



#4 6/20/09

RICHMOND PROGRESSIVE ALLIANCE

The People vs. Chevron: 3 New Victories

Chevron, still the third largest company in the U.S, is used to bending the law and buying or bullying politicians. But in the last year community groups have shown that Chevron can be beaten or at least forced to back off and even pay part of its fair share.

Last year, against a well-financed Chevron campaign, Richmond residents passed Measure T forcing the oil giant to pay substantially more for its business license. In this issue we discuss three more recent victories.

1. Environmental Justice Law Suit

Will Chevron's expansion/modernization improve or further pollute our community? Although Chevron won the vote in the previous City Council, Communi-



ties for a Better Environment (CBE), Asian Pacific Environmental Network (APEN) & West County Toxics Coalition continued the campaign and filed a lawsuit arguing that City acted improperly in approving Chevron's application

In early June Contra Costa Superior Court Judge Barbara Zuniga affirmed many of the claims of community activists. But favorable judicial rulings usually require more than good legal arguments. Jessica Tovar, an organizer for Communities for a Better Environment, explains the background and CBE's organizing strategy on page 5.

There is some confusion on whether this ruling will stop current construction and neither Chevron nor the City of Richmond has said what they will do next. We

will need to be vigilant and prepared to take further action to defend our communities

2. Fair Share Utility Tax

As a result of a long campaign opposing the special deal for Chevron's utility tax, the Richmond City Council forced Chevron to pay a substantial amount covering back taxes and has opened the way for voter action to get justice here. See Mayor Gayle McLaughlin's description on page 6.

3. Countering the Expensive PR Campaign

Chevron has spent millions in its saturation PR campaign trying to position the company as a caring, environmentally friendly, company. A coalition of affected communities effectively countered Chevron's spin with an imaginative and well publicized demonstration at the May Chevron shareholders' meeting and by issuing an alternative annual report. See page 7.

Also In This Issue



Challenging the Foreclosure Crisis:

REDI

Jeff Ritterman on protecting renters

Federal Reserve in Richmond

Drivers License Check-Points & City Council

Fighting Foreclosures

Foreclosures and evictions are urgent problems we face as a community. Not only do they mean personal tragedy for families forced out but it destabilizes the entire community with untended deteriorating buildings, drug houses, disrupted schooling for kids, and increased crime. Richmond and other communities are fighting back are pushing back.

Richmond Equitable Development Initiative (REDI) is pressing for state and local government policies which strengthen communities. See page 3.

Jeff Ritterman describes action taken by the Richmond City Council on this page.

Several community organizations pressed demands on the banks in this crisis with testimony at Federal Reserve Bank hearings in Richmond. See page 4.

City Council votes to put limits on Drivers License Checkpoints.

At its meeting, June 17, the Council passed a resolution to provide guidance to the Richmond Police to make Driver License Checkpoints a "very low priority." The Council heard from 28 community members, almost all supporting the resolution. One woman who supported the resolution reminded us that this kind of unfair treatment was and still is also directed toward African-Americans. With the exception of the remarks of one council member, the discussion was respectful and serious about both the problems and principles. The resolution was presented by Ritterman, Veramontes, and Lopez and supported by McLaughlin. Rogers and Butt abstained. Bates voted no.

RPA Activist Info

is for Richmond community members who want to be active in taking on the problems of the environment, racism, joblessness, housing, and crime to create a healthy Richmond. We believe that community involvement means more than voting every two years. It means regular communication with the candidates we elect, letting them know our issues and positions, supporting them as they try to take our issues forward. It means we attend meetings, use the email, phone our neighbors, or go on marches building an organized movement to create real change.

Comments and columns are welcome. Signed articles and columns are the views of the author and not necessarily those of the RPA. Send photos, articles, and comments to RPAactivist@gmail.com or call the RPA at 510-595-4661

Richmond renters protected from eviction due to foreclosure.

The Richmond City Council has now taken a step to protect renters from being evicted due to foreclosure. The foreclosure crisis is hurting many in the Richmond community. Renters who have good payment records get forced out only because banks are going after their landlords.

More than 50% of Richmond residents are renters. More than one thousand properties in Richmond have gone through foreclosure and estimates are that another two to three thousand residential properties may face foreclosure proceedings in the next year.

The new city ordinance protects renters in good standing from being thrown out onto the street if the property they are living in faces foreclosure. Renters will be allowed to remain in their homes and apartments until the foreclosed property is sold to a new owner. While this is a step in the right direction much more needs to be done in order for us to deal with this crisis which has the potential of decimating many of Richmond's neighborhoods.



**Councilman
Jeff Ritterman**

The city is also receiving federal funds as part of the Neighborhood Stabilization Program. This will allow the city to buy foreclosed properties at a discount. The city will then partner with local developers to rehabilitate the dwellings. The plan is to use RichmondBUILD graduates to do most of the rehab work. This will allow the city to provide jobs at a time of rising unemployment.

While the city's efforts to stabilize neighborhoods in this way are laudable, the funding available will only allow us to buy and rehab ten to fifteen properties a month. It's better to light one candle than to curse the darkness, but we also need to be aware that our needs far exceed the funding we have.

The mayor and I will be meeting with members of the REDI (Richmond Equitable Development Initiative) coalition soon to discuss additional strategies for meeting the challenge of the foreclosure crisis.

—Jeff Ritterman

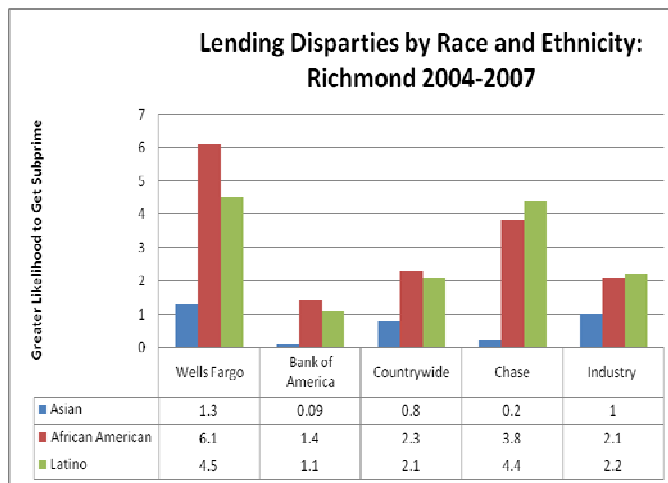
Richmond Equitable Development Initiative (REDI) Focuses on Foreclosures: Stabilize, Rebuild, and Revitalize Richmond

Richmond is being torn apart by the current national housing crisis. Unscrupulous lending practices and flawed mortgage and refinance products developed by banks and other financial institutions are the primary contributors. In 2007 alone, Contra Costa County had the highest year-on-year foreclosure rate increase of all Bay Area counties, at 290%. As of 2009, more than 2,000 homes in the city of Richmond are in foreclosure, and by March 2010, a total of 3,001 homes are expected to be in foreclosure, representing almost 10% of all homes in the city. Homeowners and renters are suffering alike as foreclosed properties line the streets, reducing the value of surrounding homes, pushing up rental rates, encouraging blight and crime and wreaking havoc on property taxes that support essential public services.

The largest distribution of foreclosed and bank-owned properties is in zip codes 94801 and 94804, which include the neighborhoods of: North and East (235), The Iron Triangle (216), Belding Woods (146), and Coronado (88). While the foreclosure crisis has greatly impacted the city's central neighborhoods, the map above illustrates how the crisis is evident throughout the entire city.

It is apparent that zip codes with higher percentages of foreclosure distribution (94801 and 94804) also have the largest minority populations and the lowest income in the city. These racial and ethnic disparities result from subprime lending practices that targeted communities of color regardless of income. These subprime loans are more likely to go into default and result in foreclosure. The beauty of Richmond is its racial and ethnic diversity. The disproportionate effect this crisis is wreaking on Richmond's communities of color threatens this historical diversity and the overall character of Richmond.

REDI is a collaborative of advocacy, research, and community-based organizations, including *ACORN* (Association of Community Organizations for Reform Now), *APEN-LOP* (Asian Pacific Environmental Network - Laotian Organizing Project), *CBE* (Communities for a Better Environment), *CCISCO* (Contra Costa Interfaith Supporting Community Organization), *EBASE* (East Bay Alliance for a Sustainable Economy), *GRIP* (Greater Richmond Interfaith Program), and *Urban Habitat*. It aims to build a Richmond in which every resident has access to affordable housing, quality education, health care, a clean environment, and safe and reliable public transit that connects them to living-wage jobs.



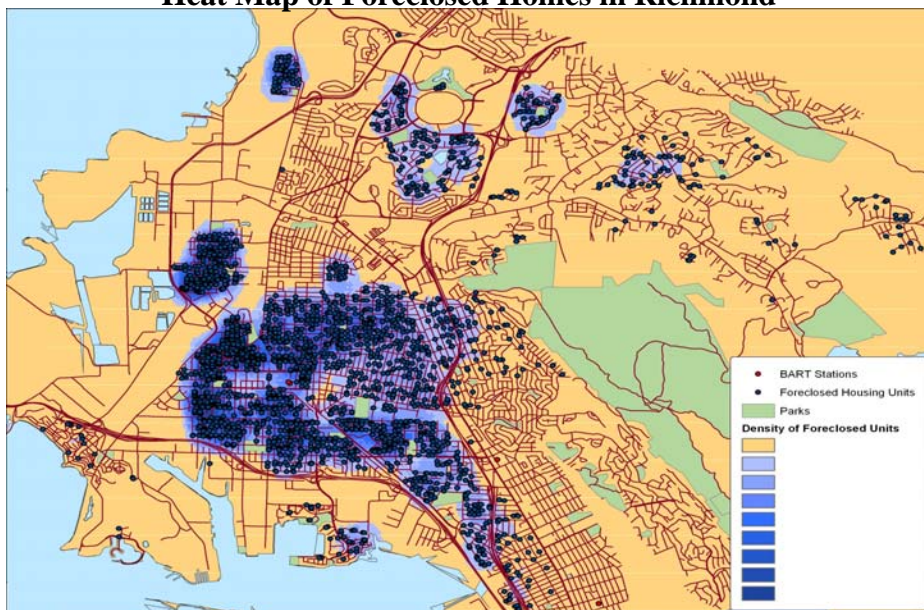
Source: Source: Home Mortgage Disclosure Act, 2009

The rental housing market has been severely affected by the foreclosure crisis. A report issued by Tenants Together indicates that 30% of those affected by foreclosures in California are renters. Renters comprise 50% of Richmond residents. As landlords themselves have suffered foreclosures, rental tenants have been evicted. Their credit is ruined and families have become homeless. Additionally, this tightens the rental housing market because people are searching for rental housing (evicted renters and foreclosed homeowners) while the supply of rental units is decreasing. The result is a "seller's market" in which landlords can raise rents, severely damaging progress previously made towards affordable housing in Richmond.

What's being done

The Richmond Equitable Development Initiative (REDI) is actively establishing, promoting and advocating for city, county and state policies that minimizes foreclosures and its impacts on the local

Heat Map of Foreclosed Homes in Richmond



Source: Center for Community Innovation, U of C – Berkeley, February 2009

(Continued on page 4)

Federal Reserve Hears Testimony in Richmond

The Nevin Center was the site of the first of a series of community testimony meetings the Federal Reserve Bank has agreed to hold on the impact of the economic melt-down on real communities, owners and renters.

Federal Reserve Officials heard testimony from local residents who were losing their housing as a result of foreclosure and community organizations who made a series of demands on the banking system. Some were general demands that the banks invest in the local communities and free up credit for local small business. Most addressed foreclosures. Where homeowners are “underwater” – owe more on the mortgage than the house is worth—the banks should renegotiate mortgages including reducing the principal owed to bring it in line with what the house is worth, instead of evicting the owner and then trying to sell the house for a reduced price.

The meetings were organized by a large coalition of local groups including, CCISCO (Contra Costa Interfaith Supporting Community Organization), ACORN, California Reinvestment Coalition and many more.

While the government moved fast to bailout banks and insurance companies, it has left homeowners with impossible mortgages and renters hanging. Coalitions of community organizations like National Peoples’ Action and People Improving Communities through Organizing (PICO)--CCISCO is the local affiliate—have been pressing the government and Federal Reserve for a change in priorities.

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Federal Reserve Bank Officials (top) hear testimony from researchers, community groups and foreclosed residents (below) before large and demonstrative audience at Nevin Center



REDI continued

community in order to build a foundation that promotes neighborhood stabilization and revitalization, especially in the neighborhoods in most need of assistance. Community revitalization that benefits all residents must include policies that stop preventable foreclosures, protect tenants, revitalize neighborhoods, enforce safety codes, improve the physical environment, provide affordable housing, increase capital access, and that promote workforce development.



Foreclosure photos: Mr. Koeberling's Richmond High School Social Studies Class - February, 2009

The City of Richmond and organizations involved in the Home Equity Preservation Alliance (HEPA) are some of the entities that are working locally to curb the detrimental impacts of foreclosures on the local community.

On March 12, 2009, REDI held a Housing Crisis Town Hall at St. Mark’s church with over 500 attendees, including community members and elected officials. At this event, community members hurt by the housing crisis shared personal testimony and REDI released a housing platform and garnered public commitments of supports from the elected officials present.

The Richmond City Council is currently considering a REDI promoted Just Cause Ordinance to protect tenants affected by foreclosures who are living in bank owned properties.

What can you do?

Endorse REDI’s Housing Campaign Platform. For more details, visit: <http://urbanhabitat.org/richmond/housing/platform>

Read “Transforming the Housing Crisis in Richmond,” a report produced by The Richmond Equitable Development Initiative (REDI). Visit: <http://urbanhabitat.org/richmond/housingcrisisreport>

Support and attend future REDI sponsored events. Visit <http://urbanhabitat.org/richmond> for our calendar of events

-Michael Katz

Richmond Equitable Development Initiative/ REDI
Outreach Coordinator

Campaign against Dirty Crude

Communities for a Better Environment (CBE) uses a triad model which includes community organizing, scientific research, and legal advocacy to win campaigns for environmental health and justice. The campaign to put environmental safeguards on Chevron's Richmond refining operations is a good example. Successful community organizing, based on rigorous research and most recently a California Superior Court ruling have again put the community's needs front and center. Last year Chevron pushed through a project to expand its refinery's ability to process dirty crude without analyzing the impact that change would have on the people who live and work in Richmond. Judge Barbara Zuniga found that the Environmental Impact Report supporting the project was "unclear and inconsistent" on key questions and that the city acted improperly by accepting the EIR and giving the green light to Chevron. This was a tremendous victory for the health of Richmond citizens.

When they were trying to win necessary approval from the city for its renovation and expansion plans, Chevron presented the project as an "upgrade." In our campaign against the Chevron Dirty Crude Refinery Expansion, we pointed out Chevron's half-truths: the true point of the project is to retool the refinery to be able to process heavier, dirtier crude oil which would result in more pollution in the surrounding community rather than cleaning up. Heavier crude oil can contain higher amounts of contaminants, such as mercury and selenium, which can cause serious health problems. We wanted modernization in Richmond to mean a cleaner Richmond and better air, not a more profitable way to increase our asthma and other health problems.

Organizing and Fighting Back

By organizing in the community, we were able to mobilize our members and allies to various hearings with the Richmond Planning Commission and the City Council in 2008. We were not against modernization. Our demands were, a cap on the use of heavier, more polluting crude oil, a fund for Richmond's future, and full disclosure of the project as the public's "right to know!" The community's testimony would later become the legal record that showed the court both that the community had serious, existing health concerns and that there was real scientific evidence that Chevron's project was

an expansion to process dirty crude disguised by the claims of "upgrades!"

Both the Planning Commission and City Council had an opportunity to make a decision in the best interest of the community's health. After a \$61 million dollar "Community Benefits Agreement" that many considered a cheap bribe, the council majority voted 5-4 to grant permits on an Environmental Impact Report (EIR) that Judge Zuniga would later refer to as "vague" and "obscure" information.

The community fought back in the elections last fall by replacing two council members who voted for the Chevron project and by winning Measure T, which makes Chevron pay its "fair share" of business license fees to the city of Richmond.

Going to Court

At the same time the community mobilized, lawyers at Communities for a Better Environment, Asian Pacific Environmental Network, and West County Toxics Coalition, represented by Earth Justice, filed a case in Contra Costa County Superior Court against Chevron and the City of Richmond. The groups sued the City for accepting a flawed Environmental Impact Report (EIR) that did not fully analyze the project's health and environmental impacts.

In her decision, Judge Zuniga said: "The [Final Environmental Impact Report] project description is unclear and inconsistent as to whether [the] project will or will not enable Chevron to process a heavier crude slate than it is currently processing."

The court also held that the City improperly allowed Chevron to wait a year after the EIR process was completed before developing a plan to mitigate its greenhouse gases. This is one of the first decisions addressing the deferral of

greenhouse gas mitigations under the California Environmental Quality Act.

The court also agreed that the project had omitted an important component: a hydrogen pipeline that would attach to the newly approved hydrogen plant – one of the project's four key components – and stretch to ConocoPhillips Rodeo Refinery and Shell's Martinez refinery.

Protecting our communities from additional toxic and global warming pollution is critical to our lives. This is not just about Richmond and the Chevron refinery. This is a regional victory, from Richmond to Rodeo and Martinez. And because it significantly slows the refineries addition of greenhouse gases, it is a victory of a global scale. This is an opportunity to invest in clean green energy as a solution, instead of compromising our health by locking in a generation of refining dirtier crude oil. Another Richmond is possible and this case marks our road into getting there.

-Jessica Tovar



Chevron and Richmond's Utility Users Tax

With its attempt to reduce its property taxes and legal challenge of Measure T, Chevron has demonstrated a pattern of trying to avoid paying its fair share of local taxes. The situation with payment of their utility users tax is no exception and goes back over two decades.

In November of 2010, Richmond voters will have an opportunity to close a loophole in the City's Utility Users Tax (UUT) Ordinance that has benefited Chevron (and only Chevron) for decades to the detriment of our public purse. As mayor and previously as a councilmember, I have advocated and continue to advocate for removing this special perk for Chevron. The timeline below will give you some background on this issue that will help you see through the spin that Chevron tries to weave.



Mayor Gayle McLaughlin speaks at rally at Chevron shareholders' meeting

Chronology

1980's: UUT was enacted, charging all residents and businesses in Richmond a certain percentage, since increased to 10%, of the cost of their utility (gas and electricity) usage. Under pressure from Chevron, this law included a provision that said any taxpayer could opt to pay a flat fee of about \$14 million per year, instead of a fee based on actual usage. From then until 2006, Chevron, by far the City's largest utility user, paid the flat fee, avoiding having to disclose its actual utility usage. No other taxpayer in Richmond uses enough utilities for the flat fee to be a viable option.

2004-2006: Tom Butt and I, minority of the City Council, suspected that the city was losing substantial revenue by this arrangement asked that the flat fee option be removed, so that Chevron would have to disclose its utility usage and pay the full 10% rate, just like everybody else.

2006: Chevron made a surprise announcement that it would voluntarily stop using the flat fee option and start paying 10% of its utility usage. Without disclosing any documentation on utility usage, Chevron simply reduced the amount of UUT it paid by about \$4 million per year, and the City lost revenue.

If you can make people believe absurdities, you can make them commit atrocities.

-Voltaire

2006-2008: The council minority and community groups like the RPA cried foul, and demanded that Chevron open its books and allow the City to verify its actual gas and electricity usage. Chevron declined, saying it was proprietary information. With much public pressure, Chevron and the City Council eventually agreed on doing a confidential audit, giving only the City Manager, Finance Director, and City legal consultants access to the documentation on Chevron's utility usage.

2009: The end results of the confidential audit were disclosed to the City Council in closed session. Though not privy to these results, the public can make a good guess at their content, based on what was announced, namely that Chevron would revert to paying the flat fee UUT and on top of that would pay the City \$28 million over the next four years. The City in turn promised not to take steps to remove Chevron's flat fee option for the next four years, until 2013.

Thus, it can be inferred that the audit verified that Chevron had been seriously underpaying its UUT during the two years it went off the flat fee (2006-2008), possibly by as much as \$14 million per year. We can further infer that if Chevron paid the 10% rate on all of its documented utility usage, their UUT payment each year would be much more than the flat fee amount. It has been estimated that because of the flat fee option for Chevron, the City has lost over \$200 million in revenue since the inception of the UUT.

May 2009: The debate about future payments continues. Richmond City Council adopts Councilmember Ritterman's strategy to put a measure on the 2010 ballot to remove the flat fee option effective 2013, so that everyone in Richmond, including Chevron, would have to pay UUT based on actual usage AND to ensure that the tax covers all gas which is used or consumed to produce energy or for any other purpose. The City Council passes this unanimously.

Looking ahead

In 2008, Richmond voters passed Measure T, a tax that affects only large manufacturers--that is, those who can most afford it. We look to 2010 when Richmond voters will have the opportunity once again to stand for economic justice with this ballot measure to remove Chevron's UUT perk.

The people of Richmond continue to be on the cutting edge of true economic reform by demanding that corporations pay their fair share of taxes. We feel the injustice of the profound economic disparity that has shaped our city over the past 100 years. Poverty, health problems, insufficient opportunities beckon us to bring about real and substantial change. True fairness would require Chevron and others that have a disproportionate amount of wealth to pay a higher percentage than those of us who are just getting by, as Jeff Ritterman argued at the Council meeting. For Chevron to pay the same as everyone else is just a step toward justice. The people of Richmond will stand for nothing less.

Stay tuned for more information and updates leading up to the campaign for this important UUT ballot measure.

-Gayle McLaughlin

Countering Chevron's Image Campaign

Protesters carried alternative signs to Chevron's *Human Energy Campaign* showing the true cost of Chevron's violations of humanity and the environment over the world. Using a parody of Chevron's ad format attracted wide media attention.



Representatives from Burma, Canada, Khazakhstan, Nigeria, the Philippines, and Gayle McLaughlin, Richmond mayor, attended Chevron's annual shareholder meeting. They presented *The True Cost of Chevron: An Alternative Report*. CEO David O'Reilly's response was that the report should be thrown in the "garbage." You can download the full report as well as the counter advertisement series at truecostofchevron.com



A protest at Chevron's gates included Iraq Veterans against the War, the Richmond Progressive Alliance, Rising Tide, US Labor Against the War.



events are listed on [RPA Info on Public Events Calendar](#)
 If you want your event listed send it to RPAactivist@gmail.com

Save the Date: **Sunday August 16**
West Coast Convergence for Climate Justice Now Demonstration at Chevron Refinery