

Water grabs, conflicts and painful choices: Tim Rutten

By Bill Watkins

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Waterman Gardens project could spark a virtuous cycle in San Bernardino: Guest commentary



The Waterman Gardens project in San Bernardino has the potential to create a virtuous cycle in the city. That's not a spelling error. Everyone is familiar with "a vicious cycle," but well-managed housing developments such as the Waterman Gardens proposal have the potential to transform neighborhoods by creating a virtuous cycle of positive improvements. Let me explain.

My staff and I recently completed an economic impact study of the Waterman Gardens project. This is a redevelopment project that will replace 252 deteriorating low-income housing units built in 1943 with 411 modern units. These will be a mix of market-rate rentals, income-restricted units, and "for sale" units.

In addition to the normal county and state analysis, we were asked to look at the local impacts too. This is what we found:

The local impacts of a project such as Waterman Gardens are difficult to quantify, but they are significant, possibly transformative.

The first thing that San Bernardino's citizens will notice is that the appearance of the neighborhood will improve. This is not a small thing. A well-maintained, attractive, and modern project inspires a sense of community, even if the residents are identical to the previous residents. This was the idea behind New York's successful zero-tolerance program that was considered an essential part of the set of policies that reduced that city's crime rate. Eliminating graffiti, broken windows and the other little things that are part of a neighborhood's slow decline, reversed that decline.

The sense of community would be reinforced by the non-residential components of the Waterman Gardens project. There is an administrative facility on the property that represents a commitment to on-site management by the owner. The on-site administration stands in stark contrast with many of San Bernardino's rental units. Often, these units are owned by outsiders with no interest in the local community. Indeed, many of these absentee owners have little interest beyond maximizing cash flow. The pursuit of cash flow often results in deferred maintenance, diminished appearance, and ultimately blighted, crime-infested, communities.

There will be additional recreational, educational, and community space that will reinforce the sense of community, increase activity, and increase the presence of well-intended people.

All of these impacts will be supported by the new tenants that Waterman Gardens attracts. The project will

create 159 new units. These will include 38 new owner-occupied units, 48 market-rate rental units, with the remainder being occupied by low-income seniors. The owners of these new units will increase activity, sense of community and the fact that they are new and motivated to keep the area looking good will provide improvements.

Positive impacts will extend beyond Waterman Gardens. The new residents will shop locally, generating new business and activity at local retailers. Right now, those retailers appear to be in slow decline, with no economic incentive to maintain or improve their properties. The properties are not attractive and show the effects of years of declining sales and deferred maintenance. Increased sales and an improving neighborhood will provide immediate economic incentive to improve their properties. Expect to see signs of these changes almost very quickly.

Other neighborhood changes will appear more slowly, but they will be positive, and they will occur with high probability. The residential neighborhoods near Waterman Gardens are not attractive. They, like the retail properties, appear to be in slow decline, dominated by rental units — units that are often owned by absentee landlords — and showing the effects of deferred maintenance and a lack of pride of ownership.

The more attractive and vibrant Waterman Gardens, along with more attractive neighborhood retailers, will increase property values in nearby neighborhoods and make the neighborhoods more attractive to owner-occupants. The increased property values will provide economic incentives for the owners of those units to improve the units, and thus the neighborhoods.

What we are describing here is a virtuous cycle. The neighborhoods around Waterman Gardens are currently in a vicious cycle. Property values are declining, for all types of properties: residential, retail, and commercial. The declining property values no incentive for owners to improve or even maintain the properties, which of course, leads to even more decline.

While not guaranteed, the Waterman Gardens presents the possibility of ending the vicious cycle and replacing it with a virtuous cycle. If it does, the economic impacts could be very large and non-economic impacts even larger.

Inland California, from Mexico to Oregon, is under severe economic pressure, a result of cascading bad policy decisions, mostly at the state level. If this vast region is to avoid the fate of so many Eastern American cities — wastelands dominated by abandoned capital, where the law of the jungle is the only law — it must take advantage of every opportunity to halt or reverse the decline. Waterman Gardens offers the citizens of San Bernardino such an opportunity. They should embrace the opportunity.

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