

CALIFORNIA PLANNING & DEVELOPMENT REPORT

May 1987

William Fulton, Editor & Publisher

Vol. 2, No. 5

Schools Seek Revenue In Development Deals

**Special Report:
Schools and Land
Turn to Page 2**

School districts around California are latching on to the public real estate development trend—joining cities and counties in leasing out surplus land to developers, rather than selling it outright.

The trend is not yet widespread, but it appears to be catching on rapidly in both Northern and Southern California. The main reasons are that the state imposes fewer restrictions on an income stream from a lease than on the lump-sum amount received from a sale, and the school districts like the idea of keeping ownership of their property assets.

"The major issue in leasing is the long-term flow of income," said Richard Godino, a San Rafael attorney who represents many school districts. "You're not faced with, all of a sudden, \$5 million in cash reserve."

Under the right circumstances, surplus school sites can generate large amounts of revenue for school districts. With well over 1,000 school districts in the state, *California Planning & Development Report* can't hope to cover all the deals currently in the works, but here are three successful examples:

- In Daly City, the Jefferson Union High School District is realizing \$1-million-plus per year from the development of the Serramonte High School site, a 46-acre parcel of land that so far contains apartments and offices.

Continued on page 2

April Ballot Measures: Results Are Mixed

A Walnut Creek-style traffic and development initiative was defeated by voters in the City of Alameda, while the neighboring cities of Oceanside and Vista became the latest cities in Northern San Diego County to impose residential growth caps—though using different approaches—during the April elections around the state.

In all, only four cities around the state had development-related measures on the ballot in April, compared with 24 last November (*CP&DR Special Report*, December 1986).

Alameda's Measure C was the most important because it adopted the same approach as Walnut Creek's Measure H, which tied future development to levels of traffic congestion, while seeking to avoid the legal vulnerabilities that caused Measure H to be struck down in court earlier this year. (*CP&DR*, February 1987.)

Alameda, located on an island near the Oakland Airport, is accessible only by bridges and tunnels. Citizens placed the measure on the ballot in response to a number of large development projects, but particularly the Harbor Bay Isle project, which includes 3,200 residential units (2,400 of which are built) and about 5 million square feet of business space (about 1 million of which are built).

Measure C would have permitted development only if it did not cause traffic congestion at signaled intersections in the city to drop below what traffic engineers refer to as the "C" level of service. It was written in the form of a general plan

Continued on page 6

Presidential Libraries Face Local Problems

California has produced two of the last four presidents, but the way things are going there's no guarantee it will produce two presidential libraries. In recent weeks, the Reagan Library has fled the Stanford campus after meeting stiff opposition, while the Nixon Library has threatened to pull out of San Clemente because of conflict with planners there.

The April 23 decision by Reagan Library trustees was not entirely unexpected. After several years of dickering with Stanford University and Santa Clara County, the trustees decided that the library should be built somewhere in Southern California, along with a Reagan public-affairs center that had previously been withdrawn from consideration at Stanford.

Though it wasn't a complete surprise, the decision to move the library south was sudden, and it came at a rather advanced stage in the planning process. The design, by noted architect Hugh Stubbins, had already been unveiled.

The proposal to build the Reagan Library at Stanford stirred up all kinds of resentments, both ideological and environmental. Proposed for an undeveloped hillside on the Stanford campus outside Palo Alto, the library won the support of the Stanford trustees and the Santa Clara County Planning Commission, but not the university faculty or its neighbors.

In December, the Planning Commission determined that the 115,000-square-foot library would constitute a "low-intensity use," as required for the hillside

Continued on page 5

SPECIAL REPORT

Schools Turn to Development Deals to Help Financial Woes

Continued from page 1

- In Brea, the Brea-Olinda Unified School District raised funds for a new \$25 million high school by joining with Lowe Development co. to build a office and commercial center on the site of the old high school.

- In Redondo Beach, the elementary school district has agreed to lease out one school site for a senior citizen housing project and another for a strip commercial center and senior citizen congregate care home—deals likely to net the district several hundred thousand dollars per year.

- Outside California, the Scottsdale Unified School District near Phoenix is about to offer 40 acres of prime land in downtown Scottsdale for lease—hoping to find a developer for a mixed-use project that includes 1.3 million square feet of office space, a 250-room hotel, 500,000 square feet of “high-end” retail, and 170 luxury apartment units.

But there are problems. School districts are much more circumscribed by state law than cities and counties, which have undertaken similar projects. And, partly because of those state laws, the districts often run into conflict with the cities where they are located—or with neighboring citizens—who fear a loss of precious open space.

“There’s a real appetite for this sort of thing,” said Alan Kotin of Kotin Regan & Mouchly, a Los Angeles-based real estate consulting firm that often represents public agencies in such deals. “The problem is getting useful zoning, and then deploying the sites in such a way as to get useful projects.”

Of course, disputes between cities and school districts over the use of surplus school sites have been going on ever since the school-age population began to decline in the early '70s. What’s different today is that some school districts are seeking to share in the profits of the development that subsequently occurs on their land.

The successful leasing projects have something else in common, however: They all are done in close concert with the city government. In fact, the most successful deals usually go even further and bring the city in as an active participant.

In the Brea deal, the city’s redevelopment agency became what City Manager Edward G. Wohlenberg called “a true joint-venture partner in the project.” The redevelopment agency pledged several million dollars toward site improvements, and also agreed to pass through tax increment funds to the school district to ensure that the bonds for the new school would be retired.

The city and the school district already had good relations in Brea, however. The Civic Center’s office complex houses not only city employees but also the school district offices. And the school district did not do itself any harm by hiring former Brea City Manager Wayne Wedin as its consultant on the deal.

In Daly City, School Superintendent Floyd Gonella said the groundwork for a successful deal had been laid years before, when the city and the Jefferson school district began working together on other projects, including the construction of a swimming pool. He said the most important factor in pushing the community to the school district’s side, however, was the conclusion of a community committee on surplus school sites, which called the Serramonte High School land “an endowment for our children’s future.”

A similarly close relationship between school district and city helped bring about the deal in Redondo Beach. But in that case, good relations between the two parties had to be constructed from scratch. The city had already been through a public uproar over the closure and sale of Aviation High School, part of South Bay Unified School District. The uproar led to a referendum rezoning the heart of the site

for open space use, while the rest of the site was sold off for an office complex.

“That whole experience was so painful that the elementary district looked and said, ‘We’re not going to make the same mistake,’” said Sue Haller, Redondo Beach’s director of housing and economic development.

The elementary district’s enrollment had dropped from 10,000 to 3,700, leaving four surplus school sites, according to Deputy Superintendent Beverly Rohrer. Working with the city from the beginning, the school district eventually wound up keeping two sites in community use while developing the other two.

Rohrer said two sites were leased to the city for community centers, one for 99 years and the other for five years. Meanwhile, the other two sites are being developed with a combination of commercial uses and senior citizen housing—a high priority for the city.

“The city was a tremendous asset to us,” said Rohrer, who added that the school district even involved the city in selecting the developer for the sites.

However, even when the school district is enthusiastic and the community is receptive, there are limits. San Rafael consultant Lynn Sedway said that, unfortunately, in many cases uses that are compatible with surrounding neighborhoods are not well-suited for leasing, particularly in single-family residential neighborhoods.

“Schools are frequently in residential neighborhoods—they’re perfect infill sites,” Sedway said. “But single-family doesn’t work on leases. The buyers don’t like it, the lenders don’t like it. In those cases, we have to explain to the school district that leasing is not always the perfect solution.”

Contacts: Richard Godino, attorney, (415) 459-3008.

Lynn Sedway, consultant, (415) 457-4202.

Neal Roberts, consultant, (714) 641-5553.

Wayne Wedin, consultant, (714) 525-4047.

Alan Kotin, consultant, (213) 820-0900.

Floyd Ganella, Jefferson Union High School

District, (415) 756-0300.

Beverly Rohrer, Redondo Beach School District, (213) 379-5449.

Sue Haller, City of Redondo Beach, (213) 372-1171.

**CALIFORNIA
PLANNING & DEVELOPMENT
REPORT**

is published monthly by:

Torf Fulton Associates

Mailing Address:
8306 Wilshire Blvd., Suite 111
Beverly Hills, CA 90211
Telephone: (805) 642-7838

Editor & Publisher: William Fulton
ISSN No. 0891-382X

SPECIAL REPORT

City-School Disputes Over Surplus Land Have Long History

When it comes to dealing with cities and counties on land-use issues, school districts often insist they are second-class citizens.

“You’re lucky if they’re condescending,” said Richard Godino, a San Rafael attorney who represents many school districts in their dealings with city officials.

The basic city-school district relationship in the area of surplus school sites is defined by several state laws, some contained in the Education Code and others contained in the Government Code. Basically, however, this is what they do:

- If a surplus site is sold, the proceeds from the sale must be used for capital expenditures. This provision of the Education Code (Section 39363) is what is driving many school districts toward leases.

- Under the so-called “Naylor Act” (Education Code Section 39390) any portion of a surplus school site used for park or open space must be offered to the city, the local park district, and the county before it is offered for sale or lease, and any of those entities may purchase the land at a below-market price that can be as low as 25% of fair market value. A school district can seek a waiver from the state Board of Education for reasons of economic hardship.

- Under the so-called “Seymour Bill”, if the city does not exercise its options under the Naylor Act, it must allow rezoning of the site in a manner compatible to surrounding areas. Because most school sites are located in residential areas, this means single-family residential zoning on most surplus school sites.

Though the laws together are meant to balance the interests of cities, neighbors, and school districts, in many cases schools become alienated from the other two groups.

“I see certain cities using their zoning powers in what I would call a heavy-handed way—even to the point of withholding certain zoning because of an interest in the property,” said Dan Helix, a former legislative aide who has served as a consultant to the Mt.

Diablo Unified School District in the East Bay. Mt. Diablo has had strained relations in particular with the City of Walnut Creek, which exercised its option to buy at a low price under the Naylor Act on at least one elementary school site.

If it isn’t the city trying to stop the school district, though, it’s the nearby residents, who often have an emotional attachment to the school that has been closed.

“The neighbors are already mad that we’ve closed the school; then they get even madder that we want to take away their parks and open space,” said Godino.

In at least three cities, citizens have gone so far as to place initiatives on the ballot in an attempt to stop the district from selling or leasing surplus land for non-school uses.

In Redondo Beach, a ballot measure to keep the school district from selling off recreational and community facilities on the Aviation High School site passed in 1984. Though the rest of the site was sold off, that portion is now leased by the city of Redondo Beach for community use.

In Hermosa Beach, two ballot measures in the past three years have passed, severely limiting the school district’s ability to sell surplus land. Though the Hermosa Beach School District has sold some surplus land to the city and some for private development, a 1984 initiative set a city policy that all property currently zoned for open space (including school property) cannot be rezoned without a vote of the people.

A “clean-up” initiative on the same topic was passed last November, when a similar measure in Pacific Grove also passed. (However, a bond issue to purchase surplus school land in Pacific Grove failed on the same ballot.)

In Hermosa Beach, the school district is currently suing the city over the initiative, claiming that the measure conflicts with the Seymour Bill’s provision that a surplus school site may be rezoned so as to be compatible with surrounding land.

Brea School Deal: Good Site, Good City-School Relations

Probably no school district development deal has received more attention than the one put together by the City of Brea and the Brea-Olinda Unified School District. The Brea deal was very complicated—perhaps more complicated than other school district lease deals—but the reasons behind its success are not. Most important were a highly marketable piece of property and a good working relationship between city and school district.

The deal began when the school district decided to develop about one-fifth of its 55-acre high school site in order to provide funds to refurbish the high school. At that time, the school district retained former Brea City Manager Wayne Wedin as a consultant. Soon the district had expanded on the original idea, deciding to redevelop the entire 55-acre site and relocate the high school altogether.

The main reason this idea was feasible was the location of the site. As with many other suburban areas, Brea had grown rapidly from a bedroom community into a commercial center, and the high school site was in one of the most desirable locations in town: right across the street from the Brea Mall.

The school district proceeded with its plans, selecting as developer Lowe Development Corp. in a joint venture with New England Mutual Life. The Lowe project, part of which is already open, includes 1.2 million square feet of office space, a 125,000-square-foot retail center, restaurants, and a hotel.

But financing the new high school proved to be a tricky three-way

deal among the school district, the city, and the developer. Eventually the school district would be a 15% equity partner in the Low Development project. But the district needed to construct the new high school immediately, and demolition of the old school couldn’t proceed until the new school was open.

Thus, the school district decided to bond for the \$25 million school, and make unusual arrangements with the city and Lowe Development to assure that the bond payments could be met.

First, Lowe guaranteed that it would pay interest and principal on the school bonds in the early years, because the district’s income stream from the commercial project would not be enough to cover the bond payments.

Second, the city redevelopment agency agreed to loan the school district up to \$3 million to make up any shortfall in the school financing, and also to pass through \$15-20 million in tax increment from the commercial project to the school district for use in paying off the debt. The redevelopment agency also pledged \$3 million in offsite improvements for the commercial project.

In particular, the tax increment pass-through was an unusual agreement; most cities and school districts fight or even sue each other over tax increment. But according to City Manager Edward G. Wohlenberg, in Brea the new high school “was determined to be a community priority” requiring city commitment.

Marin Landowner Loses Suit Challenging Agricultural Zoning

A federal judge in San Francisco has rejected a Marin County landowner's contention that agricultural zoning—one unit per 60 acres—constitutes a unconstitutional taking of his property.

In granting Marin County's request to dismiss *Barancik v. County of Marin*, C-85-3848, U.S. District Court Judge Thelton Henderson found that the county had not made a final administrative decision on Richard Barancik's development proposals, and that Barancik "knew or should have known that protection of agricultural lands was one of (Marin County's) highest planning and zoning priorities."

Barancik's attorney, Brian Blaesser of the prominent Chicago land-use firm of Siemon, Larsen, Mattlin & Purdy, called Henderson's ruling "an awful decision."

Barancik first bought the 561-acre plot of land in the northern part of the county, known as Loma Vista, in 1980. Under the one-unit-per-60-acres agricultural zoning, which had been in effect since 1972, he was allowed to build nine residential units. According to the county's lawyers, however, Barancik made repeated attempts to persuade the county to increase the residential density.

Deputy County Counsel Robert San-Chez said the county had suggested that Barancik purchase additional development rights from other owners of agricultural property, but Barancik could find no buyers. Barancik also proposed a 28-unit project, which the county rejected.

Five years after purchasing the property, Barancik sued the county in federal court, claiming Marin County had unconstitutionally "taken" his property, violating the equal protection and due process clauses of the constitution.

In ruling on the case March 25, Henderson found that the county had not made a final decision on Barancik's various development proposals and, therefore, the case was not ripe for review. Relying heavily on the U.S. Supreme Court's ruling in *McDonald, Sommer & Frates v. Yolo County*, 106 S.Ct. 2561 (1986), the judge said rejection of the 28-unit project did not necessarily mean that the county would reject all economically viable uses on the property.

In addition, Henderson also found no that regulatory taking of property had been occurred.

"Plaintiff (Barancik) has not been deprived of his reasonable investment-backed expectations," the judge wrote. "When plaintiff purchased the property, he knew it was zoned ARP-60, as it had been for seven years. Since plaintiff purchased the property, defendant (Marin County) has neither changed the zoning of the property, nor imposed any restrictions on development other than those already in place at the time of the purchase."

Contacts: Robert San-Chez, Deputy County Counsel, (415) 499-6120. Brian Blaesser, Siemon, Larsen, Mattlin & Purdy, (312) 876-1560.

City-School Disputes

Continued from page 3

A different sort of school-neighborhood conflict has arisen recently in Los Angeles, where the school district must expand schools in many inner-city neighborhoods because of increasing enrollment. The district slated 42 sites for construction or addition, which would displace about 6,300 people. On May 1, the school district lowered

dropped 12 of the 30 sites.

Assemblyman Mike Roos has introduced a bill to allow construction of multistory schools to help alleviate the problem, while State Sen. Alan Robbins has proposed legislation placing a six-month moratorium on the district's land acquisitions.

because it was made retroactive to October 1985.

The "vesting tentative map" law, which took effect with regard to residential projects in 1986, gives developers a vested right to build earlier in the process than previous court decisions had allowed. According to Sanford Skaggs of McCutchen, Doyle, Brown & Enersen in Walnut Creek, who represented the developers, the Pleasant Hill case was the first involving vesting tentative maps.

An environmental lawsuit could slow down construction of Hollywood Promenade, the Melvin Simon-backed project that local leaders hope will serve as the cornerstone for redevelopment in the Hollywood area of Los Angeles.

The suit was filed by a group of residents known as Save Hollywood Our Town, who claim that the environmental impact report on the project was inadequate. A June 8 hearing is scheduled.

The Title Guarantee Building in downtown Los Angeles is quickly filling up with planning consultants.

Fast-growing Michael Brandman Associates opened its L.A. office in the building facing Pershing Square when its contracts with the L.A. city and county governments got too numerous to service from its Costa Mesa headquarters.

Then San Francisco-based EIP Associates, winners of a large consulting contract with the Los Angeles City Planning Department, moved in, as did DKS Associates, the transportation consulting firm from Oakland.

BRIEFS

Pat Russell, City Council president in Los Angeles, has been forced into a June 2 re-election runoff with planning consultant Ruth Galanter over development issues.

Russell received 42% of the vote in the April election to Galanter's 29%, but she owes her plurality to a big victory in the mostly black section of Crenshaw. Galanter defeated Russell not only in her home area of Venice, but also on Russell's home turf in Westchester. Westchester citizens are upset about Playa Vista and other large developments they believe Russell has supported.

In the early '70s, Galanter was one of the leaders of a group of residents in the Ocean Park district of Santa Monica that fought the Ocean Park Redevelopment Project in proceedings before the state Coastal Commission—an issue that helped bring together leaders of what later became the tenants rights movement in Santa Monica. These activities led to her appointment in 1977 to the South Coast Regional coastal commission, a position she held for 4 1/2 years.

A judge in Contra Costa County has ruled that a growth-limiting initiative in Pleasant Hill does not apply to a 69-unit housing development.

In making the ruling in *Davidon Homes v. City of Pleasant Hill*, Contra Costa Superior Court No. 297988, Judge Ellen James ruled that Measure B did not apply to the project because the City Council had approved the project's "vesting tentative map" three weeks before the Measure B election last June.

The city had contended that Measure B applied to the project

Residential Libraries

Continued from page 1

site under the county's general plan. (*CP&DR*, February 1987.) When public opposition mounted, the commission heard the case again in February — but did not waver from its initial position.

That, however, was not the end of it. Subsequently, the Stanford Faculty Senate expressed objections to the library, and there were widespread reports that the library controversy had caused a rift between the Hoover Institution, of which the Reagan Library would be part, and the university. Faculty members are said to believe that Hoover's right-wing disposition is giving the whole university a partisan image.

Gary Jones, executive director of the Washington-based Ronald Reagan Presidential Foundation, insisted the overriding reason for the switch was a desire to have the public-affairs center and the library in the same location. "The rumblings of a small group of people at Stanford and in the community did not play a role," he said.

Since the announcement, virtually every academic center in Southern California has been mentioned as a possible location for the Reagan center.

Meanwhile, Nixon Library backers threatened in early May to pull out of San Clemente after 18 months of negotiating on site planning for the library and an accompanying development by the Lusk Co.

The presidential library would be the centerpiece of a 253-acre

development on the cliffs overlooking the ocean, which would also include three hotels, 1,500 homes, and a commercial center. The local Chamber of Commerce estimates that the 80,000-square-foot library alone could bring \$1-2 million a year into the San Clemente economy. The site is one the last remaining large pieces of undeveloped land near the ocean in Southern California.

Because the project would be subject to both city and Coastal Commission approval, Lusk has been working on a document called the "Marblehead Coastal Specific Plan" that would serve as both a specific plan and the local coastal plan for the area. But Lusk and city officials remain far apart on the site plan, which is being prepared by Robert Bein, William Frost & Associates of Irvine.

According to San Clemente City Planner Jim Barnes, the Lusk proposal would destroy the site's bluffs and interior canyons. Barnes said that open space in the development had been expanded greatly during negotiations, but still falls short of the 76 acres required under the city's zoning. He also said the plan as it stands now would be unlikely to gain approval from the Coastal Commission.

"This is a unique site environmentally," Barnes said. "We're just trying to help them meet their General Plan requirements. We told them we'd look like a bunch of fools standing up presenting this to the Coastal Commission."

Contact: Jim Barnes, City of San Clemente, (714) 498-2533.

UPDATE

A new Los Angeles County General Plan has passed muster with the Superior Court judge who has been reviewing it for the past seven years.

On April 28, Judge Norman Epstein approved the revised plan, which calls for a much stronger link between development and infrastructure in the county's rapidly growing outlying areas. Calling the plan "an exciting, innovative solution that seems to me is very much in the public's interest," Epstein ended a 14-year series of lawsuits against the county brought by the Center for Law in the Public Interest on behalf of the Coalition for Los Angeles County Planning in the Public Interest. (*CP&DR*, February 1987.)

The new plan, which revises a 1980 version, applies to the Santa Clarita, Antelope, and East San Gabriel Valleys and to Malibu. Its approval by the county Board of Supervisors was held up briefly while Supervisor Ed Edelman tried to strengthen it even more.

San Francisco's transit impact fee and legal issues surrounding it will not be dealt with by the California Supreme Court.

The state's highest court decided May 1 not to consider

PEOPLE

Michael Fischer, who long served as the staff director of the California Coastal Commission, has been selected as national executive director of the Sierra Club.

The selection of Fischer, who had been with Sedway Cook Associates in San Francisco, was widely interpreted as a return to the Sierra Club's activist roots. "The Sierra Club is an aggressive, gutsy, grassroots organization," Fischer said at the time of his appointment April 22.

The term "aggressive" was often applied to Fischer himself in his years with the Coastal Commission. He left the job after the Deukmejian Administration severely cut the commission's budget.

overturning a Court of Appeals ruling earlier this year upholding the \$5-per-square-foot fee on downtown office construction. (*CP&DR*, February 1987).

San Francisco developers had contended that the fee was really a "special tax" subject to a two-thirds vote of the people under Proposition 13. However, the Court of Appeal ruled that the fee is similar to other development fees for such public services as streets, sewers, and parks.

The report of the President's Commission on Americans Outdoors will probably be officially released, now that a federal judge in Seattle has dismissed a suit against the commission.

The Center for the Defense of Free Enterprise had sought a preliminary injunction against the Commission, claiming that it had violated the Federal Advisory Committee Act by holding some meetings in private. (*CP&DR*, April 1987.)

The Interior Department had held off on officially releasing the report until the legal issues were resolved, although an environmentally oriented publishing house in Washington had published an unofficial version.

Craig Lawson, longtime research director for Los Angeles Mayor Tom Bradley, has joined C.W. Cook Co. Inc. as director of public affairs, indicating a new direction for the 75-year-old land planning and engineering firm.

The decision to bring Lawson to the firm is apparently a response to the increasing clamor for more citizen involvement in development decisions. Lawson's job will be to represent Cook's developer clients before various citizen groups and the community planning boards that are likely to be established in at least some of Los Angeles's 35 planning areas.

Lawson leaves the mayor's office after almost 10 years of service working on such issues as the Olympics and Metro Rail.

Ballot Measures

Continued from page 1

amendment—an attempt to avoid the legal problems of Measure H in Walnut Creek, a similar measure which was struck down as being inconsistent with the general plan.

Walter Moeller, a lawyer and leader of the citizen group, said that although Measure C was written before the Walnut Creek court decision, it was drafted with the assistance of the San Francisco environmental law firm of Shute, Mihaly & Weinberger, which unsuccessfully represented Measure H supporters in Walnut Creek.

Although Measure C was defeated 57-43%, Moeller said he believed the citizens had gotten their message across to the city council, which experienced significant turnover in the same election.

In Northern San Diego County, citizens in Oceanside and Vista chose between two almost identical sets of growth control measures—but with opposite results. Oceanside voters chose a citizen initiative, which effectively cut the number of new residential units in half, over a more complicated city planning proposal. A similar citizen measure was approved last November in nearby Carlsbad.

In Vista, on the other hand, voters chose the city's proposal, which included a growth cap but had many exemptions, over a citizen measure that was patterned after the successful Oceanside initiative.

However, the Oceanside measure came under almost immediate attack, as Robin Hood Homes filed a \$12.3 million claim against the city the day after the election—presumably the prelude to a lawsuit challenging the initiative.

Several other cities in North San Diego County also have residential growth caps. In addition, two cities, Solana Beach and Encinitas, incorporated last year, at least partly because of development issues, while a third, Rancho Santa Fe, is likely to have an incorporation vote soon.

Individual results are as follows:

Alameda County

City of Alameda

Measure C, the citizen initiative, failed by 57-43%. The measure would have permitted development only if that development did not cause traffic congestion at the city's signaled intersections to fall below level of service "C."

However, Walter Moeller, the citizen leader, said that if an intersection were already below "C," development would have been permitted if the new traffic generated didn't drop the level of service another whole notch on the traffic engineers' measuring system.

Moeller also said that even though the initiative failed, he felt that accompanying changes in the makeup of the city council meant the city would begin to address the questions his group raised.

*Contacts: Walter Moeller, citizen leader, (415) 635-3333.
Arnold Jonas, Planning Director, (415) 522-4100.*

Santa Clara County

City of Milpitas

Voters in the Santa Clara County city of Milpitas decided to uphold the city council's decision to approve 10-acre commercial shopping center by a vote of 52-48%.

Actually, the vote was the culmination of a long community process to determine where Shapell Industries would place the

commercial component of a 28-acre development project that also includes residential construction.

First Shapell proposed enlarging a five-acre commercially zoned section of the 28-acre site to 10 acres, but the proposal was withdrawn. Then the local school district sought to rezone the five acres of commercial to residential because of its close proximity to a local high school.

Finally, the 10-acre commercial site was agreed upon by a subcommittee and approved by the City Council. Citizens then placed a referendum on the council's decision on the ballot, and it was upheld.

Contact: Eric Beavers, Assistant Planner, (408) 942-2360.

San Diego County

City of Oceanside

In Oceanside, Proposition A a citizen initiative placing a yearly cap on residential units, won out over Proposition B, a more complex planning proposal placed on the ballot by the City Council.

Proposition A, which received about 57% of the vote, placed a cap of 1,000 units on the city in 1987 and 800 units in subsequent years. City officials say about 2,000 building permits were issued last year.

Proposition B, which received 47% of the vote, would have placed an ultimate "build-out" cap for the city as a whole and for each of 17 different neighborhoods. The cap for the entire city would have ranged between 72,000 and 94,000 residential units, compared with 43,000 that now exist.

In addition, Proposition B would have required coordination between new residential construction and infrastructure development, and would have restricted building permits for six neighborhoods declared "impact areas."

Contact: Sandy Holder, Deputy City Planner, (619) 439-7272.

City of Vista

The issues in Vista were similar to those in Oceanside; in fact, the city council's measure in Vista was patterned after the one in Oceanside.

Proposition A, the city's measure, prevailed by receiving about 54% of the vote, compared with 50.4% for Proposition B, the citizen initiative.

Proposition A placed a cap of 500 residential units per year, though several development projects were exempted because they had already met infrastructure requirements. City Manager Morris Vance said building permits in Vista have totalled 1,500-2,000 per year in recent years, and added that a rush of the planning department resulted in the processing of 600-700 more in the last few weeks before the election.

In addition, Proposition A, patterned after Oceanside's unsuccessful Proposition B, calls for the city to establish a public facilities plan and design review process, while requiring a ballot vote on zone changes that would result in increased density.

Proposition B, the citizen initiative, would have established a cap of 569 units per year and a point system for evaluating new developments.

Contact: Morris Vance, City Manager, (619) 726-1340.