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Agnos Appoints Four To S.F. Commission

San Francisco Mayor Art Agnos shook up the city planning commission in late April by stacking it with slow-growthers and housing advocates. But his four appointments only highlight how the new mayor and his appointees must straddle political lines as the focus of development in the city shifts from downtown to the neighborhoods.

The Agnos political coalition is clearly aiming toward a more neighborhood-based city economy, with less reliance on downtown corporations and the large office buildings they require. However, observers of growth politics in the city say Agnos will have to walk a fine line between construction of more housing, which the mayor has strongly supported, and the slow-growth movement, which constitutes an important part of his political support.

Some slow-growthers — especially those in the Richmond District — have made preservation of existing neighborhoods a high priority, even when it means restricting construction of new housing. In February, the Board of Supervisors imposed a five-month ban on demolition of existing homes in the city while a permanent ordinance governing demolitions is prepared. (*CP&DR*, March 1988.)

As early as January, Agnos indicated that he was likely to clean house on the planning commission . (*CP&DR*, February 1988.) Subsequently, longtime commission president Toby Rosenblatt, who wasn't considered likely to be reappointed, *Continued on page 5*

Slow-Growthers Form Regional Coalition

California's anti-growth movement stepped up the volume in April, when slow-growth leaders from five counties in Southern California began meeting to discuss how to attach the growth issue statewide.

The slow-growthers, who met twice during April, did not promise a statewide initiative, as many observers had expected. Rather, they seemed to focus their attention on Sacramento, where the California Building Industry Association has traditionally held considerable influence over the state legislature.

"We're putting the legislators on notice," Linda Martin of San Diego's Citizens for Limited Growth told her hometown newspaper, the *Union*, after the first coalition meeting in Riverside on April 9. In particular, the group will monitor and lobby against bills that seek to saddle land-use initiatives with procedural requirements.

The slow-growth coalition was far from the only growth- control news in California during April. In other developments:

- In Orange County, the Fourth District Court of Appeal refused to block a June vote on the growth-control initiative there.
- Also in Orange County, county supervisors voted to require developers to finance the legal defense of the many development agreements the supervisors have approved in the face of the initiative. *Continued on page 4*

Localities Win Round In Oil Legal Battle

Coastal cities and counties won a major court victory in their battle against offshore drilling in late April, when a federal judge in Los Angeles dismissed most claims in an oil industry lawsuit against them.

U.S. District Court Judge Consuela Marshall dismissed all oil industry claims against 10 of 13 defendant cities and counties on April 26, saying local ordinances restricting onshore support facilities for offshore drilling do not violate the federal constitution. She did not dismiss some claims against the city and county of San Diego and the city of Oceanside, saying a trial was needed.

"Upon examination of the complaint, there is no allegation of impossibility in the continuance of offshore drilling, only additional expense and inconvenience," Marshall said. "Therefore, the ordinances are not true obstacles to the accomplishment of the federal purpose (of offshore drilling)."

Since 1985, 18 cities and counties from Mendocino to San Diego have passed local ordinances either banning onshore support facilities for offshore drilling operations or putting such proposals up for a vote. Last year, the Western Oil and Gas Association sued 13 of those cities and counties, claiming, among other things, that the ordinances interfered with interstate commerce and violated equal protection requirements of the U.S. Constitution.(*CP&DR*, April 1988.) *Continued on page 4*

COURT CASES

Congress May Tax Municipal Bonds, U.S. Supreme Court Rules

Municipal finance experts are debating the importance of a recent U.S. Supreme Court decision that the tax-exempt status of state and local bonds is not embedded in the constitution.

Writing for the court in *South Carolina v. Baker*, Justice William Brennan wrote that state and local governments would have to look to "the national political process, not judicially defined spheres of unregulable state activities" to ensure that their bonds would continue to be tax-exempt.

Leaders in Congress, which greatly restricted the use of tax-exempt bonds in 1986, said they have no plans to pursue legislation that would make state and local bonds taxable. And John Petersen, senior director of the Government Finance Officers Association in Washington, said the decision was not unexpected. "I believe that although some people hoped that the court might hold differently, people were not surprised," Petersen said. He added, however, that tax-exempt issues had hoped for a narrower ruling that did not address the constitutional questions.

Tax-exempt bonds have become more important in financing state and local infrastructure since the decline of federal grants began a decade ago. In California in particular, tax-exempt bonds associated with assessment and special taxing districts have emerged in the '80s as one of the few political acceptable methods of paying for roads, schools, and sewers.

However, tax-exempt bonding activity has fallen dramatically since the enactment of the tax reform act in 1986. Nationally, state and local tax-exempt bonding reached a peak of close to $200 billion per year at that time and has since fallen to about $100 billion per year, about the same level of activity that occurred before talk of tax reform began.

The legal principal that interest income earned on state bonds is exempt from taxation was established by the Supreme Court in *Pollock v. Farmers Loan & Trust Co* in 1895. In 1982, however, Congress sought to cut down on income-tax evasion by providing incentives to municipal bond issuers to register their issues — thus making it more difficult for tax evaders to use so-called "bearer bonds." South Carolina challenged this law, claiming it effectively imposed a tax on state bonds, thus violating the 10th Amendment, which restricts federal regulation of state activities.

Writing for a five-member majority in *South Carolina v. Baker*, however, Justice Brennan concluded that the court could not find the 1982 law unconstitutional without overturning the *Pollock* ruling as well.

"The rationale underlying *Pollock* and the general immunity for government contract income has been thoroughly repudiated by modern intergovernmental immunity case law," Brennan wrote. "We see no constitutional reason for treating persons who receive interest on government bonds differently than persons who receive income from other types of contract with the government."

The *South Carolina* ruling may affect lawsuits challenging the federal government's actions in restricting tax- exempt bonds under the 1986 tax reform act. Petersen said that such lawsuits are likely to be dismissed or withdrawn as a result of this ruling.

The full text of South Carolina v. Baker, No. 94 Orig., appeared in the Los Angeles Daily Journal Daily Appellate report on April 22, beginning at page 4922.

Appellate Court Orders EIS on Harvesting of Huge Sequoias

A federal appellate court in San Francisco has delayed plans to cut several groves of giant sequoia redwoods in Sequoia National Forest, saying the U.S. Forest Service should have prepared an environmental impact statement on the proposal.

"Because substantial questions have been raised concerning the potential adverse effects of harvesting these timber sales, an EIS should have been prepared," Judge Edward Leavy wrote for a three-judge panel in *Sierra Club v. U.S. Forest Service*, handed down April 5.

Like the California Environmental Quality Act, the National Environmental Policy Act (the relevant law in this case) is procedural in nature. Thus, the appellate court could not overturn the Forest Service's decision to harvest the trees. Rather, all the court did was require that the service prepare an EIS to obtain more information on the environmental effects of the harvest before making its final decision.

The case began when the Forest Service authorized nine timber sales in the Forest, five of which contained groves of the giant trees. The service required a logging method it claimed would encourage regeneration of the giant sequoias, but chose not to prepare an environmental impact statement for the sales.

For eight of the sales, the Forest Service prepared an environmental assessment, the initial step in environmental review, but concluded that no EIS was necessary because the human environment would not be significantly affected. The Forest Service claimed the ninth sale was categorically exempt under federal regulations.

The Sierra Club sued under the National Environmental Policy Act, or NEPA, claiming that an EIS should have been prepared. U.S. District Court Judge Edward D. Price denied an injunction, but the appellate court reversed.

In ordering the injunction, the appellate court concluded that, under federal regulations, the human environment would be significantly degraded by the logging of the giant sequoias. The Sierra Club claimed degradation would occur under four federal criteria: (1) the logging would be a "controversial" action; (2) the effects of logging on regeneration of the trees was not known; (3) the forest could be adversely affected by the cumulative impact of the cutting; and (4) the harvesting of the trees could adversely affect California's water quality standards.

"The Forest Service ... failed to account for factors necessary to determine whether significant impacts would occur," the appellate justices wrote. "Therefore, its decision was not 'fully informed and well- considered.'"

The full text of Sierra Club v. U.S. Forest Service, 87-2749, appeared in the Los Angeles Daily Journal Daily Appellate Report on April 6, beginning at page 4296.

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Growth Issue Dominates Local Elections in April

Though few growth-related measures appeared on local ballots in April, growth control appeared to emerge as a major issue in council races up and down the state.

Only about three ballot measures appeared in April, and the results were mixed. A rare slow-growth defeat came in the development-oriented city of El Segundo, an aerospace center near Los Angeles International Airport. There, slow-growthers proposed an initiative known as Measure C, which would have required voter approval for changing density limits and also required that parking structures be included in a building's square footage. El Segundo's big employers, such as Hughes Aircraft and Rockwell International, campaigned heavily against the measure, and it was defeated 57%-43%.

Slow-growthers in Azusa won a victory in the ongoing battle over the future use of the Azusa Greens Country Club. Last October, voters turned down two measures: landowner Johnny Johnson's request to develop the property, and a city proposal to purchase the property. (*CP&DR*, October 1987.) In April, voters approved a citizen initiative to retain the golf course zoning until 1992 by a vote of 73%-27%.

In Santa Clara County's Los Altos Hills, voters overwhelming rejected a measure that would have limited senior citizen housing to one particular site. Measure B, opposed by the city council, lost by 86%-14%.

However, slow-growthers registered electoral victories in many small communities around the state. In Culver City on Los Angeles's Westside, two incumbents were defeated by slow-growth challengers. Up to now, Culver City has generally been hospitable to growth while its Westside neighbors such as Santa Monica, Beverly Hills, and West Hollywood have clamped down on development more strictly.

In Glendora, in Los Angeles's San Gabriel Valley, slow-growthers replaced an incumbent council member they had targeted with one of their own, though a planning commissioner not aligned with slow-growth forces also won.

Meanwhile, in neighboring San Gabriel, a slow-growth initiative passed last December was followed by an electoral victory for three slow-growth candidates in April. But the three new council members shocked the community by announcing a "transition team" including a lawyer and a public-relations consultant with close ties to Irwindale. Incumbent Mayor Janis Cohen resigned from the council to protest the move, which was accompanied by rumors of deal-making and a hidden pro-development agenda on the part of the new members of the council.

And in some communities, the campaign issue was not whether to slow growth but by how much. In Santa Clara County's Mountain View, the city council postponed consideration of a $300 million hotel/office/retail complex until after the election — and four candidates opposing the project won the election. Clarence Hepler, the only incumbent who ran, was also the only candidate who favored approving the project; though he wanted to scale it down, he finished fifth.

Meanwhile, in the tiny Delta town of Rio Vista, voters approved legalized gambling by two votes. Last year, Rio Vista teetered on the edge of bankruptcy, mostly because the city had chosen to subsidize water and sewer operations with general fund money, rather than raise rates. (*CP&DR*, June 1987.) Six Northern California investors are interested in building a poker casino, saying such an operation could generate about $1 million a year in revenues for the city.

UPDATE

After Two Years, N. Natomas Litigation Settled

After two years of litigation, developers, environmentalists, and the Sacramento city council have agreed to a settlement in the 9,300-acre North Natomas area, which is now being opened for development.

The settlement includes many provisions to control growth and monitor its effects. But four Natomas landowners who object to the settlement have filed yet another lawsuit in hopes of stopping it.

Development of the North Natomas area, including construction of a sports complex by the developers, has been a controversial public issue in Sacramento for several years. (*CP&DR*, December 1986.) In 1987, the council approved a plan to develop North Natomas, owned mostly by Gregg Lukenbill, who also owns the Sacramento Kings basketball team, and a few other large landowners. Since then, however, litigation by the Environmental Council of Sacramento and other environmental groups has held up some elements of the agreement.

The legal settlement clears the way to remove any liability on the sports complex project that might have been incurred by the Sacramento city pension fund. City Manager Walter Slipe received public criticism earlier this year when it was revealed that $8 million in city pension funds had been used to secure Lukenbill's $28 million loan to construct the new basketball arena. Allied Bank of Texas, now part of First Interstate Bank, balked at loaning the money because of the ECOS lawsuits (*CP&DR*, January 1988).

In March, Arco agreed to finance most of the cost of a $40 million baseball stadium as part of the sports complex, even though the city has no team. In return, the company will get a 10-year option to buy a share of the sports complex and the Sacramento Kings basketball team. Both the new basketball arena, now under construction, and the baseball stadium will bear Arco's name. The company will receive other sponsorship and advertising rights within the complex and the North Natomas area.

Lukenbill said the Arco deal will permit the sports association to build the stadium without a bank loan if necessary. He also claimed the stadium deal puts Sacramento "in the hunt" for a major-league baseball team.

The terms of the agreement over the lawsuits include the following provisions:

- The council will consider citywide ordinances to cut commuter trips by 35% and create funds for new housing close to inner-city jobs.
- Enough homes will be built within the Natomas area to accommodate two-thirds of the new workers anticipated in the community plan.
- Roads, drains, and water lines will be limited in size in hopes of restricting development north of the Natomas area.

The agreement does not prohibit construction of a controversial cross-level in the area, but it permits environmental groups to challenge the levee if it protects land north of the Natomas area, thus opening it to development.

Slow-Growth Movement Continues to Gather Steam

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• In San Diego, city and county initiatives moved closer to the November ballot, while a city consultant said numerical caps on buildings permits are poor public policy.

• A legislative proposal to withhold state funds from rent-control cities was expanded to include growth-control cities as well.

Orange County

In late March, Orange County Superior Court Judge John Woolley rejected the Building Industry Association of Southern California's request to scratch the countywide traffic/growth initiative from the June ballot. (*CP&DR*, April 1988.) On appeal, the Fourth District Court of Appeal agreed, saying the building industry had failed to show that the initiative is invalid on its face, as required by law for removal from the ballot. "'Grave doubts' as to the validity of a measure are insufficient (to remove it from the ballot)," the court wrote.

Meanwhile, the Orange County Board of Supervisors voted on April 19 to require developers to help the county defend development agreements from legal challenge. Several environmental groups and Orange County cities have sued the county over the development agreements, arguing that they are thinly veiled efforts to circumvent the growth initiative.

Eight developers who are also parties to the lawsuits will pay the full cost of defending the development agreements in court, on a pro-rated basis. The county counsel's office estimates the bill this year will be at least $250,000.

The development agreements have been the supervisors' chief weapon against charges that they are doing nothing about traffic congestion, because they require developers to make substantial upfront contributions for road improvements in exchange for permission to build new projects. However, environmentalists and some cities have argued that the agreements were rushed through using inadequate environmental data to beat the initiative.

San Diego

In San Diego, Citizens for Limited Growth submitted more than enough signatures to qualify a city growth initiative for the November ballot, but city officials are scrambling to find a growth management plan that will win political support without the initiative.

The city's interim development ordinance, passed last year, limits building permits to between 6,000 and 8,000 per year. The initiative would ratchet that figure back to 4,000-6,000 per year unless certain performance standards are met. However, city consultant John Landis of the Berkeley-based Center for Real Estate and Urban Economics reported that "we don't think the caps will solve the real problem of growth."

Landis's report said that an annual housing cap of 4,500 units could, by 1995, increase the price of a home by 2.5% and lower income levels by 2%, assuming high levels of job growth continue.

Shortly after the consultant's report was unveiled, the city planning department issued a set of recommendations on how the city might manage growth without a cap on building permits. The recommendations, made to the city's growth management task force, included:

• Allocating building permits on the basis of regional growth forecasts to provide more flexibility and accommodate market demand.

• Adopting better phasing programs to ensure that public facilities would be in place when new development projects are occupied by tenants or homeowners.

• Adopting stricter design controls to preserve older neighborhoods.

• Providing better protection for sensitive lands in the city.

• Putting together a transportation management program that would encourage more transit and off-peak commuting as well as positioning new residential development closer to employment centers.

State Legislation

As the growth-control movement continues to grow on the local level, efforts to trim it back continue in Sacramento. Most notable is an attempt by Sen. John Seymour of Anaheim to restrict state funds to cities with either rent- or growth-control ordinances.

Apartment owners annually attempt to cut funds to rent- control cities. This year, however, they are seeking to broaden support for their proposal by adding growth-control cities to the list. SB 956 would withhold funds for 18 state housing funds to such cities.

"It makes no sense whatsoever for a city or county, out of one side of their mouth, to say, 'We are going to enact policies that inhibit ... affordable housing,' and then say to the state or federal government, 'Give us some money so we can build some'," Seymour told the San Diego *Union*.

The Seymour bill was not, however, the bill that raised the ire of the regional slow-growth coalition at its meeting in Riverside. That bill was one introduced by Sen. Pete Chacon of San Diego, which would require all land-use initiatives to be subject to environmental review before they are placed on the ballot. Similar bills have consistently failed in the past, however, and building industry lobbyist Don Collin said recently that his forces would probably concentrate on a bill that would subject land-use initiatives to environmental review after they are approved by the voters.

Local Governments Win Round in Legal Battle Over Oil Facilities

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According to San Francisco attorney Roger Beers, who represents the 13 cities and counties, Marshall dismissed most of the claims for two reasons. First, the claims were dismissed as not legally ripe, since no oil company has yet been denied onshore facilities as a result of the ordinances. However, three measures related to the so-called San Miguel project in San Luis Obispo County will be on the June ballot there, raising the possibility that claims in that county will become ripe in the near future.

Second, Beers said, Marshall found that most of the ordinances do not, in fact, contain an outright ban on onshore facilities. Most merely place such facilities before the public for a vote, while all projects in the coastal zone are appealable to the Coastal Commission, which does have review power over offshore oil facilities under federal law. The three jurisdictions she refused to drop claims against were the only three which include an outright ban on such facilities, rather than a vote, and extended that ban beyond the coastal zone.

WOGA v. Sonoma County et al was filed last August in U.S. District Court in Los Angeles. In the suit, WOGA argued that the local ordinance interfered with several federal laws, including the Outer Continental Shelf Lands Act, the Coastal Zone Management Act, and even the Federal Vessel Documentation Act; and also that they interfered with interstate commerce and violated due process and equal protection guarantees under the constitution.

After the suit was filed, Attorney General John Van de Kamp and two environmental groups, the Natural Resources Defense Council and the League for Coastal Protection, intervened on behalf of the local governments.

While WOGA officials said a decision to appeal had not been made, in the past the organization has been tenacious in its willingness to prolong legal battles with the state over offshore drilling.

Contacts: Roger Beers, attorney for cities and counties on local oil ordinances, (415) 861-1401.
Donna Black, attorney for WOGA, (213) 624-2400.

Agnos Appointees Reflect Change in S.F. Growth Politics

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announced his resignation. Although other incumbent commissioners sought reappointment, the only holdover Agnos selected was Susan Bierman, a 12-year veteran of the Planning Commission who has frequently cast the only vote against downtown high-rises. Agnos asked that Bierman be selected president of the commission.

The other four appointees are:

• Douglas Engmann, president of a stock and options trading firm and a frequent opponent of high-rise construction as a member of the Board of Permit Appeals.

• Rob S. Dick, an investment banker with a background in low-income housing finance.

• Wayne Jackson Hu, president of a real estate investment and management company.

• James Morales, who has specialized in low-income housing as a lawyer with the National Center for Youth Law.

Agnos has the right to appoint five of the seven planning commissioners. The city's chief executive officer and the chairman of the public utilities commission automatically fill the other seats.

In addition, Agnos announced that Dean Macris, whom slow-growthers often linked with high-rise development in the Feinstein administration, will remain as planning director.

Agnos's appointments were widely seen as attempts to build bridges among groups polarized by the growth debate in the city. Engmann, for example, has been active in slow-growth politics since 1973, when his parents' home was threatened with condemnation for a hospital expansion. Yet he also holds a seat on the Pacific Stock Exchange. "Among people who could have been named from the growth-control community, he was a good choice," said Mike McGill, director of SPUR, a private organization that monitors growth and development issues. "He can talk to both camps."

Yet disputes between downtown and neighborhood concerns may become less significant in San Francisco, while disputes over neighborhood development are growing in importance.

During Feinstein's 10 years in office, the planning commission served as the lighting rod for criticism over growth of the city and spent much of its time considering plans and proposals for downtown. Now, however, the city's downtown plan is in place and Proposition M, passed in 1986, restricts office construction in the city to 475,000 square feet per year. At the same time, proposals to build new housing in residential neighborhoods at higher densities, particularly in the Richmond District, has become the focus of the city's growth politics.

"Their time is more and more focused on individual lot developments within existing residential areas," said McGill. Likewise, attorney Timothy Tosta, who has represented many high- profile developers in the past, said: "The whole focus of our practice has shifted from one or two big downtown office developers to little guys ... in the neighborhoods."

Agnos's commitment to housing has been strong, particularly in the few instances where San Francisco still has vacant land. For example, he has strongly supported the redevelopment of the Poly High School site as affordable housing despite neighborhood opposition. I. Donald Terner, president of the non-profit BRIDGE Housing Corp., said that since becoming mayor, Agnos has attended six lengthy meetings on BRIDGE's development of the site for affordable housing.

Agnos has also been outspoken about the need for affordable housing in the plan for Mission Bay, the huge tract of land being redeveloped by the real estate arm of the Santa Fe Southern Pacific railroad. In fact, the new commissioners' first action — taken only hours after being sworn in — was to endorse a proposed ordinance to speed up city approval of the Mission Bay project. The only dissenter was Dick, who, ironically, said the ordinance's language was too vague to assure construction of affordable housing.

Agnos and his appointees may have a more difficult time dealing with proposals to construct new housing in existing residential neighborhoods, however. Slow-growth groups agree almost unanimously on construction of new housing in Mission Bay. Unsettled, however, is the question of what kind of new housing — if any — to permit in established residential neighborhoods, such as Richmond. Thus, Agnos and his appointees apparently will have to permit enough new housing to mollify housing advocates — but not so much in established neighborhoods that neighborhood slow-growth organizations turn against him.

BRIEFS

Filmmaker George Lucas has threatened to leave Marin County if county officials won't permit him to expand his operations onto agricultural land.

Lucasfilm already has a 32-building complex on Skywalker Ranch in the Lucas Valley (named for an early settler, not for George). Now the company wants to move its special-effects division out of warehouses in San Rafael into a proposed new 350,000-square-foot building on the adjacent Grady Ranch.

Lucasfilm is an important employer and taxpayer in Marin County, but the county also has strong controls on development of agricultural land and some supervisors fear the Lucasfilm plan could set a dangerous precedent. One supervisor proposed Lucas buy open land elsewhere and give it to the county in exchange for approval of the Grady Ranch project, but Lucas is taking a hard stand.

Meanwhile, public officials in San Mateo County, south of San Francisco, have met with Lucasfilm in hopes of luring the operation there.

Ben A. Williams has been named interim director of the Governor's Office of Planning and Research, Gov. George Deukmejian has announced.

Williams will replace, at least temporarily, Huston T. Carlyle Jr., who had also served as Deukmejian's chief adviser on local government. He is a former administrative officer of the Coastal Commission.

Already sued by the former planning director, Imperial Beach developer Thomas A. Lindley has filed a countersuit, charging that city and county officials orchestrated proceedings against him by a grand jury.

Lindley's attorney said the lawsuit came in response to a suit by ex-planning director James Sandoval against Lindley and several city officials alleging slander and wrongful termination. Sandoval, now planning director in Del Mar, was fired last year — the result, he charges, of a conspiracy to further Lindley's development plans.

Lindley and his development plans were the subject of a San Diego County Grand Jury investigation in 1986 and 1987. The grand jury concluded that city council members had violated the state law by holding closed meeting illegally and ordering that Sandoval be fired.

A city-assisted housing project in San Francisco will have to maintain 20% affordable units for 50 years — more than three

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Counties Force Renewal of 'No-Low' Tax Fight

California counties appear to be leading in their legislative battle to win back some tax money they lost to so-called "no- and low-property-tax cities" in the Legislature last year.

The "nos-and-lows" are the 100 or so cities that had low property tax rates or no property tax at all when Proposition 13 passed 10 years ago. They have long argued the that post- 13 tax allocation formula is unfair because it is based on pre-Proposition 13 property tax rates. Last year these cities won a considerable legislative victory with the passage of SB 709, which requires counties to hand over to these cities 10% of all property tax revenues collected in those cities. The provisions were little noticed at first because they were added as a rider to a bill involving state funding of county trial courts.

This year, however, counties are fighting back — and with some success so far. Several bills in the legislature would change the SB 709 formula to favor counties, and at least one important one was passed the Senate Local Government Committee in April. Lobbyists on both sides acknowledge that the issue is headed for a legislative conference committee and that some changes are likely to be made.

Property tax revenue has become a leading area of conflict between cities and counties. Counties have relatively few sources of tax revenue, and they lose both property and sales tax revenue when cities incorporate, annex, and create redevelopment areas. This conflict has led to litigation and political stalemate in many jursidictions. (*CP&DR Special Report: Drawing Boundaries*, March 1987.)

The "nos-and-lows" constitute another sore spot for the counties, which argue that many no-and-low cities already receive property tax revenues through redevelopment, while others use special districts to raise the money for municipal services. Under SB 709, 16 counties would have to give to 103 cities 10% of the tax revenue generated in those cities. The shift, which would occur in a 10-year phase-in period, would total $44 million by 1998, according to the legislative analyst.

At a legislative hearing in February, Larry Naake, executive director of the County Supervisors Association of California (CSAC), predicted some county programs would be shut down as a result of the property tax shift. (However, supervisors in Los Angeles County, home of 43 no/low cities, still support the tax shift.) But Jim Harrington of the League of California Cities argued that without the property tax shift, the no/low cities will be force to engage in fiscal zoning. "Cities would have little incentive to approve housing or other land uses that produce little property taxes," he said.

Nine bills have been introduced in the legislature on the no/low issue. On April 13, the Senate Local Government Committee approved three of those bills. One is SB 1725 by Sen. Marian Bergeson, the committee chairman, which would reduce the no/low cities' share of taxes by the amount of property tax that goes to special districts, the cities themselves, and those cities' redevelopment agencies.

Other bills carry similar provisions, particularly regarding the relationship between the no/low 10% and redevelopment property tax funds, which counties regard as a means of "double-dipping." The leading Assembly bill, AB 2817 by Assemblyman Jack O'Connell of Ventura County, would provide state money to offset county losses. Ventura County would be among those hardest hit by the no/low law.

Contacts: Dan Wall, CSAC, (916) 441-4011.
Jim Harrington, League of California Cities, (916) 444-5790.
Peter Detwiler, Principal Consultant, Senate Local Government Committee, (916) 445-9748.

BRIEFS

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times longer than previous deals — under a new agreement over the 184-unit Sutter/Post Apartments.

The term of housing subsidies has become an issue in recent months because 20- and 30-year contracts for low-income housing under federal subsidies are coming to a close. The San Francisco deal involves $21 million in mortgage revenue bonds issued with city sponsorship.

"If we are going to increase the supply of affordable housing in this city, we are going to have to take steps to insure that prices stay low over the long term," said Mayor Art Agnos in signing the bond agreement.

The Walt Disney Co. has backed out of a controversial plan to build a $600 million theme park and shopping mall in downtown Burbank, saying the project would not be profitable.

The Disney project, to be called "Disney-MGM Studio Backlot," was to have been the centerpiece of the city's redevelopment effort. However, it had been challenged all along by MCA, which saw the project as potential competition for the Universal Studios Tour and had filed two lawsuits to stop it.

Among other things, Disney said the project's cost kept escalating and it could suffer from proximity to the Glendale Galleria, a hugely successful redevelopment project in neighboring Glendale, and from bad access to freeways.

California will account for almost 25% of all population growth in the United States over the next 12 years, according to the latest Census Bureau figures.

The Census Bureau reported that California will add more than 1 million new residents by 1990 and almost 6 million more by 2000, bringing the state's total to 33.5 million at the turn of the century. By that time the state will have almost twice as many residents as New York, which California passed as the most populous state in the union in the 1960s.

The report also found that the population in the West, as defined by the Census Bureau, has exceeded the population in the Northeast for the first time. The South remains the most populous region in the nation — and will remain so for some time to come, since Texas and Florida alone are expected to account for another 25% of all population growth in the nation over the next 12 years.

The Coastal Commission has approved a $1-billion rival to the La Costa resort sponsored by Texas oilmen Herbert and Nelson Bunker Hunt.

The 1,400-acre Pacific Rim Country Club and Resort in Carlsbad was approved by the Coastal Commission in mid-April. It will ultimately include a major hotel, a health spa, a commercial center, a golf course, and 2,800 residential units — some 1,500 less than the Hunts originally sought.

In exchange for approval, the Hunts have agreed to contribute $61 million in public improvements.

Solano Press has announced publication of the 1988 editions of its three authoritative books on California land-use law.

The books are *California Land-Use and Planning Law* ($22) and *Subdivision Map Act Manual* ($20), both by Daniel J. Curtin Jr., and *Guide to CEQA* ($20), by Sharon Duggan, James B. Moose, and Tina Thomas. They are available from Solano Press, P.O. Box 7629, Berkeley 94707-0629.