

Dialogues on the Delta

Dialogues on the Delta:

Approaches to the City of Stockton

Edited by

Martín Camps

Cambridge
Scholars
Publishing



Dialogues on the Delta: Approaches to the City of Stockton

Edited by Martín Camps

This book first published 2018

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Copyright © 2018 by Martín Camps and contributors

All rights for this book reserved. No part of this book may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the copyright owner.

ISBN (10): 1-5275-1107-3

ISBN (13): 978-1-5275-1107-1

CONTENTS

Introduction vii

Part I. Political, Economic and Business Approaches

The Roots of Municipal Bankruptcy: Stockton, California 1960-2012..... 2
Robert Benedetti

The Delta and the Stockton Area Economy..... 28
Jeffrey Michael and Thomas Pogue

The Urban Farm Experience in Stockton- PUENTES:
The Social Experiment 44
Sacha Joseph-Mathews

Part II. Sociological Approaches

The Faces of Stockton: A City’s Racial-Ethnic Landscape
and its Change Over Time 58
Susan E. Mannon

The Stockton Challenge: Surviving the Misery of the Great Recession.... 88
Marcia Hernandez

Polyculture: Local Food Practices at the Stockton Farmers Market..... 115
Alison Hope Alkon and Dena Vang

Part III. Historical Approaches

“La Asociación Guadalupana” of St. Mary’s Church: Mexican
Immigrant Women and Religious Traditions in Stockton 134
María de Jesús Duarte

“A Jeep a Week”: Stockton High School Students Fight World War II..... 152
Johanna Bakmas and Jennifer Helgren

It's Your History: Discovering Stockton's Diversity in the Archives 167
Mike Wurtz

Part IV. Literary and Artistic Connections

Elena Poniatowska and Her Connection to the Central Valley 184
Traci Roberts-Camps

Cartographies of Silence: Martín Ramírez in Stockton 198
Martín Camps

Contributors 231

INTRODUCTION

Stockton was founded in 1849, directly following the US-Mexico War, and at the commencement of the Gold Rush era. It was founded by Charles Maria Weber after he acquired the “Rancho Campo de los Franceses” (for the French-Canadian fur trappers that wintered there) and it was named after Commodore Robert F. Stockton, becoming the first city in California that received a non-Spanish origin name, compared with other communities in the area, Manteca, Modesto, Merced, etc. Weber partnered with William Gulnac, who was married to a Mexican national who had sworn allegiance to Mexico—the then proprietor of this land. Miles of waterways of the California Delta intertwine Stockton, cold waters draining from the Sierras find their way to San Francisco’s estuary. This land belonged to the original populations of the Yatchicumne, a Northern Valley Yokut people that knew about the annual floods due to unobstructed Sierra Nevada snowmelt and built on elevated hills. Since its beginnings, Stockton has been a diverse community; for example, after 1880 the city had the third largest Chinese community in California. The city received peoples from Europe, Africa, Asia, Australia, the Pacific Islands, Mexico and Canada. In 1883 Benjamin Holt settled here and started building his track-laying machines. The city grew from 3,679 in 1860 to the current 320,554. Stockton has an immense history and this book, by no means exhaustive, seeks to start a dialogue that can be as extensive as the number of waterways that frame the city. Future researchers on the city might consider writing about Leonard Gardner, author of the boxing novel *Fat City* (1969) that takes place in Stockton and that was later made into a movie by John Huston in 1972. The iconic Lido Hotel, one of the settings, is still standing in the city. Another important writer of this city is Maxine Hong Kingston, also a native of Stockton and author of *Woman Warrior: Memoirs of a Girl Among Ghosts* (1976). Of course, there are many other topics and personalities in the city that deserve critical attention, and I hope this book may incite further studies. This collection of essays started three years ago, when I began my work as Director of Latin American Studies and wanted to reflect with my colleagues on the city where the University of the Pacific is based. I launched a call for papers, and these eleven essays represent the response to this multidisciplinary effort.

I have divided it into four parts: the first one dealing with political, economic, and business approaches. Robert Benedetti's article studies the origins of Municipal bankruptcy from the 1960-2012; suggesting that Stockton was vulnerable for being dependent on world cities such as San Francisco and San Jose, and state urban policies that misled city decision makers and their inadequate planning for long-term consequences. Stockton was dominated by the political economy of these two world cities and supposedly was to become a suburb for commuters from the Bay, however this did not come to fruition and this dependence made the city vulnerable to the foreclosure crisis of 2008-2012. The political structures of the 1980s and 90s created a system where opposition to the mayor was difficult to mount. The "Roots of Municipal Bankruptcy in Stockton" also provides a history of political leadership in Stockton and describes mayors working without structural elements that ensure political opposition. Indeed, leadership matters, leadership that incorporates opposing views and opinions from unrepresented communities and offers transparent fiscal planning for long-term projects.

Jeffrey Michael's and Thomas Pogue's contribution on "The Delta and the Stockton Area Economy," studies the Delta as central to Stockton's founding and early economic growth and development. This chapter examines Stockton's evolving economic relationship with the Delta from the 1990s to the early 2010s, a period of rapid growth. This period encompasses the growing suburbanization of the Stockton Delta region, the transfer of the Navy base to the Port, as well as initial efforts at downtown revitalization. This chapter also describes some of the primary changes in governance of the Delta in this era, the critical role of the levee system, and the Delta's evolving relationship with the Northern California mega-region and California as a whole. Despite the growth and evolving relationships with fast growing cities and suburbs around its periphery, the Delta area around Stockton is an agricultural economy, with the San Joaquin County portion of the Delta generating \$500 million of the Delta's estimated \$800 million in farming revenue in 2009. Michael and Pogue also estimate about \$300 million in total recreation and tourism-related spending around the Delta, yet, properly speaking, the area encompassed by San Joaquin County only contains 25% of the Delta's recreational facilities therefore the Stockton area is a relatively small share of that total. As Stockton continues to grow, the Delta will remain a key component of the City's infrastructure and its broader mega-regional, and state-wide relationships, through its transportation and energy infrastructure, agricultural and recreation economies, and as its role as hub for statewide water systems.

In Sacha Joseph-Matthew's article, "The Urban Farm Experience in Stockton- PUENTES: The Social Experiment," she studies the urban community farm named "Puentes." Jeremy Terhune wanted to end food insecurity in Stockton, empower communities to get involved in solving their own problems, and provide a business model that could prove his critics wrong. The end result, a decade later, was a successful 501c3 nonprofit called the "PUENTES Boggs Tract Community Farm (BTCF)." The PUENTES urban farm encourages communities to grow their own food, provides employment, educates students of all ages, facilitates activism through gardening, and sells organic produce, honey, and eggs to a growing local and business community in what was previously a food desert. This is the story of the birth and development of PUENTES, an urban farm in the Boggs Tract District of Stockton, California. The essay examines how the farm successfully utilized a combination of sound business practices, expert growing knowledge and application, community leadership, and corporate sponsorship to build a network of academics, farmers, students, citizens, community activists, businesses, and government officials. Ultimately, PUENTES' goal is to build a sustainable model that can be easily duplicated in cities across America struggling with the same food insecurities as Stockton. This essay explores how one man's social transformative economic journey transformed a community through activism, farming, and entrepreneurial thinking.

The second section gathers sociological approaches applied to the city. In the first article of this section, "The Faces of Stockton: A City's Racial-Ethnic Landscape and its Change Over Time," Susan E. Mannon studies the City of Stockton, which has a remarkably diverse racial-ethnic history scholars have been documenting and analyzing for some time. This essay takes a step back from these rich racial-ethnic histories to survey the city's racial-ethnic history and geography as a whole. Among the questions it tackles are: (1) What is the city's racial-ethnic composition; (2) How has this composition changed over the past 100 years; and (3) How are the city's racial-ethnic groups distributed across the city? Using data from the U.S. Census Bureau, the chapter provides a portrait of the city's racial-ethnic past and present to help understand its place in the Californian mosaic.

In turn, Marcia Hernandez studies Stockton in the media in her essay "The Stockton Challenge: Surviving the Misery of the Great Recession". Her paper employs multiple methods including media analysis and autoethnography to chronicle the discourse surrounding Stockton's plight during the Great Recession. Forbes' named Stockton one of the most miserable places to live in 2008 and the city filed for bankruptcy in 2012,

yet it now appears on multiple real estate lists as a hot market for 2018. Hernandez analyzes reports from media outlets, the “miserable city” listing, “misery index”, and local reactions to the dubious label, all of which offer multiple narratives to understand the complexity of a city and its residents making sense of a historical moment. Woven throughout the paper is an autoethnographic account of personal experiences while working in the region during Stockton’s latest economic boom and bust period. The goals of the essay are twofold: first, to stress the important role of media in highlighting (or ignoring) the social, political, and economic forces at play in the city. Second, the essay emphasizes the significance of utilizing a sociological imagination to understand how the personal and political are connected --via the inclusion of individual experiences-- to social science research when examining a location undergoing multiple transformations.

Allison Hope Alkon and Dena Vang study the dynamism of the Stockton Farmers Market in “Polyculture: Local Food Practices at the Stockton Farmers’ Market.” It is a large bustling market that, for nearly 40 years, has been held under the crosstown freeway from about 5:30 to 11:00 a.m. on Saturday mornings. In the “high-season,” as many as 10,000 customers visit its 65-75 vendors, who sell produce, and prepared foods like baked goods and tofu. While much of the scholarly and popular writing on farmers’ markets and local food systems depict them as predominantly white spaces catering to affluent consumers, the vendors and customers at this farmers market are predominantly Southeast Asian, with Latinx and white minorities, and the prices are inexpensive. This chapter examines why farmers, prepared food vendors, and customers choose to sell and shop at this farmers’ market. Surveys and interviews reveal that both vendors and customers prioritize economic concerns: farmers want to make a living, while customers are foremost interested in affordable food. However, both groups also value qualities associated with local food systems, including freshness, sustainability, and community. According to the authors, for Southeast Asians, these priorities are inextricable from their cultural identities and foodways. Despite the dominance of large-scale industrial agriculture in this region, this chapter celebrates Stockton’s vibrant, local food systems rooted in a culture that is rarely recognized for its participation in sustainable agriculture.

The third section comprises historical approaches. María Duarte, in “La Asociación Guadalupana of St. Mary’s Church: Mexican Women and Religious Tradition in Stockton,” examines the ways in which the Asociación Guadalupana of St. Mary’s Church, a female religious group founded by Mexican immigrants in 1955, laid the groundwork for the

transformation of the festivities in honor of Our Lady of Guadalupe into one of Stockton's signature events, held on the first Sunday of December. This study draws on oral interviews with two of the founding members of the Asociación Guadalupeña to tell the story of this religious group and the role of Mexican immigration, community-formation, and female leadership in Eastside Stockton. The essay complements first-hand testimony with public data from the Catholic Diocese of Stockton, articles from the local newspaper *The Record*, and scholarly studies on Stockton and on the history and devotion to Our Lady of Guadalupe both in Mexico and in the U.S. An analysis of the religious and community-organizing project ushered in by immigrant women of the Asociación Guadalupeña in Stockton equips us to explain the vitality of Mexican religious culture on display in December's festivities to Our Lady of Guadalupe in Stockton. This essay recognizes the contributions of ordinary Mexican women in transplanting their religious traditions to Eastside Stockton and, in the process, delineating the contours of the Mexican community in Stockton.

In Jenniger Helgren's and Johanna Bakmas's contribution, "'A Jeep a Week': Stockton High School, Fight World War II," they examine the involvement and effects of Stockton High School's fundraising efforts during World War II. In particular, this essay follows the journey of a fleet of 275 jeeps purchased by the students as part of the federal government's "Schools at War" program. Over two hundred letters from soldiers who encountered these jeeps are housed at the Haggin Museum in Stockton. These letters, along with oral histories, the SHS student newspaper, and yearbooks, demonstrate that the SHS jeep fleet built a bridge between the soldiers and the students back home and contributed positively to the morale of the soldiers. The chapter highlights federal-local connections during the war and contributes to a growing understanding of the importance of home front contributions, especially those of children and youth, to the war effort. Importantly, Stockton High School's largely working-class student body helped define the city's identity as patriotic and hard working.

Michael Wurtz, Head of the Holton-Atherton Special Collections, in "It's Your History: Discovering Stockton's Diversity in the Archives," gives us an overview of the rich collections at the University of the Pacific. The city was the home of the first Sikh Gurdwara in the United States built in 1912, and Little Manila was one of the most vibrant communities in the mid-1900s. The documents in the collection illustrate early slave emancipation, Japanese sports, Filipino life on the Delta, the Mexican Methodist Church, and the Chinese Christian Center. The archives document the city's diversity and those stories are ready to be

discovered and interpreted by anyone interested in the city's history. One of the most important collections is Sally Miller's Stockton Immigrant Women Collection created in the 1980s with 65 women of 27 nationalities. Wurtz presents a rich tapestry of resources available for research that can fuel new projects to understand the city's diverse history.

The fourth part deals with cultural and literary approaches. Traci Roberts-Camps's essay explores the works of Elena Poniatowska (1932-), one of Mexico's most well-known and beloved authors. Poniatowska's paternal grandmother was Elizabeth Sperry Crocker, born in Stockton and related to the family that built the Crocker Art Museum in Sacramento as well as the San Francisco and Pacific Railways. In her work, Poniatowska is committed to portraying the struggles of the disadvantaged—socially, politically, and economically. Many of her literary explorations focus on language, specifically, the nuances of the Spanish spoken in Mexico. This essay details Elena Poniatowska's connections with Stockton and the Central Valley and examines how her work focuses on Mexican identity and the struggles of the underprivileged.

In my own essay, I present the story of Martín Ramírez, a Mexican migrant and psychiatric patient, and one of the most relevant Mexican painters of the XX Century. Ramírez was confined in the Stockton State Hospital for most of his life. I speculate that Ramírez received some artistic training in the Stockton State Hospital, based on letters and recounts from patients of that era. Ramírez is considered an "outsider" artist that related his migration journey from Mexico into Stockton. He composed his drawings with pieces of paper found in the trash and glued together with saliva. This was a time when tuberculosis was an issue and many of his compositions were burned. The article is informed by the research of Víctor M. Espinosa, and stresses the importance of the Stockton State Hospital in Ramírez's development as an artist-patient and his story as a migrant worker in the beginning of the 20th Century.

In sum, this collection of essays provides insights into a vital city in the Central Valley of California which has been hit by financial predicaments, but creatively worked to resolve its problems, with plans such as "Puentes" or by benefiting from the region's rich hydrology. Definitely, the city's richness is found in its people and their cultural diversity manifested in the distinct religious denominations, food variety, and community efforts, such as the "Jeeps for War" initiative during WWII. The city is also connected to important literary personalities such as Mexican author Elena Poniatowska, and artists such as Martín Ramírez. These essays hope to be the stepping stone for more research that sheds

light on the rich history of the inhabitants who help build the imaginary configuration of the City of Stockton.

PART I.

POLITICAL, ECONOMICAL AND BUSINESS APPROACHES

THE ROOTS OF MUNICIPAL BANKRUPTCY: STOCKTON, CALIFORNIA 1960-2012

ROBERT BENEDETTI

On June 26, 2012, the City of Stockton, California filed for bankruptcy. At the time of its filing, as a city of 300,000 in a county/Metropolitan Statistical Area of nearly 700,000, it was the largest city in the United States to have sought bankruptcy protection. For those in Stockton's City Hall, it seemed as if disaster had struck every cost and revenue projection. In describing the crisis, Laurie Montes, Deputy City Manager, offered a diagram, showing hand grenades in every budget category. ⁽¹⁾ In a similar vein, Paula Sheil, writing in the *New York Times*, found enough blame to go around:

City managers and leaders have been investigated for their poor decisions. Residents can also blame themselves for buying into the hype, buying into the bubble, ignoring the warning signs and being politically apathetic. ⁽²⁾

Press reports pointed to a high rate of foreclosures following the economic downturn of 2008, poor municipal management particularly in regard to employee benefits, and public-private partnerships that overextended the city. ⁽³⁾

However, since other California cities had been affected by similar calamities, what explains Stockton's particular vulnerability? Why did the city's fiscal environment suddenly bristle with "insolvency risk hot spots?" Why did leaders and citizens there "buy into the hype and ignore warning signs?" Why was bankruptcy seen as the most appropriate response? ⁽⁴⁾

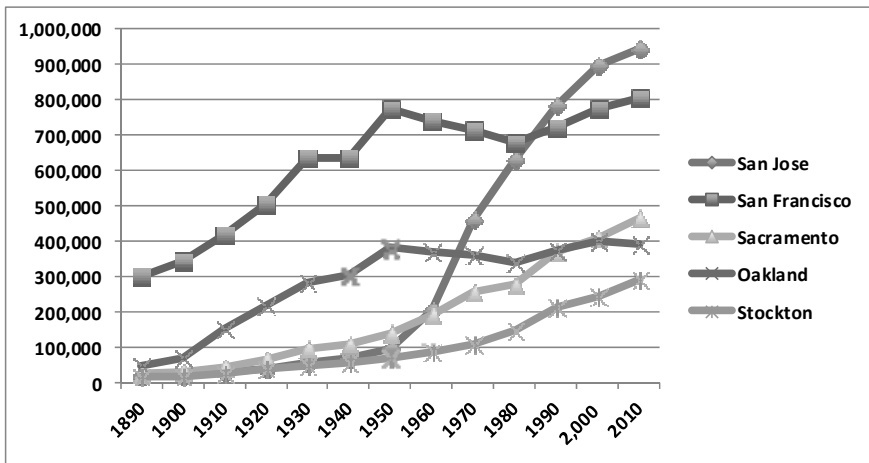
This essay suggests that Stockton was vulnerable to these revenue and cost shifts because of three aspects of its political economy. Specifically, Stockton had become a vassal of two world cities, San Francisco and San Jose, and lacked sufficient economic independence and reserves when the services it provided these other metropolitan behemoths were reduced. Secondly, state urban policies, above and beyond Proposition 13, ⁽⁵⁾ restricted or misled Stockton's decision-makers, resulting in uninformed and disadvantageous decisions. Third, Stockton's city government suffered

from inadequate planning, adopting strategies without assessing long-term consequences. These factors predisposed Stockton toward its 2012 fiscal disaster.

I

Unlike neighboring cities and counties to the west and north, Stockton never established a way to benefit from California's post WWII boom. One clear indication of Stockton's inability to find a strategic place in a changing Northern California economy was its lack luster population growth.

Major Cities in Northern California Population Growth, 1890-2010 (US Census)⁽⁶⁾

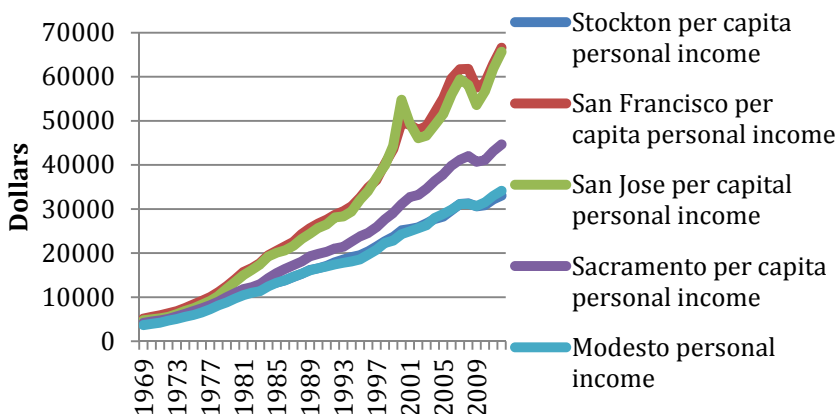


As the graph above indicates, Stockton, San Jose, and Sacramento had similar growth profiles until 1950. While San Jose dramatically grew thereafter, the growth patterns of Sacramento and Stockton share similar slopes, but the distance between them has continued to grow. Another way to interpret these patterns is to see the growth in the valley as increasing in speed only as the growth in the cities closer to the Bay began slow.

As Northern California grew, it also began to sort itself economically. Industries with larger payrolls left the valley starting in the 1960's. Food processing, boat building and wood working plants relocated from Stockton to new domestic and foreign locations. At the same time,

financial and high tech firms came to dominate the Bay. The citizens of coastal areas gained wealth while those inland lost the salaries industrial activities provided. The change in economic mix experienced in Stockton was similar to those faced the Rustbelt in an earlier period.

Northern California MSAs, per capita income 1969-2012 (US Census)⁽⁷⁾



As this chart demonstrates, per capita income for the region was similar for all the cities in the region until the 1980's. At that point, San Francisco and San Jose increased dramatically. Sacramento increased modestly, and Stockton joined Modesto in recording only a slight increase. Behind this distribution lies an implicit designation of San Joaquin and Stanislaus Counties as locations that would only share in the Bay's prosperity to the extent that they attracted middle class commuters and warehouse development. Otherwise they would continue to be tied to agricultural production, but on a scale more specialized and limited than the agricultural powerhouses of Fresno and Bakersfield. Furthermore, low per capita income limited the potential revenue of these areas even while population grew.

While Stockton and San Joaquin County have, in fact, become destination points for commuters, the numbers have not been large. ⁽⁸⁾ Most San Joaquin commuters travel to Alameda County, few to San

Francisco. The commute to San Jose has also been modest. In other words, Stockton and its San Joaquin neighbors have anticipated becoming a Bay Area suburb, but have not yet become that destination. Homes and services have been readied, but the in-migration of commuters has been slow.

There is also an indication that those who have moved over the Altamont Pass are commuters least qualified to assume mortgages and simulate a retail economy. San Francisco Bay Area studies have shown that the poorer citizens, particularly new workers, are those who assume longer commute times⁽⁹⁾. Though these studies do not include San Joaquin County, there is every reason to believe that their conclusions hold. Further, the Bay region early created enclaves near San Francisco and later San Jose where the wealthy would congregate and the current trend is for the successful “creative class” to cluster in the heart of world cities.⁽¹⁰⁾ The successful have not sought exurban locations in San Joaquin County.

The transportation networks that link the Bay Region with San Joaquin County and Stockton are time-consuming and expensive, to be avoided by those who can afford to live closer in. Train service links Stockton to San Francisco and San Jose, though the lines are distinct and schedules limited. The BART subway surface network that integrates the Bay region has not yet crossed the Altamont Pass. The expansion of Interstate highways 205 and 580 has provided a connection from the Bay Area with Interstate 5, California’s major north-south route. But these arteries are often clogged with trucks making commutes among the slowest in the country.

In sum, slow population growth, low per capital income, and limited progress in realizing a suburban potential particularly where home buyers are economically qualified has put Stockton and San Joaquin County at an economic disadvantage, and translated into lower property and sales revenue than the city had anticipated even before the economic shock of 2008.

On the other hand, there was growth in warehousing and related employment. Data collected by the California Department of Employment Development between 2000 and 2008 shows a 22% increase in employment in transportation, warehousing, and utilities over the period, while the state saw a 2% drop. Possibly reflecting growth or the expectation of growth in commuting and in-migration, education and health services employment rose 29% as compared with 23% statewide over the period.⁽¹¹⁾ A Colliers International newsletter of 2012 anticipates an even further increase in warehousing:

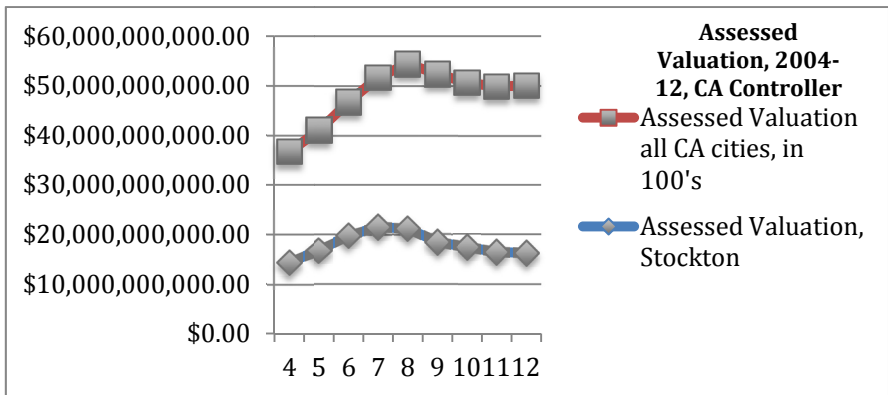
Due to the centralized location of San Joaquin County, it has cultivated extensive transportation facilities (including) Interstate 5 and 99, railroads

and the Stockton Airport. With this transportation system in place, San Joaquin County is a central staging area and meeting place in California.⁽¹²⁾

With this identification as a warehousing hub has come an increase in drug trafficking that, in turn, has led to high crime rates and the costs to tax payers and the economy that crime entails. An AFT agent after a 2013 drug bust in Stockton was quoted as saying,

The thing about Stockton...is that Stockton is a hub for narcotics trafficking, in particular methamphetamine. You have Interstate 5, which is a major corridor for narcotics, so you're coming through this town to get a source of methamphetamine, and then you're shipping it somewhere else.... Drugs and violence go hand in hand.⁽¹³⁾

In sum, when Stockton faced the economic downturn of 2008, it was not yet a suburb, but a blossoming transit hub. However, its transportation infrastructure generated low paying jobs which could be subject to automation in the future, and attracted drug traffic and crime given its easy access to the Bay Area. An indication of Stockton's inauspicious economic position even before the 2008 economic downturn is the assessed valuation of its property, the basis for property taxes calculations¹⁴. In comparison with other California cities, Stockton failed to grow valuation as fast in the early 2000s and did not repair value lost after 2008.



Of course, assessed valuation reflects only the value of exiting property, commercial and residential. What has been particular dramatic in Stockton has been the speed of the drop off of its construction industry

which is keyed closely to the future regional market. Building permits dropped from a high of 2,945 in 2004 to 131 in 2011. ⁽¹⁵⁾ The city anticipated property taxes from these new structures, but also the fees associated with construction and the related sales taxes. On top of the high number of foreclosures on existing housing in and around Stockton, the drop in permits gave the city little hope for recovering property tax revenue soon.

Given the precarious economic status of Stockton as the financial shock of 2008 hit, it is not surprising that the city experienced revenue reductions almost immediately. However, the city has also been impacted by its failure to rebound. ⁽¹⁶⁾

The inland cities in Northern California differed from their coastal neighbors in the depth of their initial economic downturn following 2008 and in the slowness of their recoveries. Stockton and its neighbors Sacramento, Modesto, Fresno, and Bakersfield followed San Francisco and San Jose into the economic trough. The economies of Modesto, Fresno and Bakersfield had better initial performance after the crisis because agriculture survived the economic crisis better than other industries and, in the case of Bakersfield, because of new government jobs. However, neither Stockton, Modesto, Fresno, or Sacramento followed the Bay Area giants into a robust recovery by 2012; the impression left by this comparison is that the world cities with their diversified cores can withstand economic disruption, but that cities at the periphery with less diversification are deeply affected.

To summarize then, Stockton has been dominated by the political economy of two World Cities and designated for warehousing and lackluster housings for the Bay Area. Increasingly it has imagined itself a suburban location for middle class families in search of an affordable home. However, the preparations for such a migration proved vulnerable to economic crises. Building slowed, new commuters did not buy existing homes and those already attracted were the least economically qualified. Given job losses in both the Bay Area and Stockton and the low salaries of those new jobs that had already been generated, new homeowners were at risk of default as the foreclosure explosion of 2008-12 unfolded. Those in default do not pay property taxes or sales taxes, but they may become targets of crime. In either case, the city does not benefit from their unfortunate state. Thus, the economic surge Stockton was counting on to become partners in the economic bonanza of the Bay Area counties failed to materialize, and early benefits evaporated. When a city's customers can no longer pay for services, bankruptcy looms as a realistic option.

II

The recent updated graphic by the Legislative Analyst's Office depicting the shifts in the fiscal relationship between California state and local governments since 1972 shows that thirteen propositions and thirteen major statutes as well as four major budgetary shifts impacted local finances.⁽¹⁷⁾ This reality contrasts with the circumstances between 1911 and 1977 when cities were in control of property taxes and could raise or lower them by a vote of the city council. Of course, the watershed moment was the passage of Proposition 13 in 1977 after which cities and counties could no longer freely set property taxes.⁽¹⁸⁾ The lack of independent fiscal authority impedes a quick response to financial crises. Subsequent legislative “adjustments” resulted in even less home rule for California cities, like Stockton.

In order to cope with this uncertainty, cities have sought ways to raise general revenue without raising property taxes. In the case of Stockton, business licenses (6%), franchise fees (8%), transient lodging taxes (1%) have supplemented utility tax, sales tax, and property tax.⁽¹⁹⁾ In comparison to cities in an aggregate in California, Stockton gets less of its taxes from sales, but more from utility and property.⁽²⁰⁾ Since both taxes are vulnerable to market fluctuation, the emphasis placed on them makes the city at extra risk when the economy goes south.

Through not benefitting their general funds, cities have also increased service charges to pay bills. In Stockton, construction permits, subdivision fees, and water/sewer connection charges underwrote planning and public works expenses, until construction was brought to its knees after 2008. In sum, result of Proposition 13 and its progeny has been creative financing on the part of cities. However, such entrepreneurial activity placed cities at the will of market forces with little power to compel support when economic transactions slow.

With dwindling resources, Stockton focused particular attention on public safety given historically high crime rates and a plethora of wood structures at risk of fire. For example, in 2009, Stockton spent 35% of its budget on public safety in comparison to 27% for all California cities that year.⁽²¹⁾ This left other functions underfunded and their services underprovided. It also meant that there were few budget lines outside public safety that could be tapped if further reductions were required.

However, state policy has impacted Stockton beyond the limits it has imposed on revenue. Specifically, the state has been a regulator, an employer, and a granting agency. For example, the Office of the Attorney General intervened to raise questions about the 2010 Stockton General

Plan, forcing the city to redirect housing development with the possible effect of limiting opportunities of future growth.⁽²²⁾ The state had been a large local employer since the nineteenth century when it placed its first mental hospital in Stockton. Over the years, Stockton was also a location of choice for prisons. However, the last three decades of the 20th Century saw the closing or radical reduction of such facilities. Though a new prison hospital has now been opened, its completion was repeatedly in doubt. In the late 1980's state workers were major contributors to the local United Way, a role they can no longer fill. Such disengagement has been particularly damaging to the local economy because it coincided with the exit of key industries and a large federal military installation center, Rough and Ready Island, around Stockton's port. In sum, Stockton has been less able to count on the jobs and payrolls that State and federal facilities provided in the past.

The state actions most closely linked to the bankruptcy relate to grants and loans extended to the city to complete a marina and, more significantly, the support of the state for Stockton's Redevelopment Agency. While settling the outstanding loan for the marina seems to have proceeded without controversy, the action of the state to terminate its support of redevelopment agencies has resulted in continuing conflict with the city⁽²³⁾. Given its desire to redevelop the downtown area as rapidly as possible, the city was an early adopter of a redevelopment agency and the tax increment financing it provided. The city was aggressive in the use of redevelopment funding once generated and borrowed money based on the anticipated tax increment that redevelopment would secure. State auditors claimed that several of the investments that the city made with redevelopment funds were inappropriate and asked the city to repay \$1,361,531 to settle accounts as the state program terminated. Given Stockton's clear financial stress, the demands of the state in this regard could not come at a worst time.⁽²⁴⁾ On the other hand, the marina grant and redevelopment represent two of a limited number of times when the city has benefited directly from state programs. In 2009-10, immediately before bankruptcy, the city's budget reflected no state or federal grant funding.⁽²⁵⁾

There is a history of State projects for Stockton having been deferred. The crosstown freeway linking Interstate 5 and State Highway 99 just south of the Downtown core was long delayed, making travel across the city difficult. The state has not expanded State Highway 4 to provide the city a direct route to Oakland and San Francisco across the Delta. The city has also twice been passed over for a state university. Instead, planners endorsed rural locations for California State University Stanislaus and

University of California Merced. Stockton was forced to settle for an underfunded branch campus of CSU Stanislaus. Other large central valley towns (Sacramento, Fresno, and Bakersfield) have state universities. Modesto has a campus within easy reach and Merced has a UC campus. Stockton is now the largest city in California without a state university.⁽²⁶⁾

Many of these projects depended on political will. However, Stockton has been at a disadvantage in that it has often lacked dedicated political representation in the California Legislature. Until 2010 when the redistricting commission redrew lines⁽²⁷⁾, no member of the California Assembly had a majority of their district within the city of Stockton. The city had been gerrymandered such that portions of Stockton have been distributed among four surrounding, mostly rural, areas. This left the city without a strong voice in the State Assembly.

While the state clearly did not catapult Stockton into bankruptcy, its assistance was at best uneven as the city struggled to maintain a viable economy. Like other cities, state regulations limited Stockton's taxing and revenue flexibility such that the city could not respond quickly to economic circumstances. Further the timing of the state in closing redevelopment agencies could not have been worse for an overextended city like Stockton. State action and inaction helped to put local leaders into a fiscal straight jacket.

III

Stockton is a charter city, but hardly autonomous.⁽²⁸⁾ As the analysis above argues, after Proposition 13, if not before, it was often denied the largess of the State, but was expected to follow State regulations. It also had become dependent on a regional market dominated by two world cities for its economic definition. However, its decision to file for bankruptcy was its decision. While Stockton's control over revenue was compromised, the city continued to control its expenses.

Significant fiscal initiatives prior to and including the decision to declare bankruptcy were in the hands of city leaders. Studies of urban decision-making have a long and contentious history.⁽²⁹⁾ Here we explore the culture, political structure, and leadership styles that provided the context of the bankruptcy decision, rather than provide a detailed portrait of the interaction of various elites.⁽³⁰⁾

Political Culture: Gallup undertook a recent survey of Stockton resident attitudes in April 2014, after the filing for bankruptcy. It found that, among 189 Metropolitan Statistical Areas surveyed, Stockton was next to last on citizen satisfaction. However, 72% of those surveyed were

satisfied with the city. When asked if Stockton was getting better, Stockton scored seventh from the bottom with 41.5 % expressing optimism about the future.⁽³¹⁾

This general sense of pessimism is consistent with the multiple listings of Stockton as a poor place to live. The most widely publicized rankings were the two appearing a year apart in *Forbes Magazine* that stated that Stockton was the worst place to live in the United States for 2009 and 2012, based primarily on economic data.⁽³²⁾ The *Places Rated Almanac* published in 2007 provided a more comprehensive view. Of 379 metropolitan areas reviewed, Stockton's 373 placed it only 6 cities from the bottom. Most damning was the score for "ambiance" which was a low of 1 out of a hundred. It shared this "honor" with Odessa, TX, Hanford, CA, and Madera, CA. Panama City, FL and Brownsville, TX had zeros.⁽³³⁾

Still, when the *Forbes* articles were published, they stimulated an impassioned response in Stockton, including a demonstration and several video posts rejecting the articles claims.⁽³⁴⁾ It was clear that for many Stocktonians the quality of life in the city was a positive. One explanation is that there are two Stocktons. While the city has a favorable "segregation" index indicating the lack of a clearly defined ghetto or ghettos, it is divided by class, with South Stockton generally thought to be home to a significant portion of the poverty community.⁽³⁵⁾

Stocktonians often talk about, even celebrate, a golden age that arguably came to an end in the 1930's.⁽³⁶⁾ During the years from the Gold Rush to the Second World War, Stockton was a thriving metropolis with significant factories and cultural events brought regularly from the Bay Area. With the decline of the downtown and the relocation of factories after the Second World War as well as the lack of a direct connection to the coast with the end of ferry service, Stockton seemed to lose focus. Some apologists for the city point to the quality of life supported by a good climate; others see Stockton as a place with potential, but lacking strategies to prevent crime or to stimulate economic development. In the videos produced to respond to the *Forbes* assessment in 2009 and 2011, much was made of Stockton providing a suburban lifestyle with golf, good eating, and boating on the Delta. In addition, it is claimed that Stockton is a good location for businesses that need easy access to transportation including links overseas.⁽³⁷⁾

In other words, citizens reaffirm the definition of Stockton imposed by the political economy of the region as a suburb and transit hub. Underplayed are the location of the city in one of the top ten agricultural counties in America and its location on a Delta with over 750 miles of

waterways littered with environmental and historical sites. The city appears to crave acceptance as a part of the San Francisco-San Jose megalopolis. In fact, many cite the short distance between the Bay Area and Stockton as one of its major attributes.

The political culture of Stockton, then, easily supported government action that was consistent with the aspiration to be a suburban community, for example the professionalized city services, particularly regarding public safety. It also valued attempts to attract businesses by redevelopment in the downtown. Citizens tolerated generous agreements with developers that promised growth and encouraged the construction industry. Given a focus on becoming a member in good standing of the Bay Area, the city wanted to catch up with the rest of the region in amenities and to become part of the success stories associated with Silicon Valley and San Francisco. It is not surprising that the newspaper most available in Stockton after its own *Record* is the *San Francisco Chronicle* even while commuters to the Bay Area seek locations other than San Francisco.

Political Structure: Stockton was one of the first cities chartered in California after statehood (1850). It used the mayor council form of government popular in the nineteenth century where council members were elected from five districts and the mayor elected citywide. The city manager form of government arose in the early twentieth century and Stockton was an early adopter in 1922.

The city manager system features a weak mayor appointed from among council members who is often restricted to chairing council meetings. Most executive authority is vested in the city manager. While the system is widely used in the South and West, it has been criticized because it isolates the executive from direct citizen accountability. Since the manager is not elected and since the mayor has few powers, cities that adopt this form may lack a strong centralizing personality who can mobilize opinion and rally support around a policy. Further, when, as was the case in Stockton, the city manager system utilizes district elections, public policy may become disjointed to satisfy the demands of each district at the expense of the city as a whole. Finally, district systems are more prone to corruption because the number of citizens needed to secure victory is often small. However, this same reality has allowed district systems to better serve minority candidates since minority voters are often clustered in districts and can be encouraged to vote for members of their community.⁽³⁸⁾

Stockton, smarting from charges of corruption and worrying that decisions that could move the city forward were not being made, shifted away from a pure city manager and district systems in 1986 with Measure

C. ⁽³⁹⁾ Under the new arrangement, council members would run in primaries held in districts, but the top voter getters would stand city wide in the general election. In addition, the mayor would be elected at large and have additional powers. These powers were further expanded in 1991 to include the responsibility to nominate city managers and to propose city budgets. ⁽⁴⁰⁾

This new system provided mayors a platform for revitalized leadership. However, over time, it also limited the mobilization of opposition groups. Prior to the reform, a study of Bay Area communities ⁽⁴¹⁾ noted that Stockton was one of the few communities where district elections were in place and that they had stimulated minority participation. However, the same study noted that no dominant liberal-minority coalition had developed which could foreground the incorporation of minorities into positions of political power, appointive and elective. After this study was completed, fear of the stalemate and the potential of corruption which districts could cause led local leaders to seek a reform that blended at-large and district features. Significantly, the new system was slow to provide opportunities for minority representatives, particularly for blacks and Hispanics. Indeed, this failure of the new system to incorporate minorities contributed to a remarkable State of the City address by Mayor Gary Podesto in the mid-1990's in which he called attention to racism in Stockton and labeled it a major challenge. ⁽⁴²⁾

In sum, the change in council elections worked against opportunities for groups who might hold opposing views to gain access to the city's policy debates. Other aspects of the political system reinforced a tendency toward consensus politics as well. First, the media covering city hall has remained limited to one newspaper and the occasional story by radio and television stations with headquarters outside the city limits. The local paper does focus on local politics, but it also has a regional mission that restricts the space available for Stockton news. The reductions in local news staff across the country have also been evident at the *Record*. Second, political parties play a very limited role in Stockton politics given the state's constitutional provision requiring that local elections be non-partisan. ⁽⁴³⁾ While party groups often make endorsements, the parties are not fully mobilized except for state and national elections. Third, only two types of interest groups are regularly engaged in local politics: unions and land developers. Testimony at City Council meetings and contributions to local campaigns reflect their dominance. Increasingly, the role of unions is significantly weighted toward public employee unions, but locally trade unions active in construction are also attentive. In regard to city budgets, both unions and developers have supported the easing of land use

regulations and the professionalization of staffs. In other words, they have little motivation to oppose actively increased spending on public facilities or public employee benefits.

Significantly, neighborhood organizations, minority groups, and the poverty community have had limited visibility in Stockton. To the extent that they have been organized, they focus on state and national decision-makers given the limited power and resources available in the city. However, in the period just before bankruptcy was declared, the council representative from South Stockton, the poorest district in the city, showed a tendency toward opposition. This representative, joined by a former councilman from the district, raised the only significant opposition to the filing for bankruptcy. They claimed that the city has properties and services that could be sacrificed and that crime, not solvency, should be the priority for the city. While not gaining traction during the council's debate on bankruptcy, the opposition was able to influence the subsequent race for mayor and help defeat an incumbent who had supported bankruptcy.⁽⁴⁴⁾

In sum, then, the political structures developed in the late 1980's and 1990's, forged a political system in which opposition was difficult to mount against prevailing views often articulated by the mayor. Since the mayors have been able to guide the appointment of the city managers, there is seldom conflict or disagreement between these dual executives. Moreover, the rest of the political system is weighted toward consensus, a tendency many authors have found to be the rule, not an exception, in local politics. Still, given the potential for conflict inherent in the unequal distribution of wealth and ethnic diversity of Stockton, it is remarkable that a system with so few safety valves for opposition has endured.

Political Leadership: Political leadership in Stockton since 1986 has cumulated in the office of the mayor. Not all mayors have actively seized the powers available to them and different mayors possessed different personal resources, often related to their previous networks. None of the recent mayors of Stockton were professional politicians. Two of five had held elective office before becoming mayor, but only one had served on the City Council. In other words, three moved laterally to political leadership from other sectors of the city. Two have considered higher office, but none has successfully moved up.

In the first test of the reformed political structure, following court challenges, Joan Darrah was elected in 1989.⁽⁴⁵⁾ She was an experienced leader, having been a businesswoman and a leader of many local nonprofit organizations. She was able to guide the appointment of a new city manager who had a reputation for professional management. It was under

his leadership that the city increased health and retirement benefits for employees in a move to attract the brightest and best to Stockton.

Mayor Darrah also realized that crime prevention and downtown redevelopment were both necessary and politically acceptable initiatives for the city to pursue. Taken with the success of the River walk in San Antonio, Texas, she proposed a dramatic remake of the Stockton waterfront. However, it was under her successor, Gary Podesto that the project came to fruition.

Mayor Podesto was elected in 1996. ⁽⁴⁶⁾ He was skeptical of the attempt to professionalize staff, but did not object to providing competitive wages. However, his major focus was on the efficiency of urban service delivery and downtown redevelopment. He attempted to shift the city's responsibility for water treatment to a large multi-national firm in the hope of gaining the capital necessary to upgrade facilities over time; however, this move generated considerable citizen resistance and was ultimately blocked by court action.

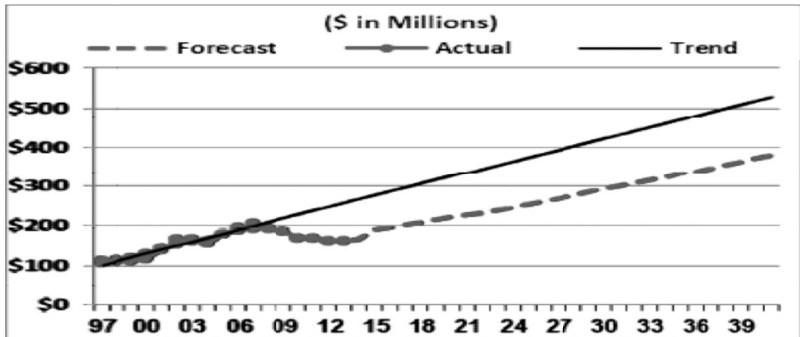
He was more successful in joint ventures for remaking the downtown core. He supported the construction of a multiplex theater near city hall. He gained the financing necessary to construct a new arena for events, including facilities that attracted several professional minor league sports teams. In all these ventures, he could rely on support from the business community, particularly the Stockton Chamber of Commerce. During his tenure, most council votes were unanimous. While controversial, Mayor Podesto was popular and made a run for the California Senate as a Republican, a contest he lost to the incumbent, Michael Michado, a Democrat and local farmer.

The election of Edward Chavez as mayor slowed the forward momentum of the city. As a former chief of police, he was able to engineer a reduction in crime. The general land use plan that passed during his watch was generous to developers and was the subject of a lawsuit joined by the Attorney General Jerry Brown. ⁽⁴⁷⁾ The result was a compromise that increased infill residential development.

Mayor Chavez championed a focus on the many neighborhoods of the city rather than exclusively on the downtown, but was not able to gain much traction with his proposals. He did not have networks in the community energized to support his initiatives. Neither he nor his city manager took particular interest in the fiscal oversight of the projects begun by their predecessors; salaries, health care, pensions, and facilities costs continued to rise. The Chavez administration only provided caretaking when the realities required fiscal watchdogs.

However, the Chavez administration and prior administrations may have relied on rosy projects of growth by the California Department of Finance. In 2007 the Department forecast a metropolitan population of around 1 million by 2020 while the Pacific's Business Forecasting Center in conjunction with the San Joaquin Council of Governments were over 100,000 lower.⁽⁴⁸⁾

Based on such optimistic "expert" opinion, it is not surprising that leaders did not worry about future revenue. They appear to have assumed the trends between 1997 through 2006 would hold. The table below, presented during Stockton's bankruptcy hearing, makes clear that curve tracing was misleading; forecasts for continuing revenue corrected after bankruptcy was sought were well below the trend line for the decade 1996-2006.



Forecast Versus Actual Revenues with Projections, 1996-2040 (Bankruptcy Hearing Documents)⁽⁴⁹⁾

Such rosy predictions and the slow maturation of the financial instruments the city had adopted seem to have obscured from Mayor Chavez the full consequences of professionalism and private-public partnership focusing on downtown. In addition, the lack of a robust political opposition or the adequate incorporation of emerging minority and poverty communities insured that hard thinking about these earlier investments was not brought to the attention of city hall. There is also the possibility that accounting practices also contributed to the city's optimism. In August 2013, the Department of Finance argued that Stockton had not done a good job keeping internal books. It noted that the city has not filed required financial reports with the Controller since 2009-10.⁽⁵⁰⁾