out later in the day.
"I thought about killing myself," said Spears, 81, a retired nurse whose arthritis leaves her in severe pain. "I used to send patients here, and now I am here myself. I never thought I'd be in this place, but here I am and thank the supreme being that they have it - not only for me. You know, when you get to be a senior citizen, no matter how hard you worked, you're counted out."

**Cuts costly, critics say**

According to the National Adult Day Services Association, the Medicaid program is available in some form in 48 other states, though Department of Health Care Services spokesman Norman Williams said only seven other states offer a program like California's.

It costs California $36 a day per client, all of whom must meet strict criteria to be eligible - including being at risk for institutionalization.

Supporters of the centers contend that shutting them will end up costing taxpayers far more, because many recipients will quickly deteriorate and end up in nursing homes, emergency rooms or mental institutions that can cost up to five times the amount. A Lewin Group study conducted last year concluded that the program's elimination would result not in savings for taxpayers but in increased costs, ultimately costing $51 million more a year due to higher medical costs, loss of tax revenue from closing small businesses, and loss of worker productivity, because some family members would have to quit their jobs to care for their sick relatives.

**Population boom**

Lydia Missaelides, executive director of the California Association for Adult Day Services, also warned that the timing could be devastating: The state's elderly population is forecast to explode over the next 30 years.

"At a time when Baby Boomers are turning 65, and all the initiatives coming from the federal government are based on home care and community-based services, here we are dismantling one of the key parts of the system in California," Missaelides said. "Once you shut these down, they are not coming back."

Advocates for the program warn that the state has already lost two lawsuits - one of which is on appeal - over previous threats to eliminate Adult Day Health Care, and that they would likely sue again if the Legislature approves Brown's proposal.

All parties agree that the state has the right to eliminate the Medicaid service, because it is optional under federal law. However, supporters successfully argued in both 2009 and 2010 that without replacing ADHC with other, noninstitutional care, the state was in violation of the federal American with Disabilities Act.
Williams, whom Brown's office referred calls to, said state officials did not take the decision to eliminate the program lightly, but that they are left with few options because many Medicaid programs are mandated by the federal government. Adult Day Health Care, he said, is optional.

"This is a valuable program that provides real and valuable services to the people who use it," he said. "It was a difficult decision to target it ... but it is one program that in light of the fiscal crisis, we can look at for reduction. We don't have a lot of choices."

He said the fiscal impacts of shutting the centers' doors are unknown, but that the administration hopes that many of its users will find other alternatives, including home health care, occupational therapy, and other clinical services that are paid for by Medi-Cal.

"It's unknown if the current clients will go into a nursing home," he said. "We hope there are other Medi-Cal services that will lessen the impact of elimination."

But supporters are worried that existing programs will not fill the gap. In San Francisco, Missaelides and others predict, the impacts would be particularly acute because the city has very few available nursing home beds and already struggles to care for its impoverished, mentally ill population.

She and others say that the benefits are wide-ranging. In addition to providing actual medical care, exercise, physical therapy, nutrition planning and counseling, the program gives attendees a sense of purpose, makes them part of a community, and simply gets them out of the house. It gives family members time off from intensive caretaking. And it provides oversight for a vulnerable population: Staff members regularly report abuse - mental, physical and financial - and can spot medical problems because they are trained professionals.

The socialization itself is a benefit, added Bart Magee, whose Access Institute provides psychological counseling at the Bayview Adult Day Health Care Center at no cost to the state.

"The elderly, especially if they have medical problems, are very vulnerable to depression," he said. "There is a mind and body connection - if someone is depressed and isolated, it will impact their body. What you see, if they are left home alone, is a lot more physical problems ... and eventually an increase in medical costs. We also keep mentally ill patients out of the hospital."

'Program is a life saver'

Dubinsky, who suffers from arthritis and fibromyalgia, has no doubt that the Institute on Aging's Richmond District center has helped him both mentally and physically. The 74-year-old retired architect, whose wife has cancer, began going to the center a year ago, after she noticed he was getting increasingly depressed. He believes he would be using a walker if not for the center.

"This program is a life saver," he said. "I feel very up when I come here."

Seventy-year-old Badger has been going to the Bayview center for eight months, after a hip replacement surgery last March that left him in pain and barely walking. The longtime Bayview resident surprised his doctor at a recent visit with the speed of his recovery.

"The love and passion the staff has for you here, the care they give you, the love and attention - that was a big part of my healing," he said.

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http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/02/07/MNTM1HH9CB.DTL

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Hunters Point residents might receive electricity directly from San Francisco

Comments (0)

Electricity for the Hunters Point development could come directly from San Francisco and be 10 percent cheaper than what PG&E provides. (Getty Images file photo)

While almost everyone in San Francisco receives electricity from PG&E, future residents of Hunters Point might realize the longtime dream of public-power aficionados by receiving cheap energy directly from The City.

The San Francisco Public Utilities Commission could soon approve the prices for electricity at the first residential and retail locations to be built at the site of the shuttered Hunter Point Naval Shipyard. And according to Barbara Hale, an assistant general manager in the SFPUC's power division, the proposed rates for residential electricity will be about 10 percent cheaper than those provided by PG&E.

The reason the power will be so affordable is that it will come from O'Shaughnessy Dam in the Hetch Hetchy Valley.

“Hydroelectric energy is extremely inexpensive and we are not beholden to shareholders,” SFPUC spokesman Tyrone Jue said.

However, a PG&E spokeswoman said the company offers cheaper rates for low-income households and that such price comparisons are not quite so clear-cut.

“Our rates right now are just as reasonable given the services we offer,” PG&E spokeswoman Christine Cordner said. PG&E's blend of power comes from hydroelectric dams, natural-gas power plants, the Diablo Canyon nuclear plant, solar facilities and other sources.

The fact that all The City's electricity is hydropower is a huge selling point, Hale said.

“We're 100 percent green,” she said.

However, green is not exactly how the nonprofit group Restore Hetch Hetchy describes The City's dams, hydroelectric plants, reservoirs, aqueducts, pipelines and transmission lines.
“Hydroelectric power requires the destruction of ecosystems — in this case, one of the most diverse and complex,” nonprofit Executive Director Michael Marshall said.

At this point, Hetch Hetchy hydropower is only proposed for Phase 1 of the Hunters Point redevelopment, which could include up to 1,600 homes and 300,000 square feet of retail. But if the SFPUC’s first attempt to provide power directly to residents is successful, it will retain the right to power the remaining 702 acres.

The commission is scheduled to vote on the decision Feb. 8.

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Local Diablo Canyon Hetch Hetchy Valley Hunter Point Naval Shipyard Hunters Point O'Shaughnessy Dam Pacific Gas and Electric Co. Restore Hetch Hetchy San Francisco Public Utilities Commission

Source URL: http://www.sfexaminer.com/local/2011/02/hunters-point-residents-might-receive-electricity-directly-city
UCSF agrees to hire more San Francisco residents for hospital project

San Francisco Business Times - by Chris Rauber

Date: Friday, January 28, 2011, 11:22am PST

Under pressure from unemployed residents of the nearby Bayview-Hunter’s Point neighborhood, UC San Francisco officials said Friday they’re “voluntarily committing” to hiring at least 20 percent of construction workers this year for its new Mission Bay hospital from within San Francisco’s city limits.

The biomedical university, which began building the $1.5 billion, much-anticipated hospital last month, said Jan. 28 it will start hiring a workforce “averaging at least 20 percent San Francisco residents” during the project’s first year, with a higher rate each subsequent year.

The 289-bed women’s, children’s and cancer specialty hospital is slated for completion in 2014.

Residents from the low-income Bayview-Hunter’s Point district of San Francisco have been picketing the construction site in recent days. According to KCBS Radio, about 25 unemployed men and women have walked a picket line, and called on UCSF to hire residents from the vicinity for the massive project. Some are members of Aboriginal Blackmen United, a community group that wants the city to require use of local workers for such projects.

The San Francisco Board of Supervisors recently passed an ordinance that mandates increased local hiring for construction projects funded by the city, which will be phased in over several years. UCSF, as part of the University of California system, isn’t subject to that ordinance, but says it chose voluntarily to comply with the intent of the law.

UCSF says it already has exceeded its hiring goal with 22 percent of the workers so far coming from San Francisco, accounting for 27 percent of the total work hours spent on the project. It said it “will collaborate closely” with general contractor DPR Construction Inc., and major subcontractors to make sure that qualified San Francisco residents – notably those from neighborhoods closest to the project site – have access to its construction jobs.

That workforce is expected to reach a peak of about 1,000 workers in late 2012.

“This project is an historic opportunity for us to put as many San Franciscans to work as possible,” Cindy Lima, executive director of the UCSF Mission Bay Hospitals Project, said in the Jan. 28 statement. “We have set an ambitious hiring target, but we recognize that the economic activity generated by the project can significantly benefit our neighbors and local residents.”

What a difference a picket line makes.

Chris Rauber covers health care, insurance and the wine industry for the San Francisco Business Times. Contact him at crauber@bizjournals.com or (415) 288-4946. Read his blog postings at Bay Area BizTalk.
Local hiring numbers lead to dispute at hospital project

How many San Franciscans are hired for a project at the University of California San Francisco's new hospital project in Mission Bay will continue to spur protests, despite the hospital making it clear that they hope to hire at least 20 percent local residents.

The Aboriginal Blackmen United have been picketing the hospital construction site for several days because they say UCSF is not hiring enough workers from the neighboring Bayview-Hunters Point district, where unemployment far outpaces much of the rest of The City.

University staff put out a press release Friday reiterating their goal to hire 20 percent local employees, a goal they set in December. UCSF spokeswoman Amy Pyle said that last month, the average exceeded that goal, with 22 percent of the workers on the project coming from The City.

The goal falls short of the requirements set forth by the San Francisco Board of Supervisors for city-funded projects last month, which will go into effect later this year.

The legislation will not set a goal, but instead set a mandate, that city-funded projects hire 20 percent local workers, with that requirement increasing by 5 percent each year until it reaches 50 percent. The legislation does not affect UCSF project because it is not a city-funded project.

James Richards, leader of the ABU, said the protesters are not satisfied with the goal.

"I don't think it's sufficient at all," he said. "I think we need 50 percent [local hires]."

He said that protests will continue.

"We're going to take this to a higher level," he said. "If we have to go to jail, if we have to stop the work – whatever we have to do to be heard. If we don't work, nobody works."

Source URL: http://www.sfexaminer.com/blogs/under-dome/2011/01/local-hiring-numbers-leads-dispute-hospital-project
Whatever its other virtues, San Francisco’s young Mission Bay neighborhood has never won praise for architecture of dignified heft. Now that *might* change, courtesy of an unlikely source: the city’s Police Department.

The folks in blue are the future tenants of a $164 million, 285,000-square-foot public safety building whose conceptual designs were released without fanfare this month. The question now is whether the earnest but elegant potential of the design will be realized - or if what gets built instead is another missed opportunity in the 300-acre redevelopment district.

The proposed half-block complex at Third and China Basin streets would include a neighborhood fire station and police station as well as the city’s new police headquarters. Plans also include restoring a 6,600-square-foot brick firehouse on the southwest corner of the site for community use.

Where the fire station is snug and almost domestic, with a pitched roof and diminutive stone arches, the public safety building would be a large collage of right-angled forms.

One 90-foot-high wing would line Third Street north of the fire station, five stories of glass-skinned office space perched on a concrete base. Its companion would extend the length of the site’s west edge, with one less floor of offices and taller concrete walls that hide a garage for police vehicles.

Described in these bare terms, the block could be the latest leaden addition to Mission Bay’s blocky landscape. And with security concerns ruling out ground-floor retail, the sidewalk environment could be as bleak as many of the laboratory buildings at the neighborhood’s UCSF campus.

**Delicate rigor**

Fortunately, project architects and the planners at the Redevelopment Agency recognize that a bureaucratic bunker is the last thing Mission Bay needs.

The design team is headed by the San Francisco office of HOK, the world’s third-largest architecture firm. But the stylistic approach owes much to the local firm on the team, Mark Cavagnero Associates: There’s the same delicate rigor found at Cavagnero’s Sava Pool in the Parkside district, or his ODC Theatre in the Mission.

The concrete base that provides a shield would be syncopated with deep vertical slits, for instance, while the glass facade above would be enlivened by varied patterns of clear and translucent glass. Most imaginative of all, each wing of office space would come wrapped in a detached metal scrim that doubles as an eye-catching frame, projecting 15 feet beyond the west-facing walls.

The scrim would also serve as a sunshade, testimony to HOK’s emphasis on sustainable design. There are other green touches as well, including 12,000 square feet of rain-absorbing rooftop plants.

No matter how humane, modernism at this scale would be out of place in many neighborhoods. Here, though, it could provide a needed gravitas to Mission Bay - where too many residential buildings are three-dimensional planning diagrams, and too many lab buildings look like they should sit near a highway exit.

This doesn’t mean success is assured.

**Striking a balance**

Scale is a challenge; the complex is modest by neighborhood standards, but it’s imposing alongside the cozy fire station that is the only historic structure for blocks around. That disparity, combined with the mostly solid ground-floor walls, make the fine-grain architectural details all the more important.

Another danger is that what gets built could be too monochromatic. The metal scrim shouldn’t be Giants’ orange or police squad blue, to be sure. But if all the materials are variations on concrete gray - with subtle distinctions only an architect can appreciate - casual passers-by will see just another government slab.

This is a pivotal year for Mission Bay. Housing developers again are pitching proposals. Software firm Salesforce has purchased 14 acres of land across from the UCSF hospital now under construction.

The public safety building already has bond funding, and it could break ground by the end of the year. What happens between now and then is crucial. The city has the chance to set a tone of civic substance, and the final round of design decisions will determine if it succeeds or fails.

E-mail John King at jking@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/01/30/BAM61HFN28.DTL

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Empty Mission Bay building draws crowd in San Francisco

San Francisco Business Times - by JK Dineen

Date: Wednesday, February 2, 2011, 5:18pm PST

Will Kilroy strike again at 500 Terry Francois Blvd.? Bids are due Feb. 8 on the 280,000-square-foot building in San Francisco's Mission Bay.

It is an empty glass box on the water that is attracting a great deal of suitors.

Sources at Colliers International, which is peddling the building for owner Lionstone Group, indicate that they are talking to between 10 and 20 qualified buyers. These include Kilroy Realty Corp., which has been San Francisco's most insatiable buyer of office buildings over the last six months, scooping up 303 Second St., 100 First St., and most recently 250 Brannan St. That's a quick $450 million investment -- and counting.

Sources suggest that a number of owner/users are looking at the structure as well. The obvious one would be Dolby Laboratories, the ubiquitous audio technology innovator. Dolby is looking for about 300,000 square feet and has been interested in the building for awhile.

The building's stock shot up in November when Salesforce CEO Marc Benioff wrote a $278 million check to acquire 14 acres of raw land -- entitled for 2 million square feet -- in Mission Bay. If dirt is worth $140 per buildable square foot in Mission Bay, how much is a new vacant building worth? Probably somewhere around $100 million, or $350 per square foot, brokers say.

Depending how you look at it, that is either a hefty sum to pay for a see-through building generating zero income, or a steal for a project that would probably cost $165 million to replicate. Either way it's going to be a killing for the Lionstone Group, which bought the note on the property last year for $52.2 million and then took ownership through foreclosure.

Email J.K. Dineen at jkdineen@bizjournals.com
Next to hospitals, the most stultifying new buildings in American cities are large laboratories. Most are shaped solely to satisfy the needs of the researchers inside, leaving the rest of us to contemplate squat boxes wrapped in thin veneers of stone or glass.

That's what makes the latest example in San Francisco such a startling exception to the rule. Dubbed the Ray and Dagmar Dolby Regeneration Medicine Building, it's a 700-foot-long addition to UCSF's Parnassus Heights campus that slides along Mount Sutro like an elongated silver snake, perched on stilts with an upreared head facing the ocean.

Audacious and practical at once, the $123 million facility is a unique response to a unique site. But there is a larger moral as well: This distinctive structure underscores how our region's terrain is something to be celebrated by architects and their clients, not subdued.

The 68,500-square-foot building, which will open next week, houses UCSF's stem cell research efforts with room for up to 300 professors, support staff and graduate and post-doctoral students. It's located here rather than the university's Mission Bay campus because of a desire for proximity to the UCSF Medical Center, a top-rated hospital.

Campus constrained

Adding another building to Parnassus Heights wasn't easy; the campus is constrained by geography as well as legal agreements that limit the overall amount of space allowed.

New York architect Rafael Vinoly responded to the constraints with imagination. Instead of trying to wedge a modest tower into the narrow, steep site, he split the needed space into four batches of offices and open labs, stringing them together in overlapping tiers.

Tower laid flat

The result is a structure longer than the One Rincon tower next to the Bay Bridge is tall. The methodical ascension also allows each section to have its own landscaped rooftop terrace, a simple cloak of native grasses and wildflowers that's a counterpoint of sorts to the undulating green roof of the California Academy of Sciences downhill in Golden Gate Park.
The skin is simple corrugated steel; the building has no foyer or reception area, no detail that smacks of architectural pomp. Viewed from above, it's a sleek undulation.

**View from below**

The view from the campus below, by contrast, could be a flashback to imagined but unbuilt 1960s-era megastructures. Thickets of trusses flare from 42 seismic isolators that are attached to concrete piers that lock into the slope. The chain of work spaces tops off the show.

This is linear drama on diagonal stilts - and smart seismic engineering that uses the same type of system inserted beneath such treasures as San Francisco's City Hall. In a strong earthquake, the isolators should absorb all the motion. The mountain shakes, the labs stand still.

(The underpinning to the labs, by the way, is so tall that you enter the facility by crossing a bridge attached to the *ninth floor* of the tower across the way.)

While Vinoly deserves credit for seeing the potential of the site - his firm is billed as design architect - turning vision into reality was a team effort. Architect of record SmithGroup worked with DPR Construction to streamline the audacity into something that would fit UCSF's budget. Nabih Youssef Associates crafted the structural design concept, which was completed by Forell/Elsesser Engineers.

**Natural solution**

The building, thankfully, isn't nearly as contorted as the credits. It feels like a natural solution, emphatic but right.

Make no mistake, the site's constraints shaped the happy outcome at the Dolby building, named for the project's largest donors. Yet the collision here between the built and natural terrains isn't jarring; the virtues of each are shown to greater advantage as a result.

And this is nothing new. San Francisco's landscape is memorable in large part because of contrasts - the grid against the hills, the horizontal drape of homes against steep Twin Peaks. Strong urban strokes don't blur nature, they emphasize it. Often this point is irrelevant; often it comes into play. When it does, other architects and clients should take cues from Mount Sutro's silver snake, and play up the drama to the hilt.

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http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/02/05/MN101HH9TC.DTL

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In a neighborhood that contains too many mundane boxes, this short residential tower livens things up. While the crisp window indentations emphasize shadows and a jagged silhouette, the skin is patterned in panels of resin and recycled glass, large fields of lacquered white and lustrous blue with orange accents - a splash that makes some of you wince but the rest of us smile. Mission Bay will never have the ad hoc quirks of, say, the houseboats of Mission Creek. But Arterra shows what is possible: colorful poise with 21st century verve.

**Arterra** 300 Berry St. | **Architect:** Kwan Henmi | **Style:** Contemporary | **Size:** 16 stories | **Date built:** 2008

Cityscape is a weekly look at a distinct slice of San Francisco. Wayfinding bread crumbs welcomed by jking@sfchronicle.com

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/02/06/BAJV1HIHLM.DTL

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InterContinental San Francisco nabs LEED gold

San Francisco Business Times - by Sarah Duxbury

Date: Wednesday, February 9, 2011, 3:49pm PST

Sarah Duxbury
Reporter
Email: sduxbury@bizjournals.com

San Francisco’s 3-year-old InterContinental hotel has received LEED gold certification for an existing building — a first for an InterContinental property.

The U.S. Green Building Council awards LEED EBOM (Leadership in Energy and Environmental Design for Existing Buildings: Operations & Maintenance) at silver, gold and platinum levels, depending on a host of criteria it measures from cleaning methods to energy efficiency to access to public transport. Existing buildings like the InterContinental which want to "go green" need to change or add systems and change operating practices in order to become more efficient according to LEED standards.

In some ways, the InterContinental missed the boat by not going green from the get-go. While the hotel has always had certain green features — floor to length windows means its ballroom and guest rooms are suffused in natural light, for example — it was designed and approved before LEED Silver became the San Francisco standard, and green certification was de rigueur for new buildings.

Yet green has become a major selling point in the always-competitive hospitality industry, and plenty of groups look only to book in properties with robust green initiatives. Last year, San Francisco boutique hotelier Kimpton announced that it would seek LEED for existing buildings certification for all of its hotels nationwide, and the W San Francisco, a close competitor to the InterContinental, also has a well-developed and well-marketed green meetings program.

The 550-room InterContinental San Francisco is the largest California hotel to receive LEED EBOM certification. It has been retrofitting to meet these green standards for some time, even forming a "green team" shortly after opening, and hopes to be a model for other InterContinental properties.
On the third floor of UCSF's newest research building, at the far end of a lab devoted to growing pancreatic cells to treat diabetes and using stem cells to study cancer, sits a vacant set of work stations.

The empty corner looks out of place in the bustling building, where 200 scientists are already working in 19 labs. But Dr. Arnold Kriegstein, director of stem cell research, is hoping it will be filled in a month or two, if he can manage to recruit a top scientist and a team of researchers to the Bay Area. At the moment, the main competition for the recruitment effort is a certain school back east.

"Harvard has a lot of resources," Kriegstein said. "But we're right up there competing with them now, and that's a good sign."

The new Ray and Dagmar Dolby Regeneration Medicine Building, which celebrates its official opening today, is a major point in UCSF's favor, Kriegstein said.

The $123 million facility is headquarters to UCSF's stem cell center, called the Eli and Edythe Broad Center of Regeneration Medicine and Stem Cell Research, a complex of labs spread among several buildings at the university's Parnassus and Mission Bay campuses.

**Complex funding issues**

The new building, one of only seven stem cell research facilities in the state, was conceived of in 2006, at a time when Bush administration rules severely limited federal funding for embryonic stem cell research. In response to the Bush rules, California voters approved a $3 billion bond measure to create the California Institute for Regenerative Medicine and fund embryonic stem cell research with state money.

At the same time, universities scrambled to develop buildings and systems for separating federally funded projects from state- and privately funded research; the UCSF building was part of that movement. The Obama administration has since relaxed the Bush rules, although a temporary ban has been in place since last summer, when a federal district judge blocked Obama's orders.
Amid the confusion and back-and-forth on funding issues, centers like the one at UCSF are an oasis for scientists all over the country who are invested in stem cell research, said Alan Trounson, president of the California Institute for Regenerative Medicine.

"These buildings have galvanized an area (of medical research) that had an enormous amount of potential, but scientists were being careful about entering the field," Trounson said. "Business is really taking off in California, whereas in other parts of the country, it's a struggle."

Inside the Dolby building, there is already a wide variety of research taking place, including some of the first human clinical trials involving stem cells. On one floor are stored hundreds of embryos for making future stem cell lines, along with the 11 lines developed at UCSF that are already on the federal Human Embryonic Stem Cell Registry.

**Little progress so far**

UCSF scientists have projects working with all three types of stem cells: embryonic stem cells, which can turn into any type of cell in the body; so-called adult stem cells, which can also turn into other types of cells, but on a more limited basis; and induced pluripotent stem cells, or IPS cells, which are adult cells that have been genetically engineered to behave like embryonic stem cells.

So far, very little research has resulted in actual treatments - much less cures - of diseases. But the hope is that stem cells might someday be used to treat everything from cancer to blindness, paralysis, Alzheimer's and diabetes.

In one lab, researchers are studying how to turn stem cells into beta cells, which are responsible for producing insulin, and implant them into diabetics whose beta cells have died off. If the research pays off, some diabetics might no longer have to rely on insulin injections and would be effectively cured.

In another lab, scientists are researching how to protect stem cells from being damaged by chemotherapy in cancer patients, possibly leaving them vulnerable to future cancers. They're also studying the role that so-called cancer stem cells may have in causing cancers that don't form tumors.

"They've got some fantastic scientists in stem cell research at UCSF, and bringing them together is really going to unite their efforts," Trounson said.

**Gathering of peers**

On the top floor of the building, Dr. David Rowitch is still settling into his new office, which looks out on a lush green rooftop garden. He appreciates being able to work more closely with his peers, some of whom were scattered among different buildings. Rowitch and his team are leading the second-ever clinical trial using human neural stem cells. They're injecting the stem cells into the brains of children with a rare and fatal condition called Pelizaeus-Merzbacher disease.
Only four children are being tested for now - out of about 10 total cases of the disease in the United States - and the trial is mostly looking at whether the treatment is safe.

"Doing a study in humans is pretty nerve-racking," Rowitch said. But, he added, families are eager for any kind of treatment that will help in some small way.

Having a stem cell center, and so many scientists devoted to the research, might offer comfort to those waiting for cures, he said, but there is also frustration that cures could be decades away.

"Patients are really very anxious to see progress," Rowitch said. "They're anxious to see some testing even if it doesn't work."

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http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/02/09/MNII1HKEST.DTL

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In much the same way as they annually transform a desolate stretch of the Nevada desert into a week-long countercultural art festival, the organizers of Burning Man are now hoping to transform a desolate stretch of San Francisco's Market Street.

In much the same way as they annually transform a desolate stretch of the Nevada desert into a week-long countercultural art festival, the organizers of Burning Man are now hoping to transform a desolate stretch of San Francisco's Market Street.

The group that builds a temporary city of more than 40,000 creative vagabonds at the end of each summer is in talks to move into the nine-story early 20th century Warfield Building, at Market Street where Taylor and Sixth streets converge. The building is in the heart of a depressed and crime-ridden three-block zone that San Francisco has been trying to redevelop for years, and is now offering incentives to turn it into cluster of arts organizations.

Marian Goodell, director of business and communications and one of the founders of Burning Man LLC, said the organization has been looking at a number of office spaces on Market Street. She said the Warfield Building in particular has "many characteristics that we like."

Goodell said the group has also been talking with other arts groups that are looking into the mid-Market area and that an arts renaissance there is imminent.

"We're willing to go into a neighborhood that no one else really wants and liven it up," Goodell said. "We're pretty engaged. I can imagine that whatever a neighborhood might need we would be open to help."

The group, which has 30 employees and thousands of volunteers who work on a variety of artistic, performance and media projects, would provide foot traffic and a financial boost to retail business in the area.

It would also be a destination that could bring attention to and collaborate with other arts groups moving into the area. The latest, announced earlier this week, is a $100 million theater facility that would be
Burning Man organizers eye move to redeveloped mid-Market Street arts district

built down the block from the Warfield. The proposal by the American Conservatory Theater [4] would include a 300-seat theater to augment its Geary Street flagship venue.

Josette Melchor, executive director of Gray Area Foundation for the Arts, which moved into an old porn theater half a block away on Taylor Street in 2009, said her group introduced Burning Man to Warfield owner David Addington.

"I think that having Burning Man here would be amazing," Melchor said. "I know they are very interested in helping revitalizing the area."

She said the group has studied how moving into the Warfield could enhance collaborations among the groups.

"They're extremely excited about the opportunity to do it, and they see the vision," Melchor said. "But, they have to be careful like everyone."

Addington provided a terse response over e-mail to inquiries about the Burning Man talks. "It is a possibility," he wrote. "As is everything else."

Redevelopment push

San Francisco officials have provided Burning Man with logistical help. Amy Cohen, director of neighborhood Business Development for the city, said the city has actively encouraged Burning Man to move into the area.

“We are interested in anyone who can bring people into the area," Cohen said. “There is a movement to have Market be an extension of downtown. We see a niche that is developing as a civics-oriented arts district. There's a lot of entrepreneurial energy moving into this area and Burning Man represents this energy."

The city’s efforts to revive the forlorn stretch between Fifth and Eighth streets have been slow to gain momentum [5]. Last year Mayor Gavin Newsom announced an $11 million loan fund to encourage arts groups to settle in the zone. But as of last month, only one business — a hamburger restaurant — had taken the city up on the offer. Part of the problem has been that due to restrictions on federal funds, the money must be used to generate new jobs, not just relocate existing ones.

Cohen’s office has conducted walking tours of office spaces in the mid-Market area. She said she will help the group navigate complex city approvals. One way her office could help Burning Man is by speeding up the temporary arts licensing process.

Tomas McCabe [6], executive director of the Black Rock Arts Foundation, the nonprofit arm of Burning Man, said his group’s main focus is finding places for temporary public art on the street outside the office complex.

"I'm talking large-scale projects," McCabe said. "One problem that cities have in putting in public art is there's lots of bureaucracy. And sometimes after years and years of work, nothing happens."

Temporary public art is meant to be installed for a short time and then either removed or replaced with a different installation.

McCabe used the group’s installation of Hayes Green Temple, a intricately carved wooden structure, at Patricia's Green in Hayes Valley as a showcase of its public art installation work.

"We worked with the local community and they have started their own arts commission," he said. "They basically curate that one spot in their park. We were the first ones to place public art there."
He said the residents became instant art critics and have shown a strong civic interest in what is placed there.

"It's fascinating," McCabe said. "People might not like a piece but they know it's going to be in a few months and they can't wait to see the next one."

**New installations downtown**

McCabe said Burning Man is now looking at ways to bring additional temporary public art into the mid-Market area. Last year the city installed several displays in the Warfield and other buildings as part of its Art in Storefronts project to spruce up the street, where dozens of storefronts have sat vacant for years.

"We're looking at doing some window display art and refurbishing a vacant lot and turning it into a bit of an art park," McCabe said.

The group was recently named in a National Endowment for the Arts grant to pursue this type urban art initiative.

The Burning Man offices are currently located on the edge of the Bayview district in an anonymous office park near a sewage treatment plant.

"The city would love to see us in the mid-Market area, and we love the idea of moving in there," McCabe said. "I don't know if it is going to happen, though it looks like it might happen. We're already talking about the possibilities of engaging the community and getting art out."

He said moving out of their current offices and into the heart of the city is essential for public participation. "That's not really happening in an office park in an industrial neighborhood," he said.

The group is considering using a storefront in the Warfield Building for a museum and cafe.

"I am not sure what it's going to look like," he said. "I know it will add a lot of color to have Burning Man there. People know we are here, but it is going to be really exciting for people to actually see us and know where we are."

The Warfield Theatre, on the first floor of the Warfield Building, opened in 1922 and has been host to vaudeville shows, jazz artists and bands including the Grateful Dead and U2. Early in the last decade the building was briefly home to the San Francisco Examiner. When Addington bought it he renovated it with the intention of selling whole-floor condominiums ranging from $1.3 million to $2.5 million, with each level guaranteed access to eight tickets to Warfield Theatre productions.

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**Links:**
[1] [http://sfpublicpress.org/members/hank-drew](http://sfpublicpress.org/members/hank-drew)
[6] [http://www.blackrockarts.org/about/staff](http://www.blackrockarts.org/about/staff)
Burning Man to Mid-Market? Not so fast

San Francisco Business Times - by JK Dineen

Date: Monday, January 31, 2011, 1:53pm PST

Could Burning Man be headed to Sixth and Market? Maybe, maybe not.

The nonprofit news organization SF Public Press is reporting that Burning Man would like to relocate its offices -- not its annual 48,000 person desert community -- to the Mid-Market area and is particularly enamored of the Warfield Building at 988 Market St., a structure that has been mostly empty since the San Francisco Examiner moved out in 2004. Burning Man director of business and communications Marian Goodell told SF Public Press that said the Warfield Building has “many characteristics that we like.”

But in the comment section after the Public Press story, Goodell says that the reporter had “misconstrued his conversation with me.”

“Burning Man has made no agreement to move anywhere, but we are very interested in that neighborhood. We can’t move while we’re in production for the desert event, and at this point we are very close to being in the window of full production and not in “move” mode,” wrote Goodell. “I have personally looked at about 7 spaces on Market Street and about 24 within a few blocks of 6th and Market. The Mayor’s office did encourage us to move there, and Josette Melchor, also a Burner, introduced us to (Warfield building owner) David Addington. I have also met the owners of several other buildings in the neighborhood.”

Addington declined to comment. Burning Man is represented by Mike Monroe and Mike McCarthy of Colliers International and is in the market for about 25,000 square feet of space according to brokerage sources. Burning Man currently operates out of a warehouse at 3450 Third St. in the Bayview District.

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Mid-Market tax break plan in works to lure Twitter

John Coté, Chronicle Staff Writer
Tuesday, February 8, 2011

San Francisco Mayor Ed Lee is set to reveal his first major policy proposal today: tax credits designed to keep microblogging firm Twitter Inc. in the city by offering incentives to businesses that relocate to the blighted Mid-Market area.

The plan was still being negotiated late Monday with Supervisor Jane Kim, who represents the neighborhood, and Board of Supervisors President David Chiu, but a central component would provide payroll tax exemptions for new employees hired by companies that move to the Market Street area roughly between Fifth and 10th streets.

The city hopes to entice the social media company to expand from its home on Folsom Street south of Market to the former San Francisco Mart, a block-long building on Market Street between Ninth and 10th streets that used to house furniture showrooms.

Specifics of the proposal, including the exact size of the area to be covered, were still being discussed. The proposal would probably include nearby sections of the Tenderloin neighborhood, those involved in the talks said. The latest version of the legislation applied the payroll tax exemption only to net new jobs for companies in the designated area and would expire after eight years. Businesses still would pay tax on their base payroll from 2010.

"We're close," Chiu said in an e-mail. "Our shared goal is to give a boost to these crucial neighborhoods and keep Twitter here as a catalyst for innovation and job growth."

Jennifer Matz, director of the San Francisco Office of Economic and Workforce Development, said the proposal could provide the impetus for other companies to locate to Mid-Market, including a boutique hotel and Black Rock LLC, which runs the Burning Man festival. The incentives are similar to ones the city offered in 2004 to attract biotech companies. At that time there was a single biotech firm in San Francisco; now there are 74.

"This could tip the balance to having them make commitments to the area," Matz said. "It's not just a mechanism to get Twitter to stay. It will also be a vital tool for the central Market revitalization work that we're doing."
A way to create jobs

City officials hope the legislation, planned to be introduced at the Board of Supervisors meeting today, will boost jobs and provide a means to help revive the downtrodden stretch of the city's grand boulevard. The once-bustling theater district has resisted efforts to spruce it up for decades, but it has been showing signs of promise over the past two years with efforts to attract artists, theater groups and a shopping center.

The idea of tax breaks designed to retain a company is unpopular with some on the city's political left who argue that it sets a dangerous precedent that will allow other firms to hold the city hostage with threats to move, while depriving municipal coffers of revenue to fund such services as police, libraries and parks.

Gabriel Metcalf, executive director of the nonprofit San Francisco Planning and Urban Research Association, agrees that tax incentives should not be used to attract or retain individual companies, but he said, "Very specific, geographically targeted tax incentives can make sense.

"It has to be neutral with regard to any specific company, but does it make sense to try to give a break to companies who move employees to Mid-Market? Yes," Metcalf said. "That's a really nice tool that we have not yet tried for that part of town."

If Chiu and Kim, two swing votes on the board, back the proposal, it would appear to have a strong chance at passing.

"We'd like to see this work for everybody," Kim said. "We do want to see Mid-Market grow. ... We're working hard to create a proposal that creates jobs and a relationship that encourages community input."

Advocates say the proposal would generate increased property and sales tax revenue from building improvements to accommodate businesses and greater commerce with an influx of people.

"We think that it's a good investment," said Matz, whose office estimates the city will see property revenues increase $450,000 a year just from improvements to the building that could house Twitter.

The need to grow

Twitter, which did not reply to a request for comment, has blossomed to 350 employees since it was created in San Francisco in 2006 and is outgrowing its current space. The company has looked at locations in Brisbane and South San Francisco, and Lee has made it a priority to get the company to stay in San Francisco.

The mayor set up a visit via text with company CEO Dick Costolo and quietly toured the office last week. A few days later, Lee set up his first Twitter account and tweeted: "I love twitter!"

http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/02/08/MN4I1HK136.DTL&type=prim
Lee has said Twitter could grow from its current 350 jobs to over 600 jobs in nine months. The Office of Economic and Workforce Development projects the company could grow to 3,000 employees in five years.

"That's what I'd like to see more and more of," Lee said earlier.

E-mail John Coté at jcote@sfchronicle.com.
Redevelopment industry, critics launch into a full-defense mode

Comments (0)

When Gov. Jerry Brown proposed to eliminate more than 400 local redevelopment agencies and redirect their property taxes into schools and other local governments, he ignited what is shaping up to be a very sharp political firefight.

The billions of dollars at stake are motivating the redevelopment industry to deploy heavy political artillery against the assault.

For years, critics have contended that redevelopment agencies skim billions of dollars in property taxes that would be better spent elsewhere while arrogantly seizing land from private owners, blithely shoveling money into developers' pockets and often ignoring obligations to build low-income housing.

It was a purely theoretical debate until Brown made elimination of redevelopment agencies a significant piece of his 2011-12 budget plan.

City officials, who run most of the agencies, are crying foul, saying Brown is making an end run around Proposition 22, passed by voters just last November to bar the state from raiding local treasuries.

They and the California Redevelopment Association have ginned up a propaganda campaign, claiming redevelopment is unleavened wonderfulness — the latest manifestation being a "study" contending that its elimination would erase 300,000 jobs.

Brown's allies, public employee unions primarily, are mounting their own political sales job to bolster Brown's contention that redevelopment tax dollars would be better spent on schools and local services than on developer subsidies.

This week, state Controller John Chiang entered the battle with an announcement that his office would review 18 redevelopment agencies to see whether they are complying with state laws and to reveal how much officials are being paid.

"I believe it is important to provide factual, empirical information about how these agencies perform and what they bring to the communities they serve," Chiang said. Chiang's report — especially the salary portion — will probably provide redevelopment critics with more political ammunition.
As the battle picks up momentum and the factions exchange barrages of self-serving propaganda, the only safe haven is a report by the Legislature's budget analyst, Mac Taylor.

Taylor concludes there's "no reliable evidence that redevelopment agencies improve overall economic development in California," and redevelopment tends to "shift development from one location to another, but does not significantly increase economic activity statewide."

That is pretty damning.

Dan Walters' Sacramento Bee columns on state politics are syndicated by the Scripps Howard News Service.

Cutting Redevelopment Funds Could Affect a Lot More Than Redevelopment

By ZUSHA ELINSON

Seventeen police officers in Oakland’s worst neighborhoods have an unusual and potentially doomed employer: the city redevelopment agency.

Facing a police shortage during a 2007 crime wave, Ron Dellums, then the mayor, pulled the officers from their post at Oakland International Airport and moved them into the streets. But the city could not afford the officers’ salaries, which had been paid by the Port of Oakland. So officials devised a novel solution: They used redevelopment money to pay the officers.

Gov. Jerry Brown’s plan to plug the state budget deficit with the help of $1.7 billion in property tax revenue that now goes to redevelopment agencies has municipal governments screaming foul. The pots of money were created to combat urban blight and pay for things like infrastructure improvements and lower-cost housing. Mr. Brown, during his eight years as Oakland mayor, relied on the funds to spur downtown revitalization. Redevelopment agencies across the state are now scurrying to spend the money before Mr. Brown can take it away.

But what has gone largely unnoticed is how hard-pressed cities like Oakland also rely on redevelopment money to cover myriad other expenses, including some that appear to be only tangentially related to redevelopment. Officials worry that those basic city services are in jeopardy because of Mr. Brown’s proposal.

Oakland’s redevelopment agency is paying $3.5 million for the 17 police officers. It pays half of Mayor Jean Quan’s $183,000 salary. It pays $1.65 million to cover the salaries of four City Council members and six of their staff members. Oakland’s city administrator, the city attorney and several public works employees are also partially on the redevelopment agency’s payroll.

All told, redevelopment funds cover about $14 million of Oakland’s payroll. The same is true in many other cities across the state. In San Jose, the figure is $12 million, including $2.2 million for the City Council and mayor, and $4.4 million for the mayor’s Gang Prevention Task Force, a program lauded by Attorney General Eric Holder. Top officials in Emeryville draw part of their salaries from redevelopment. Pittsburg has had one police officer on its redevelopment payroll.

“It’s been used as sort of a slush fund to make up for revenue loss in other areas,” said Karen Chapple, an associate professor specializing in community and economic development at the University of California.
Berkeley. “It’s become more common in California since the crisis in the last 10 years. Cities have been very creative, and you have to give them credit for coming up with ways to cover budget shortfalls.”

The loss of redevelopment dollars would punch larger holes in the already gaping deficits that cities are facing. Oakland has a projected $40 million deficit for the coming year; San Jose, $110 million. (San Francisco’s redevelopment agency has remained largely separate from the city’s operating budget, according to city officials.)

Mr. Brown has said that once the state’s books are balanced, the tax revenue will once again flow to local governments. But the percentage going to cities will be much lower, and some local leaders don’t expect anything at all.

“I’ve been around California budgets for too long to believe that any of that money will come back to us,” said the mayor of San Jose, Chuck Reed. “I don’t believe we’ll see a nickel.”

A spokesman for Mr. Brown said that cities would do well in the end.

“It’s clearly laid out in the budget that there’s future revenue provided for local governments, and it’s going to give local government more say in how the money is spent,” said the spokesman, Evan Westrup.

California’s redevelopment law lets city officials designate a zone as “blighted” and then earmark a portion of property taxes generated in that zone — money that would otherwise be divided among the state, county and cities — for redevelopment projects.

When Oakland moved those airport police officers onto the redevelopment payroll, it did so by classifying them as blight fighters and assigning them to redevelopment areas in East Oakland, Uptown, West Oakland and North Oakland. Along International Boulevard, the officers fight prostitution, drug dealers and counterfeiters. In West Oakland, they target violent crime. In North Oakland, they’ve been focusing on robberies.

“Those were police that we hired for the tougher retail neighborhoods in the city, so that people felt safe,” said Ms. Quan, who served on the City Council for eight years before her election in November.

“Redevelopment is supposed to help blighted areas and some of the areas, especially along International and Foothill, were feeling less secure. Those officers walk in those areas to make them safer.”

Using redevelopment funds to pay other city workers is justified, she and other city officials say, because they are overseeing redevelopment projects.

In Oakland and San Jose, the mayors officially head the redevelopment agencies, and City Council members serve on the boards. “Half of the work we do is redevelopment,” Ms. Quan said.

But this budgeting tool isn’t without critics. Some neighborhood activists in Oakland are still upset about the police deal.
“I don’t think our redevelopment money should’ve been used to pay police,” said Josephine Lee, a lifelong Oakland resident who sits on the redevelopment committee in North Oakland. “It’s for redevelopment; police officers should be paid for by the general fund.”

Ms. Lee said that Officer Mayumi Taylor had been helpful to the North Oakland area she patrols, responding quickly to a rash of robberies. At first Ms. Taylor was often called to other parts of the city, raising questions about whether the redevelopment financing was being used to blatantly plug budget holes, Ms. Lee said. But that has changed.

“Her work is good,” said Ms. Lee. “It’s where the money is being taken from that’s our main complaint.”

Brian Beveridge, a West Oakland resident who sits on the redevelopment committee for his neighborhood, said that new members often looked at the budget and asked why the mayor was getting half her salary from the redevelopment agency.

“If there’s someone new in the room, they ask the question and we just roll our eyes,” Mr. Beveridge said. “They take their cut off the top, and we get what’s left.”

In San Jose, Mr. Reed is particularly worried about the future of his Gang Prevention Task Force. Last May, Mr. Holder announced a federal gang-prevention initiative and pointed to the San Jose program — which finances a mix of nonprofits and law enforcement to curb gang activity — as a model to be replicated around the country.

The task force, created in 1991, is financed through some budgetary wizardry. Bob Brownstein, who worked for Susan Hammer, then the mayor, said they had come up with the idea to look through the city’s budget for infrastructure projects, like street repaving or new signs and stoplights. The redevelopment agency reimburses the city for the projects, which then uses the money for gang prevention.

“Resources are skewed toward capital rather than operation,” said Mr. Brownstein, who is now director of policy and research at Working Partnerships U.S.A., a nonprofit public policy and research institute. “People have looked for every way they could find to get redevelopment dollars to be useful to city operating budgets.”

Mr. Reed said that he would cut into other departments if he has to find new financing. “The gang-prevention program is not going to be cut,” he said.

Mr. Reed was in Sacramento on Wednesday with other mayors to ask Mr. Brown to back off. If the proposal goes ahead in the State Legislature, financing for redevelopment agencies could end this summer. Several cities, including San Jose, are racing to commit the funds before that happens. But experts say it will be difficult to commit funds that are used to plug budget holes.

In Oakland, Ms. Quan said that more cuts would have to be made. The 17 police officers may be headed back to where they came from, Ms. Quan said.
That is, the airport.

zelinson@baycitizen.org
DM Development has plan for Hayes Valley sites

Premium content from San Francisco Business Times - by J.K. Dineen

Date: Friday, January 28, 2011, 3:00am PST

San Francisco residential development startup DM Development is betting its future on Hayes Valley.

The new company, founded in 2010 by Danielle Dignan and Mark MacDonald, has teamed up with boutique New York developer DDG Partners to pay a combined $8 million for two dirt parcels in Hayes Valley. The sites, 450 Hayes St. and 400 Grove St., could support a combined 85 units of housing.

The two properties, which were sold by the city in an auction late last year, are among 22 parcels that once lined the streets along the double-decker freeway that was severely damaged in the Loma Prieta earthquake and finally razed in 2005.

The developers are just beginning to talk to architects about the project and will likely start entitlements later this year.

The exact plans will draw a great deal of scrutiny from residents, given that the Hayes Street property is in the heart of Hayes Valley's shopping strip and across the street from the Patricia Green park at Octavia Boulevard and Hayes Street.

A number of developers, selected through a design competition in 2007, are negotiating to acquire other nearby Octavia Boulevard parcels. Those projects have all been stalled by the economic downturn.

Given the prominence of the site, it is incumbent on DM and DDG to come up with an exceptional project, said MacDonald.

"We recognize the amount of thought and hard work the city has put into the Market-Octavia plan, and we really want to do something on the site that is special," said MacDonald. "This square is such a beautiful venue and you will be looking at whatever we put up. So we are being very, very thoughtful about (the architect) we select."

Dignan and MacDonald came to real estate through unusual paths. MacDonald was a Stanford-educated software engineer and senior manager at Oracle when he found himself drawn to real estate. He went back to school for an M.B.A. and started on small rehab and development projects.

Dignan spent 15 years as a captain of sailing boats and wilderness expedition leader, delivering boats around the world, before she settled in San Francisco and started buying and renovating houses. The two met through an Urban Land Institute development class, and last year entitled and sold a small project at 2919 Laguna St.

For DDG, the two Hayes Valley projects represent the company's first foray into the West Coast market. DDG has built seven condo projects in New York City. Company President Joe MacMillan said the company assiduously studied the San Francisco market until finding exactly the right neighborhood and partner to work with. The group is considering several other opportunities as well, he said.

"We studied the San Francisco market for 24 months — we like to know a market before we go into it. We spent considerable time driving around the city, getting to know it. We liked Russian Hill, Nob Hill, SoMa, the Mission, but felt Hayes Valley had the neighborhood feel we were looking for. We felt like it is the nucleus of a very creative area, and that was something we wanted to be a part of."

MacMillan said DDG, which operates with a group of private investors, has capital lined up to build once approvals are obtained.
"We have the required funds necessary to develop these parcels — that is not something we are worried about," said MacMillan.

Assuming the Octavia Boulevard projects get back on track, Hayes Valley could become one of the busier neighborhoods in the city in terms of housing development. In late September, San Francisco-based Pocket Development paid $4.4 million for 401 Grove St., a site that is entitled for 61 units.

DDG and DM Development are on the prowl for more building sites.

"We share the philosophy in term of focusing on high design as well as sustainability. There was a lot of synergy when the groups got together," said Dignan.

DM Development recently opened an office in Hayes Valley. "Every day I come, I love it a little bit more," said Dignan.

J.K. Dineen covers real estate for the San Francisco Business Times. Contact him at jkdineen@bizjournals.com or (415) 288-4971. Read his blog postings at Bay Area BizTalk.
Axing redevelopment makes no cents

Guest Opinion

Axing redevelopment makes no cents

Premium content from San Francisco Business Times - by John Stewart

Date: Friday, January 28, 2011, 3:00am PST

A deficit of $25 billion is a serious number, particularly when California can’t print money the way Washington does.

To his credit, Gov. Jerry Brown said he wasn’t going to work in the margins. No more kicking the can down the road. For a lifelong Democrat, it was a Nixon-Goes-to-China opportunity to institute painful, but clearly defined cost cuts ... even tax increases.

Instead, he wheeled out a Trojan horse proposal to not reform, but to eliminate all 400 state redevelopment agencies. Particularly egregious was the failure to answer the question: Where are the savings?

The theory is that 12 percent of the state’s tax increment (about $5 billion) now linked to servicing debt used to finance redevelopment agency projects would suddenly be released to general city/county use. Firefighter and teacher salaries seem to be first in queue.

Not mentioned is the cost to the economy of not building transformative projects like Mission Bay, Hunters Point, Hunters View and the Transbay Terminal. If they’re not built, will there be any significant replacement tax increment? In today’s economy, not likely.

Ask yourself: Would Embarcadero or Yerba Buena Centers been built without redevelopment financing? Then, too, since agency money is the second-biggest funding source (after HUD) for affordable housing, how will work force or special needs projects be financed?

When the issue is being biblically framed as developers (the Philistines) fees vs. teachers/public employees (the Christians), it’s easy to forget general contractors, their subs, construction workers, engineers, architects, environmental specialists, management and maintenance persons who won’t be working.

The weakest part of our economy is construction; the governor’s hastily conceived proposal makes it even worse. As the medical community instructs its practitioners, “First, do no harm.” This proposal is marrying in haste, repenting at leisure.

John Stewart is a San Francisco-based developer of affordable housing.
In Gabriel Metcalf's piece "Rethinking redevelopment" (Insight, Jan. 23), he lists as a "needed reform" the limiting of subsidizing sports stadiums because they "do so little to lift the economy."

At the same time, he sings the praises of the Mission Bay biotech hub, represented in a photo with a gleaming AT&T Park in the background. I cannot imagine that this area, rotting a mere 10 years ago, would have risen from the ashes so quickly had this subsidized stadium not been built.

He also talks of the need to move on Hunters Point development as well. What would a new 49ers stadium do to stimulate that entire area's improvement?

Stadium construction might not have been a boon in all cities, but Mission Bay is an excellent example of where it has spawned widespread improvement.

Tim Davis, Walnut Creek

Cut bloat, not pbs

I just finished the excellent essay in defense of maintaining federal support of the Corporation for Public Broadcasting ("Public broadcasting's value," John Diaz, Insight, Jan. 23).

I cannot possibly judge any of the Ken Burns series on our nation's wars, triumphs and favorite pastimes as a "luxury." My children agree with me that they are a solid investment in teaching the unique history of America to all who are fortunate enough to live here.

If the deficit is the issue, how about this? Subtract $420 million from the budgets of the departments of defense, education, and corrections and fund the Corporation for Public Broadcasting. It will not be missed from those bloated bureaucracies. Mandate that PBS be "must carry" for all active service members. Mandate that the Ken Burns series be part of public education. Ditto for men and women serving time in federal correctional facilities.

Are you with me?

Peter Arth, former mayor, Dunsmuir

Vital information

Enjoyed the "Public broadcasting's value" column and agree with it. I feel I can count on getting the real "scoop" when I listen to "Frontline" and PBS "NewsHour," plus other informative news programs.

Carol La Fleur, Fremont
Perlman’s valuable service

David Perlman’s article "Sierra Nevada’s rise from the jungle detailed" (Jan. 16) reports latest research on the geologic history of the rising of the Sierra Nevada range.

Such articles are interesting and provide California readers with scientific awareness of the world around us and help to understand geologic hazards, mineral-resource distribution, influences on water and energy resources' availability and locations. These insights are crucial and valuable background for us as 21st century citizens to consider in making comments to public officials and supporting public policies that can efficiently achieve their intended outcomes.

Perlman is contributing a valuable service. I base my perspectives on experience as the director of the California State Geological Survey (retired after 25 years), and before that for 10 years as the director of the New York State Geological Survey.

James Davis, Carmichael

Callous cop puts off visitor

The article "Muni plans to fix budget with more parking tickets" in the Jan. 4 Chronicle came too late to benefit me.

Having arrived in San Francisco the evening before to visit my terminally ill brother at Seton Medical Center, I was naturally unfamiliar with the city and more than a little anxious. I missed the entry to Interstate 280 South at Ocean and Geneva and was circling back when I inadvertently went down a one-way street the wrong way.

Luckily for me, a San Francisco police officer was following me and pulled me over. As I presented my Iowa driver’s license, I apologized and explained that I had just arrived in the city the night before. He knew I was in a rental car. Rather than discuss the situation and offer a warning, he came back with a $230 ticket.

I plan to pay the ticket and to remember it when I travel in happier times. If giving a ticket to a visitor is that important to SFPD, please be advised that my future discretionary travel will not include the fine city of San Francisco.

Micheleen Maher, Des Moines

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/01/30/ED371HC9JF.DTL

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Our new governor is clearly suffering from political Alzheimer's. How else can you explain his having forgotten all the good things redevelopment money did while he was mayor of Oakland?

The rehab of the Fox Theater, the construction of 10,000 units of housing downtown, the creation of his two charter schools - none of that would have happened without redevelopment money.

But that, as they say, is in the past. Now Jerry Brown is governor and desperate for money to help solve the state budget mess.

Last week, he made a big show of wanting to disband redevelopment authorities all across the state. The state's big-city mayors made an equally big show of going to the Capitol and arguing for their programs.

My sources tell me that for all the posturing, a deal is being struck.

Jerry will tell the mayors how much money he needs. And if they come up with the golden eggs, the threat of killing the redevelopment goose will go away.

Sometimes in politics, it's the small moves that make the biggest difference.

Take the recent Board of Supervisors vote confirming my friend Richard Johns for San Francisco's historic landmarks board.

The progressives didn't want him and sent the usual suspects to argue against his confirmation.

The Rules Committee, however, under new Supervisor Jane Kim's leadership, voted 3-2 to approve him.

When it went before the full board, President David Chiu made a mistake that could haunt him for some time.

Chiu, who is still trying to win back the left for his planned mayoral run, noticed that board newcomers Kim and Malia Cohen had joined the four moderate supervisors to give Johns the six votes he needed for confirmation.

To show his good faith with the Bay Guardian and the left, Chiu voted with the other four progressives, making it 6-5 for Johns.

What Chiu didn't realize was that in doing so, he set up Cohen and Kim to be the swing votes on every issue where the moderates and progressives split.
If Cohen and Kim play their cards right, and work with interim Mayor Ed Lee, they could be the biggest force on the board.

Every Chinese American organization in existence is throwing a dinner or reception for Mayor Lee.

The first big fest was the swearing-in of the board of the directors of the Chinese Hospital. As I was looking at the directors my mind started going back to when I did the swearing-ins in 1996, 1997, 1998, 1999 ... they were the same faces. Obviously no term limits with this crew.

But the real stars of the event were the workers at the hospital. The hospital is in the midst of a big building drive, and the workers presented the directors with a $1 million check from the staff.

That's very impressive by any standard.

The next night it was the Lee family association dinner, also in Chinatown. The place was packed and poor Ed, I don't think he got three bites of food. He'd take one bite, then get pulled off to glad-hand and toast the tables. All 70 of them.

Sneak previews: "The Company Men" - Tommy Lee Jones, Ben Affleck and Kevin Costner play victims of white-collar layoffs. A reaffirmation that corporate America is run by greedy jerks, and depressing as all get-out.

The gloom continues with "Barney's Version." Paul Giamatti and Dustin Hoffman put in solid performances, and while there are funny moments, there just isn't a lot of joy in this story of a guy's three failed marriages.

You want a good time, go see the movie I wrote about last week, "Casino Jack."

Spruce Restaurant on Sacramento Street has one of the best burgers in town. Very thick, and they make their own buns that they'll toast any way you want so your meat doesn't arrive on soft bread.

But don't try to get a table. It's too crowded. Head for the bar.

Back to Ed Lee for a moment.

Film critic Jan Wahl was introduced to Lee at KCBS the other day.

"You're Ed Lee?" Jan said, "Well, I'm Jan Wahl. I do movies. You should see "The King's Speech.""

To which the new mayor replied, "Why, am I that bad?"

Want to sound off? E-mail wbrown@sfchronicle.com.
Gov. Jerry Brown made the case for his budget proposal Monday evening in his first State of the State address since 1982, drawing parallels between the Golden State's fiscal crisis and the protests sweeping across Arab nations as he pressed Republicans to let voters decide whether to extend taxes set to expire this year.

In tackling the projected $25.4 billion deficit, Brown has proposed $12.5 billion in cuts and an additional $12 billion in taxes, which would have to be approved by voters in June.

Speaking before both houses of the Legislature, Brown said "it would be unconscionable" for legislators to block a special election and warned that without the tax extensions, the state would see even deeper cuts to education and other key programs. He said his budget proposal is the best he could devise and urged those with better ideas to come forward.

The 14-minute speech was interrupted several times by applause, mostly by Democrats.

"When democratic ideals and calls for the right to vote are stirring the imagination of young people in Egypt and Tunisia and other parts of the world, we in California can't say now is the time to block a vote of the people," he said to claps from Democrats. "In the ordinary course of things, matters of state concern are properly handled in Sacramento. But when the elected representatives find themselves bogged down by deep differences which divide them, the only way forward is to go back to the people and seek their guidance. It is time for a legislative check-in with the people of California."

Brown also defended some of his cuts, saying those who are leading the outcry against them have not offered other choices. In particular, he defended his proposal to eliminate redevelopment in California, which has resulted in backlash from city leaders around the state.

"Redevelopment funds come directly from local property taxes that would otherwise pay for schools and core county services such as fire protection, and care for most vulnerable of society," he said. "It comes down to tough choices, and I come down on the side of people who believe core services should be protected first."

In a nod to the GOP, Brown also mentioned the need for pension reform and called for the elimination of "unreasonable" regulations that stand in the way of investment and job creation. But he did not offer specifics, and said he wants to be clear that the budget crisis is "job No. 1."
He did acknowledge the tough spot many lawmakers will find themselves in - Democrats if they support deep spending cuts, and Republicans if they vote to place the taxes before voters. He said lawmakers and he will "struggle with our conscience and constituencies."

But he also warned that this is not a time for "politics as usual."

"Voters are clearly telling us that our state and our nation are going in the wrong direction," he said. "Yet, our two main political parties both in Washington and in California are as far apart as I have ever seen them.

"If you are a Democrat who doesn't want to make budget reductions in programs you fought for and deeply believe in, I understand that," he said. "If you are a Republican who has taken a stand against taxes, I understand where you are coming from.

"But this time, things are different. In fact, the people are telling us - in their own way - that they sense that something is profoundly wrong. They see that their leaders are divided when they should be decisive and acting with clear purpose."

He also called for investment in education and innovation technology - mirroring many of the broad themes outlined by President Obama in his 52-minute State of the Union last week. The governor underscored the importance of education funding as a means of creating the jobs of the future, and pushed for green technology.

And, much like Obama, he warned that bipartisan cooperation would be crucial to any efforts to recover from the current financial crisis. Brown warned - just as the president did - that tough cuts must be combined with efforts to maintain the investments in research and technology that would drive future jobs.

E-mail Marisa Lagos at mlagos@sfdchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/02/01/BAL81HGTBQ.DTL

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Gov. Jerry Brown's State of the State address Monday night was spare and on script, with no surprises. He left no doubt about his top priority and most difficult challenge: persuading Republican legislators to let voters decide whether to extend $12 billion in tax increases.

On most big topics, Brown was by his own admission vague on the details. On pension reform, for example, he suggested he was open to others’ ideas on how to reform the system so that it is fair to taxpayers and state workers.

His few moments of impassioned advocacy were reserved for his proposal to put the tax increases to voters in a June special election. He quoted the state Constitution and even invoked the struggles for democracy in Egypt and Tunisia in pushing for legislators to extend what were supposed to be temporarily higher taxes in upper incomes, sales and vehicle licenses.

"My plan to rebuild California requires a vote of the people, and frankly I believe it would be irresponsible for us to exclude the people from this process," he said. "They have a right to vote on this plan. This state belongs to all of us, not just those of us in this chamber."

Without the tax extensions, Brown warned that even more draconian cuts would be required in education, public safety and health. He pointedly reminded legislators that he already made $12.5 billion in cuts, many of them highly unpopular, in putting together his $84.6 million spending plan.

Brown also acknowledged the controversy from cities large and small to his plan to abolish redevelopment agencies and redirect that money into "core services." As mayor of Oakland, Brown used the redevelopment law - which allows cities to rope off property taxes for special projects - to build housing and transform blighted areas.

"It's a matter of hard choices," Brown said.

He was wise to keep his speech succinct and focused on a right-to-vote sales pitch. His real audience wasn't in the state Capitol, but in living rooms across the state, where patience with Sacramento is wearing thin.
Infrastructure Finance District could be new way to fund redevelopment

Comments (0)

Rincon Center, whose buildings are so far vacant of residents, is San Francisco's first try at an Infrastructure Finance District. (Examiner file photo)

Now that Gov. Jerry Brown has proposed eliminating local redevelopment agencies, folks at City Hall are re-reading the California Code and looking for ways to fund local upgrades.

Get used to hearing this term: "Infrastructure Finance District." In the coming weeks, the Board of Supervisors will be approving the use of the districts generally, and one specific “test case” district at Rincon Hill. If the test goes well, expect more of these in preparation for the America’s Cup in 2013.

Here’s how the districts work: a group of property owners (or residents if there are more than a dozen) in the specified area vote to allow a portion of property taxes that would ordinarily go to the general fund to be diverted to pay for construction and improvements to public property — things like libraries, parks and recreational facilities. Property taxes do not go up, but the general fund doesn’t get as much money.

The City would go along with the decreased amount in the general fund because, in theory, these public enhancements cause nearby property values to rise, ultimately putting more property taxes into the general fund in the future. Infrastructure finance districts can only last for 30 years.

And who wouldn’t want to have a district like this? You get to make sure your property taxes go to specific betterment projects, sparing your dollars the nonsense at City Hall. Dealing with the line of people who will want to create infrastructure finance districts is just one of the problems with administering these programs.

The other should come as no surprise: corruption. In Florida, where similar districts have been used for decades, local newspaper investigations revealed the use of district funds for non-public purposes. They also found that developers who owned land in districts would sometimes contract to provide district-funded services at wildly inflated prices. Ideally, community participation and oversight will prevent such abuses. Transparency in all aspects of district expenditures will be essential.

The Rincon Hill project is The City’s first attempt at an Infrastructure Finance District. It is made up of 10 parcels of land that will someday yield more than 2,500 dwelling units in the next 10 years. No one lives in these buildings yet, which are all between Main and Second streets near either Folsom or Harrison streets. The property owners are supposed to vote Feb. 8 on whether to form the district.

The proposal would use 57 percent of the district's property taxes (currently about $800,000), allowing the other 43 percent to pay for mandatory property-tax-funded outlays such as BART and the school system. Nearby roads and three parks are slated to be recipients of the district funds. However, instead
of using the property tax money to fund the improvements outright, The City plans to issue $15 million in bonds that would be paid back using the property tax revenue stream from the district.

The estimated cost to repay that $15 million in bonds? A cool $47 million. Those had better be some lovely new parks.

**Supes could loosen flyers’ hold on city doors**

Something kind of amazing happened last Monday at the Board of Supervisors Land Use and Economic Development Committee. The committee endorsed an ordinance that would change the way The City deals with handbills. The full Board of Supervisors will vote on it today. It’s a lock to pass and become law.

Anyone who has posted a (huge, unsightly and legally required) “No Handbills” sign only to have it ignored (I’m talking to you, Mikado Sushi) or has gone out of town only to return to a pile of handbills helpfully alerting criminals that you haven’t been home, knows that this needed to be addressed.

The new law requires handbills be attached to something, so they don’t blow around — though the effect is the closest approximation to snow that we get here in San Francisco. It also allows “No Handbills” signs to be more tasteful, though I’m holding out for one that will electrically shock anyone who tries to leave a menu anyway.

Finally, and perhaps most importantly, it makes violating handbill restrictions an administrative violation.

Right now, violating handbill restrictions is a crime. And you can bet it ranks below “cutting that weird tag off a mattress” on the list of things cops and the District Attorney’s Office care about prosecuting.

Also, as Dawn Trennert from the Middle Polk Neighborhood Association pointed out, “I just can’t imagine me calling [SFPD’s] Central Station and saying, ‘Hey, come on over, I’ve got a menu at my door.’”

The new law allows the Department of Public Works to fine violators instead, which means there might actually be some enforcement of handbill restrictions.

It’s a teensy little law, I know. So why is this all so fabulous? Because it is the Board of Supervisors doing what they are supposed to be doing: making small changes that will better the daily lives of San Franciscans. They aren’t intervening in Gaza. They aren’t setting us up for another lawsuit.

Just helping out with the handbill situation. This is truly a great day.

**Chiu goes funny side up at Leadership San Francisco gala**

Leadership San Francisco is a program run by the Chamber of Commerce that teaches participants about our local government and community in a way that fosters, well ... leadership. I went through the program in 2008 and met some wonderful nerds whom I count among my closest friends. David Chiu is also a graduate, as is fire chief Joanne Hayes-White.

Last week, Leadership San Francisco celebrated its 25th anniversary with a gala event at City Hall. Much to everyone’s surprise, Chiu and Hayes-White got up and emceed an auction of several items. Now, David Chiu actually has a great sense of humor (it’s Carmen Chu I’m not so sure about) but it
Infrastructure Finance District could be new way to fund redevelopment

doesn't always show in large gatherings. Well, I'm here to report that Chiu was relaxed and witty at the event, telling self-deprecating jokes and bantering with Hayes-White.

I'm just saying, for a man who says he's not sure whether he'll run for mayor, he's certainly been brushing up on how to look like, well ... a leader.

Source URL: http://www.sfexaminer.com/local/columnists/2011/01/new-way-finance-redevelopment
Redevelopment savings not so frugal after all

We keep reading that Jerry Brown wants to eliminate redevelopment spending. Good, that's a cost reduction in the budget.

But as we continue reading, we find that "The redevelopment funds saved can then be used for ... " Whoa! It's not a cost reduction any longer. You may have eliminated redevelopment funding, but you've also just increased the funding somewhere else.

Will S. Richardson, San Carlos

Muni drivers need parking

A Monday letter writer complained about the parking arrangements for Muni operators. But many operators live outside The City in towns that do not have any public transit. So they either have to drive to work or get fired for not showing up.

Others, such as myself, must drive because we start before regular service starts. Due to the lower level of dependability Muni now has, we are afraid to rely on owl service because we must show up on time to drive our scheduled routes. Therefore, we must have somewhere to park.

M. J. Benardo, San Francisco

Money and time wasted

Fourteen years ago this week, I found myself forced to go to the FBI and report illegally sole-sourced construction products in higher education — because no one would do the right thing in six years at my job.

Eight years ago, the state auditor was finally allowed by legislators to prepare an investigative report on one of 20 years' worth of similar specifications on a 110-building campus.

Last year, the Legislature finally heard about the depth and breadth of the scam statewide, and the state auditor's report. They passed AB635, an emergency law that was gutted of key provisions to stop the scam. California has wasted more than $1 billion since my first report.

In contrast, the largest state east of the Mississippi smelled a rat with similar specs from the same manufacturer in December 2010 and stopped the scam in 2½ weeks statewide. Is it any wonder California is broke?
Boondoggle nothing new

Sunday’s article about the Laguna Honda boondoggle made it seem like a series of special coincidences. But such boondoggles develop over and over again. To obtain money, promises need to be made to the voters. But once that money is secured, it gets spent to best serve the public bureaucracy. Politicians take credit for launching great initiatives, but are not still around for follow-through. The details change, but the pattern leading to the “boondoggle” label is constant.

Steve Lawrence, San Francisco
Brown urges lawmakers to allow special election

Gov. Jerry Brown discusses his plan to deal with an estimated $25.4 billion state budget deficit during news conference where he released his $84.6 billion general fund state spending plan at the Capitol in Sacramento, Calif., Monday, Jan. 10, 2011. (AP Photo/Rich Pedroncelli)

In the first State of the State speech of his new administration, Gov. Jerry Brown on Monday urged lawmakers to let California voters decide the direction of the state as it faces a gaping budget deficit, saying it would be "unconscionable" for them to block his request for a special election.

In a somber address to a joint session of the state Legislature, Brown again asked lawmakers to set aside their partisan differences for the good of California, which faces a $25.4 billion deficit through June 2012.

The Democratic governor has proposed a ballot measure this June that would ask voters to extend temporary increases in the state's sales, income and vehicle taxes for five years, but Republicans have said they will not allow it to go before voters.

Brown noted the recent political upheaval in Tunisia and Egypt, saying the urge to vote had stirred the imagination of people there.

"My plan to rebuild California requires a vote of the people, and frankly I believe it would be irresponsible for us to exclude the people from this process," Brown said. "They have a right to vote on this plan. This state belongs to all of us, not just those of us in this chamber. The voters deserve to be heard."

The budget shortfall has overwhelmed all other issues since Brown took office at the beginning of January. Brown's budget proposal includes about $12.5 billion in spending cuts and borrowing, in addition to the tax extensions and fees that are part of a plan to raise an additional $12 billion.

Even if his plan is adopted, it will leave little money to pay for a host of state programs. Interest groups already have been lining up in protest over the expected loss of money, including mayors and other local elected officials who object to Brown's plan to eliminate redevelopment agencies that divert local tax revenue to developers.

Brown said none of those who have opposed the cuts or taxes has offered credible alternatives.

The Legislature has until March to call the election, but GOP leaders have called the tax plan a "non-starter," saying they are opposed to even putting the vote before the people. While Democrats are the majority party in the Assembly and Senate, some Republican support is needed to reach the two-thirds vote threshold to place the question on a ballot.

A California Public Policy Institute poll last week found that two-thirds of likely voters say they support Brown's proposal for a special election.
Big-city mayors bulldoze Gov. Jerry Brown’s redevelopment plan

Comments (0)

San Francisco Mayor Edwin Lee, second from right, discusses the meeting he and the mayors of some of the state’s largest cities had with Gov. Jerry Brown at the Capitol in Sacramento. Also seen from left are Oakland Mayor Jean Quan, Los Angeles Mayor Antonio Villaraigosa, second from left, and San Jose Mayor Chuck Reed, right. (Rich Pedroncelli/AP)

Redevelopment is crucial to creating jobs in California to fight the plague of 12.5 percent unemployment, the mayors of the state’s nine largest cities insisted in a meeting with Gov. Jerry Brown on Wednesday.

That theme was echoed by every mayor in attendance. Each spoke positively about the meeting and the governor’s promise to work with them on a compromise.

“I had a chance to invite the governor to watch the San Francisco Giants, and noted that all of the housing surrounding the stadium was done using redevelopment funds,” San Francisco Mayor Ed Lee said. Lee said all the newest areas in cities throughout California can be attributed to the use of redevelopment money.

Lee warned against the elimination of the agencies and said redevelopment was the way to do smart development.

Los Angeles Mayor Antonio Villaraigosa said the mayors had come to an agreement with Brown not to make the sweeping, across-the-board agency elimination, although several mayors later said no formal agreement had actually been reached.

Villaraigosa said Brown agreed to name the mayors of the 10 largest cities to a formal working group. The group would work together until the cities and state could come to a resolution about redevelopment that everyone can live with.

That means Brown’s proposal to eliminate all 425 redevelopment agencies already has been severely downsized.

“We’re not going down quietly,” Sacramento Mayor Kevin Johnson said, calling redevelopment projects “magical things.”

Johnson said several of the revitalized downtown streets in his city would not have been built without redevelopment.

“The budget cannot be balanced on the backs of the citizens again,” he said.
"Many of us here serve on the board of directors of the League of California Cities," Oakland Mayor Jean Quan said.

“We all use the redevelopment money — sometimes it’s the only money we have.”

Quan said with 18 percent unemployment in Oakland, and 40 percent unemployment among black male youths in her city, redevelopment means jobs.

“It makes no sense to pit the money against the kids,” she said.

San Jose Mayor Chuck Reed described the 1 million jobs the state of Texas added to its work force last year, along with the 400,000 jobs new to Arizona.

“California has zero new jobs, which is a big part of the budget problem,” he said. “It would be a bad idea to eliminate redevelopment agencies — they are some of the most important tools we have.”

“All good things in our cities have been touched by redevelopment,” Santa Ana Mayor Miguel Pulido said. He said mayors shared with Brown the importance of the agencies and how the elimination would be a setback for cities.

When asked about widespread waste and abuse within redevelopment agencies, and exorbitant salaries and compensation, Villaraigosa said the jobs created by redevelopment were his focus. “For every statistic you have, I’ve got 10 jobs,” he said.

Villaraigosa welcomed an audit of redevelopment agencies by the state Controller’s Office. When asked what mayors were willing to negotiate with Brown, Villaraigosa said, “I am not willing to not have a seat at the table.”

Katy Grimes is a reporter covering Sacramento for www.calwatchdog.com.

Gov. Jerry Brown on Wednesday defended the cuts and restructuring proposals in his budget plan against attacks by mayors who say they will cost jobs, and health and welfare advocates who say the changes could cost lives.

The state is in a crisis and has no choice but to make deep spending cuts and extend temporary tax increases to close a budget deficit projected to be $25 billion over the next 18 months, Brown said during a news conference.

"Sometimes when you pull the Band-Aid off, it's better to do it quickly," Brown said.

That will let California get past the pain and position itself for a long-term recovery, he said.

Brown spoke before meeting with mayors from nine of California's largest cities who want to find alternatives to his proposal to eliminate redevelopment agencies and enterprise zones.

The Democratic governor said the mayors have a tough sell when other advocates are complaining of more devastating cuts. He said he is more sympathetic to health care advocates and welfare providers, who told legislative committees Wednesday that the cuts could devastate the lives of those who need adult day care, home care or who cannot afford to pay more for health care services.

Brown's budget proposal includes $12.5 billion in spending cuts and a special election ballot measure asking voters to extend temporary increases in the personal income, sales and vehicle taxes. The tax extensions would be for five years and raise $9 billion through June 2012.

"These cuts are serious. They're a retrenchment in what California was attempting to do in recent years, but they're necessary because we just don't have the money," Brown said. "I don't think they're going to say anyone will die because redevelopment is eliminated."

The state's 425 redevelopment agencies can acquire land using eminent domain and develop it for commercial and residential use.

The projects are paid through the resulting increases in property tax revenue. That diverted $5.7 billion in property taxes in 2008-2009 from cities, counties and school districts.

The mayors said redevelopment projects support 304,000 full- and part-time jobs in a typical year, 170,600 of them in construction. That contributes more than $40 billion annually to the state's economy, bringing in $2 billion in state and local taxes, Los Angeles Mayor Antonio Villaraigosa said in a statement.
He was joined in his meeting with Brown by the mayors of Anaheim, Fresno, Oakland, Sacramento, San Francisco, Santa Ana, San Jose and San Diego.

The meeting came hours after the Los Angeles City Council approved spending up to $52 million in redevelopment money. Some cities have rushed to commit the money in case the Legislature goes along with Brown's plan to eliminate the agencies.

Villaraigosa defended cities' moves even as they negotiate with Brown over whether the programs should be eliminated.

"This is the wrong time to move away from job creation," Villaraigosa said during a news conference on the Capitol steps.

The mayors said they are open to reforming the agencies and have agreed to create a working group with the governor's office to consider alternatives.

Sacramento Mayor Kevin Johnson told Brown that the loft the governor rents in the capital was refurbished with redevelopment money. Oakland Mayor Jean Quan reminded the governor of all the redevelopment projects he championed while he was that city's mayor.

Gov. Jerry Brown is offering a blunt challenge to critics who have been begging him not to cut their share of California's beleaguered state budget:

Come up with a better way to close the state's $25.4 billion deficit.

In his budget plan last month, Brown proposed $12.5 billion in cuts and $12 billion in tax extensions.

"From the time I first proposed what I believe to be a balanced approach to our budget deficit - both cuts and a temporary extension of current taxes - dozens of groups affected by one or another of the proposed cuts have said we should cut somewhere else instead," Brown said during his State of the State speech on Monday.

"Still others say we should not extend the current taxes but let them go away," Brown said. "So far, however, these same people have failed to offer even one alternative solution."

The Chronicle asked advocates for programs from social welfare to prisoners rights to redevelopment for their suggestions on cuts or taxes.

Michael Herald of the Western Center on Law and Poverty, which assists low-income Californians, said that instead of cutting $1.5 billion from Cal-Works, as Brown has proposed, the state could cut its welfare-to-work program and save an estimated $1.9 billion.

The downside: It would affect 200,000 families "who wouldn't be able to go to college and get work," said Herald, who added that this is not an official position of the organization.

This cut would also have "a ripple effect" on other people, he said, such as child care providers who are taking care of the children whose parents are looking for work.

Isaac Ontiveros, communications director for Critical Resistance, which opposes the "prison-industrial complex," offered several money-savers aimed at reducing the prison population.

Releasing the 1,500 sickest inmates would save $500 million, he said, echoing comments made by J. Clark Kelso, the federal receiver in charge of the state's $1.5 billion annual prison health system.

Repealing the state's "three strikes" law would save $1.25 billion - and release 41,724 convicted felons, Ontiveros said.

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To raise money for the state, Ontiveros and others suggested an oil severance tax - paid on every barrel taken out of the ground - that would raise $1.4 billion a year, according to an Assembly budget analysis.

But such a move "would be difficult, politically," said Anthony Wright, an advocate with Health Access, who added that it would take a two-thirds majority of the Legislature to pass. "But you know it's out there."

Samuel Kang, general counsel for the Greenlining Institute, a minority and consumer advocacy group, supports the oil tax.

The group also suggests expanding a Public Utilities Commission program designed to encourage utilities to contract with minority- and women-owned businesses as a way to stimulate the state's economy. In 2009, the program landed $2 billion in contracts with small businesses. But Kang didn't suggest any budget cuts.

"So many cuts have already been made," he said.

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This article appeared on page A - 6 of the San Francisco Chronicle.
Enterprise zone program too costly to keep as is
Jed Kolko, David Neumark
Sunday, February 6, 2011

The state's budget gap requires painful cuts. The tough choices ahead require us to take a hard look at which programs achieve their goals and which do not before making decisions that will affect the lives of all Californians.

One area targeted for outright elimination in Gov. Jerry Brown's budget proposal is the enterprise zone program, which offers tax credits and other incentives to businesses in 42 designated zones throughout the state. His budget proposal cites our 2009 Public Policy Institute of California research report as a justification for doing so. (He also proposes eliminating redevelopment areas, another local economic development program with very different rules and goals; our report analyzed enterprise zones only.)

Here's what we found: Employment growth in enterprise zones was no greater than employment growth in very similar areas. California's enterprise zones are diverse. Some are in urban downtowns and others are rural, and each has a different mix of manufacturing, office space and retail. There is some evidence that enterprise zones with particular characteristics were more effective at creating jobs. These include zones where more effort was placed on marketing and outreach and those where there is less manufacturing.

But on average, enterprise zones are ineffective. We concluded that the enterprise zone program - which costs half a billion dollars annually - is too costly to simply continue as it is without clearer evidence of the program's benefits or a well-defined plan to make it more effective.

To reach this conclusion, we looked at almost every business in California from 1992 to 2004 and identified whether each one was inside or outside an enterprise zone. Unlike many other enterprise zone studies, ours used exact zone boundaries to decide whether a business was eligible for the program's tax credits and compared businesses inside enterprise zones to businesses just outside enterprise zones to hold constant other factors associated with employment growth in different parts of cities.

We focused on employment growth because the primary benefit to businesses is a tax credit for new hires, and we confirmed in a survey of local administrators of enterprise zones that job growth is the program's primary goal. Other studies have considered the program's effect on
unemployment, poverty rates and other measures, but it's hard to see how these measures could be improved without an increase in jobs.

Elements of the program's design suggest some reasons for the failure of enterprise zones to raise employment relative to comparison areas. One possibility: The program offers incentives to invest in machinery and property so firms might opt to spend more on capital and less on labor. Another possibility:

The program subsidizes firms that hire "disadvantaged workers," but disadvantaged status is often based on where people live. For example, a company in a San Francisco enterprise zone area can receive this subsidy if it hires an engineer who has a job and owns a home but happens to live in a low-income area.

Political realities could mean that the enterprise zone program is not entirely eliminated. If it survives, the program should be retooled to focus more narrowly on zones most likely to raise employment. Zones unlikely to yield job growth - based on past evidence from the program - or zones that fail to achieve job growth also should be ended.

If the state decides that outcomes other than job growth are the primary goal of this program or any like it, selection and evaluation criteria should be reformed to ensure that the goals are achieved. This would be a marked change from the way the program works now. In 2006, when more new zones were awarded than at any time since the program's inception, every applicant was a winner. Zones were chosen regardless of how they stacked up against the selection criteria.

The governor's proposal to eliminate enterprise zones has already begun to stir fierce debate. Supporters will offer testimonials of businesses helped by the credits; opponents will point to examples of businesses that received credits for workers they would have hired anyway. Useful as these anecdotes are for understanding how businesses use the program, they cannot tell us anything about its effectiveness.

At a time when the state is struggling with double-digit unemployment, it is important for policymakers to support job creation. It is equally important that they ask hard questions about whether the money we are spending on particular policies is helping us reach that goal. The state's future economic health depends on the answer.

Jed Kolko is associate director of research at the Public Policy Institute of California. David Neumark is a professor of economics at UC Irvine and a senior fellow in economics at PPIC. Their report "Do California's Enterprise Zones Create Jobs?" is available at ppic.org. Send your feedback to us through our online form at SFGate.com/chronicle/submissions/#1.
Brown pitches budget plan to California lawmakers
By JUDY LIN, Associated Press
Tuesday, February 8, 2011

(02-08) 18:24 PST Sacramento, Calif. (AP) --

California lawmakers can't avoid making tough choices after the recent mortgage meltdown and credit crisis unmasked the state's structural deficit, said Gov. Jerry Brown in launching a new round of legislative visits Tuesday to sell his budget-balancing plan.

The governor said Democratic leaders are as reluctant to cut services as Republicans are opposed to temporary tax extensions, but rebuffing his budget plan would leave the state in deeper financial straits. Instead, he urged members of both parties to "face the music and put California on a balanced footing."

"We've been living a certain fantasy based on cheap mortgages, cheap money, and a very deregulated environment that allowed the bubble to grow. And now the bubble has burst. and we got to deal with it," Brown told reporters after visiting Senate Democrats in the Capitol. "Also I think another important point; this is the first decade in American history where we have fewer jobs than we had 10 years before. And that's a sign of a wrenching adjustment. And this is part of it."

The state faces a $25.4 billion, or 30 percent, shortfall through mid-2012 despite a series of budget cutbacks and temporary taxes negotiated by former Gov. Arnold Schwarzenegger. Brown is calling for an "honest budget" that mixes an extension of those temporary taxes, impose billions more in cuts, and shift or eliminate a host of local government services.

Specifically, Brown's budget proposal includes about $12.5 billion in spending cuts and borrowing. He wants to ask voters in a June special election to extend the income, sales and vehicle tax increases for an additional five years as part of a plan to raise $12 billion.

Lawmakers have begun a series of committee hearings to review Brown's plan and they are hearing from interest groups opposed to the expected loss of money.

Mayors and other local elected officials have been vocal opponents of Brown's plan to eliminate redevelopment agencies that divert local tax revenue to developers for fighting blight. Park advocates fear his plan for closing or reducing hours at some state parks. And the California Fairs Alliance warns that Brown's plan would put 29 fairs out at risk of closure.

Brown is scheduled to hear concerns from business leaders later this week.

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"Everybody would like this not to be," Brown said. "I think it's fair to say people are hoping against hope that there's another way besides cuts or tax extensions, or just carrying on as we are."

Brown said he hopes to get Republican support to put the tax extension up for a statewide vote, but minority party members remain opposed. GOP support in both houses is necessary to pass the measure on a two-thirds vote.

"Assembly Republicans continue to offer our hand of cooperation by working with the governor and Democrats to achieve a balanced budget, but we strongly believe that raising taxes does not address the root causes of the state's continued budget crisis," said Sabrina Lockhart, a spokeswoman for Assembly Minority Leader Connie Conway, R-Tulare.

Senate President Pro Tem Darrell Steinberg, D-Sacramento, said Democrats in his caucus have questions about the cuts being proposed but Brown, but he pledge to achieve the $12.5 billion level of cuts.

"No need for the governor to sell," Steinberg said. "He's laid out a very clear framework that our caucus is ready to embrace."

Brown said both sides have a responsibility to accept his approach on the budget because "the alternative is much worse."

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SF's redevelopment miracle

By marke
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Since 1990, the Redevelopment Agency has become the major funder of affordable housing in San Francisco, pouring more than $500 million into low-cost housing

OPINION While many of us (and most of the rest of the state) can tire from time to time when we hear San Francisco "exceptionalism" being touted, especially when Gavin Newsom is doing the touting, there are some cases in which it's justified. One of the most salient is the way San Franciscans transformed the city's Redevelopment Agency and used tax-increment financing to build housing and infrastructure that served its residents, not elite developers.

This is an exceptional story that Gov. Brown does not want to hear. He should both listen and learn from San Francisco's experience.

The San Francisco Redevelopment Agency started out like all others: destroying low income neighborhoods to create what the San Francisco Planning and Renewal Association, a strong agency supporter at the time, called "'clean' industries [and a] population ... closer to 'standard white Anglo-Saxon Protestant' characteristics ... " But the big difference was that San Franciscans fought back.

In the 1960s in the Western Addition and SoMa, community organizations were formed that sought legal assistance and stopped the agency in its tracks. In the 1970s, new community coalitions were formed to deny the agency new federal funding. By the 1980s, the agency was broke and its mission of urban renewal so blocked and discredited that SPUR changed the last two words in its name from "Urban Renewal" to "Urban Research."

In 1988, Mayor Art Agnos brought in the opponents of redevelopment and asked them how to redesign the agency. The product of that collaboration was a new mission statement and an ordinance fully integrating the agency into city government — transforming it into a financing agency, with no operational role.

Since 1990, the agency has become the major funder of affordable housing in San Francisco, pouring more than $500 million into low-cost housing both inside and outside redevelopment areas. More than 10,000 units have been built for working and low-income residents, more than half of those units for families with children. The urban infrastructure needed to transform Mission Bay from a toxic rail yard to a residential and biotech center.
came from the agency. Since 1990, not one neighborhood has been bulldozed by the agency and two new ones are being created (Mission Bay and Transbay).

Yes, some of the tax increment has been used to do some infrastructure work at ATT Park, and former Mayor Gavin Newsom wanted to entice the 49ers with agency funds for a new stadium at the shipyard. And yes, former Mayor Willie Brown gave Bloomingdale's some agency money for its Market Street store. But the reality is that 50 percent of all tax increment since 1990 has gone to affordable housing development, and the bulk of the remaining 50 percent has gone for critical needed infrastructural work that has produced new property taxes more than paying for the investments. As the state and federal government turned their backs on central cities it was the only form of financing available.

And now Gov. Brown wants to end tax-increment financing. He points to the excess of other redevelopment agencies in other places. He does not, however, look to us and our experience. He should. San Francisco should be the model for what is required of all redevelopment agencies.

After serving as mayor of Oakland, Brown is probably tired of hearing about how different San Francisco is, how exceptional we are. That's too bad, because in this case it isn't hype. It's real. *

Calvin Welch lives and works in San Francisco.

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