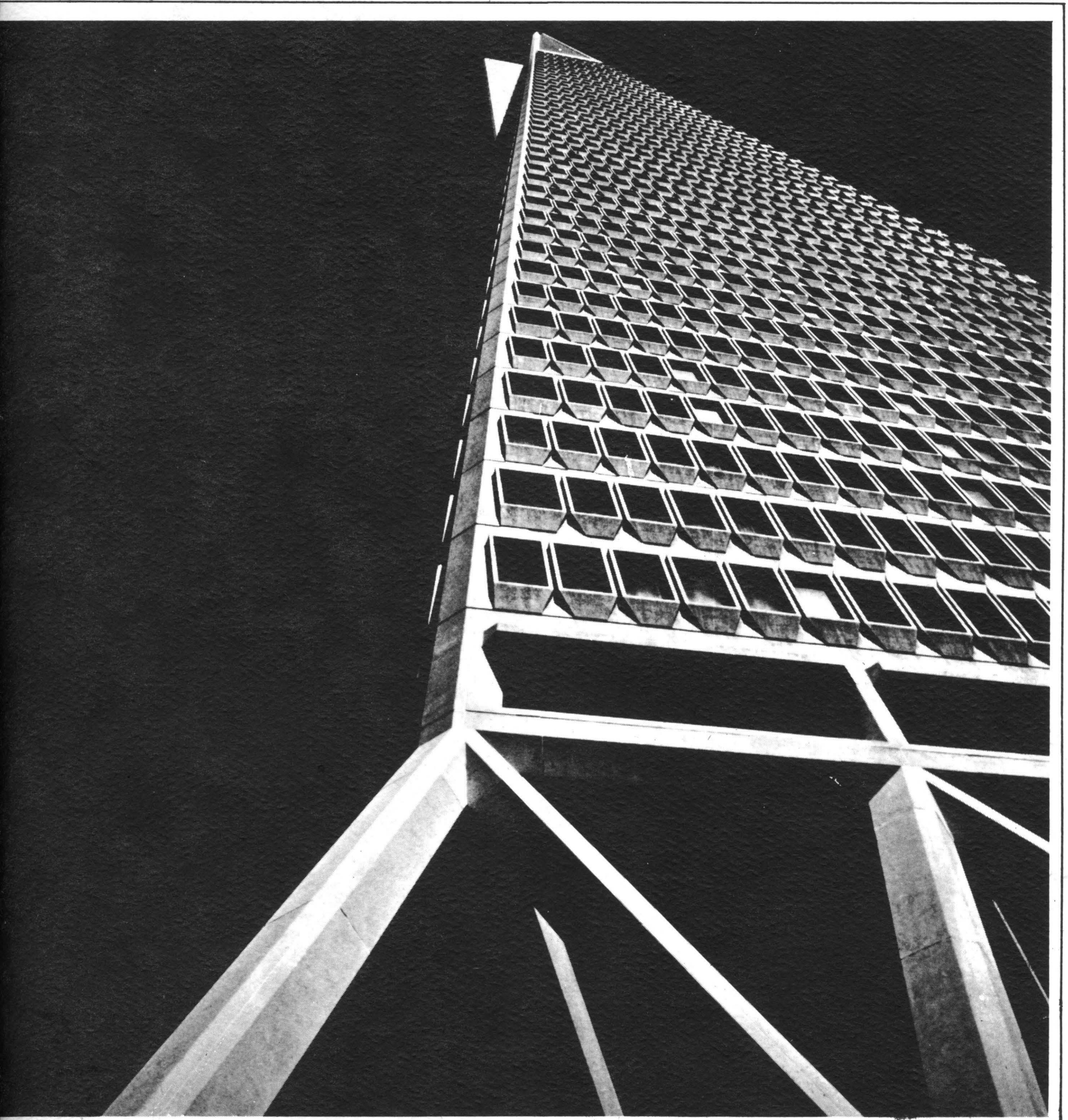


URBAN ACTION

1984



CONTENTS

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HOUSING

Innovative Housing in Marin County:
Hope for the Future3
by *DAVID W. MOORE*

The Human Impacts of Downtown Development.....7
by *DON CAMPOLO*

SOCIAL AND PUBLIC POLICY

The Politics of Comparable Worth13
by *SUSAN MYERS*

Safety Nets and Incomes Floors: The Limits
of Welfare Reform.....17
by *LAURIE DAVIS*

The Impact of Block Grants on the California
Family Planning Program21
by *LINDA MATTSON*

HEALTH

Dying with Dignity: Public Support
of Hospice Care27
by *MAUREEN LINEHAN*

The Medicare Move to DRG's: Background32
by *JOAN KIDD and JOHN R. UNGARETTI*

Will the Change to Prospective Reimbursement
Based on DRG's Reduce Access to Medical Care?34
by *JOAN KIDD*

Will DRG's Halt the Medicare Cost Spiral?37
by *JOHN R. UNGARETTI*

ELECTIONS AND POLITICS

Elections for Sale43
by *DAVID BRIGODE*

A Prop M Critique.....45
by *SHAWNA MULHALL*

Nun of the Above: A Study of Politics, Comedy
and Anarchism in the 1982 Supervisorial Race.....49
by *RICHARD E. DeLEON and JEFFERY D. SUTTER*

SAN FRANCISCO DEVELOPMENT

The Planning Process: Theory and Practice57
by *JOANNE BRION*

The Downtown Plan: Innovation and Controversy62
by *JAMES KEVIN BENNETT*

Alternative to the Downtown Dome65
by *JOEL EDDINS*

The SFRA: Big on Promises, Short on Delivery69
by *JIM DuPONT*

A NOTE FROM THE EDITORS....

In its fifth year, URBAN ACTION, has grown, both in scope and in volume, and has become a journal which encompasses many social science disciplines. In the 1984 edition, we have attempted to come to grips with what living in an urban environment means. These pages cover the spectrum of issues from the availability of healthcare to comparable worth. The reader will find that this year's journal contains shorter articles that cover a wider range of topics than in previous years. For the benefit of San Francisco Bay Area readers, we have devoted a special section to current San Francisco development issues which directly affect our readers.

We would like to thank all the people that have made this year's URBAN ACTION A SUCCESS: Tom Babick, whose graphic design input and section photography gives our journal visual continuity; Terry O'Brien, our cover photographer; the San Francisco State print shop, who produced this issue from the typesetting stage all the way to the binding; the authors, whose wide range of interests have made URBAN ACTION the journal we had hoped for last fall; and to the readers, who give URBAN ACTION a reason to exist.

Finally, the editorial staff would sincerely like to thank our faculty advisor, Debbie LeVeen, who has aided us tremendously.

The 1984 issue of URBAN ACTION is one of the finest produced. We are quite proud of it and we hope that you will find it informative and thought-provoking.

Joanne Brion
Jim DuPont
Chris Lonner
Lynn Porter
Co-Editors, URBAN ACTION 1984

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Housing



Innovative Housing in Marin County: Hope for the Future?

by David W. Moore

David W. Moore has focused on environmental planning and design as an Urban Studies major at San Francisco State University. He completes his Bachelor's degree, with a minor in Geography, in June of 1984.



It has long been the American dream that every family be able to buy a home. The dream still persists in an age when economic circumstances have prohibited the average family from attaining this goal, and changes in our social fabric have prompted re-definition of the family itself. Only 11.4 percent of California's households have the \$47,800 annual income required to qualify for a conventional loan on a median priced California house. Additionally, national census figures indicate a dramatic rise in the number of single parent families and people living alone. The size of households has decreased, the cost has leaped upwards, and though the detached, single-family home remains the leader in the nation's housing production pipeline, we are confronting an urgent need to develop new architectural forms that are more appropriately scaled to respond to present day housing needs.

As the building industry makes affordable housing a high priority, some developers have begun responding, marketing individual units which minimize space. And although numbers of homebuyers have shown interest in these units, there are still others who prefer another alternative. In the Bay Area, there are many single-parent families and single adults of all ages who would prefer not to live alone in cramped quarters and choose instead the benefits of a shared household.

Innovative Housing, a small non-profit agency based in Marin County, seeks to provide a structured system for developing and making

shared housing work. This article is a description of this unique organization and a discussion of its goals and feasibility.

LIGHT IN THE SHADOWS: A NEW RESPONSIVENESS. The concept of forming a non-profit organization dedicated to making affordable shared housing opportunities available was conceived nearly five years ago by urban resource specialist Ann Howell. She had been a catalyst in the preservation of Fort Mason, in San Francisco, and the Marin Headlands as centers for cultural, environmental, and educational activities in the Bay Area that now flourish under their respective banners.

Innovative Housing formed as a coalition of environmental and housing interests in Marin County. The focal point, and goal, of the non-profit organization, is to demonstrate the marketability of alternative housing through the development of planned "vest pocket communities" with a variety of shared living environments. Innovative concepts such as co-operative ownership and resource sharing (ridesharing, group purchase power, community food gardens) are being explored. Energy efficient, utilitarian housing is being designed to balance privacy within the household while enhancing common space areas.

By attracting compatible groups of people, and by giving them a variety of shared living skills achieved through a series of workshop-type seminars), then providing initial management in the establishment of new shared households, Innovative Housing has been able to show tangible results. During the past year, they've blossomed from a concept into a dozen leased households in Marin County, serving a total of 85 people including 15 children of various ages.

The record speaks for itself, but what of the difficulties in pursuing this non-traditional path? Objections have been raised from within some affluent suburban neighborhoods. Whether the

concerns are founded or not, residents fear property values may fall if non-affluent neighbors are allowed to locate in their communities.

Differences in lifestyle also create resistance. Discrimination against single and recently divorced persons, as well as the inability to understand the concept of shared housing, has led, in some cases to politics of exclusion. Local concerns are sometimes expressed in the form of peripheral issues such as increased auto traffic and parking problems. In response, Innovative Housing projects focus attention on actively reducing the need for automobile ownership as access to public transit becomes available or ridesharing programs are established and incentives such as lowered rents are offered to non-auto owners.

"...a shared household is consistent with traditional single family zoning due to the existence of a single household stove."

Innovative Housing has made a front line stand in seeking to prove that shared housing can work in the best of neighborhoods. Emphasis is placed on communicating openly and responsively with local policy-making bodies and neighborhood groups, informing them as to the nature of the potential occupants for shared housing (many are middle class professionals in their forties), and also of the overall design of projects. Furthermore, the non-profit assumes a managerial and troubleshooting role as well as direct fiscal and legal accountability for the households.

Though addressing some of the concerns raised, the underlying question of the social feasibility of shared housing requires a more in-depth analysis. This question has been the subject of extensive research by Innovative Housing. Ann Howell, executive director of the agency, is the first to emphasize that communal involvement is not for everybody. And she acknowledges that, for certain people, it may be appropriate at certain times of their lives, but not necessarily indefinitely.

Transition is a part of the communal lifestyle. For example, some singles will marry and move out, other new members will move in. Generally, a household is capable of coping with some change. Addition of new members can be positive but, as is true in any living arrangement,

there will be some groupings that fail.

This neither contradicts the need for this special option nor the need to plan for it. In the Bay Area and elsewhere, shared housing, on an ad-hoc basis, has been consistent in providing diversity of opportunity in the housing market. Having a structure available to help guide a household which may be experiencing difficulty can provide a stabilizing force in its evolutionary development.

Innovative Housing has collected a significant amount of information about the preferences and concerns of potential house-sharing persons. More than five hundred, four page questionnaires were made available, upon request, to interested individuals from the community. The volume of response indicates that there is a large number of people who have found that they can have more household space, shared resources, security, and comfort, for less, if they share rent or engage in co-operative ownership, than would otherwise be available to them.

Subsequently tabulated by Innovative Housing, the results of the questionnaire have proven both revealing and helpful in formulating specific physical and financial design criteria for projects. The priorities expressed by respondents focus on the need for quality of housemates and sufficient community space for interaction. The quality of private quarters is equally important.

An "ideal" house might consist of six to nine adults with a ratio of three adults for every child, if there are children. There would be regular house meetings, and the group would share a common meal about four times a week.

In a general sense, an informal system of shared values serves to promote harmonious social relationships. This might simply include a desire for variety and a tolerance of differences, or a mutually held desire 'to live lightly on the planet.' Many households operate well because equality of the sexes is understood and decision-making is done by consensus. Inevitably, each household will have its own character.

DENSITY AND DESIGN: SHARING SPACE. In a shared living environment, density is the key social issue: Is there room for privacy as well as group activities? Greater density within a finite space inevitably reduces one's territory of individual control. Essential, then, in designing for social harmony is effective balancing of common space with private space. The structural limitations imposed by homes which were origi-

nally designed to accommodate traditional single families has led to the exploration of new design possibilities. Innovative Housing has proposed several developments for construction using these new designs.

Legally defined, a shared household is consistent with traditional single family zoning due to the existence of a single household stove. Fortunately, the best design for integrating physical and social environments is probably one which incorporates a single enhanced kitchen area as a central feature.

Looking closely at models for shared living that approach design on a human scale, Innovative Housing planning consultant Daniel Gonzales has identified some emerging patterns. He suggests that common space areas and important crossroads should be placed farthest away from the private rooms and/or sub-households for small families. This structures a kind of intimacy gradient, and responds to the needs that people had expressed in Innovative Housing's questionnaire. A unique plan for a compartmentalized bathroom arrangement, allowing for separate use of bath, toilet, and sink areas simultaneously, has also been suggested.

When enlarging the scope to include a group of buildings, each containing a different household, these may be effectively clustered around an interior open space. This central area can be used for a variety of activities involving the expanded community. Workshop, play areas, a spa or a community garden, are some of the possibilities.

Currently, Innovative Housing is ambitiously planning developments for Marin County similar to the model presented. In Fairfax, a four house complex geared to accommodate up to 36 low and moderate income persons (with rents ranging from \$300 to \$380 per person) has already received local approval and partial funding in the form of Community Development Block Grant. Innovative Housing is seeking to confirm an appropriate urban infill site for the project and proceed with the conditional use permit process.

The capital required to complete the project, estimated at \$1.6 million, is expected to come from syndication of private investment. An out-of-state development group has formally expressed a desire to act as co-general partner with Innovative Housing to raise the equity capital. A limited equity co-operative of tenants, it has been suggested, may opt to buy out the initial investors within five to seven

years.

A second exciting proposed development would involve new construction in a subdivision recently approved in southern Marin. Innovative Housing has an opportunity to purchase lots at reduced cost by taking advantage of an economy of scale. These lots are being forecast for gradual development by the non-profit, with five houses comprising the initial phase, leaving other lots available for future construction. Each of the five structures is to encompass 3400 square feet of living space and the estimated cost for each is in the \$350,000 range. These shared housing arrangements are each intended for six adults with moderate incomes.

Additionally, the houses are designed to operate as limited equity co-operatives from the start. In this format, each resident would be required to buy in at a \$5000 equity position. Monthly payments would be about \$510 per individual shareholder. While a resident, a co-op member would receive the tax benefits of homeownership. In the event s/he leaves, the share would have appreciated to include the initial deposit, principle paid on the mortgage, and a percentage increase based on the Consumer Price Index.

The high quality design predicted for these houses guarantees great potential for resale. This fact helps secure the financial development agreement. Though the lenders openly endorse and expect success for the shared housing use. Furthermore, the buying public benefits from the credibility gained in fiscal markets as a result of the non-profit's activities.

"[Innovative Housing's] story is one of facing adversity and refusing to give up."

Innovative Housing is confident that when the time comes, the available openings in these developments will not be difficult to fill. It feels that its network of leased houses combined with the existing market for ad-hoc shared housing, can attract a solid core of individuals for whom the move to commit themselves will be the right one. From a larger perspective, Innovative Housing has worked hard to establish a viable design and marketing process that it is optimistic can be replicated by other organizations in other locales.

Looking back at the gains that have been made, it has been the ability to be adaptable and develop guidelines where none were to be found, that has played a major role in Innovative Housing's success to date. Its story is one of facing adversity and refusing to give up.

CONCLUSION. The struggle to gain or maintain a home of one's own will likely remain, for many, a persistent American dream. However, it is not within the limited scope of single family houses and traditional housing forms, but rather within the greater diversity of urban housing opportunity, that people are truly able to exercise choice. Innovative Housing of Marin represents one expression of commitment to increasing housing choices. Its determination is helping to promote an awareness that the shared living alternative is a beneficial and viable option in our society. □

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The Human Impacts of Downtown Development

by Don Campolo

"Displacement" is a familiar theme running through the course of American history. It has taken different forms at various times: Native Americans in the eighteenth century, Mexicans from the Southwest during the nineteenth century, and, most recently, Japanese Americans from the West Coast during World War II (*Hartman*, p. 4).

During the 1950s, when courts began to order public school desegregation, whites began to flee the central cities for the suburbs. Blacks, however, were not allowed to follow. They and other minorities were forced to remain in over-crowded inner city neighborhoods because of low incomes and discrimination in housing elsewhere. In 1956, however, interstate highways and local freeways cut through many of these lower-income city neighborhoods, destroying the housing stock and displacing residents (*National Urban Coalition*, p. 11).

This trend toward displacement continued in the 1960s with the advent of "urban renewal" (dubbed Negro removal) programs. By the early 1970s, older neighborhoods, filled with residents on fixed or low incomes and lacking any community organization, were left to fend for themselves as the Federal government took a less active role. Disinvestment by the private sector took hold. Practices such as redlining (the denial of loans or insurance solely on the basis of central city location) became common. Owner occupied residential stock continued to deteriorate because the owners were unable to obtain loans for home repairs. Rental units also deteriorated as absentee landlords favored more profitable investments (*National Urban Coalition*, p. 11).

The trend of "white flight" began to change by the mid-1970s. Lured back to the cities by the high price of gasoline, a renewed interest in older communities, and "the realization that it is both convenient and entertaining to live in mid-

city," young professionals began the process of gentrification (*Levin*, p. 2). An "urban renaissance" began. Newspapers and popular journals began to speak of a "monumental renaissance that has given life to the cities." Whereas a few years earlier the prognosis for cities was one of gloom and doom, now the emphasis was on a wave of reinvestment in office buildings, hotels, downtown shopping centers, and cultural facilities. Politicians and planners who formerly maintained that cities were obsolescent were now arguing that America's future was urban (*Levin*, p. 2).

In recent decades, millions of people have been displaced by urban renewal and other governmental actions. Currently, however, displacement has assumed less obvious forms. Today's displacement appears not as the result of clearly identifiable governmental actions, but as the apparently natural outcome of the normal operation of market forces (*Levin*, p. 33).

"Sometimes they go into no homes at all, that is — into the streets."

Government's role in causing displacement is behind the scenes: its policies encourage profiteering and reward housing speculation (*Hartman*, p. 5). On the surface at least, it's nothing but the market at work. As the market shifts toward the "moneyed" end of the spectrum, those at the "other" and (the poor) get dumped out to scramble for reduced housing opportunities at escalating prices (*Hartman*, p. 5). Those at the "other" end become victims.

The National Urban Coalition's 1978 study, *City Neighborhoods in Transition*, and later studies identified four stages of neighborhood revitalization that distinguish reinvestment displace-

ment from normal neighborhood turnover. In the "start-up phase," the first group of investors is attracted to the neighborhood. The rate and scale of rehabilitation are small and work may be centered around only a few blocks. The low cost of real estate is an important attraction to investors.

The "buy-in phase" is characterized by increasing numbers of people buying in. Even though the negative aspects of inner city neighborhoods such as high crime rates and poor services may still be present, confidence in the investment value of the neighborhood grows.

"The private market alone is not effective in meeting the housing needs of urban areas."

In the "take-off phase," confidence in the future of the neighborhood is established. The neighborhood is acknowledged to be "a good place to live." People moving to the neighborhood seek more status and security than did previous groups. Also during this phase, depending upon the metropolitan housing market's ability to support it, speculative rehabilitation activity increases significantly. The physical evidence of change becomes obvious at this point and reinvestment in the entire neighborhood begins to appear inevitable. The maximum displacement impact occurs during this phase and the nature and extent of displacement becomes dramatically clear in the neighborhood.

During the "fill-in phase," those few properties which remain unimproved are bought and improved. The property values of both renovated and unrenovated buildings rise dramatically to reflect the established investment value of the neighborhood. Property tax assessments also rise to reflect this increased valuation. Related homeowner displacement is most likely late in the "take-off phase" and the "fill-phase" (*National Urban Coalition*, pp. 12-14).

"Low income residents that find themselves without the resources to compete for housing stock in revitalizing areas which was theirs by default during the 1940s, 1950s, 1960s and early 1970s, do not undergo involuntary dislocation from their old neighborhoods without high costs, costs which must be borne by the displacees themselves and by the city at large" (*National Urban Coalition*, p. 15). "As it stands now, displacees typically go into worse housing

situations, often at higher rents. Sometimes they go into no homes at all, that is — into the streets" (*Hartman*, p. 5).

It is estimated that in San Francisco the displacement rate is in the "low thousands" per year (*Levin*, p. 43). There are several areas of San Francisco where residents currently are either being displaced or are facing the threat of displacement. Much of this displacement is due to a loss of residential hotel rooms which are being converted to tourist or commercial use or which are being demolished and replaced by highrises.

The San Francisco Board of Supervisors first enacted a temporary moratorium on hotel conversions in 1979. In January, 1981, the "Residential Hotel Conversion and Demolition Ordinance" was passed. This ordinance was intended to restrict the freedom of hotel owners to take residential hotel rooms off the market. Because of loopholes, however, the ordinance has proven useless (*Clancy*, p. 4). There are several shortcomings of the ordinance, one of which is weak monitoring. Hotel owners can change their allotted number of residential rooms to tourist rooms by informing the Bureau of Building Inspection that they are renting fewer rooms to long-term residents. Their petitions to do so are invariably granted without public hearings or any opportunities for input from housing activists or public interest groups.

Another way around the conversion ordinance is to keep hotel rooms empty. The ordinance allows hotel rooms that are vacant between May and October to be rented for tourist use. "For some hotel owners, tourist rentals have proven so lucrative that they are willing to keep their residential units vacant or priced out of the reach of tenants" (*Clancy*, p. 4).

The conversion law can also simply be ignored. Part of this evidence can be drawn from the paucity of applications "despite the lucrative appeal of the tourist trade and the high price paid for office space near downtown" (*Levin*). According to housing activists, this does not suggest slowdown of conversions but disregard of the ordinance.

The ordinance requires one-for-one replacement housing for each residential hotel room taken out of the housing stock, however, there is another gaping loophole here — converters do not have to provide replacement housing if they contribute 40 percent of the cost of new construction plus money for site acquisition to the city's Hotel Preservation Fund. Because meeting this condition requires a substantial investment, it was anticipated that hotel owners would not

find it economically feasible to pay into the fund merely to get tourist status for small hotels. However, this economic disincentive is lost when office space next to the expensive Montgomery Street corridor is involved. Investors and developers can make so much money that they simply think of the 40 percent "cost of construction contribution" as a cost of doing business in San Francisco.

These office conversions could have a severe effect on residents of some Chinatown hotels. The conversion ordinance does not specify that replacement housing has to be in the same area as the converted property. Elderly and monolingual Chinese cannot find alternative living space in Chinatown, virtually the only neighborhood in which they can function. Other often predominately ethnic neighborhoods face similar situations. The Mission District's Hispanic population is threatened by gentrification and the Filipino community South of Market is threatened by the Yerba Buena Center and other development. Construction of highrise office buildings, the sale of residential hotels on Sixth Street, and the eradication of affordable housing are some other developments south of Market that are causing displacement (Welch). The Tenderloin, which is the home of 20,000 low-income people, one third elderly, is coveted by the city's number one industry: tourism (Hartman, p. 6). Three huge hotel structures are under construction. Although these luxury hotels are being built on what had been parking lots, there could be an enormous impact on residential hotels in the neighborhood. The smaller residential hotels could convert to budget tourist hotels in order to take advantage of the "touristification" of the area. These tourist hotels would have a severe social and environmental impact: by forcing out the services and small businesses that seniors rely on, the "touristification" would cause an "indirect displacement" of seniors.

Organized community pressure by the North of Market Planning Coalition (NOMPC) has brought about a set of agreements on the part of developers that hopefully will ease their impact on the neighborhood. NOMPC's approach was not to block construction of the hotels but to pressure authorities to require, as part of the permit procedure, that developers give money for housing and jobs. Another anti-displacement strategy of the NOMPC is for non-profit organizations, which have better intentions for the neighborhood, to buy buildings and take them off the market. Limited-equity co-ops may then be formed in which tenants



eventually purchase the unit.

Developers must take into account not only the environmental impact on a neighborhood but also the social impact that displacement causes. They must consider the needs of those who bear the highest costs, the social and human costs, of reinvestment.

Profits and benefits become unfairly distributed when the free market is relied upon for allocation of housing in reinvestment neighborhoods. Private investors reap the rewards of the economic process while older, long-term residents pay the social costs. The private market alone is not effective in meeting the housing needs of urban areas. Residents of neighborhoods that are affected by developers often form community groups in attempts to combat displacement; however, government must play a greater role in meeting the needs not adequately addressed by the free market. □

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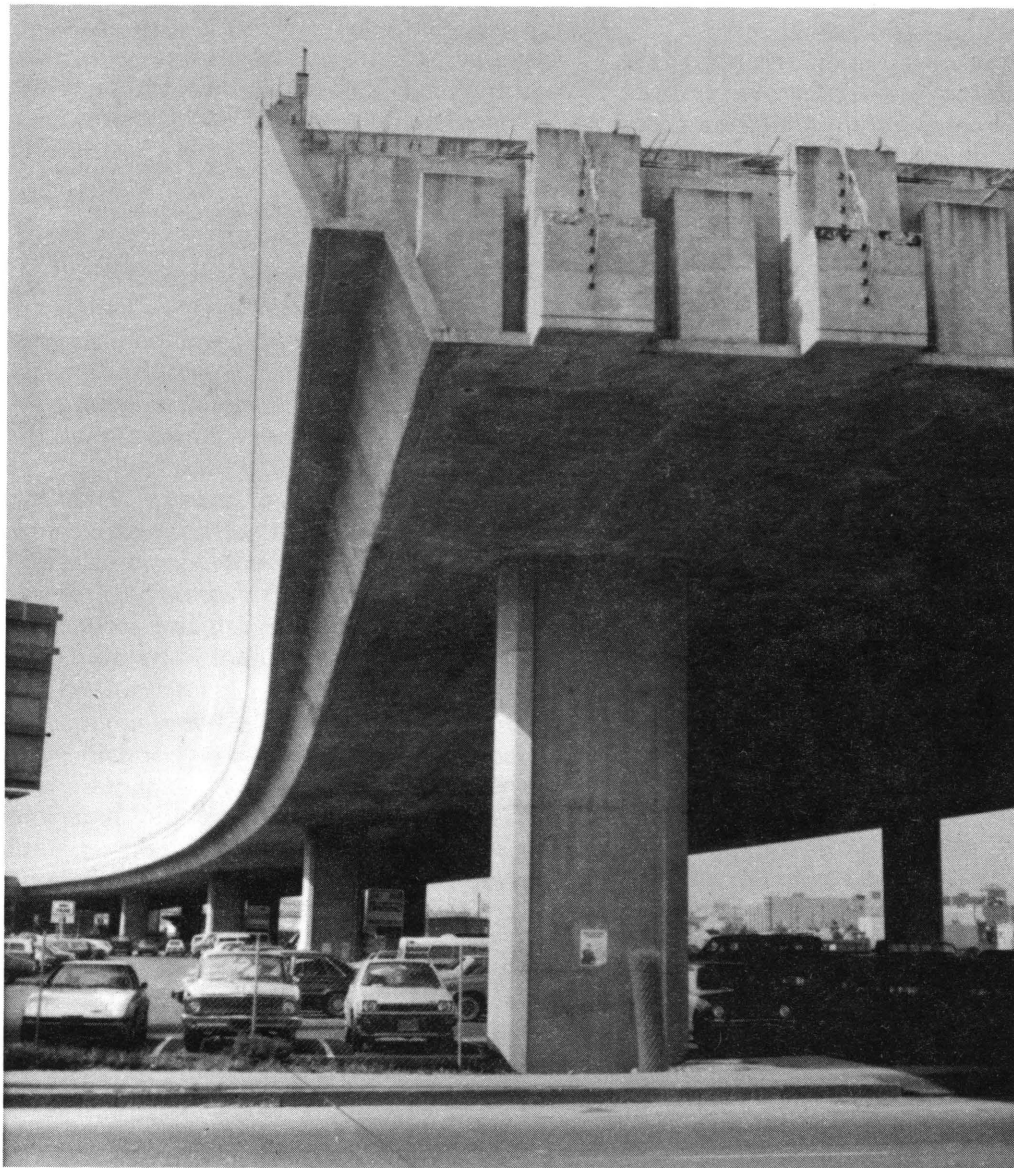
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Public Policy



The Politics of Comparable Worth

by Susan Myers

Susan Myers is a student in the graduate program in Public Administration at San Francisco State University. Her field of emphasis is personnel issues.



Alberta Gunther and three other jail matrons at the County of Washington jail in Oregon never claimed their jobs were the same as male jailers. They supervised fewer prisoners, and, unlike the male jailers, they typed. But they used the county's own job evaluation survey to show that their jobs were valued at 95 percent of the male jailers jobs and to argue that sex discrimination accounted for most of the 30 percent difference in pay. The U.S. Supreme Court, in *Washington County v. Gunther* (1981) ruled that the matrons had the right to pursue the case under Title VII of the Civil Rights Act.

The *Gunther* ruling signified a major victory for proponents of the "comparable worth" concept, which suggests that to pay employees in female-dominated jobs less than those in male-dominated jobs (if the difference in pay is not justified by the difference in the required composite of skill, effort, responsibility, and working conditions) is illegal.

WHAT IS COMPARABLE WORTH? The wage gap between men and women entering the labor force in 1980 was greater than in 1970, according to a recent study conducted by U.S. census official Gordon Green. It is a fact that young women entering the labor force start at lower wages than men, but it was thought that the gap would narrow with more females attaining higher education levels and entering higher paying industries. Green's study suggests that the gap has not narrowed (*S.F. Chronicle*, 1/18/84, p. 4).

But how can this be? The 1963 Equal Pay Act guaranteed equal pay for equal work; Title VII of the 1964 Civil Rights Act banned job discrimination on account of sex (as well as color, race,

religion, and national origin). Yet, approximately twenty years after this legislation, women who work full-time still earn roughly 60 cents for every dollar earned by men (*Simpson*, p. 70). Comparable worth (or pay equity) addresses this phenomenon. It holds that many jobs, such as those in clerical and nursing work, have traditionally been underpaid because they are held by women, and these lower wages amount to sex discrimination. Still, even though there is agreement about the meaning of "comparable worth," there is disagreement about whether its goals can or should be adopted.

HISTORICAL CONTEXT: Comparable worth is not a new issue. Visible federal efforts to combat on-the-job sex discrimination were implemented with the National War Labor Board in the 1940s. According to the Board, factory employers paid women less than men for different jobs that required equal levels of skill, effort, and responsibility in the same plant. As the forerunner to comparable worth legislation, the Board ordered the inequities corrected, using job evaluations to compare different positions. After the war, the Board was dismantled, and many employers again paid women less than men for the same jobs, as well as for comparable ones (*Simpson*, p. 70).

Even with the relative success of the National War Labor Board, the comparable worth concept clearly did not take hold. It has recently, however, re-entered the public agenda, carrying with it vast significance.

THE DEBATE: Those involved in the comparable worth debate agree that women are entitled to equal opportunity in the workplace. The concept of equal pay for equal work is not at issue. They also agreed that there is a gap between men's and women's wages (although the size and causes for the gap are disputed). Agreement ends here.

The opponents have put considerable effort into analyzing how to establish wages independent of the market system and how, with legal

certainty, to compare the value of dissimilar jobs. While it may be argued that these factors merit further study, they are not insurmountable obstacles to the implementation of comparable worth.

While opponents worked to block comparable worth efforts, proponents developed an effective methodology for determining wages: job analysis. This method compares jobs using some or all of the following variables: tasks, equipment used, products made or services rendered, working conditions, knowledge, skills and experience. Furthermore, in an effort to establish a legal definition of comparable worth, proponents have taken the issue to court.

THE POLITICAL DYNAMICS: On the federal level, Congress empowered the Equal Employment Opportunity Commission (EEOC) with the power to regulate and enforce the provisions of the 1963 Equal Pay Act and Title VII of the Civil Rights Act of 1964.

The Equal Pay Act only requires employers to pay men and women the same wages if they work in the same establishment under similar working conditions, performing equal work in jobs that require equal skill, effort, and responsibility. It permits pay differentials, however, based on four exceptions: length of service, merit, quantity or quality of production, or any factor other than sex. An employer may cite these factors as a defense in a lawsuit brought under the Equal Pay Act. The Kennedy Administration supported the concept of comparable worth; early drafts of the Equal Pay Act contained comparable worth language, but, after eighteen months of debate, comparable worth language was expressly omitted from the Act (*Livernash*, p. 221).

"...proponents developed an effective methodology for determining wages: job analysis."

Title VII bans employment practices that discriminate on the basis of race, color, religion, sex, or national origin. Many employer activities such as hiring, work assignment, transfers, promotions, layoffs, and discharges, as well as compensation practices are covered. Title VII, hence, is much broader than the Equal Pay Act. To assure that the two laws did not conflict in their treatment of equal pay cases, Congress attached

the Bennett amendment to Title VII. It prohibited sex-based pay discrimination under Title VII unless it was "authorized by the Equal Pay Act."

The legal question is whether "authorized" means expressly sanctioned or simply not prohibited. Proponents of comparable worth argue the former. This interpretation would imply that the only discrimination sanctioned by Title VII are the four exceptions stated in the Equal Pay Act. Therefore, advocates say, the only effect of the Bennett amendment is to turn the four exceptions into defenses against Title VII equal pay cases. And because the Equal Pay Act intentionally does not cover comparable worth cases, the amendment has no effect on such cases under Title VII.

Opponents contend that the amendment prevents Title VII coverage of any issues not covered by the Equal Pay Act. Therefore, comparable worth would not be covered by Title VII.

Early in his administration, President Carter charged the EEOC to develop comparable worth guidelines. But because of resistance from its own advisory council and the business community, the EEOC opted for low visibility in the development of comparable worth (*Livernash; The Clipboard*). It participated by submitting amicus curiae briefs in several court cases brought under Title VII by female plaintiffs charging that they had been denied equal pay for work that was comparable to that performed by men. But the EEOC still failed to exercise its full range of authority. Under Title VII, the EEOC can either file discrimination charges on its own or process those filed by individuals. The agency can either file its own lawsuit against the employer in a federal district court or give the private parties "right-to-sue" letters which permit them to file their own suits. Significantly, the EEOC, to date, has not filed its own comparable worth-based discrimination charge against any employer.

SURVIVAL IN THE REAGAN YEARS: As mentioned above, Congress left the EEOC with ambiguous guidelines regarding comparable worth. The EEOC was apparently unwilling, or unable, to develop working guidelines for its implementation. Yet, with Reagan Administration opposition, comparable worth has been catching on. How?

Proponents have been instrumental in keeping the comparable worth concept alive during the Reagan years. The American Federation of State, County, and Municipal Employees (AFSCME) has filed suits against Connecticut,

Washington, Hawaii, and Wisconsin charging wage discrimination on the basis of sex. The National Committee for Pay Equity, made up of unions and women's groups, provides technical assistance and information as well as networking for comparable worth interest groups. The NCPE reports that some eighty-five state and local governments are either studying or implementing comparable worth guidelines.

Congress' support of comparable worth seems to fall along party lines. Democrats favor comparable worth as part of the "gender gap" issue, while Republicans tend to support the Reagan Administration's opposition to comparable worth.

The continued survival of the comparable worth movement rests on the alliance between interest groups that favor comparable worth and supportive members of Congress. Although Congress, as noted earlier, has not effectively directed the EEOC to implement comparable worth, certain members have brought it to the public's attention. And, given the current political climate, the most effective tactic of pro-comparable worth groups has been to take the issue to court.

THE COURTS: In the 60s and 70s, rulings on comparable worth declared that it is legal to only pay market level wages, rather than wages based on the comparable worth of job functions. Recent court decisions have reversed this pattern; most notable was the 1981 Supreme Court ruling that made it clear that Title VII goes beyond the concept of equal pay for equal work. As noted above, *Gunther* opened the door for Title VII coverage of sex-based wage discrimination claims; however, it did not establish the criteria for proving a comparable worth claim (*Simpson*, p. 72). Another case took on this issue.

In *Washington Federation of State Employees v. State of Washington* (1983), Federal Judge J. Tanner found that the State of Washington had illegally maintained a compensation system which discriminated on the basis of sex. WFSE introduced into evidence a study conducted by the State of Washington which found that women earned 20 percent less in jobs comparable to those held by men. Judge Tanner described this disparity as pay segregation, which by his interpretation violated Title VII. Tanner acknowledged that his order will have expensive consequences for the state (Washington was ordered to pay between \$839 million and \$978 million to the plaintiffs) but further insisted that the remedy "ha[d] to be disruptive because

you're changing past practices" (*Drinkhall*, p. 14).

Gunther and *WFSE v. Washington* helped clarify the Bennett Amendment as well as set a basis for job comparison in the courts. Additional cases are now pending which should further help clarify the comparable worth concept. However, it probably comes as no surprise that these court decisions have mobilized opponents, most notably the Reagan Administration, which is preparing a legal challenge to Judge Tanner's *WFSE v. Washington* decision.

"...[T]he 1981 Supreme Court ruling...made it clear that Title VII goes beyond...equal pay for equal work."

THE FUTURE: If fully implemented, comparable worth has the potential for broad socio-economic and sociological impact. From the socio-economic standpoint, raising the median pay of 27.3 million full-time working women enough to equal the median pay of men could, according to some estimates, increase payrolls more than \$150 billion per year (*Livernash*, p. 249). Even if these figures are exaggerated, the impact on employees, employers, and society will, no doubt, be felt. From a sociological standpoint, comparable worth may reduce the sex-role stereotyping that accompanies low-paying jobs; it could guarantee equitable wages for women (men) who are employed in female dominated jobs (*The Clipboard*, pp. 8-10).

The outcome of *SFSE v. Washington* will set precedent in the lower courts in the campaign to implement comparable worth. Even if Judge Tanner's decision were reversed by a higher court, comparable worth will not vanish. Cities and states across the country have already implemented comparable worth guidelines and many other municipalities are conducting their own comparable worth evaluations. Much of this activity is attributable to the efforts of involved citizens and interest groups. Through continued court action, active group participation, and networking, as well as research and data-gathering, citizen groups may yet be able to effectively bring lasting comparable worth standards to federal regulations. And in this election year, with political attention focused on "gender gap" issues, comparable worth will continue its transi-

tion from relative obscurity to high visibility on the agenda for public debate. □

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Safety Nets and Incomes Floors: The Limits of Welfare Reform

by Laurie Davis

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The problems of America's poor seem to resist political solutions. Conservative and liberal strategies alike have failed to reduce the number of people who find themselves unable to earn a living. This fact suggests a pathology in the American political machinery which deserves serious attention. Some of the basic characteristics of electoral politics prevent rather than facilitate the formation of policies which address the underlying causes of poverty. The source of this problem is not in the competing strategies of partisan groups, but rather it is embedded within the political framework which both groups utilize. I shall attempt to illuminate these systemic difficulties by juxtaposing the welfare policies of Ronald Reagan and Richard Nixon.

Both Presidents perceived a problem in the entitlement programs they inherited; however, they proposed virtually opposite courses of action to alleviate these problems. Reagan chose to reduce the programs as much as Congress would allow him to, while Nixon proposed a reform measure, the Family Assistance Plan (FAP), which would have substantially increased the government's role in aiding the poor. The fact that Congressional approval of Reagan's Omnibus Reconciliation Act of 1981 was achieved without serious contention while, during the Nixon Administration, Congress rejected the FAP, reveals some of the political constraints which set the parameters of welfare politics. At the same time, both the failure of Reagan's "safety net" in providing assistance to the "truly needy" and the anticipated inadequacies of the

FAP "income floor" point to the inability of the American political framework to address squarely the systemic causes of poverty.

Three basic characteristics of American politics which limit the progress of welfare reform are the short-term time frame of elected officials, the politician's loyalty to voting and contributing constituents, and the presence of constituencies which become dependent upon existing programs. First of all, since major policy decisions are generally made by politicians serving relatively short terms, their policies tend to be highly political and pragmatic. Within two to four years, these politicians need to produce measurable accomplishments which demonstrate loyalty to their constituents' interests. Thus it is to the politician's advantage to narrow and simplify an issue to solvable proportions. While this may work well for the politician, it does not allow for the in-depth analysis or the time required to deal effectively with an issue as entrenched as poverty.

Secondly, the concerns of a politician's active constituency contain an upper-class bias (Schattschneider, p. 68). Campaign contributors and active participants in the electoral process are generally people who operate successfully within the existing system and have little reason to initiate fundamental changes. On the other hand, those who are the victims of the system tend to become alienated from the electoral process and so, for the most part, are non-participants.

A third constraint for those who desire to reform the welfare system significantly, is the fact that four million families depend on the existing network of welfare programs for their survival. Bureaucrats develop a financial and personal stake in the status quo and therefore seek representation for their particular programs in Congress. Any reform measure must

confront these two groups. Consequently, untangling the complex network of entitlement programs of which AFDC is a part, is politically and programmatically difficult. Both the dynamics of electoral politics mentioned above, and the commitment to existing programs tend to be counterproductive to effective welfare reform.

These three characteristics operate as constraints in the arena of welfare reform because poverty is a complex problem plagued with systemic and dynamic causes. The disproportionate numbers of women, children and minorities which make up the welfare roles point to some of the fundamental causes of poverty, namely, racism and sexism, which prevent or inhibit individuals from earning a decent living. Women and children make up 75 percent of the nation's poor (Chelnov & Zimmerman). In California, 38.4 percent of AFDC recipients are Black and 23.4 percent are Hispanic. The demographic composition of those living below the poverty line has shifted dramatically in the last fifteen years. In 1967, women accounted for 37 percent of the poor; by 1980, at which time 80 percent of AFDC families were headed by single mothers, the figure had risen to 63 percent ("Women and Poverty"; Chelnov & Zimmerman).

These figures point to problems which are politically dangerous. They are not quickly solved, nor do they plague influential citizens. Thus, traditional political solutions for low income groups have centered on measures such as job training or minimal transfer payments instead of analyzing the fundamental barriers to earning a living which exist for certain groups of people. The absence of such analysis results in policies which reflect misconceptions of what it means to be poor. Certainly the poor are income poor: the 67 percent who are women earn, on the average, 59 cents to every dollar a man earns ("Women and Poverty"). In addition to the inequity of the salary and benefit structures between men and women, Clair Vickery has pointed out that women are also "time poor" and "rights poor" (Assembly Human Services Committee). The time required for child care in single parenthood deprives women of the opportunity to receive the education and training necessary for upward mobility. The calculation of the "poverty line" includes assumptions inconsistent with the situation of the average poor family. The amount considered the poverty line (\$8,404 for a family of four in 1983) is calculated on the assumption that while one parent earns an income, the other is available for child care. The minimum cost of day-care for a full-time work-

ing mother is \$2,500 for one child. The "economy food plan," another measure on which the poverty line is based, assumes that a member of the household has the time to plan and shop carefully. These are just a few of the facets of today's poor which welfare policies have, by and large, overlooked.

"The demographic composition of those living below the poverty line has shifted dramatically in the last fifteen years."

Considerations such as day-care facilities, Comparable Worth, and Affirmative Action are generally absent when politicians discuss welfare policy. Although some politicians, perhaps, are unaware, others deliberately avoid connecting racism and sexism to poverty since such problems are endemic to the system within which they are operating and do not have simple solutions or influential constituencies.

The policies of President Reagan and Nixon offer contrasting models of welfare reform, yet both avoid the key issues and are shaped, instead, by the political constraints discussed earlier. President Reagan was elected partially on the basis of his pledge to reduce government spending. By focusing the source of the country's ills on a single culprit, big government, he was able to conduct welfare reform with a single strategy: significant reduction of entitlement programs. This strategy defined a clear course of action and it captured the ideological support of politically conservative Americans as well as taxpayers resentful of the perceived abuses of the welfare system (despite the fact that even large cuts could have relatively little impact on the federal budget since AFDC represented just 1.1 percent of it) (Erie & Rein). Reagan cultivated these ideological misgivings by defining the problem of poverty as that of men who prefer to receive a government dole rather than do "honest work." Given this understanding of the problem, his cure was to make the government dole as inadequate as possible and to require those who receive public assistance to work for it. This approach not only simplified the problem, but also served to justify his strategy by attaching the blame of poverty to the individual. In simplifying the problem and attaching its cause to individual rather than systemic malfeasance, Reagan was

able to institute policies which were programatically inconsistent as well as devastating to the "truly needy."

By lowering the income ceiling for welfare eligibility, eliminating the \$30-and-one-third earnings disregard, which operated as a work incentive, and transferring the responsibility for AFDC to the state level, he realized his short-term measurable goal: to reduce welfare costs. However, even though Reagan was able to cut two billion dollars from AFDC in 1982 and another billion in 1983, the long run savings for the nation as a whole are questionable. Elimination of earnings disregards once again makes it more lucrative to quit a low-paying job and to enroll in welfare, which in addition to higher income, entitles recipients to health care through Medicaid. Especially for mothers with young children, the prudent choice is welfare, and this choice will result in a rise in the number of eligible recipients. Cuts in food stamps and school lunch programs may save dollars on Reagan's ledger; however, inadequate nutrition, especially for young children, will certainly compromise their potential for becoming productive members of society.

In addition to making reductions that, in the long run, may well produce added expenditures, the demographic profile of those affected certainly challenges the success of Reagan's articulated goal to help only the "truly needy." In 1983, 85 percent of the 22 million recipients of food stamps were women and children. Reagan's 1983 budget cut of \$2.3 billion (on top of the Fiscal 1982 cut of \$2.4 billion) meant 16 percent of food-stamp households lost all benefits and 70 percent lost some benefits. Reagan's reductions caused 600,000 families to lose AFDC (and Medicaid) eligibility or to receive reduced benefits. In addition, 9.5 million children were dropped from the School Lunch Program (Ehrenreich & Stallard, p. 221). Such figures lead to the conclusion that although politically successful in pursuing his strategy, Reagan's reduction of welfare reduced neither the long-term cost of aiding the poor nor the number of people living below the poverty level.

The political factors which facilitated the realization of Reagan's welfare policy prevented Richard Nixon from ever seeing his Family Assistance Plan pass the floor of Congress. Nixon assumed the Presidency at the end of a decade in which the costs of welfare had tripled and the caseload doubled, despite general economic prosperity and low unemployment (Congressional Quarterly, pp. 1520-1524). This alarming

trend caused him to place the "welfare mess" at the top of his political agenda of domestic policies. Consequently, he endorsed a plan designed to reform AFDC fundamentally by replacing it with a set of policies which were intended to reverse all of the acknowledged ills of AFDC.

FAP consisted of four basic components. First, the plan provided a "guaranteed income floor" for all families with children whose total family income fell below the poverty level (\$3920 for a family of four) whether or not there was a father in the home. Second, the plan included aid to the working poor which would replace the existing work disincentives with a negative income tax scheme whereby until a family's income reached \$3920, it would always pay to work rather than not to work. Third, benefit eligibility would be contingent on a work stipulation which required "able-bodied" adults to accept training and/or "suitable" employment. Failure to comply would result in a partial loss of benefits. Fourth, the primary administrative responsibility of the FAP would shift from the state governments to the Department of Health, Education and Welfare of the Federal government. The intention here was to standardize payment levels across the country and to protect welfare recipients from the vicissitudes of local control.

"Nixon, and supporters of the FAP, believed that it contained elements which would appeal to persons on both ends of the political spectrum."

Nixon, and supporters of the FAP, believed that it contained elements which would appeal to persons on both ends of the political spectrum. They believed liberals would support the increased fiscal and administrative involvement of the Federal government in a welfare policy that would assist the working poor as well as the unemployed. At the same time, they thought that conservatives would approve of the negative income tax schedule since it was an economically conservative notion originally proposed by Milton Friedman. Additionally, the work requirement would allay conservative fears of increased handouts to able-bodied, indolent individuals.

What the FAP proponents failed to anticipate were the characteristics of the political system which constrained approval of the FAP and sustained Reagan's strategy. Rather than simplifying the problem of the cure, the FAP attempted to cure all the known ills of the AFDC at once. This meant the plan would be necessarily complicated and it broadened rather than narrowed the public's and the politician's perceptions of the problems surrounding AFDC. Secondly, both conservatives and liberals subjected to the short-term outcomes of such a scheme. The level of proposed payments that would provide the "income floor" was \$1,600 for a family of four — less than half of the poverty level income at the time and so, from the liberals' point of view, was woefully inadequate. Payments of \$1,600 would increase payment levels in only 18 states (Congressional Quarterly, pp. 622-627), which were heavily concentrated in the South, where increased payments would threaten the subminimal wage level structure which the Southern politicians preferred not to disrupt. At the same time, conservatives recoiled at budget figure which estimated that FAP would almost double the cost of welfare from \$4.2 billion to \$8.2 billion. Conservative fears of immediate added cost and the precedent such an increase would set were hardly assuaged by the argument that in the long run, the work incentives and work requirements would move the poor into private sector jobs and ultimately decrease welfare dependency. The absence of short-term, realizable gains for politicians on both sides of the fence, was a major factor in the defeat of the FAP.

Constraints imposed by existing monetary commitments also compromised both the possibility of standardizing payment levels and simplification of the complex network of entitlement programs. Since it was believed that recipients ought not to take a cut in their income in a plan designed for their benefit, states already paying more than \$1,600 would continue to pay the same level with the help of federal supplements. This meant that, in fact, payment levels would continue to vary across the states. Secondly, because AFDC was programmatically linked to programs such as food stamps, health care, and public housing, it would have been necessary to develop a new set of interrelationships among these programs. And so, instead of simplifying the welfare policy, as proponents claimed it would, the FAP would have introduced a new program that would have upset the existing equilibrium of welfare programs.

These political constraints did serve an important, constructive function as well. The need for perceivable short-term results, constituent opinion, and existing programmatic commitments, prevented Reagan from completely disassembling the welfare state. They also put the breaks on the FAP, which despite some positive elements, as a whole, would most probably have created a new and equally complicated set of welfare policies.

In both cases, however, the most informative aspect of their failure to alleviate American poverty was their attempts to attach simplistic solutions to the complex problem of poverty. Avoiding the realities of racism and sexism may be prudent in the short-term perspective of electoral politics; however, for the long-term health of the country's economy and its ideals, these kinds of problems require bipartisan attention. It would seem that at an ideal level, the values of the right, left, and middle converge. An individualism which allows any person to pursue the educational, occupational, and economic goals s/he desires, depends on the equal opportunity to pursue that choice. This is no great insight, perhaps it verges on being cliché, but if it is true, we need to address the breakdown between this common goal and the political apparatus we have developed. □

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The Impact of Block Grants on the California Family Planning Program

by Linda Mattson

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California was once a forerunner in recognizing public health needs and in funding innovative programs to address those needs. The state family planning program has been an important example of the effective public health programs that have developed in California. Since the creation of the State Office of Family Planning (OFP) in 1973, funding for family planning has grown from approximately \$5 million to nearly \$40 million in fiscal 1982-83. The effectiveness of this program has been analyzed in at least two policy studies, one conducted by the State Department of Health Services (DHS) in 1981 (*State of California, DHS, 1981*), and an update conducted by the Institute for Health Policy Studies, University of California San Francisco in 1983 (*Brindis*). Both studies concluded that for every \$1 spent on family planning services, the state saves approximately \$5 to \$6 in future medical costs associated with unintended pregnancies.

Governor Deukmejian's administration is proposing to eliminate the State Office of Family Planning and to distribute family planning funds directly to counties, in the form of block grants, presumably to increase the effectiveness of the use of family planning funds by allowing local levels of government to determine community family planning needs. In addition, a \$9.5 million budget cut was made in 1983, with the claim that the state family planning program had not been shown to be cost-effective. This funding mecha-

nism known as block grants endangers the state family planning program and threatens to increase costs in an era in which the economical use of state resources is of increasing importance.

The proposal to transfer responsibility for family planning services to the county level is expected to increase the administrative costs for the family planning program, due to the duplication of administration in each of the 58 counties (*State of California, DHS, 1983*). The tendency has been noted that in an era of budget cutting, funds are removed from preventive health services such as family planning and are used for acute medical services (*Korenbrod, 1983*). This, in combination with the cuts already made to the family planning program in 1983, will result in a greatly reduced level of funds available for services to clients in each of the counties. An implication drawn from cost-effectiveness studies of family planning programs is that greater numbers of pregnancies will occur among low-income women if access to family planning services is decreased.

Thus, one major impact of the family planning block grant may be the increase of state costs for MediCal payments. A study completed in 1981 concluded that for every \$1 not spent on family planning services in California, the costs to the state for a MediCal client rose by \$77 (*Korenbrod, 1982*). A three percent reduction in the number of MediCal clients who are provided family planning services, from the 1982 level, would therefore result in increased costs to the state for MediCal claims due to unintended pregnancies of \$1 million per year.

The impact of block granting the family planning program may fall heavily on an urban country such as San Francisco. The controversy surrounding the family planning program, due

in part to the mistaken belief that OFP funds are used to provide abortions, may result in a low level of family planning services provided in some rural or politically conservative counties in the state. Residents of these counties may seek their family planning services in San Francisco clinics.

“Currently two thirds of family planning services are subcontracted out to community clinics by the State.”

CRUCIAL ISSUES: The main issues in the use of block grants for family planning services in California, as proposed in Senate Bill 1450 (1984), fall into three categories: quality issues, cost issues, and research and planning issues.

Quality issues in family planning are of greatest importance, because of the intention of the legislature in creating the Office of Family Planning in 1973, which was to provide high quality comprehensive family planning services for low income residents of California who were above the MediCal eligibility cutoff. The areas in which quality of services might suffer under the proposed block grant for family planning include:

- **UNIFORMITY OF SERVICE:** The controversial nature of family planning may result in only minimal services being offered in certain counties, with barriers to access imposed.

- **STANDARDIZATION OF SERVICES:** Due to varying priorities and capabilities among the counties, services may be inconsistent across the state. Consumers may begin to shop around, outside their home counties, for services which meet their expectations, thus placing a demand not accounted for by the *per capita* allocation of funds for services to counties.

- **AGENCY OF AUTHORITY:** The decision as to who will administer the funds is important, for if the Boards of Supervisors of counties were in charge, the decisions would be made in a more highly political arena by elected board members. If the county health departments were in charge, the decisions would be made at a less visible level.

- **TECHNICAL ASSISTANCE AND CONSULTATION:** The loss of the expertise of the OFP to counties now administering an entirely new program could have a devastating effect, yet the proposal includes dismantling the State Office of Family Planning.

- **STATEWIDE PERSPECTIVE:** The OFP currently is able to identify high risk populations in the state and target them with increased services to meet their needs (*State of California, DHS*). Counties are not expected to be willing nor able to give up funds if their residents are of low risk. Therefore the higher risk populations will be at even a higher risk, that of being underserved.

Cost issues tie in with quality issues, but deal directly with efficient uses of our tax dollars for meeting family planning program goals. These issues include:

- **DUPLICATION OF ADMINISTRATIVE SERVICES:** DHS, OFP and consumer groups all agree that due to the duplication of administering family planning programs in each of the 58 counties, costs will rise and efficiency will decrease. This translates into fewer dollars available for family planning services for clients.

- **COST-EFFECTIVENESS OF FAMILY PLANNING PROVIDERS:** Community non-profit clinics have better cost-effectiveness ratings than have county hospitals in providing family planning services (*Freeman*). Currently two thirds of family planning services are subcontracted out to community clinics by the State. Traditionally, county hospital costs have been higher and therefore could be considered to be excessive. Because county hospitals are suffering, in many counties, from lack of funding, it is expected that family planning dollars may be used to bail out the hospitals from financial difficulties, were block grants to be instated. This translates into even fewer dollars available to provide family planning services to clients. In addition, it is questionable whether family planning dollars will be traceable, once given to counties. This could mean that no further effectiveness studies might occur.

- **ECONOMIES OF SCALE:** The OFP has proposed to set up a plan for volume purchasing of oral contraceptives and IUD's for the state, which could cut the cost of these contraceptives to one seventh the current cost. This could save \$2.5 million per year (*Wolfson*). With counties controlling family planning funds there could not be the volume necessary to achieve such savings, nor would there be the mechanism for counties to collaborate for volume purchasing.

Research and planning issues deal with the State's ability to move ahead in determining future needs, and how best to plan to take care of them. These issues include:

- **DATA COLLECTION:** It has already been observed that with a lack of funds the first area to

be cut in family planning, and in health services in general, is data collection and analysis. Indeed, this has already occurred following the budget cuts in the Department of Health Services in 1983 (Wolfson). The lack of adequate and uniform data collection is already apparent in California. The problem will be compounded with each county developing and administering its own system of data collection. This will adversely affect the State's ability to identify and plan for future family planning needs.

- **STATEWIDE TRAINING PROGRAMS:** It is expected that current programs for training family planning nurse practitioners and teachers for Family Life Education courses will be discontinued without support by the State OFP. These valuable programs contribute to the cost-effectiveness of the current family planning program, in providing services by trained nurse practitioners who are not as costly to train or as costly to employ as physicians (Donovan).

- **STATEWIDE RESEARCH PROGRAMS:** Currently the OFP is participating in studies on the incidence of sexually transmitted diseases such as gonorrhea and chlamydia infections. The correlation between these infections and infertility problems is just coming to light (Washington). OFP predicts that research programs of this sort will be discontinued due to lack of state oversight and priorities from a statewide public health viewpoint. This will contribute to the decline in ability to plan for future health needs.

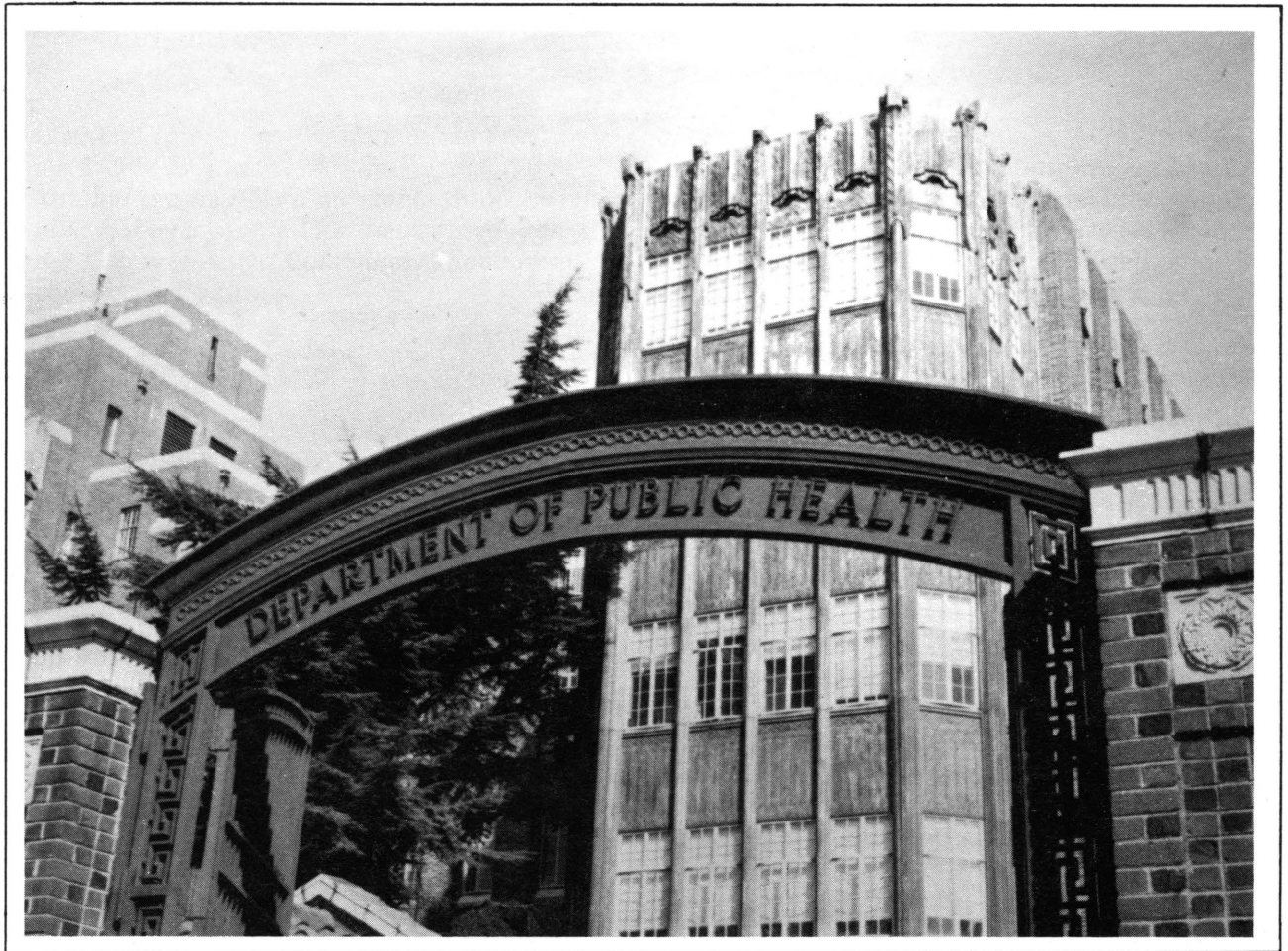
Thus the impact of block granting on the state family planning program is highly undesirable, for both public health concerns and for economic considerations. Senate Bill 1450, proposing the family planning block grant, will go before the Senate Health and Welfare Committee by April 27, 1984. A concerted effort by family planning providers and concerned family planning advocates will be necessary to maintain an effective and cost-efficient family planning program in California. □

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Health



Dying with Dignity: Public Support of Hospice Care

by Maureen Linehan

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A medical student recalls treating a 96-year old woman who had cancer, was blind, and had had several heart attacks; the woman was administered a spinal tap which is a very painful process. As the medical student put it: "I felt like we were torturing her...why were we sticking her with needles? She was so sick. Why not just let her die?"

Those who are dying do not fit into the curative, technological intensive mode of traditional medical practice. Doctors are taught to produce results, to administer tests, and to show improvement. But what do they do with the patient who cannot be cured? In a curative model, allowing someone to die is giving up, perhaps admitting failure. It is difficult to do.

In recent years, much attention has been given to care of the terminally ill in the United States. Such care generally takes place in hospitals in which costs are high and which have been criticized for being ineffective in treating the special needs of the dying. Hospice, as a cost effective alternative to traditional care for the dying, has arisen to meet these special needs. Hospice is a philosophy of care based on palliative rather than curative methods of treatment. Simply put, hospice allows the terminal patient to die at home and in relative comfort without heroic life-saving interventions.

A dissatisfaction with traditional care of the dying is evident in the tremendous growth of hospice in this country. In just ten years since its

introduction to the United States, there are now close to 1000 hospices. Most hospices are community operated and supported, and there has been little financial reimbursement available for them, thus the continued growth and dedication to quality care for all, regardless of income, is remarkable. Two years ago, however, through the effort and commitment of the hospice community, hospice became reimbursable under Medicare. In these days of budgetary restraints, hospice legislation was successful not only because of its claims for better care, but more importantly, because of its potential cost savings. This article will explore hospice as an alternative method of care for the dying, now accepted by Medicare.

BACKGROUND AND PHILOSOPHY: Hospice originated in the middle ages as places of shelter for travelers. Its modern beginnings can be traced to St. Christopher's Hospice in London in 1967. The first American hospice, Connecticut Hospice (formerly Hospice of New Haven) was established in 1974 and was based on the successful St. Christopher's model (Bayer, p. 5). Now there are close to 1000 hospices in this country and many more in the planning stages (Bay Area Hospice Association, Nov. 1983).

Hospice has arisen to fill the gaps in care for terminal patients in the current system in which an emphasis on specialization lessens the consideration of the patient's overall comfort and condition. Hospice attempts to incorporate current medical knowledge with the ancient skills of caring for a dying family member at home. It is only recently that people have gone to hospitals to die. "Now 75 percent of all deaths occur in institutions while 75 percent of people would rather die at home" (Northern California Hospice Association, June 1984). Hospitals provide expertise in a frightening time of uncertainty. The family or individual may feel very inade-

quate to care for a dying person. This sense of incompetence has developed as people have become increasingly reliant on and accepting of advanced technological interventions in medicine. But these interventions are not necessarily what the dying person needs or wants. Hospice shows us that there is another way to die.

Hospice strives to alleviate the symptoms that in themselves can be debilitating to a patient, such as vomiting and pain. It strives to improve the quality, not the quantity, of one's remaining days. It is based upon the acceptance that life-prolonging methods such as chemotherapy may no longer be effective or appropriate. The goal of hospice is to keep the patient as independent and comfortable as possible while he spends his remaining days at home.

The management of pain is one of the key goals and successes of hospice. Hospice will prescribe what is called Bromtom's mix, which is generally morphine, alcohol, and cocaine, at regular intervals in order to break the pain. Traditionally, pain treatment has been based upon needs: when the individual feels pain and asks for relief. Hospitals have not wanted to give pain medication regularly because of their fear of addiction. This is not a concern in the case of the terminal patient, since the patient may not live long enough to become addicted to the narcotic medication. Pain is subjective as well as physical, and the anticipation of pain can, in fact, intensify its effect. By breaking the cycle of pain with regular medication, and minimizing the actual pain that the patient feels, hospice makes the pain more manageable and alleviates much of the patient's anxiety (*Lack, p. 5*).

The focus of hospice is unique but not only because of its emphasis on palliative care but also because of the involvement of the individual, the family and the volunteer in providing care. It is the patient who determines his needs and the hospice staff which works to meet those needs. Too often in the current system, people feel they have little influence in the decisions regarding their care.

Education and participation of the family is essential in achieving the most comfort possible for the dying. The family's inability to deal with a dying relative, whether due to fear or inexperience, may be the only reason that one is in the hospital. These obstacles can be minimized by instructing the family member in duties such as bathing, medications, and turning and lifting the patient to prevent bedsores. How comforting for the individual to be surrounded by family

members and memories rather than sterile hospital walls.

Volunteers are another important aspect of hospice care. They are invaluable in being able to provide the little things, like running errands or sitting with the patient, that a family may be too exhausted or distressed to do — things that are still essential in maintaining a family. Volunteers help make it possible for the family to keep a relative at home.

Facilitating bereavement, after a family member has died, is an important function of the hospice staff in helping the family recover after a loss. Inadequate bereavement in the form of depression, alcoholism, loss of productivity, and even suicide, takes a heavy toll on the public health. Depression and guilt can be troublesome throughout one's life if the source of these problems is not dealt with. Bereavement helps bring family members, who may have been caring for a terminal patient for a long time, back into society.

PUSH FOR LEGISLATION: Hospice has been a grassroots attempt to provide quality care for the dying. Federal interest in this movement has been stirred by many favorable reports of hospice's provisions of quality care and potential for cost savings, without which, hospice would have become merely another of the many excellent alternative methods of care looking for public funding. Hospice is different because it may save Medicare money; thus, Congress and the current Administration are both interested in what happens to this program.

Health care costs have been rising much faster than inflation in recent years. In a technologically intensive treatment system the costs of dying are tremendous and Medicare bears much of this cost; 65 percent of those who died in 1976 were Medicare beneficiaries (*Aiken, p. 1271*). The Warner Lambert Foundation estimates that one day of hospice care costs only 20 to 25 percent of the cost of one day of hospital care for the terminal patient. Furthermore, the Foundation predicts that Medicare would realize a net savings through hospice of \$13 million to \$50 million in its first year and \$30 million to \$150 million in its fifth year (*Bayer, p. 5*). The fluctuation of costs would depend on the mix of institutional/home usage under the benefit. The Congressional Budget Office predicts a cost savings of \$1120 for Medicare for each new user of hospice care (*Bayer, p. 5*).

The hospice movement, confident of the value of its program, drafted legislation to allow

hospice to be reimbursable under Medicare. The bill had broad bipartisan support in Congress and passed in August of 1982. It was the only expansion of health and human services in that Congressional session. Congress supported the bill because the cost-savings of hospice offered the opportunity to increase rather than reduce social services, without costing the taxpayers money.

Though the legislation passed, the amount of reimbursement remains a matter of controversy. Both hospice providers and Congress support higher levels of reimbursement, while the Health Care Financing Administration (Medicare's financing office) and the Reagan Administration are attempting to lower reimbursement levels. HCFA states: "Ideas that were indeed laudatory in their concept and beneficial in their proposed outcomes have brought with them financial implications that had not been foreseen when the benefits were first enacted" (Bayer, p. 6). HCFA's concern with potential cost overruns stems from a major underestimation of the cost of various programs. The Reagan Administration expects individuals to utilize hospice without significantly reducing their number of hospital days, thus adding to rather than saving Medicare costs (Bayer, p. 6).

The level of overall reimbursement in this legislation has a cap, or ceiling, based on 40 percent of the average Medicare cost of care for the last six months of life the cancer patient. The cap was expected to be around \$7000, based on costs of care of around \$19,000 for the last six months. In May of 1982, the Reagan Administration drafted legislation that would place the cap at \$4332, some 60 percent lower than the \$7000 available when the legislation passed. HCFA's estimation of cost was \$11,000 for the last six months, thus the lower cap (Pear). Providing quality care at this cost level is considered to be very difficult, if not impossible, for hospice campaigned to increase this cap and, once again, with the support of Congress, succeeded in increasing it to \$6500, where it now stands.

REGULATIONS FOR IMPLEMENTATION: The regulations drawn up by HCFA for implementing the reimbursement of hospice care are detailed and reflect many compromises made in the normal course of the legislative process. The major thrust of the regulations is to minimize cost and over-utilization of the benefits. Much less concern has been placed on guaranteeing the quality of the care provided. The regulations have become HCFA's mechanism for trying to

control the hospice benefit.

Eligibility for hospice care is determined by a diagnosis of less than six months to live by the individual's primary physician. The patient must be aware of this diagnosis and sign the certification form himself. The individual will have three benefit periods consisting of one 30 day and two 90 day periods. An individual may leave the hospice program at any time but loses the remaining days in the particular period. If the individual returns to the program, he must start on a new benefit period. Furthermore, by selecting hospice, the individuals waive all other Medicare benefits related to the terminal illness. These provisions serve as disincentives to parallel utilization of both hospital and hospice facilities. Traditional Medicare benefits still apply for problems unrelated to the terminal illness. Hospice now covers expanded homemaker and nursing hours, supplies, and drugs. If the individual is hospitalized for something related to the terminal illness while under the hospice benefit, then the hospice is responsible for the hospitalization cost.

"How comforting for the individual to be surrounded by family members and memories rather than sterile hospital walls."

In-patient hospice care cannot exceed 20 percent of total service provided and thus 80 percent must be home-based services; reimbursement will be done on a per day basis. Once a person is in the program, the minimum daily payment will be made regardless of whether services are rendered on that particular day. A service day will be reimbursable as follows: \$53.17 for zero to eight hours of routine care, \$311.96 for continuous home care which is warranted in crisis situations that involve more than eight hours of care per day, \$61.65 for in-patient respite care to a maximum of five consecutive days, and \$271 for general in-patient care. The hospice must continue care even if the patient reaches the cap (*Home Health Line*).

The costs for all physicians that are hospice-employed must be contained in the cap amount if these services are related to the primary terminal diagnosis. All services provided by non-hospice employee physicians and those provided by hospice employees that are unrelated to the

primary diagnosis are reimbursable under Medicare part B as usual.

The regulations as discussed show HCFA's concern with costs and possible overutilization of the hospice benefit. Their concern with cost is evident in their choice of a reimbursement schedule based on a total cap and a per day benefit. This type of schedule will minimize cost because it is sensitive to the type of service provided each patient. The reimbursement of physicians within the cap shows some attempt to limit costs. Concern with overutilization is also evident in disincentives mentioned above for both the hospice provider and the patient to utilize the hospital in addition to the hospice benefit.

"Qualifying for Medicare reimbursement may require major restructuring for the hospice."

POLICY ISSUES: The attributes of low cost and quality of care have dominated the discussion of hospice legislation. HCFA's regulations may, in fact, undermine those attributes. The cap may act as a disincentive for hospices to participate in the benefit, due to the extent of services they must ethically provide, thus limiting the expansion of hospice to more Medicare patients and hence limiting potential cost savings attained by keeping these people out of the hospital. Similarly, the cap may also effect the quality of care provided because of the difficulty of determining and responding to needs within this fiscal restraint.

The current level of reimbursement may prove to be a disincentive for the participation of hospices because it will not necessarily provide sufficient financial stability and may, in fact, present more financial risk for the hospice. This is especially true for small, mostly voluntary, hospices which may not have the resources, in terms of both finances and personnel, to provide the total care that the regulations require. Qualifying for Medicare reimbursement may require major restructuring for the hospice (i.e., hiring new staff or establishing a contract for the required in-patient unit) and this would be a financial risk for the hospice if the reimbursement level does not take into account the costs of restructuring.

Quality of care is likely to suffer because of the difficulty in making an accurate assessment of need and the lack of room, financially, that the provider has to maneuver in this situation. With the monetary restriction imposed by Medicare, it will be difficult to provide services merely because a patient *might* benefit from them. The hospice will have to be clear and accurate in its assessment of need, but assessing human need cannot always be accurate.

The ultimate effects of Medicare on hospice can only be speculated upon at this point; many issues are left unanswered because of the newness of this program. The hospice's response to the Medicare limit on reimbursement will have to be as creative as has been their survival in the last ten years if they are to continue to provide quality cost-effective care to all, not just Medicare patients, who need it. The maintenance of hospice's roots in the community is an essential part of continuing this spirit. Medicare will not be the panacea for hospice that the movement hoped for and this is perhaps fortunate for hospice. A reliance on its own resources will hopefully sustain hospice's ability to respond to individual need rather than need prescribed by Medicare.

The hospice legislation has a broader implication than just improving care for the dying. The incorporation of hospice under Medicare represents the acceptance by Medicare of an alternative method of treatment. This is significant because, traditionally, care given anywhere other than institutions and without direct medical supervision has been considered inferior, regardless of how effective or superior the care has been. Medicare has now legitimized such care. The domination of physicians in determining the type of care available to the public may be waivering. Perhaps this is an indication of how anxious Medicare is to reduce costs. Certainly we don't want a system where care is determined by costs, but this concern with costs has brought into consideration programs that would not have been considered before. In the conflict that results from these considerations, perhaps not only physicians but all health providers will be more realistic about what is good and affordable care for the public.

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The Medicare Move to DRG's: Background

by Joan Kidd and John R. Ungaretti

The rising costs of health care in general and of the Medicare program in particular are a source of increasing concern to both government and consumers. This concern led the Administration and Congress to make a major change in the way hospitals receive payment from Medicare. The Social Security Amendments of 1983 provide for a change to prospective reimbursement based on Diagnosis Related Groups (DRG's). As an introduction to the two articles that follow, some background on the rising medical costs of the last few decades as well as the significance of Medicare's move to DRG's needs to be discussed.

By whatever indices one chooses to use, health care costs are increasing without any apparent limits. In 1950, health care expenditures represented about 4.5 percent of the gross national product. By 1976, that figure had almost doubled (*Helbing, p. 3*), and for 1983, the percentage of GNP spent for health care is estimated at around 11 percent. From 1966 to 1976, the first ten years of Medicare, the Consumer Price Index (which includes the increases in health prices along with those of other goods and services) rose 66 percent, while costs related solely to medical care rose almost twice as fast at a rate of 124 percent (*record, p. 2*). During Congressional debate in 1965, the estimated annual cost of Medicare was \$6.5 billion. President Reagan's budget for fiscal 1982 estimated federal outlays for Medicare at \$47.1 billion, or seven times the original cost in just sixteen years.

Aside from actual increases in the cost of services, Medicare has had to contend with increased utilization of medical services by the aged. During the first ten years of Medicare, the gross total discharges of Medicare enrollees increased 40 percent; and discharges per 1000 Medicare enrollees increased 25 percent (*Helbing, p. 12*). From 1967 to 1976, total days of care

increased 17 percent and Medicare-covered days increased 20 percent — this, even though average length of stay per hospitalization decreased 18 percent, from 13.8 to 11.1 days.

Finally, the population of the aged is increasing, and people in general are living longer. This too is forcing Medicare costs higher. In 1970, 20 million people were 65 or older. By the year 2000, the number could easily approach 30 million (*Hickey, p. 2*). Citing unpublished materials prepared by June O'Neill for the Congressional Budget Office in 1978, Torrey reports that if Medicare outlays continue to increase at the historical rate, by 2025, expenditures for the old will become 63 percent of a federal budget that is 20 percent of the entire GNP (*Torrey, p. 311*). If such estimates are correct by one-half or even one-quarter, the Medicare program and taxpayers are faced with an urgent problem.

"From 1966 to 1976...the Consumer Price Index...rose 66 percent, while costs related solely to medical care rose at a rate of 124 percent."

In December 1982, the Department of Health and Human Services presented its *Report to Congress: Hospital Prospective Payment for Medicare* (*Schweiker*) which described its new prospective payment strategy for bringing program costs under control through a new payment system that could infuse competition and efficiency incentives into the health care system. Prospective payment represents a turnabout in the method of reimbursement by Medicare. It provides that hospitals will receive a predeter-

mined payment for each type of medical problem, or DRG. In the past, hospitals were reimbursed for the reasonable cost of services to enrollees. Medicare paid on the basis of what the hospital stated was the cost of care. There has been little incentive for cost-containment under retrospective reimbursement system. If a hospital was to remain competitive with other hospitals, it had to build facilities and purchase equipment that would lure the best medical staffs, and thus their patients. Non-profit hospitals reinvested surpluses in new and increasingly expensive and specialized services that boosted the hospitals' overall costs for treating all patients, and thus boosted its reimbursements from Medicare and other payors as well. Under the new prospective payment system, Medicare will pay for hospital services at predetermined rates. This should eliminate incentives to order additional tests and procedures for patients for financial gain. Under prospective payment, if costs to the hospital are less than the payment rate, the hospital can keep the savings. If, however, costs exceed the specified payment, the hospital will have to absorb the loss.

Under the new payment system, the rate paid for each discharged Medicare patient will depend on the DRG to which the patient is assigned. The 468 DRG's comprise a patient classification scheme in which patients are divided into clinical groups similar in resource consumption. There are several variables used to assign Medicare patients to DRG's. These include principal diagnosis, the presence or absence of operating room procedures, comorbidity (another diagnosis which will increase the length of stay) and/or complications, age, and discharge status — all data that can be readily gathered from legally required discharge abstracts currently compiled. In addition to the set prospective rate for each DRG, Medicare will make additional payment for "outliers," patients with exceptionally long or extremely costly stays (Grimaldi, p. 19).

In the following two articles, we individually explore the two crucial issues posed by the new payment system: will it halt the Medicare cost spiral and will it impede access to needed services by Medicare enrollees?

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Will the Change to Prospective Reimbursement Based on DRG's Reduce Access to Medical Care?

by Joan Kidd

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The change to prospective reimbursement is an attempt to reduce health care of all patients in the same DRG. But there is concern that reducing costs may also lead to changes on hospital admission practices which would reduce access to care for low-income older patients. There is also concern that the public hospitals will have to carry an increasing load of patients with the most complicated diagnoses for which the DRG rates will not provide adequate reimbursement (*Hartley and McKibbin*). This article will discuss the potential effects of prospective reimbursement on access to care and present recommendations for ensuring continued access to quality medical care for all persons covered by Medicare.

Concerns regarding the impact of this legislation on the consumer were expressed during Senate hearings on the Social Security Amendments of 1983. Jacob Clayton, president of the National Council of Senior Citizens, said, "We cannot afford hastily to impose a national, largely untested plan that will affect...the health of vulnerable citizens." Representatives of urban hospitals, which care for a disproportionate number of the elderly and poor, also expressed serious reservations at these hearings (*Demkovich*, 4/2/83, p. 704). Both the population and the institutions at-risk are concerned because of the possibility that some hospitals may attempt

to discriminate against patients who require a greater than average amount of care. Although hospitals will receive additional reimbursement for patients who fall into 'outlier' categories, i.e., those with extremely long or costly stays, not all patients whose costs of care exceed the DRG rates will fall into these categories.

The significance of this for the patient lies in the possibility of decreased access to medical care. Evaluation of potential admissions in regard to costs of care could lead to selection of admissions based on the costs of care in the various hospital departments. If the cardiology department, for example, has a lower cost of care per patient than the orthopedic department, then there could be a tendency for cardiology patients to have a higher priority for admissions than orthopedic patients. This could lead to patients having to travel a considerable distance to receive care for certain conditions (*Micheletti*, p. 33).

Access to quality care may also be reduced if patients are discharged prematurely, before their costs exceed the DRG rate, in order to ensure that the hospital does not lose money. This would put a burden on home health care agencies which they are ill-equipped to handle, and would also lead to more readmissions to the hospital (*Micheletti*, p. 33).

Representatives of the public hospitals are concerned because they claim that their hospitals serve sicker patients. The low-income patients served by these hospitals tend to have more complicated diagnoses and to require longer hospital stays. Malnutrition and alcoholism are often complicating factors which reduce the resistance of these patients to disease and slow their rate of recovery. The Health Care Financing Administration (HCFA), which has

attempted to determine whether costs are higher in public facilities, found that: "it is unclear at this point what, if any, costs occur as a result of public ownership or what changes may be appropriate." (Wallace, p. 22). The National Association of Public Hospitals plans to conduct a study using a severity-of-illness measure (SII) developed by Susan D. Horn, Ph.D., of Johns Hopkins University, to prove that the public hospitals do indeed treat sicker patients.

RECOMMENDATIONS: My first recommendation is that the patient classification system be further refined by the use of SII in addition to the DRGs. The SII is used to assess the degree of illness on a scale ranging from mild impairment to life threatening. Proponents of the SII claim that the addition of this information to the DRG classification gives a more accurate assessment of the use of resources during the patient's hospitalization (Horn, 1983). The SII is currently being used by a number of hospitals throughout the country in a research project sponsored by Johns Hopkins University. HCFA has so far been unwilling to use it to establish costs of care because only a relatively small sample of cases have been studied.

My second recommendation is that the safeguards contained in the legislation be strengthened by increasing the number of Utilization and Quality Control Peer Review Organizations (PROs) which have been authorized by Congress to review the quality of hospital care. The admission pattern of a hospital under the DRG system is to be compared with that hospital's admission pattern in the 1981-82 fiscal year, prior to prospective reimbursement. The PRO will be looking for any indication that there has been an increase in the number of admissions of patients with DRGs on which the hospital usually makes a profit, or a decrease in admissions on which it tends to suffer a financial loss. Discharge patterns will be reviewed to see whether they reveal any tendency towards premature discharge. The specific details of PRO reviews have not yet been published, but any hospital that does not have a contract with a PRO will not be eligible for Medicare reimbursement. However, the proposed regulations indicate that there will only be one PRO in each state and no PROs in states with fewer than 180,000 Medicare admissions annually. This would appear to be an inadequate amount of review for a program currently serving over 11 percent of the population.

Furthermore, HCFA has a history of failure to ensure rigorous control over the quality of

health care provided to Medicare recipients. When Medicare was originally enacted in 1965, certain standards of care were specified for participating hospitals. However, in implementing these regulations, all hospitals accredited by the Joint Commission Accreditation of Hospitals (JCAH) were automatically held to be in compliance with Medicare quality requirements, and even hospitals which did not meet JCAH standards were certified if denial of certification would have caused inconvenience by denying Medicare patients treatment at their local hospital. Thus, quality of care was assessed by the standards of the hospital industry, and was balanced against the political promise of immediately accessible medical care for all eligible persons (Feder, 1977). If HCFA pursues a similar strategy in reviewing quality of hospital care under prospective reimbursement, the patient will have only minimal protection.

"Meaningful demands for quality control and PRO review can only be made by informed consumers."

My third recommendation is that the prospective reimbursement system be expanded to cover hospital charges for all patients throughout the nation. The problem of hospital costs is nationwide and has a direct relationship to increases in the cost of living. The attempt to contain health care costs for one segment of the population could lead to discrimination against that population by the providers of health care. Costs for all patients, whether their hospital bills are paid by Blue Cross, another insurance company, Medicaid, or out of their own pockets, must be similarly controlled. The states of New Jersey, Maryland, New York, and Massachusetts currently have prospective payment schemes that cover all payors. If all health care consumers were similarly protected from differential admission and discharge practices based on the source of payment for care, then Medicare recipients would be protected from discrimination and a basis could be established for equalizing access to care. If, in addition, the patient classification system is refined by addition of the SII, then the hospitals will be more equitably reimbursed for costs of care and the incentive to screen admissions in relation to cost will be reduced.

What can concerned citizens do to assure that all people covered by Medicare hospital insurance have access to quality medical care? The majority of people covered by Medicare are the elderly. Politically active groups such as the Grey Panthers have begun to marshal support for the needs of the elderly in recent years. Despite this, the Advisory Council on Social Security, which focused on Medicare when it convened in September of 1982, did not have any representatives from senior citizens groups (Demkovitch, 7/30/83, p. 1580). In order to protect the consumer, senior citizens groups must be represented on future advisory councils. The public must be educated; the concepts of prospective reimbursement and DRGs are unfamiliar. Meaningful demands for quality control and PRO review can only be made by informed consumers. Health care cost containment is essential, but it cannot be allowed to reduce the quality of care or to differentially affect access to care for one segment of the population. □

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Will DRG's Halt the Medicare Cost Spiral?

by John R. Ungaretti

Analysts are now unsure whether or not cost-savings will, in fact, materialize under Medicare's new DRG-based prospective payment system, which was originally touted as a change with tremendous cost-savings potential. I suggest here that the new payment plan cannot significantly stem the rising costs of medical care to the aged for two reasons: first, DRGs as currently proposed are a deficient tool for reimbursement; and second, program policymakers have still not addressed the major reasons for Medicare's increasing costs.

Developed in the early 1970's by researchers at Yale University as a management tool for describing the product of a hospital (*Thompson, pp. 300-312; Fetter, pp. 123-136*), DRGs reveal certain critical weaknesses when used as a reimbursement tool. Although much work was done to try to make DRGs as homogeneous as possible, in fact, individual patients respond differently to similar treatments, and costs within DRGs are often not limited to a very narrow range. Teaching hospitals, which tend to take care of a larger percentage of the difficult cases, will likely be penalized by the new system. Because increased complications and comorbidities will boost lower paying DRGs to higher ones, the system also, in effect, rewards the bad practice of medicine by offering to pay more to hospitals whose patients become sicker during treatment.

There is also the phenomenon of "DRG creep" effectively described by Simborg as the systematic manipulation of discharge diagnosis to insure maximum reimbursement (*Simborg, pp. 1602-1604*). For the first time, DRGs hinge payment to hospitals on what the doctor calls the patient's ailment, and small changes in reported principal diagnosis, while of little clinical significance, can mean differences of thousands of Medicare dollars for hospitals. Some of the "creep" is the result of legitimate improvements

in case-mix reporting; but the potential for unethical inflation and manipulation of principal diagnoses is great. At a time when government and private payors are squeezing hospitals to lower their payment costs, such maneuvering on the part of hospitals could result in windfall revenues and increased Medicare program costs. Oversight through professional standards review organizations is mandated to prevent abuses, but it is an open question whether they have the resources, time, or inclination to be effective in reporting any but the most flagrant abuses.

More crucial, however, is the failure of the DRG-based prospective reimbursement system to deal with the fundamental reasons for increased costs and utilization of services. The American love affair with complex technology and a largely uncritical third-party reimbursement system have helped shape the late 20th century way we pursue health. The practice of medicine more and more emphasizes very expensive, highly technological interventions as the preferred approach to health concerns. Part of the problem is one of success. That is, some "high-tech" solutions have been a boon to medical care and, though expensive, have demonstrated the potential to improve the health of patients dramatically. However, in the case of Medicare, resources are being shifted to the more expensive technology-dependent care of the dying. The proliferation of intensive care units, coronary care units, radiation therapy units, and other hospital services used primarily by the aged shows a significant redirection of resources since Medicare's passage. In 1966, 23 percent of Medicare expenditures went to pay for medical care to the five percent of patients who would be dead within one year; by 1976, that figure had risen to 29 percent (*Piro; Lubitz and Prihoda*). The bulk of these expenses are

concentrated in the last 60 days of life. Though we do not have more recent figures, there is every reason to believe the great share of resources devoted to those few in their last year of life has continued to increase.

“...the system...rewards the bad practice of medicine by offering to pay more to hospitals whose patients become sicker during treatment.”

Everyone who enrolls in the Medicare program will die while completely covered by the program. Acceptance of this fact is crucial to understanding the Medicare cost dilemma. As long as costly interventional care is provided up to the moment of death without any requirement for a significant positive change in health produced by treatment, Medicare will continue, regardless of DRGs, to spend increasing resources on a rapidly aging society's health problems associated largely with prolonging the dying process. As biomedical research and development companies continue to develop more expensive diagnostic and treatment technologies to keep people alive, those technologies will come to be labeled by the medical profession as part of a proven and accepted medical practice. Medicare will be forced to pay the ensuing bills, and the relative payment value of technology-dependent DRGs will be adjusted upwards to reflect changes in accepted medical practice, as mandated by law.

The initial compromises with the medical profession during the passage of the Medicare bill in 1965 prohibit the program from interfering with the practice of medicine. Without legislative changes, its job will continue to be the payment of bills for services ordered, not by Medicare, but by physicians who, at best, are most often unconcerned about weighing the costs of care with the improvement in the overall health of the patient, being preoccupied instead with doing whatever may be medically possible on their patient's behalf. In the worst instances, of course, the method of payment encourages less scrupulous physicians to make treatment decisions which favorably affect their own incomes.

The DRG system Medicare is adopting will, no doubt, be changed during and after its first year. Some of the problems of discharge reporting techniques and “DRG creep” may be addressed by innovations and refinements of the proposed system and its monitoring safeguards. However, until we, as a people, admit the need to allocate payment for medical care using some measure of health improvement achieved for money spent, we will continue the ever-increasing spiral of Medicare costs that allocates a greater portion of resources to pay the escalating costs of acute care for the dying and for others with severe chronic or progressive illnesses or deterioration whose health will benefit little or not at all from the high-cost care they receive.

DRGs, which array costs by disease type, do provide us with the necessary first step in effecting a radical transformation of the medical care payment system into one concerned with weighing the effects of its purchases and allocating resources so that the greatest improvement in health is provided to the greatest number. This will mean that some patients with certain diseases and health status will be denied payment for expensive acute hospital care where the costs cannot be justified by the expected benefits of treatment. Such a change in the current system will not be easy, technically or politically. It will also probably be labeled by some as cruel and insensitive. It is, however, far less cruel and insensitive than the current system which substitutes increasingly technological treatments, that are of marginal health benefit, for primary and preventive care, as well as nutrition, housing, and emotional support services, which are essential to the good health of the aged. A DRG payment system alone cannot effect the change in payment philosophy required to cut costs while, at the same time, maintain health. And the Medicare program, because of its history of extensive and uncritical cooperation with hospitals and the medical profession, is probably not the place to expect such initiative for change to occur. □

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Political Analysis



Elections for Sale

by David Brigode

Dave Brigode served on the Steering Committees of both Proposition U, 78 and Proposition R, 79 and handled "Fairness Doctrine" media relations for Proposition M, 83.



In the Nov. 1983 election, Proposition M, an initiative to control the negative aspects of downtown San Francisco overdevelopment, lost by a 50.6-49.4 percent margin. Two months before the election, surveys had shown the initiative winning by a margin of 2½ to 1. What happened?

The answer can be found by examining how the initiative process is used. The initiative process, along with the referendum and recall, came into being as a Progressive effort at the turn of the century to enable the citizenry to exercise direct control over the political process. Bypassing status quo institutions and special interest groups which dominated legislative bodies, the initiative permits the ordinary voter to approve or disapprove of proposed policy directions.

Nowhere is the initiative process more popular than in California. And nowhere is there more money spent to influence the voters who make the final decision. The stakes are high with hundreds of millions of dollars, future development and people's lives affected by the outcome. So it should come as no surprise in our free enterprise system that individual consultants and campaign firms exist, willing to offer their services to clients who seek to influence the outcome of an election in which they have a financial interest. When successful, money spent on the political process is a good investment producing a high rate of return.

The "No on M" campaign account was given to a San Francisco based political consulting firm, Solem and Associates. This firm has handled a number of election issues in San Francisco, including the landlord opposition to rent

control initiatives in 1978 and 1979. Solem and Associates utilizes a set formula, which varies little from campaign to campaign. Extensive phone polling occurs two to three months prior to the election, which gives Solem and his staff a preliminary grasp of general voter trends, concerns, anxieties, and gaps in issue awareness. This furnishes a blueprint for what "lines" can be profitably exploited, ignored or co-opted later in the campaign. Solem only accepts "No" campaigns. Most political observers agree that it is easier to get people to vote No rather than Yes.

In the three major issue campaigns Solem has handled and won in San Francisco (renter rebate, 1978; affordable housing, 1979; San Francisco Plan, 1983), he has confronted grass-root citizen initiative campaigns. These groups rely on months of door-to-door leafletting and citizen presence on street corners and shopping areas to communicate their proposal. Proponents usually have limited or no funds for mailings, TV, radio or newspaper advertising, billboards, etc.

"Solem claimed in brochures...that imaginary 'rent control inspectors' would break into your home and interrogate you..."

In contrast, powerful elements of the Chamber of Commerce or real estate development community contract for Solem's services. Raising donations in large chunks of up to \$10,000 at a time, he runs a well financed operation, outspending his opponents by an average of 20 to 1. His basic strategy consists of lying low until the last three weeks of the campaign, and then unleashing a barrage of TV and radio commercials, billboards, newspaper advertisements

and targeted leaflets appealing to specific demographic groups. Underfinanced opponents are unable to counter any perceived misrepresentations or distortions at this stage of the campaign.

Initially, proponents of Proposition M were successful in convincing the electorate of the severity of the overdevelopment crisis; the transit system overcrowding, housing pressures, unbalanced job growth, and environmental and aesthetic concerns. They demanded a legally binding set of planning guidelines to restrain city officials from continuing to pursue a path of unrestricted, unmitigated development.

"Solem only accepts 'No' campaigns. Most political observers agree that it is easier to get people to vote No..."

Opponents of Proposition M were forced to concede the political necessity of dealing with the problem. They decided to adopt a strategy which had proven successful in the rent control campaign of 1979; they supported the Planning Department's alternative, weaker "Downtown plan", which, like the earlier rent control ordinance, gave the appearance of dealing with the problem but contained serious loopholes. It also left the decision-making power in the hands of the development interests.

However, it has become characteristic of these kinds of confrontations that the actual logic of the issue becomes a secondary consideration, subordinated to sloganeering and Madison Avenue technique. In his campaign history in San Francisco, Solem and Associates have claimed in brochures mailed in the last five campaign days that a measure to control office growth will lead to more office growth, and that developers will pay more fees to build housing and build less housing (Prop. M); that imaginary "rent control inspectors" will break into your home and interrogate you in your bedroom about your leases (Prop R radio commercial, 79) and they have distributed leaflets claiming that rent control will "clog the courts, put more criminals on the street, and lead to less respect for the law." (Prop. U, early Nov 78)

The use of these tactics should be controlled by the media, but in San Francisco the press becomes part of the problem, as an example concerning a different election and a different culprit illustrates. In June of 1980, the firm of Woodward-McDowell spent six million dollars on Proposition 10, a statewide initiative supported by real estate and landlord organizations which would have taken away the right of cities to adopt rent control ordinances. Woodward-McDowell labeled their proposal "real" rent control, and paid signature gatherers to solicit names using that approach. Television commercials featured professional actors posing as archetypical little old ladies pleading for a YES vote for "rent control we can live with."

In other parts of California, normally conservative newspapers such as the Los Angeles Herald-Examiner and the Sacramento Bee ran strong editorials, stating that even though they opposed rent control, they felt it was highly dangerous to abuse the electoral process in this way. Public opinion recoiled at the revealed fraud, and Proposition 10 lost by a two-to-one margin. The San Francisco Chronicle and Examiner were the only two major metropolitan newspapers in the state to endorse Proposition 10.

Campaign hyperbole is one thing. But, massive last minute barrages of claims designed to leave no room for response or verification of honesty, and a media that does not adequately challenge, expose, or question these tactics, are a negation of the intent of the initiative process. When these things happen we become victims of the manipulation of Madison Avenue techniques.

The right of free speech is paramount in our society. But just as one cannot yell "fire" in a crowded theater, neither can we continue to permit this deliberate subversion of the democratic process to continue. A watchdog commission of established reputation must be created to monitor and publicize outrageous misrepresentations and lies, and to reduce the one-sidedness and profitability of professional campaign distortionists. The "yes is no", "less means more" degradation of political dialogue in California parallels the "Newspeak" articulated by Orwell's Ministry of Truth in the novel 1984. We must not continue down this path. □



A Prop M Critique

by Shawna Mulhall

Shawna Mulhall is an undergraduate student at San Francisco State University, majoring in Urban Studies and Economics.



Last November the voters of San Francisco were presented with the San Francisco Plan Initiative, Proposition M, which strove to deal with the issues of responsible development, economic diversity, and civic beauty. By a narrow margin the initiative failed, but the issues confronted by the initiative still remain. Because San Francisco's future is determined by today's decisions, the way these issues and the questions were handled in the initiative campaign require a closer examination.

During the Prop M campaign, the cause of San Francisco's present business exodus and high housing costs, and the cost of the initiative's proposed housing licensing and transit fees to developers were interpreted differently by the two sides of the campaign. These different interpretations imply the extent of the complexity of the issues as well as the manipulation of the facts by some people. Furthermore, these different interpretations resulted in a confused voting public. This article will present a description of the initiative, then each side's interpretation of the above conflicts will be analyzed and critiqued. The conclusion will offer a few suggestions for future development planning.

Proposition M set forth ten priority policies (see footnote) which were intended to create a balance between City services and development needs and to make San Francisco a more livable environment. These priorities would be implemented by a three point program. The first step would be to require the Planning Commission to use the priorities in rewriting the Master Plan. The Board of Supervisors and the Planning Commission would then be required to change downtown zoning to conform to the new Master Plan while protecting existing neighborhood

zoning. The third element required the Board of Supervisors to implement a series of programs to create more affordable housing, jobs for city residents and improve the transit system.

The "No on M" campaign did not disagree with the intent of Prop M, but it did contest the possible impacts. The "No on M" campaign's interpretations are completely different than the "Yes on M's." The different interpretations of these major issues — the cause of high housing costs, the costs of the initiative's proposed housing and transit fees, and the cause of the current business exodus — must be understood in order to understand the controversy surrounding Proposition M and to plan for future development policy.

The first major area of controversy was the reason for the high cost of housing in the City. The "No on M" campaign, which primarily consisted of the business community, related the high cost of housing to high interest rates and a changing population. Interest rates have had an upward trend for several years, and as surveys bear out, San Francisco's population is becoming younger and more affluent. These reasons are valid, but they are beyond the City's power to control.

In contrast to high interest rates and population changes, the "Yes on M" campaign determined that high housing costs are part of a cycle of overdevelopment. According to the "Yes on M" side, high housing costs result from increased housing demand, which is largely caused by increased highrise construction. The supporters say that the same housing problem that forces businesses out of the City is part of a cycle caused by businesses moving into or expanding in San Francisco. Highrise construction creates jobs and thereby lures new home seekers to the City who increase the demand for housing and the burden on the transportation system. The *Bay Guardian* (Oct. 12, 1983, *The Vicious Spiral of Highrise Economics*) reports that "the 33 million new square feet of office

space built in downtown San Francisco since 1965 have created 119,000 new jobs...that have created a demand for 66,000 more housing units..." The "Yes on M" campaign also cites the Chamber of Commerce's Strategic Plan which asserts that high housing costs and inadequate transportation are to blame for corporations relocating their support staffs in the suburbs.

The second issue to be examined is the business exodus from San Francisco. Whether or not a business exodus is occurring is not an issue; it is a well documented fact. Both the *San Francisco Business Journal* (Sept. 1983) and *These Times* (Sept. 1982) report businesses, such as Pacific Telephone, Bechtel, Pacific Gas and Electric, Crocker Bank and Standard Oil, are relocating their support staffs outside the City. Both articles state that most businesses tend to leave their executive offices in San Francisco and move their support staffs to the suburbs, thus reducing the number of entry level jobs in San Francisco. It is the cause of the exodus that is in dispute.

The "No on M" campaign focused on high costs to developers and a negative business climate that they believed would be caused by Prop M. But, the business exodus began before Prop M and continues even though the Proposition failed. Other factors make the surrounding suburbs more desirable and less expensive to do business in. According to San Franciscans for Responsible Planning, who spearheaded the opposition to Prop M, "a 1982 study by Grubb and Ellis showed that, on the average, the annual cost to businesses per employee is \$5,058 less in Contra Costa County than in San Francisco." The *San Francisco Business Journal* said that smaller buildings, which can be occupied sooner and cheaper, can offer maximum rent sooner, less vandalism in the parking lots, and the practicality of the locations as some reasons why suburbia is more attractive. Also, the suburbs are considered to be a more practical building location because a large portion of business' existing workforce and a potential workforce, housewives, reside in the suburbs.

The third major issue concerned the creation of two fees, the housing licensing fee and the transit fee, which were intended to make developers more responsible for the impacts of their projects on housing and transportation. Both the "No on M" and the "Yes on M" campaigns calculated the costs of the initiative's housing licensing fee and transit fee to be about \$10 per square foot. However, the "No" campaign determined the Prop M's fees would dou-

ble the costs to developers because they added the initiative's proposed fees (\$10) to the existing housing and transit fees (\$10.28), which amounts to a total of \$20.28 per square foot. If this calculation was correct then it could be easily considered to help create a negative impact on the business climate and thereby cause businesses to expand and developers to construct elsewhere.

In calculating the cost of the housing licensing fee and transit fee, the "Yes" campaign did not add the Proposition's proposed fees to the existing fees; they maintained that the existing fees would be replaced by the proposed fees. They argued that the proposed fees could not have doubled developers' costs because at this time, developers do not pay either fee in full. All developers are not required to pay the present housing fee. Many people do not consider the fee to be a fee at all, but a tool with which the city manipulates developers. Developers are granted certain requests, such as constructing taller buildings, by the Planning Department if they pay the fee. As to the existing transit tax, this tax is being challenged in the courts, therefore developers are not paying the fee.

The "No on M" campaign incorrectly or inadequately explained the causes of the business exodus, the costs of Prop M's housing and transit fees, and the cause of high housing costs in San Francisco. In addition, by only citing high interest rates and the population change as the causes of high housing costs, the "No" campaign removed the responsibility for high housing costs from the City's domain. Housewife labor, parking lots, smaller buildings represent factors that have caused the business exodus and are not a result of Prop M or other attempts to control growth, but of a larger, multifaceted economic change.

Even though, the "No on M" campaign was incorrect in calculating the costs of the initiative, they were justified in worrying about the effects of Prop M on future economic growth. Though the developers probably would not have experienced a construction cost increase, the potential confusion and delays caused by reorganizing the Master Plan may have discouraged developers from building in San Francisco. Prop M accentuated San Francisco's need for a directed urban development policy.

But the proposition did have its faults. It overextended itself by calling for "protection against market imbalances caused by overdevelopment," assurance that "development occurs only when the just needs of San Franciscans for

employment, affordable housing, adequate MUNI service, local business services and a livable environment are furthered by that development," and "maintaining a diverse economic base for San Francisco by encouraging existing and potential service and industrial uses in our City and protecting those uses from displacement due to office development." These powerful statements place economic limits on San Francisco and ask for superhuman foresight and perception from our city planners and decision makers.

The most skilled economist has difficulty predicting a market imbalance, whether it occurs in the near or the distant future. How can a City planner be expected to do more? The initiative has offered no definition of "overdevelopment." How is a City planner to know when overdevelopment has happened? Who is to determine what "the just needs of San Franciscans" are in a variety of economic, social and environmental areas? Why are the "services and industrial uses in our City" only protected from displacement by office development? Can an initiative which would govern the growth of a city be so general in some areas and so specific — almost discriminatory — in other areas? No.

And there were questions concerning the cost of restructuring the Master Plan to meet the initiative's standards. The document's language raised questions as to the validity and clarity of the legal language of the document that would have had to be sorted out in the courts. The cost of these legal battles, of halted construction, of lost investments, and of government officials' time are incalculable.

The most significant fault of the initiative which was not adequately clarified during the campaign is that the initiative deviated from simply setting forth economic goals. Supporters of the initiative considered it to be "directive and enabling" legislation which "directed the Department of City Planning to come up with" housing and economic plans. Yet in many places the initiative deviated from this goal and did include priority policies which were too narrow to be considered goals. By including these economic steps, such as protecting the service and industrial uses specifically from displacement due to office development, the initiative failed to achieve its own objective.

Nonetheless, Proposition M and its campaign offered answers to the serious issues facing the City and offered insights for future planning proposals. If highrise construction is

going to continue, action should be taken to supply more adequate and affordable housing and transportation. Prop M's housing and transit fees provide a method of paying for the extra services needed because of downtown development. In addition, future proposals should contain many aspects of the initiative, such as protecting landmarks, preserving and enhancing our parks and open spaces, and maintaining the diversity of our City's neighborhoods.

On the other hand, the "No" campaign's concern about the initiative creating a bad business climate must be dealt with. Since the costs are incalculable and unpredictable, care should be taken when creating change. Future plans should include procedures for the gradual implementation of policies, so that the effects can be monitored and adjusted.

Rather than confront specific problems which face San Francisco today, development policy needs to lead the city towards realistic economic and social goals. To be fair, democratic, and successful, a policy needs to appeal to a broad political base. It needs to have economic elbow room so that our City can adjust to the unforeseeable. In many ways, the San Francisco Plan was a good directive development policy. But, the initiative became entangled in today's problems while striving for tomorrow's goals. □



FOOTNOTE

The initiative's priority policies which would be used to rewrite the Master Plan required the following:

—"protection and enhancement of San Francisco's economic and neighborhood diversity"

—"an ensurement that 'development occurs only when the just needs of San Franciscans for employment, affordable housing, adequate MUNI service, local business services an a livable environment are furthered by that development.'"

—"the conservation and expansion of affordable housing"

—“maintaining a balance for capacities of public services, transit and transportation systems with the demands placed upon them by commercial development”

—“securing the greatest possible employment in San Francisco for our residents”

—“protection against market imbalances caused by overdevelopment”

—“maintaining a diverse economic base for San Francisco by encouraging existing and potential service and industrial uses in our City and protecting those uses from displacement due to office development.”

—“the protection of San Francisco’s physical and historical character, its buildings, landmarks, parks and open spaces.”



Nun of Above: A Study of Politics, Comedy and Anarchism in the 1982 Supervisorial Race

by Richard E. DeLeon and Jeffrey D. Sutter

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I've asked people which of the candidates they like. They say, "Nun." I've asked which candidates will solve the housing crisis. "Nun." Which candidate will make the city run better? "Nun." Which candidate will make the city run less expensively? "Nun." So it stands to reason, vote for the Nun!

Insane? That's what people said about Columbus. A queen took a chance on him — take a chance on this queen. It's the American way!

Sister Boom Boom
Campaign for Board of Supervisors
1982 (Appeal to Reason, 1982; San
Francisco Registrar of Voters, 1982.)

By Darren Zuelow

Jack Fertig, wearing a nun's habit and calling himself Sister Boom Boom, ran for city supervisor without significant endorsements or funds and placed a respectable ninth in a field of 24 candidates. Was this outcome merely a form of comic relief in a serious political contest? An electoral nightmare? Further proof that San Francisco is the kook capital of America? In this article we examine the nature of the electorate's response to Sister Boom Boom's unusual candidacy. We believe the Boom Boom campaign is more than a humorous footnote to the 1982 election. When examined in light of the votes on other issues and the social fabric of the city's neighborhoods, Sister Boom Boom's electoral adventures illuminate San Francisco's entire political landscape.

THE 1982 ELECTION. San Francisco has an 11-member at-large Board of Supervisors with half the seats open for reelection every two years. Five seats were contested in 1982. Incumbents Doris Ward, Nancy Walker, Wendy Nelder, Lee Dolson, and Richard Hongisto ran for reelection. Nineteen other candidates also vied for the five open positions. Voters were able to cast ballots for five (or fewer) candidates from the list of 24, with the five candidates receiving the most votes overall taking seats on the Board. In addition to the supervisorial race, the 1982 election included heavily contested races for governor, U.S. Senate, House of Representatives, a variety of state and local offices, and a long list of state and city propositions, including the Nuclear Freeze Initiative, a container deposit law, and gun control.

San Francisco's gay community has become a significant political force in the 1980s. The late Harvey Milk was particularly influential in organizing gays for political action. As a Supervisor he advocated human rights, fought for rent control, and supported other progressive measures. Incumbent Supervisor Harry Britt continues in the same tradition. The organized efforts of several gay political clubs and many gay voluntary associations and business organizations have accelerated the process of political incorporation of gays into the San Francisco government establishment, including appointments of gays to many city boards and commissions. Gay candidacies for elective office are increasingly common. In the 1982 election, three avowed gay candidates besides Sister Boom Boom ran for city supervisor: Dave Wharton, Greg Day, and Ken Farmer. Wharton, who finished just ahead of Sister Boom Boom, ran on a

conservative platform, opposing rent and high-rise controls, with endorsements from the city's major newspapers. Greg Day ran as a progressive and finished in the middle of the field, behind Sister Boom Boom. Farmer was a very distant also-ran.

When the votes were counted, four of the five incumbents were returned to their seats. Bill Maher edged Lee Dolson for the fifth spot. Ben Tom followed Dolson closely in seventh place. Wharton finished eighth, Sister Boom Boom ninth.

Sister Boom Boom is one of the Sisters of Perpetual Indulgence, "an order of gay male nuns organized to expiate stigmatic guilt and perpetuate universal joy" through direct political action. (*Appeal to Reason*, 1982.) Sister Boom Boom's declared goal in the 1982 election was to encourage political participation. Boom Boom said: "non-voting doesn't work, it just makes things worse...[T]here was the great abstention from the polls in 1980. That just handed the election to Ronald Reagan.

Sister Boom Boom's political style was calculated to stimulate political interest while it outrages some and entertains others. "[P]eople don't like to sit around and have somebody lecture at them. They'd rather laugh." (*Appeal to Reason*, 1982.) (Not everyone was amused by Sister Boom Boom's political antics. Following the election, a majority of the Board of Supervisors enacted the "funny names law," an ordinance against running for office under a pseudonym.)

The analysis presented here is based on the 1982 precinct vote returns collated with party registration figures and selected 1980 Census statistics.¹ In what follows we first review the geographic distribution of precinct voting support for Sister Boom Boom in the city. Next, we use correlation analysis to explore relationships between voter support for Sister Boom Boom and various socio-demographic characteristics of neighborhood.²

POLITICAL GEOGRAPHY OF THE BOOM BOOM VOTE: Maps 1A and 1B show Sister Boom Boom's areas of voter support and opposition. Map 1A shows precincts that gave Sister Boom Boom greater than 4.4% of the overall vote; Map 1B shows areas of unusually low support (less than 1.2% of the overall vote).

The general pattern of support for Sister Boom Boom was similar to the east/west split between the liberal and conservative votes familiar to political observers of San Francisco.

The highest level of support for Boom Boom was in the Haight, Duboce, Castro, Mission, and Noe Valley neighborhoods. These are older, densely built up areas of primarily rental housing (partially gentrified), relatively near downtown. These neighborhoods are the core of the City's liberal vote. Other neighborhoods showing strong support for Boom Boom were the south of Market and several Polk Street precincts (both areas of gay concentration), Potrero Hill and Bernal Hill (smaller, liberal neighborhoods), and, in conservative Lake Merced district, San Francisco State University.

The precincts giving Sister Boom Boom least support are varied, appearing in the west, south and north parts of the city. The Sunset district (in the city's southwest quadrant), especially Lake Merced and Parkside, did not favor Boom Boom, nor did the traditionally conservative Pacific Heights and Marina precincts in the north. In the southern portion of the City, traditionally liberal precincts in Bayview-Hunter's Point, Ingleside, and Visitacion failed to provide many Boom Boom votes. The same was true of several Western Addition precincts.

CORRELATION ANALYSIS: Based on a correlation analysis of the precinct vote, Table 1 shows at a glance how similar or dissimilar Sister Boom Boom's precinct vote distribution is to the vote distributions produced by 14 other candidates for the Board of Supervisors. (Included here are those who earned at least one percent of the total vote.) The geographic patterning of

TABLE 1: Similarity/Dissimilarity Scale Measuring Correlations of Percent Vote for Sister Boom Boom with Percent Vote for 14 Supervisorial Candidates, by Precinct

	% of Total Vote	Scale*
1. Wendy Nelder	12.75	-.50
2. Richard Hongisto	12.47	+.12
3. Doris Ward	11.87	+.06
4. Nancy Walker	11.27	+.28
5. Bill Maher	9.41	-.07
6. Lee Dolson	9.40	-.46
7. Ben Tom	8.89	.00
8. Dave Wharton	3.94	-.10
9. Sister Boom Boom	2.82	---
10. Robert Squeri	2.63	-.28
11. Olga Talamante	2.19	+.21
12. Greg Day	2.08	+.68
13. Betty McMahon	1.95	-.17
14. William Tocco	1.49	-.22
15. Diana Coleman	1.04	+.01

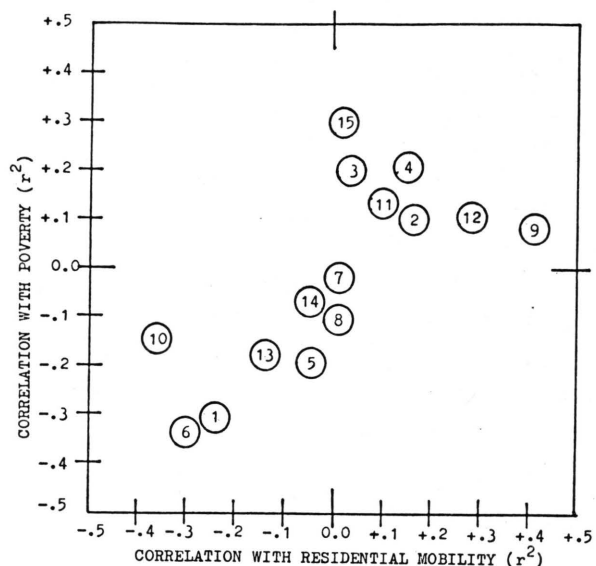
* Scale = Pearson r-squared, with sign + for similar vote pattern, - for dissimilar. N = 710 precincts.

voter support for gay human rights activist Greg Day comes closest to matching Sister Boom Boom's. A distant second in similarity is Nancy

Walker's precinct vote distribution, followed by a number of candidates whose electoral results bear less and less resemblance to Sister Boom Boom's. The list stops with Dolson and Nelder at the negative end of the scale, indicating a vote distribution that is a mirror image of Sister Boom Boom's; in those precincts where Dolson and Nelder produced mountains of votes, Sister Boom Boom managed only molehills, and vice versa. These voting patterns are, of course, merely the political outcroppings of underlying socio-demographic cleavages. Yet, as Table 1 seems to suggest, Sister Boom Boom's particular configuration of voter support almost jumps off the scale of electoral politics as usual in San Francisco. What type of constituency base could have given rise to this political result? Is it possible that Sister Boom Boom's platform and persona fill a vacant niche in San Francisco's political ecology? If so, what is distinctive about that niche? What political opportunities are attached?

Figure 2 illustrates one means of exploring electoral niches in San Francisco. Each candidate's vote distribution is correlated with the

FIGURE 2: Plot of 1982 Supervisorial Vote Correlated with Poverty and with Residential Mobility: 15 Candidates. N = 710 precincts. (See Table 1 for key.)



level of poverty (percent of persons earning less than 125% of official poverty level) and the level of residential mobility (percent of individuals who did not live in the same house in 1975) in 710 precincts. These pairs of correlations allow each candidate to be located relative to the others in a two-dimensional constituency space. As Figure

2 shows, Sister Boom Boom's niche stands out as a constituency of recent movers and newcomers. One may surmise that a large proportion of these individuals are gay. Except for Greg Day, no other candidate in the 1982 election even comes close to Sister Boom Boom in responding to this constituency. It is also clear from Figure 2 that Boom Boom's vote was only modestly correlated with levels of poverty. Only Nancy Walker seemed to elicit significant voter support from both types of precinct.

Table 2 presents coefficients between the Boom Boom vote and 18 selected socio-economic and political indicators.³ For purposes of comparison and contrast, coefficients also are reported for Walker and Nelder, two candidates

whose policy positions delineate the more traditional liberal and conservative boundaries of San Francisco politics.

The correlations between racial-ethnic group strength and voter support indicate that Sister Boom Boom received the strongest opposition from heavily Asian precincts. Compared with the correlations shown for Walker and Nelder, however, the coefficients for Hispanic and Black indicate very little relationship one way or the other with Boom Boom's vote. Although one can identify, on the map, pockets of support and opposition, ethnic-racial geographic patterns, in general, were not coaligned with Boom Boom's electoral support to the same extent they were with votes cast for mainstream politicians Walker and Nelder.

Although Sister Boom Boom's vote is positively correlated with educational levels, the relationship is modest. More interesting is the contrast with Walker's fairly strong negative correlation between vote and education, and Nelder's strong positive correlation, a familiar pattern within the liberal-conservative framework. Educational level often is used as a proxy indicator of socio-economic status, and this finding suggests that the Boom Boom constituency is generally status-neutral. The correlation results for income per capita, percent unemployed, and (to a lesser extent) percent poor all indicate a rather frail linkage between the Boom Boom vote and the economic class structure of San Francisco's neighborhoods. The coefficients for Walker and Nelder, on the other hand, suggest strong class polarization in voter support.

As mentioned earlier, the Boom Boom vote is strongly correlated with residential mobility. This was a period of great flux and population movement in San Francisco, and these results suggest that Sister Boom Boom gave political expression to the needs and concerns of at least some of the people involved.

Turning to the political indicators, the negative correlation between Sister Boom Boom's support and voter turnout is consistent with an image of Sister Boom Boom championing the cause of San Francisco's politically alienated subcultures — but the correlation (–.15) is weak. A more definitive test of this hypothesis would employ a measure of political mobilization (e.g., what proportion of eligible voters actually register to vote?) as opposed to using the standard turnout figures. Table 2 contains two other indicators of disaffection and discontent with main-

TABLE 2: 1982 Precinct Vote for Sister Boom Boom, Nancy Walker and Wendy Nelder Correlated with Selected Socio-economic and Political Indicators (N=710 precincts)

INDICATOR	BOOM BOOM	WALKER	NELDER
% Not speak English or speak it well	-.04	.07	-.18
% Asian	-.25	-.23	.17
% Hispanic	.10	.29	-.30
% Black	-.04	.44	-.35
% High School graduates	.14	-.28	.30
% Recently moved	.64	.38	-.50
Income per cap.	-.08	-.40	.39
% Poor	.33	.45	-.56
% Unemployed	.15	.38	-.40
% Voter turnout	-.15	-.11	.24
% Democratic	.08	.62	-.53
% Republican	-.42	-.80	.79
% Other party	.71	.47	-.61
% Vote Deukmejian	-.54	-.89	.87
% Vote Martinez	.53	.32	-.39
% Yes Prop. K	.81	.74	-.83
% Yes Prop. 11	.63	.19	-.31
% Yes Prop. 15	.57	.14	-.26

Entries are Pearson correlation coefficients (+1.0 indicates perfect positive correlation, -1.0 perfect inverse correlation, 0.0 a non-correlation). Coefficients greater than .07 are significant at $p < .05$. See footnotes 1 and 3 for data sources.

stream politics: third party registration and vote for Elizabeth Martinez (the Peace and Freedom candidate for Governor). The Boom Boom vote correlates strongly with both, certainly much more so than is shown for Walker or Nelder. Further, Boom Boom's correlations with percent Democratic, percent Republican, and Deukmejian vote do not fit the normal ruts and grooves of mainstream two-party politics, certainly not to the extent shown in the correlations for Walker and Nelder. (The most dramatic contrast along these lines is for percent Democratic.)

The correlation results for the three propositions are most intriguing. All three candidates show strong correlations with the vote on Prop K, which would have mandated a feasibility study of proposals to municipalize PG&E. Walker and Nelder took opposite stands on this issue. What is intriguing is that only Sister Boom Boom shows strong correlations with the vote on the container deposit issue (Prop. 11) and handgun registration (Prop. 15), two rallying issues for the cause of progressivism in San Francisco. Why should Walker's constituencies, in particular, behave so desultorily regarding these matters? And why should Sister Boom Boom's constituencies be the ones to raise the progressive banner the highest?

CONCLUSION: Reviewing the quantitative results and our interpretation of them, it strikes us that Sister Boom Boom's constituency is hard to pin down in terms of the usual socio-demographic and geopolitical categories of political analysis. The results for Nelder and Walker indicate that mainstream local politics in San Francisco is, in fact, identifiable and comprehensible within the familiar liberal-conservative, Democratic-Republican axes that define normal political space in America. In contrast, there is a ghostly, ethereal quality to Sister Boom Boom's constituency. It seems almost purely political in construction, crystallized around issues and protest and alienated mutterings, nomadic, with no roots in the social and economic landscape, no home. The Boom Boom vote does seem to be related to a strong freethinking anarchistic strain in San Francisco radical politics which is disaffected and bored with traditional political debate. In this perspective, Sister Boom Boom seems to have sounded a positive note, providing a self-affirming candidacy for the City's gay population, and serving to create space for insurgent candidates, both gay and non-gay, who speak openly, with humor, and are willing to take political risks. □

NOTES

1. Source: San Francisco Election File (SFEF), compiled by Richard DeLeon and Jeffrey Sutter with the assistance of Bill Collado (SFSU Instructional Computing) and Sandra Powell (Political Science Department, SFSU). The SFEF contains 1982 precinct vote returns for major candidate races and selected propositions for 710 precincts; 1982 political party registrations figures; and selected Census information for census tracts mapped onto the 710 precincts.
2. The reader should keep in mind the standard caveats regarding interpretations of findings based on aggregate data. The units of analysis in this study are precincts, not individuals, and any inferences about individual behavior drawn from the precinct data are at best conjectural. (See Ranney, 1962; Taylor and Johnston, 1979; Backstrom and Agranoff, 1972.)
3. Sources: Census datas: (See U.S. Bureau of the Census, 1980, tables as specified.) Indicator #1: persons 18 years or older who speak English not well or not at all, Table P-9. Indicators #2-#4, Table P-2. Indicator #5, % high school graduates of persons 25 years or older, Table P-9. Indicator #6, based on percentages calculated from number of persons 5 years and over living in the same house in 1975, Table P-9. Indicator #7, Table P-11. Indicator #8, % of persons below 125 percent of the official poverty level, Table P-11. Indicator #9, % unemployed of civilian labor force, persons 16 years and over, Table P-10. Voting results: Indicators #10, 14-18, calculations based on figures reported in Statement of Vote. (San Francisco Registrar of Voters, 1982.) Registration figures: Indicators #11-13, calculations based on figures reported in Registered Voters Statistics (San Francisco Registrar of Voters, 1982.)

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San Francisco Development





The Planning Process: Theory and Practice

by Joanne Brion

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San Francisco's Planning Commission has long held center stage in city government, commanding more scrutiny than the Mayor's office or the Board of Supervisors. The Planning Commission has never refused a single office building proposal and, consequently, the amount of office space downtown has doubled since 1965. Much dispute has arisen over special plans and amendments, height and design limitations and transit/housing, while little attention, if any, is given to the planning process itself. This planning process, the focus of this article, is regulated by the Master Plan and the City Charter which set forth the guidelines that the Planning Department is supposed to use in designing the City.

The San Francisco Master Plan encompasses all aspects of development and growth from transportation and open space requirements to housing and commercial zoning. But critics charge it is not used as a viable and respected document for determining the shape of the City. This article questions the Planning Commission's apparent willingness to abandon or modify the City's Master Plan to accommodate private development proposals when they are either inconsistent or conflicting with Master Plan policies. It does not question the need to update policies, the effectiveness of our current Plan or its relevance to today's changing economy. Specifically, it will examine this reviewing process as applied to Southern Pacific's Mission Bay, which as proposed conflicts with our current Master Plan and other planning guides for the area.

The Master Plan delineates guidelines for

the future aesthetic, physical and economic development of San Francisco and is to be used by the Planning Department and Planning Commission. The City's Planning Commission, comprised of seven mayoral appointees, reviews and approves development proposals while the Planning Department is in charge of the technical and administrative aspects of city planning. Both bodies have the difficult task of appeasing business, neighborhoods, environmentalists and the public in general. They attempt to accomplish these goals as they are laid out in the City Charter under "The Master Plan: Scope and Content", (sec. 3.524), which mandates:

It shall be the function and duty of the city planning commission to adopt and maintain a comprehensive long-term, general plan for the improvement and future development of the city...which presents a broad guide and pattern for coordinated and harmonious development, in accordance with present and future needs of the city and county...

Additionally, under the title of "Mandatory Referral" (sec. 3.527), the Charter mandates that all ordinances and resolutions concerning development shall be:

referred to the department of the city planning and report rendered thereon regarding the conformity of the matter involved to the master plan. If conflict exists, the report shall give the particulars of the differences between the proposal and the master plan.

Ostensibly, then we do have a Master Plan and a Planning Department. The issue however, lies in what happens to the Master Plan and how it is used during the planning process.

There are generally two ways of circumventing the Master Plan. On a large scale, the Rede-

velopment Agency and its massive urban renewal projects around the City are exempt from the Plan. Initially, the agency must submit a preliminary proposal to the Planning Commission for review but not necessarily for approval. Aside from the initial zoning changes necessary to implement projects, the Planning Department has little control over the Redevelopment Agency or its development projects. For example, the Yerba Buena Center, a Redevelopment Agency project, will not be subjected to the provisions of the Planning Code until the year 2006, regardless of changes in local ordinances, regulations, or the Master Plan.

“...the excessive amount of variances suggests that they are the rule rather than the exception for policy procedures...”

On a more piece-meal basis, zoning variances can be obtained from the Planning Department for single building projects. These petitions for re-zoning make up about 70 percent of the department's activities at its weekly meetings. Whether they are the result of bargaining for increased Floor Area Ratio (FAR), use-conversions or outright exemptions from parking regulations, the excessive amount of variances suggests that they are the rule rather than the exception for policy procedures at the Planning Department.

Currently, we have the opportunity to observe this planning process in action as the department negotiates with Southern Pacific Development Co. which is seeking a contract with the City for 195 acres of its extremely valuable but dormant land. This enormous piece of land, known as “Mission Bay”, is bounded by Third Street, Townsend Street, the I-280 freeway and Mariposa Avenue. Southern Pacific proposes to develop this land into an office/residential community with office space equal to about one-fifth the size of downtown San Francisco.

Mission Bay is the largest single development proposal ever presented to an American city. It is also the first time one private corporation has directly petitioned the Planning Department for a 15-20 year development agreement; present contracts are limited to 3 years. The

proposal calls for the development of the Mission Bay area, now mostly railyards and industrial warehouses, into a secondary office center linked to the existing downtown office core by surface transit. The plan includes residential/commercial space, new open space and waterways, but of the plan's 26.34 million square feet, 18.43 million square feet will be office space. Southern Pacific's preferred plan is appropriately titled the “High-Intensity Mix-Use” plan (Alternative #6) and as the square footage estimates suggest, it is an extremely dense plan.

This project will have serious impacts in at least two major areas. The project is expected to create 58,000 new jobs which will impact on the already tight housing market. The proposal provides for half of the necessary housing to accommodate these new workers. But of the 7,250 housing units, none will be priced within the average working person's reach. Also, the proposal's lack of attention to the project's transportation impacts promises to create further strain on San Francisco's overburdened mass transit system. An estimated 20,000 City residents will be using Muni to get to and from the Mission Bay area. The cost of servicing these new commuters will run between \$125 and \$150 million. The transit needs of Mission Bay coupled with the expected increased demand that new downtown growth will create could increase rush hour and commute traffic as much as 75 percent, depending on the actual amount of office space built in the next few years.

In keeping with the City Charter, the Planning Department has issued a memorandum pertaining to the procedure for review of the Mission Bay project and its inconsistencies with current City policies. A special use district will be created to alleviate some of these inconsistencies. Just what a special use district is, remains undefined as yet. Nevertheless, the procedure for review is as follows:

- 1) Amendment to the City's Master Plan
- 2) Amendment to the Planning Code
- 3) Adoption of the Environmental Impact Report on the Plan and Code Amendments
- 4) Preparation of a development proposal that conforms to the amended Plan and Code
- 5) Adoption of a development agreement between Southern Pacific and the City
- 6) Adoption of an Environmental Impact Report on the Development Agreement and the First Phase Permits

Completion and adoption of the necessary amendments was scheduled for March-April of 1984, with the approval of the development agreement scheduled for the following July-August.

This review process exemplifies the Planning Department's willingness to abandon the area's current Master Plan guidelines in that the first step fails to allow public input on whether or not a new amendment is necessary. The terms of the special use district will be decided by the Planning Commission, using Southern Pacific's "Initial Concept Proposal" (alter. #6), as the "point of departure and center of evaluation" to determine to what extent the Master Plan should be amended. The department proposes to create a work study program which allows for citizen participation in the analysis of Mission Bay and its required amendments. But critics charge that in the past, citizen groups have only been allowed to respond to plans as opposed to actively shape plans.

By taking a brief look at our current Master Plan's objectives and policies, it becomes clear that major changes will be necessary to accommodate Mission Bay as proposed. The Commerce and Industry Element of the Master Plan attempts to set forth the economic future of the City by strongly favoring a diversified economic base. In 1980, the Central Waterfront Plan was devised as a step towards fulfilling this goal by maintaining and encouraging industrial and maritime activity for the area in question. In this plan, regarding land use, policy 2 mandates:

Preserve and protect the central waterfront areas a land base for San Francisco industry. Prevent the conversion of land needed for industrial or maritime activity to non-industrial use. (See Map)

And the Commerce section of this plan states in Policy 3: "Prevent new office development, except that which serves a principle industrial or maritime use..."

In contrast, Southern Pacific's proposal allocates a mere half million square feet for industrial use and 4.3 million square feet for research and development space which they also call "light industry." The project's residential/commercial island, surrounded by man-made canals and a yacht marina, hardly seem conducive to support or complement the objectives and policies previously mentioned. Mission Bay also clashes with the Urban Design Element whose policy it is to "Minimize blockage of private and

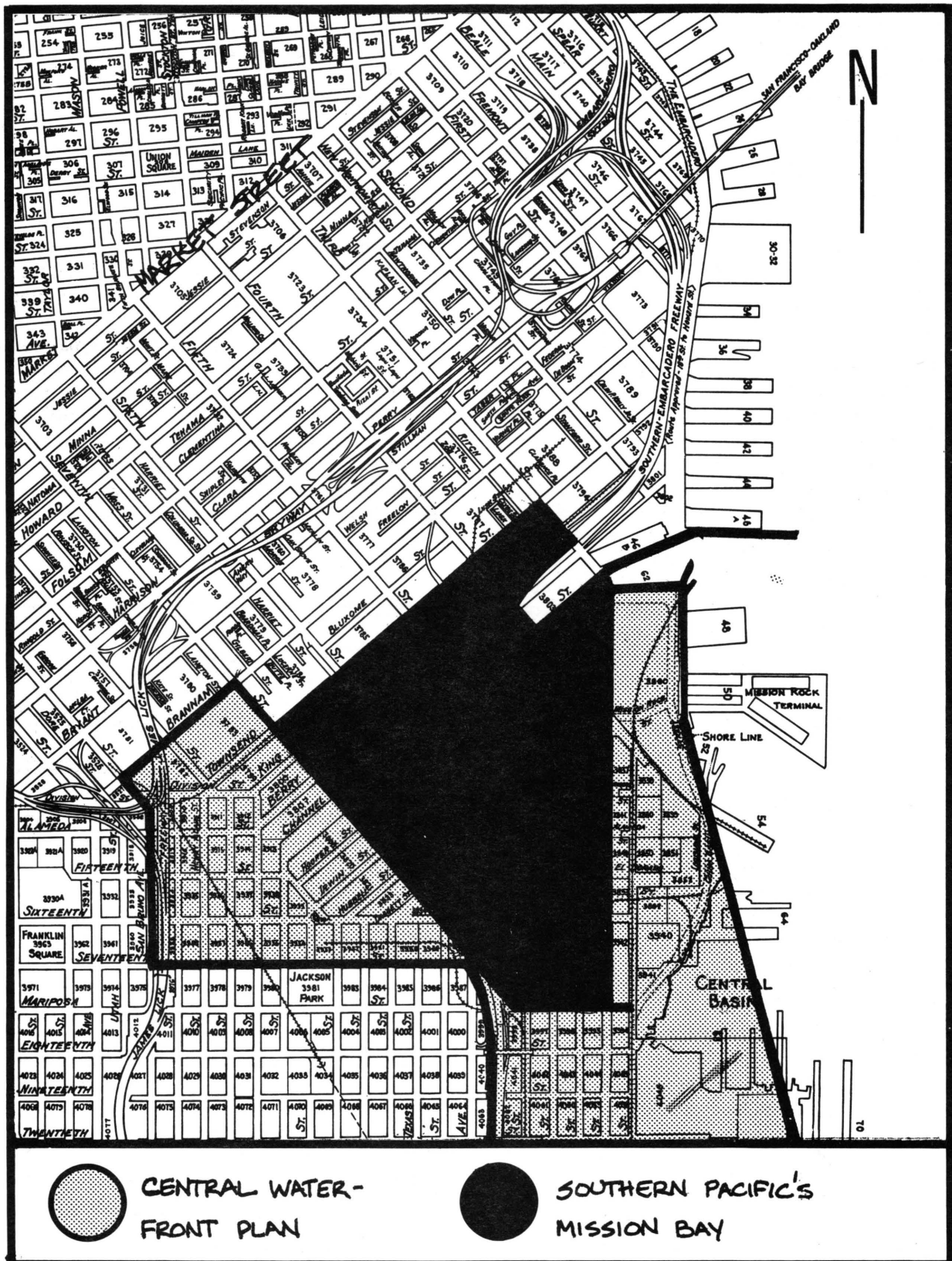
public views and maintain, to the extent feasible, sightlines from Potrero Hill to the waterfront and downtown." Also, the highrise cluster, known as the "Banana Triangle" of the proposal, would surely obliterate views of the Bay from Potrero Hill.

Southern Pacific has not sought to offer viable alternatives that are within the scope of the Master Plan. The other ten alternatives which were reviewed by Southern Pacific are disputable and demand further scrutiny. For example, two alternatives considered: 1) "No action and 5 years", and 2) a 195 acre "regional shopping center," are hardly feasible or desirable.

Also, it is an old political tactic to make an initial request as outrageous as possible so as to allow for (literally in this case) footage lost in the compromise. After a year or two of contemplating the pretentious implications of Mission Bay, any reduction in its size or scale will be a welcomed relief. Yet, despite these and other discrepancies, the City and Southern Pacific will undoubtedly prepare a development agreement of mutual concessions.

"...the Planning Department's willingness to abandon the area's current Master Plan guidelines..."

Since the issuance of the memorandum and Southern Pacific's presentation in April, 1983, this permit process has been postponed due to the Stadium Study which recommended part of Southern Pacific land as an ideal site. After the study was completed, the schedule was further delayed while both parties awaited the results of the November election as Proposition M would have rendered Mission Bay unacceptable. Now, the Planning Department's energy is directed towards the adoption of their Downtown Plan which supposedly mitigates some of the concerns of Proposition M. This plan, though it does not geographically cover Southern Pacific's land, will affect it in theory, as it calls for the continuance of one central downtown office core with all other surrounding areas designated as support districts. Mission Bay could hardly be considered as a support district to downtown. A project of such scope and magnitude will compete with downtown for new businesses that seek to locate in San Francisco.



The willingness of the Planning Department to bend the Master Plan for such a massive project tells a lot about the Department's overall attitude toward development. Commerical whims, glamorous proposals and even special interest groups should not be able to induce the Planning Department into sacrificing the beauty and vitality of our City. We need affirmative and fore-sighted action from the Planning Department, instead of making amendments whenever it is requested by private developers. San Franciscans should have a comprehensive Master Plan to which everyone must comply.

Economic development must be based on an ever changing and evolving economy. The Master Plan should guard against becoming a rigid document which hinders instead of nurtures economic growth. Still, priorities must be set and adhered to by all groups, regardless of their size or influence. City policies which favor certain economic interests over others and expedite an area's evolution in a preconceived and limited way without calculating the costs of

impact need to be avoided. Circumvention of the Master Plan by creating ambiguous special-use districts and making numerous Master Plan amendments have led to excessive and haphazard growth which is at the heart of our City's serious housing and transportation problems.

Ideally, the City Planning Department should guard against the eradiction of San Francisco's unique characteristics by over-development, yet still accommodate progress. The Planning Department should have a reviewing process which is not easily influenced by special groups and private interests. The process should have a detailed procedure for when and how the Master Plan will be amended. This policy should also be legally binding. By adopting and complying to an intelligent Master Plan perhaps the Planning Department can attain some of the goals they so eloquently allude to in the current Master Plan, while alleviating some of the exigencies that have been caused by ignoring the Master Plan. □



The Downtown Plan: Innovation and Controversy

by Kevin Bennett

James Kevin Bennett will be graduating from the Urban Studies Program at San Francisco State University this May and is pursuing a career in City Planning and Real Estate.

Intense highrise development in San Francisco has long been a heated political issue. Therefore, it came as no surprise that the San Francisco Department of City Planning's Downtown Plan, a guide to control downtown development into the the next century, has proven to be very controversial. Pro-development groups, such as the Chamber of Commerce, claim the Plan is too restrictive to the corporate expansion that is necessary for the City's economy. On the other side, the City's neighborhood groups and environmentalists declare that the Plan doesn't do enough to control the development they believe is changing the City from a place of neighborhoods and small businesses to a West Coast version of Manhattan.

The City administration's position lies somewhere in the middle of the two opposing sides. Mayor Feinstein has proclaimed the Plan to be a compromise between growth and preservation. To determine whether or not the Plan is really an effort at compromise does not require a careful analysis of its content. While some of the more acclaimed aspects of the Plan are truly innovative, several key concerns, such as housing and transportation impacts of office development, are only skimmed while others are not even covered.

The Plan's major purpose is to accommodate new downtown commercial development with the least amount of disruption to the City's housing, basic infrastructure, retail areas, historical buildings, and nearby neighborhoods. To accomplish this goal, the Plan proposes to create a special development zone concentrated in the

south of Market area which would become the focus area for new construction of office buildings thereby containing high-density office growth in the already heavily developed C-3-0 downtown zoning district. Almost all of the C-3 zone would see significant reductions in their maximum allowable height, bulk and density limits. In order to provide incentives to build in the special development zone, the Plan proposes that development rights above historical buildings outside of the district be eligible for transfer into new projects located within the special zone. As an additional incentive, development rights above open space sites will also be eligible for transfer in a similar manner. In effect, the proposal will control building density in the more historical north of Market area in exchange for higher densities in the south of Market area.

"Unless the multi-billion dollar transportation improvements that the plan calls for are put into place, the City would be in a chaos of overcrowding."

When presenting the above portion of the Plan, the City Planning Department drew flak from both of the opposing sides. Development interests were concerned that the lower densities will reduce profits and limit the attractiveness of investment and the emphasis on the south of Market. On the other hand, controlled-growth groups say that changing the location of new office projects still does nothing to mitigate the housing and transportation problems caused by over-development.

Another major concern of the Plan concerns preserving San Francisco's downtown retail districts. To protect the current retail areas of downtown from infringement by office growth, four sections have been selected as preservation areas where discretionary review of new projects will be required and restrictive heights will be set to ensure sunshine access. By attempting to save San Francisco's downtown retail district, the Plan received acceptance by the preservationists, but did not entirely appeal to the development community because of their concern about there not being enough land remaining in the C-3 zone for office development.

Some of the more controversial portions of the Plan concern transportation and housing. The concerns have arisen because approximately 22 million additional square feet of office space are projected to be built by the year 2000, the effects of which are unknown. Development interests believe that adequate housing and transportation can be added without affecting other portions of the city. Neighborhood groups have criticized the Plan because they believe that gentrification will continue in the City's neighborhoods as it has in the past. Another concern is that the Plan only makes recommendations for new housing in and around down-

town and has no guarantee of its construction being comparable with the amount of the office sector growth. According to the Plan, housing is to be provided in and around the downtown area in places such as Rincon Hill, Van Ness Avenue, and the central south of Market area. While the idea of putting housing in those areas, as opposed to up-zoning more traditional neighborhoods, can certainly be applauded, the feasibility of providing badly needed moderate-income housing without subsidies is very questionable.

Similar complaints are raised about the transportation improvements necessary to serve the thousands of new workers in the Plan projects. Transportation improvements would include the extension of the BART rail system to San Francisco International Airport, the creation of a Geary/Third Street Muni Metro line and the creation of a light rail system to Marin County via a second deck on the Golden Gate Bridge. Again, no guarantees are given that the needed transportation improvements will coincide with the construction of the new office space. With limited funding available from Washington, only 50 percent of the costs will be provided by the Federal government, one can only wonder how the new transit system will be financed. Unless the multi-billion dollar transportation improve-



ments that the Plan calls for are put into place, the City would be in a chaos of overcrowding.

"The Plan's proposal for saving much of the City's architectural heritage is unparalleled in any other major U.S. city.

Three other sections of the Downtown Plan contain its most innovative elements and do not present themselves as major controversies. The first of these are the proposed requirements for open space. In order to increase the supply of usable open space in the downtown area, the Plan would require that developers provide one square foot of open space for every fifty square feet of building area. In addition, the Plan will allow open space requirements to be met off-site, thus placing parks and plazas in areas that are more appropriate than around highrise buildings. Another of the Plan's incentive features is the option of the developers to transfer development rights from an open space site to a new commercial project. This gives a needed amount of flexibility to insure that open space is provided and placed in the most optimal locations to serve the downtown community. It is a great improvement over the old system, which did not require open space to be created, but simply gave floor area bonuses to those office projects which provided token plazas. More often than not, these plazas were shaded and windy places that people didn't use.

The Plan's proposal for saving much of the City's architectural heritage is unparalleled in any other major U.S. city. The Plan concerns the preservation of 508 historical buildings which are threatened throughout the C-3 district. The demolition of these buildings will be discouraged by the transfer of excess density and by setting aside five separate conservation areas where strict requirements on proposed development would be adopted.

Another innovative section of the Plan concerns itself with the form of San Francisco's future downtown. Instead of the boxy international style of architecture, the Plan proposes to promote more interesting building designs through restrictive bulk controls. In effect, a return to older styles of architecture, Post-Modernist, will be encouraged by the setback requirement, by the promotion of slimmer buildings and by adopting more detailed build-

ing designs and more stringent height controls. A more formal design review process would also allow the City greater input on building forms. The Planning Department hopes that the next generation of highrise buildings can mask some of the damage that has already been done to San Francisco's delicate skyline.

As with any influential proposal, the Downtown Plan has received a mixed response from various interest groups in the City. There is very little disagreement over the fact that the Plan contains some excellent and highly innovative concepts for the creation of open space, the preservation of historical buildings, and the retention of certain key retail areas. However, while the City administration applauds the Plan as a well balanced compromise between growth and preservation, many are not pleased with the implications of the Plan.

While, the business community is concerned that the added restrictions and costs of development will dampen the City's economy, it is the controlled-development interests that have voiced the most complaints. These critics of the Plan believe that the City will simply not be able to handle such extensive growth without radically altering the character of today's San Francisco. The neighborhood groups' major complaint is that the Plan is only concerned with the downtown area and ignores the City as a whole. Trends, such as the forcing out of small businesses, blue collar employment and the gentrification of San Francisco neighborhoods into an all middle and upper-class city, should have been examined, along with outside influences such as Southern Pacific's planned development, Mission Bay. Most critics doubt that the City will be able to handle the impacts of the Southern Pacific project along with the 22 million square feet of new office space projected to be in place by the year 2000.

Along with the coverage that was left out of the Plan, neighborhood and environmental groups complain that there is no implementation process to ensure that commercial growth will be balanced with infrastructure improvements and the construction of new affordable housing. What is to come first, 22 million square feet of office space or the housing and transportation system needed to support this kind of development? Who will pay for the massive capital improvements needed to bring in so many new office workers? These questions overshadow the innovative features of the plan and until good answers to these questions are found, many will regard the Plan with great suspicion. □

Alternative to the Downtown Dome

by Joel Eddins

Candlestick Park, San Francisco's professional baseball and football facility, is in "substantial disrepair" and "inadequate by current standards," according to the Mayor's Task Force On Stadium Feasibility. Should San Francisco renovate Candlestick? Or build a \$200 million multi-purpose domed stadium downtown as proposed? And is there an alternative to both of these options? This article is an attempt to answer these questions. It begins with a brief description of the events that have led to the present controversy of whether to build a new downtown stadium or renovate Candlestick. Then, the issue will be examined by illustrating the inadequacy of both proposals. The end is a suggestion for an alternative study that may lead to a more effective way to address the problem.

THE CONTROVERSY

In 1982, the Giants baseball team conducted a study to research the feasibility of renovating Candlestick. That study stated that at least \$60 million would be needed to improve and dome Candlestick. And it listed several drawbacks to the park not addressed by renovation:

- Access will remain a critical problem. The Department of Public Works estimates that long range solutions would cost over \$32 million.
- Parking will continue to be one of the biggest problems at Candlestick.
- Public transit is limited because there is no fixed rail transit available. "Bart and Southern Pacific cannot serve the stadium even though a tremendous amount of Candlestick users are from areas served by those two carriers."

The study concluded by recommending that a new stadium be built, instead of renovating Candlestick.

The Mayor's Task Force Study was Mayor Feinstein's response to a 1982 Giants study. The Task Force Study concluded that it would cost \$11.58 million to improve Candlestick and "provide for a facility comparable to most modern

stadiums." The most significant improvements needed at Candlestick include repair of cracks in the concrete superstructure, all of the utility systems need modernization, and it needs a dome.

The Mayor's Task Force also found "insurmountable restraints" that may prevent Candlestick from ever being considered a desirable place to play, watch or invest in professional sports. These "restraints" include:

- Limited seating, only 61,500 seats.
- Narrow aisles and conflicting ramp and concession access make it impossible to improve crowd circulation.
- Only 109 luxury boxes that are needed to offset renovation costs, can be built.
- Freeway improvements are estimated to cost \$44 million to improve access.

The Task Force Study concluded that a new stadium would be more feasible than improving Candlestick Park.

THE DOWNTOWN STADIUM

After determining that Candlestick must be replaced, the Task Force studied 14 sites within San Francisco. A parcel of land on the north shore of China Basin at Third and King Streets was proposed as the site of a new stadium. Many problems exist with this site (#7) that make it a questionable site. It ranked only fourth among the sites studied. The best location at Fourth and Townsend (#14) is owned by Southern Pacific and includes part of SP's planned Mission Bay development. SP has "rejected suggestions for redesigning its Mission Bay plans to include a new stadium site 14," according to the Task Force.

Site 7 land is ill suited for an eight acre concrete structure. Site 7 sits on sand and bay mud fill which prohibits the base of the stadium from being depressed into the ground. Stilt-like foundation supports would be required. The site is also susceptible to liquification if an earthquake should occur. Extensive foundation work will cost \$8 to \$9 million more at this site than at the

more preferred site 14.

The construction costs for a stadium at China Basin are projected at \$153.6 million if public revenue bonds are used. Successful financing depends on a number of assumptions that lack credibility. Lower costs depend on the City's ability to gain full title to the land at no cost. The land is owned by the Port of San Francisco and the State Department of Transportation, both of which would be expected to donate the land to the City.

"More Candlestick fans come from the South Bay than anywhere else..."

The second major assumption rests on the City's ability to sell or lease 180 luxury boxes at \$35,000 per year with a \$70,000 deposit, 8000 premium seats costing \$500 to \$2000 depending on the sport and seat location and concession sites. The results of a small survey by the *San Francisco Examiner* indicated infeasibility of this financing scheme. The survey found only one Bay Area corporation, out of 15 surveyed, willing to invest in luxury boxes. Six gave a definite no answer and 8 were non-committal.

The third assumption is that the Golden State Warriors will become a major tenant. This possibility seems remote at best. They have a good facility now, in Oakland, with excellent fan access and have not expressed any desire to relocate. Even if they did indicate a desire to move, the Oakland Coliseum would battle the move.

The study assumes that all parking and pedestrian costs will be borne by other nearby projects. A capacity crowd would require 16,200 cars (3.13 persons per car). No provision has been made for a parking lot because 22,000 spaces are available on streets and lots within a one mile walk to the stadium. SP has offered the use of Mission Bay's 12,000 proposed spaces during stadium events. Making fans walk one mile to their cars after a night game is inconsiderate and potentially dangerous.

Then, there is a whole host of problems not addressed by the study. Large football crowds

are likely to create severe auto congestion. Street corridors would fill to 93 percent of capacity according to the report. For small crowds, traffic congestion may not be a problem because parking is dispersed. But, every large crowd would spend hours entrenched in a crawling mass of autos and then fans would be forced to walk to the stadium through cars competing for parking space. All on and off ramps on the Bayshore Freeway are single lane. Most fans live on the Peninsula and the freeway is now congested at 6:30 p.m. on weekdays.

Another problem comes from the lack of public support for the stadium. Public support is needed because the voters must approve the sale of Candlestick. A telephone poll conducted by the *Chronicle* in October found 69 percent of the responding public opposed to the China Basin proposal. Many envisioned major traffic problems and were skeptical of the Mayor's promise that the City's liability would not exceed the current Candlestick debt.

Reaction to the stadium proposal has been largely negative. About 30 small businesses are located on site 7 and are outraged at the prospect of relocation farther from downtown. Even within the City government, dissent has broken out. The Redevelopment Agency opposes the stadium because its proposed 2000 unit Rincon-South Beach housing development would be less marketable next to a huge, concrete dome.

The influential San Francisco Planning and Urban Research Association (SPUR), once a supporter of a downtown stadium, has vocalized its opposition to the proposal by issuing its own report in January. The SPUR report recommends \$10 million to fix up Candlestick Park over the next few years because "there is no ideal site for a domed stadium in San Francisco." SPUR acknowledges that Candlestick suffers from a "flawed design," was built in the wrong location and has deteriorated. SPUR does not consider a dome as feasible in San Francisco and points out there is no proven demand for a multi-purpose facility. It also states that the China Basin site is too far from downtown for hotels and restaurants to serve those fans who might spend more time in the City after a game or convention.

The China Basin proposal presents a marginal alternative to Candlestick and is based on too many assumptions. Private financing, parking, luxury box sales, site suitability and traffic impact are assumptions which are highly questionable. Large crowds would produce traffic congestion problems and demand for luxury boxes and

non-sports uses for the facility have not been proven. Local sources of private funding have not come forth, and San Francisco cannot afford the financial risk.

THE OTHER ALTERNATIVE

Potential solutions to the controversy have revolved around San Francisco land, politics and opinion. But, one critical fact has been left out of the debate. The Giants and 49ers serve the entire Bay Area with more fans coming to Candlestick from the Peninsula and South Bay than from the City. The interests of these Bay Area communities have been ignored. Evidence of this is provided by the Task Force survey on Candlestick attendance:

Origin of Fans	Baseball	Football
San Francisco	34.0%	27.0%
South Bay	43.0%	47.0%
East Bay	11.5%	19.0%
North Bay	11.5%	7.0%

More Candlestick fans come from the South Bay than anywhere else, especially for football. The Bay Area's large population interacts in many ways. Our transportation patterns, media coverage, business transactions and our great sports tradition are evidence of this phenomenon. The results of the risk filled San Francisco site proposal combined with the statistics of fan distribution indicates that other alternatives must be considered.

A Peninsula stadium would provide better service to all fans by being centrally located with good auto, rail and bus access. If this were achieved along with suitable financing, such a stadium would provide many benefits that a San Francisco stadium could not provide:

- The Giants would have good weather and improved fan access.
- A fair division of costs and benefits can be negotiated among area cities to lower the financial risks to all.
- San Francisco would not have to carry the burden of financial and development risk.
- San Francisco would benefit from the demolition and sale of Candlestick, \$19.5 million.

But before a viable alternative can be fully developed more information must be gained. The following information is needed:

- Candlestick attendance figures must be updated.
- A study on the feasibility of sites south of San Francisco must be done.

- Discussions to assess the potential for local governments sharing in the financing and building of a centrally located stadium should be initiated by the Mayor, Giants and 49ers.
- Local media should be enlisted to conduct informal polls to determine the public's opinion on various alternatives.

The Giants need a new stadium and will listen to almost any realistic proposal, including ones from other cities in the United States. San Francisco is making a reasonable attempt to meet the Giants' needs but cannot do so alone, nor can any other Bay Area city. It is not unreasonable to have the San Francisco teams playing outside the City. The 1985 Super Bowl will be played at Stanford. In addition, other teams play outside of their home cities: the New York Giants play in New Jersey, the L.A. Rams in Anaheim and the Detroit Lions play in Pontiac. The Giants have been fair in not threatening to move if the City doesn't build the downtown stadium, but they cannot be expected to continue losing money.

“...every large crowd would spend hours entrenched in a crawling mass of autos and then fans would be forced to walk to the stadium through cars competing for parking space.”

San Francisco should not be expected to bear the entire burden of the Giants' problem because they are not the team's sole source of support. The Giants' fan base is distributed around the Bay Area and neither the fans nor the team benefit from extending and complicating the distance between them. The San Francisco Bay Area is an interdependent network of six million people. Both teams and their fans would benefit most from a premium facility, centrally located to support and encourage maximum attendance and it is obvious that no site within San Francisco can provide these things. The alternatives must be evaluated if a responsible, effective decision is to be made. □

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The SFRA: Big on Promises, Short on Delivery

by Jim DuPont

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The physical changes brought about by the San Francisco Redevelopment Agency (SFRA) stand as a testament to that agency's power. SFRA projects span 4 percent of the city's land mass and represent \$1.5 billion worth of construction including Moscone Center, St. Mary's Cathedral, Japantown, Diamond Heights and the Embarcadero Center. On the surface, the SFRA seems to be a model of success; however, these new buildings, partly financed by \$420 million in tax monies, rest on a foundation of broken promises.

During its heyday in the 60's and early 70's, the San Francisco Redevelopment Agency was synonymous with controversy. Neighborhood groups filed lawsuits and organized demonstrations attempting to stop or to blunt the effects of the SFRA's massive urban renewal projects in their neighborhoods. It doesn't require an IQ of 200 to see why the SFRA was controversial; its whole reason for existence is to take land considered "blighted" and underdeveloped and to redevelop it to make it more valuable. This mandate pitted the Redevelopment Agency and its powerful allies in the business community against the low income inhabitants of the neighborhoods targeted for redevelopment projects. Over 4,000 families and 6,500 individuals were evicted from redevelopment project areas during these years. To quell the actions of the community groups and to gain support from the business community the SFRA made promises.

This article probes the SFRA's promises to these community groups and businesses in three

major policy areas: housing production, job creation and increasing the tax base. The first two promises, jobs and housing, were made to the people residing in SFRA project areas. The third promise, to increase the tax base, was made to the business community. The premise of this article is that SFRA's power to build massive development projects and its failure to deliver on its promises come from the same source, its lack of public accountability. When the City created the SFRA in 1948, it granted the SFRA a wide range of powers, including eminent domain, without establishing the basic public safeguards to insure proper completion of its goals.

The SFRA's power stems in part from its unique position within the city government which leaves it unaccountable to the general public and most elected officials in the City. According to sources in the City Attorney's office, the SFRA is legally a state agency, under state and federal laws, therefore the actual authority the City has over the agency is unclear. The Board of Supervisors (BOS) holds authority over the SFRA at two points. The BOS approves the initial plans for a new project area and has final say as to the amount of the annual disbursement of Community Development Block Grant money the SFRA will receive. But neither the approval of funds nor the approval of plans assures the BOS of any control over the SFRA. The Bayview Triangle project offers one example of how little effect the Supervisors have over the SFRA. This project was approved on June 30, 1980. Funds totalling half a million dollars were appropriated by the BOS between 1980 and 1983, but the funds have been diverted to the more prestigious Rincon Point-South Beach project. When the abandonment of the Bayview Triangle came to light, some Supervisors, attempted to block the move only to find themselves powerless to affect the change.

The SFRA Commission, a seven member body appointed by the Mayor, represents the governing body of and should be the public's watchdog over the SFRA. But this body lacks control over the direction of the staff. The Commissioners attend weekly meetings to review and approve different elements of SFRA operations, from personnel matters to million dollar development contracts. The sheer complexity of the issues forces the Commission to rely almost completely on the SFRA bureaucracy for information and guidance, thus, the staff determines the content of meetings and the Commission functions as a rubber stamp organization. One former commissioner in a recent interview stated "there is no accountability of staff (to the commission)."

"The major investigative bodies of the City, the Criminal and Civil Grand Juries, have raised questions in recent years concerning the abuse of power by the SFRA."

The major investigative bodies of the City, the Criminal and Civil Grand Juries, have raised questions in recent years concerning the abuse of power by the SFRA. The San Francisco Criminal Grand Jury issued a rare special report in April 1982, that recommended that the Agency be investigated to determine, "whether the Agency is serving the people it is supposed to serve." Over a year later, in June 1983, the San Francisco Civil Grand Jury issued a report critical of the Agency and called for the Board of Supervisors to take "decisive action" that would make the SFRA "an integral part of a centralized system" for planning, housing and community development. Unfortunately, neither of these bodies have the power, time or resources to follow through on their recommendations.

A look at the SFRA's failure in the aforementioned policy areas gives an indication of what can happen when power is unaccountable. The SFRA holds title to being the largest "producer" of housing in San Francisco, but the flip side of that claim is that it has destroyed as much housing as it has built in the City. A total of 10,833 new housing units have been built, but approximately 10,976 units have been destroyed by the

SFRA as of Jan. 1, 1983. The major discrepancy is not in the number of units built, but for who the units were built to accommodate. Almost all of the 10,976 housing units destroyed were occupied by low and moderate income people while only half the new units (5,614) have been built for low and moderate income people, thus creating a 5,362 unit gap between the amount of low and moderate income housing destroyed and that replaced. In addition, most of the new housing being planned and already built is sold or rented at the going rate in San Francisco, a rate that offers little help to the average San Franciscan who is caught in the City's tight housing market, even though these homes are primarily subsidized by the average taxpayer.

The SFRA claims that it does not have any figures on the number of housing units destroyed by redevelopment activities. Wes Willoughby, SFRA public relations, stated in a recent interview, "We don't have those figures in a form that is accessible. How do you judge the number of housing units? In the Western Addition, there were Victorians that were originally one family units but had been illegally converted to accommodate 3, 4, 5 and 6 families. Do you count that as one or six? The old barracks in Hunters Point had been condemned since 1948. Do you count those as housing units?"

This lack of information on the part of the SFRA makes for an interesting dilemma since Federal regulations require the SFRA to replace low and moderate income housing at a ratio of one new housing unit for each housing unit destroyed. Just how the SFRA determines that it has replaced what it has destroyed remains a mystery. The replacement figures cited in the paragraph above were based on the number of families and individuals living alone who were displaced by SFRA activities.

Often to gain support for its projects the SFRA promises to supply jobs to neighborhood residents of project areas. An example of this type of promise is the India Basin project. SFRA promised to create 2,400 jobs for people living in the Hunters Point community, a neighborhood with constant high unemployment. It now seems certain that the new park created fewer jobs than it destroyed.

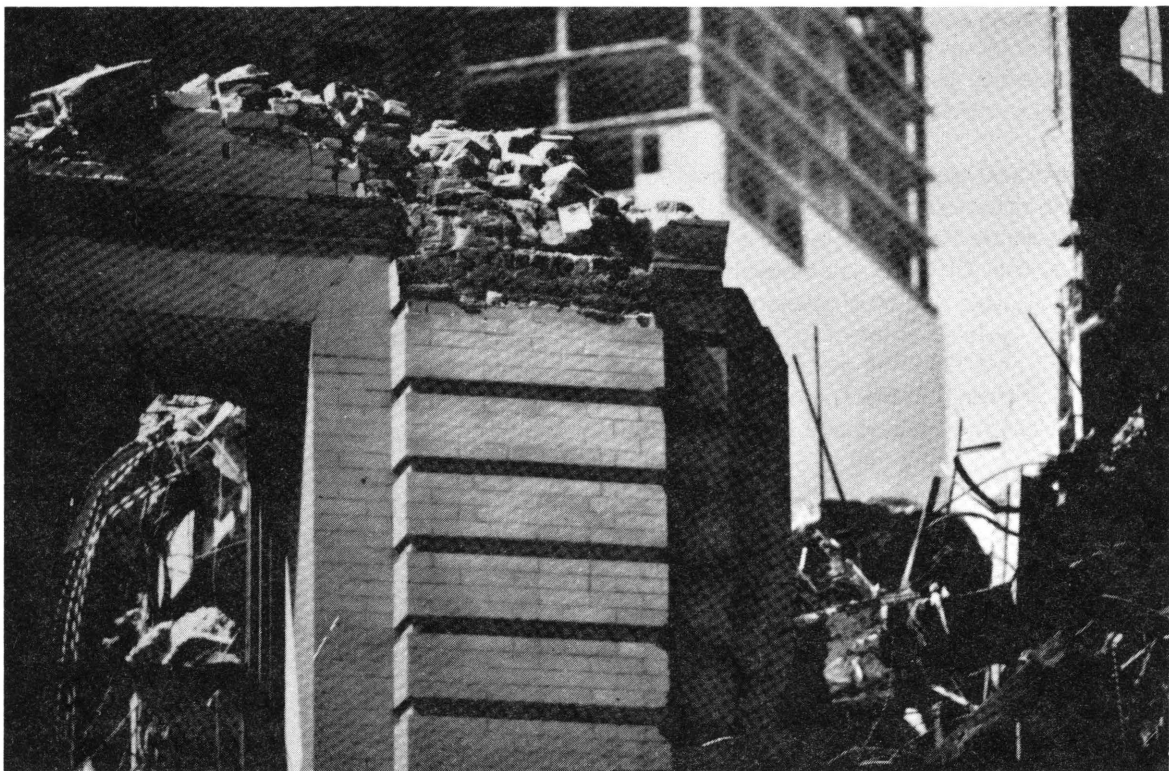
Unfortunately, the SFRA does not have records that show how many neighborhood people worked in India Basin before redevelopment. So once again, estimates must be used to determine the actual gain or loss caused by the SFRA. The industries located at India Basin

before redevelopment, a combination of meat-packing plants and wrecking yards, employed 1,474 people. According to long time residents of the area, most of these people were local residents. The new park employs 5,000 people all of whom are neighborhood residents, according to an SFRA survey in April, 1983. If even half of the 1,400 people working in India Basin before the intervention of the SFRA were from the adjacent neighborhood, then present figures represent a loss of about 289 jobs due to redevelopment.

A closer look shows that most of the so called "new" jobs in Hunters Point are not created positions, but simply relocated workers from other sites in the City to India Basin. For example, the largest employer, US Postal facility, had a total of 4,000 jobs, 350 of which were held by Hunters Point residents when it relocated from its old location at Rincon Point. If the jobs relocated to the park which were held by Hunters Point residents before the move are subtracted from the total jobs now held by neighborhood people, the total jobs lost by redevelopment become even greater. Just by discounting the Post Office neighborhood employees from the "new" job figures, the number of created jobs drops to 61.

The third and most prized claim of the SFRA is that it produces a great increase in the City's property tax base. The Redevelopment Agency claims it will increase the City's property tax base in redevelopment areas by an average of 1,051 percent, but this claim makes many critical assumptions that undermine its worth as a gauge of success. The first assumption being that none of the land would have been improved without intervention by the SFRA. This assumption is dubious at best, especially with two projects; Diamond Heights and Golden Gateway. Diamond Heights, prime land on a vacant hilltop in the middle of San Francisco and Golden Gateway, prime downtown waterfront land in the booming downtown district, would have been developed without the SFRA.

Another indication that projects would have been built without the SFRA can be found by examining the investment that private companies were willing to make in the separate projects. For Diamond Heights, private investors paid \$7 for every \$1 of public money and for Golden Gateway private investors paid \$5 for every public \$1. Whereas, in the Western Addition A-2 project private investors have only been willing to invest \$1.25 for each \$1 of public money. These figures indicate that some kind of



development would have occurred at the first two sites without redevelopment, especially since both projects are completed and the Western Addition A-2 project is still undeveloped after 15 years of redevelopment activities.

“Between 1967 and 1983, tax assessments in San Francisco have risen 1,228 percent, but in redevelopment areas the values have risen only 594 percent.”

The second assumption SFRA projections make is that the projects do not lose money during development. A review of the India Basin project shows that between 1973 and 1983 the project lost \$1.5 million in tax revenues with last year being the first year of the project making more than it did before redevelopment. Considering that other projects like Yerba Buena and the Western Addition A-2 have had approximately 80 acres sitting empty and non-taxable for the past 15 years the ramifications of the loss should not be limited to India Basin. Just how much these empty acres would have brought to the City's coffers is up for speculation; however, money lost during the process of redevelopment must be considered in any analysis of the benefits.

The third and most significant assumption made is that urban renewal improves the tax base at a faster rate than is average for the City. Throughout the City tax assessments have increased at a faster rate than assessments have increased in redevelopment project areas. Between 1967 and 1983, tax assessments in San Francisco have risen 1,228 percent, but in redevelopment areas the values have risen only 594

percent. Even, the projected values after redevelopment (1,151 percent) fall short of the '67-'83 increase. In addition, many projects began before 1967 and won't be completed until well after 1983, thus, the discrepancy is even more dramatic. Ironically, SFRA's projects are limited to areas that are supposed to be undervalued to begin with. That indicates the rate of increase should be much higher than the citywide average. All these numbers and percentages may be confusing, but the result is clear — redevelopment has slowed the increase of the property tax base in redevelopment areas by almost half of the City's average rate.

The failures described above show that the SFRA has been ineffective in social engineering tasks such as creating livable homes for moderate and low income people and job creation for San Franciscans, and in its role as a revenue increaser for the City. But, the implication of the SFRA's failure to fulfill its promises is that major flaws exist in its system of checks and balances. It is these flaws that must be corrected before the SFRA will start producing the promised effect. San Francisco cannot afford to waste a valuable resource like the Redevelopment Agency, especially in areas like creating affordable housing, increased job opportunities for residents and adding to the tax base. Firm action must be taken to remedy the situation.

Therefore, it is recommended that the City of San Francisco form a citizen's task force to make a thorough analysis of the SFRA and make recommendations as to how it can be made more accountable to the public. A special effort should be made to rectify the SFRA's record keeping methods. This study should be conducted by critics and supporters of the SFRA and have the power to effect change in the structure of the SFRA. The results of this article imply that the SFRA cannot use the power the public has entrusted it with to reach its goals. It is the public's duty to stop the waste of the SFRA's abilities and insure that it achieves its stated objectives. □



