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"I will see you when you get here"
- Kurt Maletych



City approves \$4 billion in redevelopment spending

Officials hope to fend off state seizure of funds


BY ROGER SHOWLEY

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Update: Note governor's response to city action.

The San Diego City Council approved \$4.1 billion in redevelopment projects Monday — possibly the largest defensive move by a California city against proposed state elimination of redevelopment agencies.

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The money — for everything from sidewalks to more than a billion dollars for affordable housing, but not the proposed Chargers stadium — would come from property taxes collected in the city's 17 redevelopment project areas over the next 40 years.

But the list is subject to change and, more importantly, could prove futile in the attempt to thwart the state's action as proposed by Gov. Jerry Brown to help plug the state's \$26 billion budget hole.

Brown's office took note of the city's action and released this statement: "It's a shame that local elected officials are rushing to shift billions of local taxpayer dollars into redevelopment projects while simultaneously proposing major cuts to education, public safety and other core services."

The governor's plan, already approved by one legislative committee, would send \$1.7 billion in unspent redevelopment funds statewide to Sacramento for the fiscal 2012 budget year, dismantle the state's 325 redevelopment agencies, including San Diego's, and starting in 2013, redirect redevelopment funds back to schools, city and county general funds and special districts, just as other property taxes are distributed.

The legality of the governor's plan as well as cities' moves to overcome it has yet to be determined, particularly in light of the voters' approval of Proposition 22 last November that makes the state's taking local funds unconstitutional.

Councilman Tony Young, who acts as president of the council, called Brown's plan "shortsighted and definitely misguided" and said it is "imperative" that neighborhoods covered in the council action see that their long-awaited improvements are built.

"San Diego needs to fight for every dollar in this tough economic environment," he said.

Jay Goldstone, the city's chief operating officer, said 40 cities around the state have taken the same step to sequester redevelopment dollars from state action by obligating the funds in the same way that current debt and tax-sharing agreements would continue, even if redevelopment goes away.

“By acting today, the city can take steps to protect vital redevelopment projects from other desperate acts” by the governor and Legislature, Goldstone said.

But Councilman David Alvarez, who with Councilwoman Sherri Lightner voted no, said the move “would be Exhibit A in Gov. Brown’s case against redevelopment.”

“The truth is redevelopment is on the course to be eliminated and we have to accept it,” he said.

The projects, contained in a 72-page list, include mundane neighborhood improvements such as repairs to sidewalks to more than \$1 billion in affordable housing to \$16 million to design three covers or lids over Interstate 5 to bridge the gap between downtown and Balboa Park. The projects could be dropped, changed or added to and could be built only when funds become available.

It does not include the proposed \$800 million Chargers stadium in East Village. But it does earmark \$150 million for acquiring the city block at 14th and K where the stadium might go and cleaning up toxic wastes left from its current use as the city bus yard.

More than 50 members of the public signed up to speak for and against the measure. Some complained that downtown should not be getting the majority — \$2.6 billion — of the total.

Claudia Dunaway, a community leader in Stockton-Memorial, urged the council to merge all redevelopment projects and spend the money where it’s needed most, and not be limited by the current redevelopment project boundaries.

“We’re asking you to love your neighbor,” she said.

Councilman Todd Gloria said his special committee looking at redevelopment reforms will look at various ways to make the program more equitable, but the tenor of his comments and those of his colleagues was that if the state succeeds in killing redevelopment agencies, there will be little left over to help any neighborhood.

The council did not act on a request from the San Diego Unified School District to add \$60 million to the list to help the district overcome next year’s budget shortfall. The money was to have been an advance on pass-through redevelopment funds expected between 2018 and 2020.

Many teachers and district administrators pleaded for the aid, some arguing that students are more important than community improvements.

But Young said the city has cut back services and personnel in an attempt to balance its budget and the school district should do the same.

“Then we might be able to talk about fronting you some of the redevelopment dollars,” Young said.

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