

Santa Rosa schools' crisis worst in state



Photos by Brian L. Frank/For the S.F. Chronicle

Opponents of a plan to close schools and cut spending turn out for a Santa Rosa City Schools trustees meeting.

After closing 4 campuses and cutting 100 jobs, district still must slash \$42M from budget over next 3 years to regain some financial stability

By Julie Johnson

STAFF WRITER

Santa Rosa parent Yoni Hercules jumped and waved Wednesday at honking cars with a sign that read "District Math Stinks," a dig at the cascading financial problems shutting two of her daughters' schools at the end of the year. Inside the high school auditorium behind her, school leaders were about to make even more monumental cuts.

Last year, Santa Rosa school leaders cut 100 positions, closed four schools and planned for two more campuses to shutter this coming June. But the district remained in financial distress, and a state official last month told the district its cash problems were the worst in the state.

Santa Rosa school leaders have been burning through cash so fast —

Santa Rosa continues on A6



Adriana Carlos helps her 6-year-old son Andres Silvestre address the trustees in opposition to the planned closure of his school, Steele Lane Elementary.

"They need to cut back immediately — they need to stop spending money."

Michael Fine, CEO of California's Fiscal Crisis and Management Assistance Team

S.F. apartment rents keep surging, but L.A. is in a slump with much of nation

Gap widens as AI booms, supply tightens in north and jobs, residents leave in south

By Roland Li

STAFF WRITER

San Francisco and Los Angeles apartment rents are diverging.

The city of Los Angeles' median rent was down 1.8% in January to \$2,033 for one- and two-bedrooms compared to the prior year, the lowest rate since 2021, according to Apartment List.

In contrast, San Francisco prices are up a whopping 13% in the same period, among the highest gains in the country —

which is seeing a national slump in prices. At \$3,126 per month, San Francisco also has the highest rate since late 2019, though still below that year's peak.

Before the pandemic, San Francisco's rents were about \$1,000 per month higher than those in Los Angeles. That gap narrowed to around \$500 in early 2021 but is now widening.

"Supply is a factor. San Francisco has had a declining multifamily construction pipeline since 2018, whereas L.A. remained elevated through 2022,"

said Rob Warnock, lead economic researcher at Apartment List.

The Los Angeles area saw 15,095 multifamily units completed in 2025, an 18% increase from the prior year, according to real estate data firm CoStar. In contrast, production in San Francisco plunged after the pandemic, with housing completions in 2024 dropping to the lowest in a decade.

"Construction in both cities is trending down, as it is everywhere, but those several additional years of strong production in L.A. are paying dividends today by providing more apartments to absorb demand longer," Warnock said.

Amid new supply, Los Angeles' vacancy rate climbed to 6.1%, a four-year high, while San Francisco's was down to just 3.3% in January, lower than 2019's 4%, according to Apartment List. Bidding wars and crowded open houses marked last year's rental market.

Both cities' job markets have weakened over the past year. According to state data, Los Angeles County lost a net 6,700 jobs between December 2025 and December 2024, including 19,200 cuts in professional and business services, as well as 11,800 losses in trade, transportation and utilities.

Rent continues on A7

GOP frames state as a fraud haven

Growing spotlight has put Newsom on the defensive

By Alexei Koseff

STAFF WRITER

WASHINGTON — President Donald Trump rang in the new year with a warning to California. During a celebration at his Mar-a-Lago club, Trump told supporters that fraud in the state dwarfed an unfolding welfare scandal in Minnesota and he would get to the bottom of it.

The president offered no evidence for his claim, which he has repeatedly aimed at a handful of states whose liberal leaders are challenging his policy agenda. But less than a week later, his administration moved to freeze billions of dollars in child care funding for California, with Trump promising on social media that it was just the beginning of a fraud investigation.

The spotlight on the state *Fraud continues on A7*

Top court vacancy impacting case flow

By Bob Egelko

STAFF WRITER

It's been 3½ months since Justice Martin Jenkins retired from the California Supreme Court, and more than four months since he announced his retirement. While a parade of state appeals court justices act as temporary replacements, Gov. Gavin Newsom, who appointed Jenkins, the court's first openly gay justice, in October 2020, has not yet chosen his successor.

As a result, one of the temporary justices — appointed by the governor to a lower court, but never nominated to the state's highest court or reviewed for that court by a state confirmation panel — could cast the deciding vote on the validity of a California

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