

News from the G.N.A.T.S.

Giving Neighborhoods Access to Truth and Strength

March/April 2004

CRR
Coalition for Redevelopment Reform

*A Publication From the
Coalition for
Redevelopment Reform*

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book lately....

Show Me The Money

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**CRR continues to
vigorously oppose the
use of eminent domain
to transfer property
from one private
party to another.**

**CRR meets the
second Thursday of
every month
between 7:00 and
9:00 p.m.**

**Interested in
learning more? We
wo
and give a personal
presentation to your
group.**

**Please call to set up
an appointment or
for more
information.**

MORR Conference Studies Redevelopment Abuses

Municipal Officials for Redevelopment Reform (MORR) held its Ninth Annual Southern California Conference on March 27 in Long Beach. Delegates from CRR joined many other citizens at the conference to learn about widespread abuses of power and fiscal waste by redevelopment agencies.

Delegates spent the day listening to speakers, including Orange County Supervisor Chris Norby, who spoke against the use of public money to subsidize private businesses like Costco and Wal Mart. He also pointed out that 49% of the city of Long Beach is a redevelopment project area.

Many people spoke about redevelopment problems in their communities. La Habra residents sued the city which planned to give more than \$1 million to Costco to come to La Habra. A judge ruled in the citizens' favor, but the city and Costco are vowing to go ahead with the plan which would remove a small shopping center adjacent to single family homes. About 1,000 cars a day visit the existing center, whereas Costco would attract approximately 7,100 cars per day.

Delegates at the conference were asked to write their legislators to encourage them to approve the Legislative Analyst's Office alternative to the proposed 2004-2005 Local Government Property Tax Shift. The report can be found on their website. Focus the Redevelopment Shift can be found near the bottom of the page:

http://www.lao.ca.gov/analysis_2004/2004_pandi/pi_part_5a_proptaxshift_anl04.htm

MORR's publication "Redevelopment: The Unknown Government" has now been published in Spanish. For more information please call 323-469-0327. Or online versions of the publication can be found at:

English - <http://www.redevelopment.com/norby/toc.htm>

Spanish - <http://www.redevelopment.com/norby/spanish/s-toc.htm>

In addition, you may order the newly published book, Abuse of Power: How Governments Misuse Eminent Domain, by Steven Greenhut. For more information, call Seven Locks Press at 800-354-5348

Did you know ? ? ?

"Perhaps most revealing are those denizens at the bottom of the list , including No. 9 worst Boston, No. 8 worst Portland, Oreg., No. 7 worst San Francisco, and No. 6 worst New York City. Dead last (the No. 1 worst large metro area) is San Jose, home of Silicon Valley, the megawatt center of late '90s business hype. In the bygone era, these were the cities that had the sizzle. No more."

The Top 25 Cities for Doing Business in America
Inc Magazine March 2004

<http://www.inc.com/magazine/20040301/top25.html>

New City Land Use Policies

The city has begun implementation of new land use policies, especially bizarre transit-oriented development (TOD) policies. Most residents of the city of San Jose are unaware that city planning has gradually instituted policies for special development rules for major bus, light rail lines, and future BART routes and stops throughout the city.

One policy is that neighborhoods within 2,000 feet of a light rail or BART station are covered by new standards which allow for very high density structures requiring a minimal housing density of 20 units per acre and a maximum height of 120 ft (11 stories). Already such high density, 40 units per acre and 11 stories, has been approved over many objections for the area surrounding Tamien Station at Alma, on the edge of Council District 3 but adjoining residents living in council District 6.

New Taxing & Eminent Domain Powers

Beyond the new planning standards are new taxing and eminent domain powers to facilitate the establishment and funding for the high-density, high-rise, and transit-oriented development. Another incentive is to increase tax increment revenues in redevelopment project areas as the area along North First Street.

VTA Granted New Tax & Bond Powers

Legislation ([AB 935](#)) introduced by Assemblyman Manny Diaz, which was signed into law by Gray Davis in his last days as governor, establishes new voting standards and policies affecting dissent. By planning in the expectation for high density, masses of people, and congested roadways the governing powers feel it will force people to use mass transit, especially rail transit.

AB 935 applies only to Santa Clara County. Those who supported this bill were the state-level transportation workers union and the Santa Clara County VTA.

The San Jose City Council has appointed from among its members the following VTA board members: Cindy Chavez, David Corteze, Pat Dando, Ron Gonzales, Forrest Williams, and Ken Yeager as an alternate member. VTA is governed by about 12 board members. VTA meets in open meeting on the first Thursday at 7:00 PM in the Santa Clara County Board of Supervisors' meeting room on the first floor at 70 West Hedding.

Support or rejection of these standards in your district can usually be determined by the elected representative of that council district. Scoping meetings and reports announced by the planning department are normally published and often noticed to appropriate neighborhood groups and individuals who have expressed interest in land use.

This marriage between intrusive government agencies and exploitive corporate interests means that state and local governments have made strategic decisions that the ownership of home and business property should be contingent on who is capable of paying the most taxes.

-- Mugged By The State by Randall Fitzgerald

“SHOW ME THE MONEY”

Pete Campbell

La Oferta

March 13, 2004

Redevelopment Agency Finds \$20 Million For Downtown Music Hall”

When it comes to who gets the money in San Jose, It’s clear that it all depends on who’s asking for it. After having already trimmed the redevelopment agency’s commitment to fund Strong Neighborhood Initiative projects from \$120 million to \$80 million, the agency has indicated a willingness to dedicate \$20 million to the building of a downtown music hall.

Tentative plans have it that an \$80 million facility will be built in downtown San Jose. The enterprise would be run by the same company that owns/operates the Sharks. \$20 million would be provided by the redevelopment agency, \$20, million by the parent company of the Sharks, with the remaining \$40 million financed through the issuance of revenue bonds.

At the February 25th Project Area Committee (PAC) meeting (according to one of its members) there was no mention by the representatives of the redevelopment agency in attendance of the plan to build a downtown music/concert hall. The members of the PAC learned of this news by reading about it in the paper one week later.

In a letter sent to members of the Strong Neighborhood Initiative PAC, acting RDA director Harry Mavrogenes assured that, “This proposal will not jeopardize any of the capital improvement projects or programs that have been budgeted for the Strong Neighborhood Initiative.”

Mavrogenes also stated in the letter that, “We talked about our strategy that addresses the need to increase and protect our financial stability that supports our strong commitment to San Jose neighborhoods. A critical element of this strategy is achieving a prudent balance for our redevelopment investments that will pay a higher rate of return in tax increment.”

One wonders what Mr. Mavrogenes means when he refers to “our financial stability.” Is he referring to the financial health, stability, and needs of the city, or of the agency? Which is more important?

For years, the redevelopment agency has been promoted as the proverbial goose that will lay the golden egg for San Jose. Where is it? What good is a government agency that delivers only promises of future deliveries?

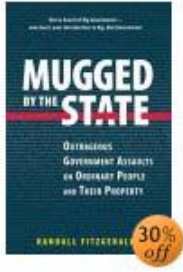
One member of the SNI PAC (who will remain nameless in this article) responded to Mr. Mavrogenes’ letter, complaining that the RDA had not disclosed any of these plans to the members of the PAC.

“Many neighborhood revitalization project plans have been pushed out for years instead of being funded and completed now..... We have repeatedly been told that there isn’t money to do all the things promised to the neighborhoods.”

“...Many community leaders are desperately searching for grant funding to replace those funds cut by the agency... In reality, the San Jose RDA has decided that there is plenty of funding to be found when it decides to do something and the neighborhoods are still scratching for whatever is leftover.”

It would seem that in San Jose there’s not enough money to fund once promised improvements to the poorer sections of town, but when the “right” people ask for government funding, more suddenly becomes available.

In San Jose, when it comes to government subsidy...it all depends on who’s asking.



Do you think the home or business you own is safe? Maybe not from the government! This book is a must read for everyone. Read about how local governments are using eminent domain to take private property and give it to private developers for personal gain. Randall Fitzgerald was a Reader's Digest contributing editor for twenty years.

Want to learn more about how your property could be in danger? Want to read reviews from others who have already read this wonderful book? Then go to:

<http://www.amazon.com/exec/obidos/tg/detail/-/0895261022/104-9380472-4241553?v=glance>

The Gnat Knows.....

What do downtown residents want? Retail! Retail! Retail!! What are they going to get in the entire 17,500 square feet of **retail** space in the new CIM (RDA subsidized) project – an **upscale bowling alley** which, of course, includes a full bar - *Another watering hole for displaced small local merchants to drown their sorrows.*

The **buzzing gnats** have said it before, now it is **official**: *“Folks, audience participation is not encouraged here.”* - Mayor Ron Gonzales quieting people at the April 6, 2004, Council Meeting who clapped in support of a new housing ordinance.

Guess who is **playing** a big role in deciding the future direction of the San Jose Redevelopment Agency – “Volunteer” consultants from **CISCO** – The same CISCO which **paid** for Mayor Ron Gonzales’ \$7000.00 trip to Norway and which wants to have its property, in a Redevelopment Project Area, rezoned to high density housing. Another example of **Pay to Play???**

Links to Articles and Sites You Should See

- **Foundation for Economic Education:**
The Blight of Eminent Domain
Steve Greenhut. September 2002
<http://www.fee.org/vnews.php?nid=5160>
- **CBSNEWS.com: Eminent Domain**
December 28, 2003
<http://www.cbsnews.com/stories/2003/09/26/60minutes/printable575343.shtml>
- **CAMRA**
Committee Against Martinez Redevelopment Agency
<http://www.martinez-camra.org/aboutredevelopment.htm>
- **Rocky Mountain News: Government's overreaching abuse of eminent domain must be curbed**
William H. Mellor. February 21, 2004
http://www.rockymountainnews.com/drmn/opinion/article/0,1299,DRMN_38_2671892,00.html
- **SmartVoter.org: Redevelopment Misuse is Bad Public Policy**
Diane Underhill. November 6, 2001
http://www.smartvoter.org/2001/11/06/ca/vn/vote/underhill_d/aper2.html

Articles and information in this newsletter are either written by or reviewed by CRR's Executive Board before publication.

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