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REPORT

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Redevelopment to Play Bigger Role in Housing

Special Report: Redevelopment and Housing
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Low-cost housing appears to be emerging as important public issue once again in California, and the state's local redevelopment agencies appear likely to become the leading financiers of a new affordable housing boom.

Most redevelopment agencies throughout the state have concentrated on engineering lucrative commercial development deals. At their most extreme, redevelopment strategies that concentrate on commercial and industrial development have permitted small cities such as Industry and Irwindale to accumulate huge stockpiles of cash in their redevelopment coffers. But legislation and political pressures promise to affect the role of redevelopment agencies profoundly over the next several years, pushing them much more significantly into the housing market.

A new law which went into effect this year, for example, makes it much harder for redevelopment agencies to escape the state's requirement that 20% of a redevelopment agency's tax revenue be set aside for low-cost housing — a requirement that could funnel hundreds of millions of redevelopment dollars into low-cost housing in the mid-1990s.

At the same time, poverty and housing lawyers have signed a pathbreaking agreement with the City of Indian Wells that will allow redevelopment money to be transferred across city boundaries for the first time in order to build low-cost housing. And in Los Angeles, Mayor Tom Bradley is seeking a huge increase in the *Continued on page 4*

Agnos Seeks New Faces For S.F. Commission

Art Agnos, the new mayor of San Francisco, appears intent on reshaping the city's controversial Planning Commission to represent his neighborhood-oriented rhetoric, but he is moving slowly and new appointments are not likely until the end of March.

Furthermore, Agnos also appears to have deferred indefinitely the question of whether to keep or replace Planning Director Dean Macris, who was closely tied to the downtown-oriented planning policies of Agnos's predecessor, Dianne Feinstein.

Agnos has appointed a 51-member advisory commission to assist him in determining which commissioners to keep and which to replace. Scott Schaeffer, Agnos's deputy press secretary, said a decision is not likely before the end of March. As for possible changes in the commission, which has overseen a boom in downtown office development, Schaeffer said, "The mayor came into office with a pretty clear platform. He's a supporter of Proposition M (a growth-control initiative passed in 1986), and he believes the Planning Commission must be responsive to the neighborhoods."

In San Francisco, the mayor appoints five of the seven members of the planning commission, while the city's chief executive officer and the chair of the public utilities commission automatically fill the other two seats. The terms of two commissioners, Susan Bierman and Bernice Hemphill, have already expired, while the other three mayoral appointees — commission president Toby Rosenblatt, Yoshio *Continued on page 6*

Court Ruling May Widen Scope of CEQA's Use

In a case that could greatly broaden environmental review of development projects in California — if the opinion is not overturned — an appellate court has rejected a Santa Barbara County environmental impact report involving a proposed 600-room beachfront hotel in Goleta.

In *Goleta Valley v. Board of Supervisors*, issued on Jan. 22, a three-judge appellate panel in Ventura apparently pushed the bounds of the California Environmental Quality Act to new limits in two areas. First, the court ruled that environmental impact reports may have to consider alternative sites even if the developer owns only one site. And second, the justices said that developers may have to provide substantial financial information to justify their oft-cited claim that scaled-down alternatives are financially infeasible.

Environmental lawyers hailed the decision as a breakthrough which could provide them with much greater leverage over development proposals in environmentally sensitive areas. Though the question of alternative sites has come up before (in less prominent cases), the ability to extract financial information from developers is highly prized by environmentalists, because they often argue that developers hide beyond the "economic infeasibility" argument in order to build the largest possible project. *Continued on page 3*

UPDATE

Woodland Objects to Yolo-Davis Deal

Yolo County and the City of Davis have finally resolved their longstanding dispute over new development and tax revenue — only to learn that the nearby City of Woodland fears that the agreement will be an encroachment on its own power.

Under the agreement, Yolo has agreed to recognize a larger Davis sphere of influence in return for a larger share of tax revenue from Davis's redevelopment area. But Woodland has objected, claiming Davis's new sphere, which gives the city control over future development of the area, will interfere with Woodland's ability to grow in the future.

In 1986, slow-growth Davis and financially strapped Yolo engaged in a running skirmish over a research and development park proposed by developer Frank Ramos. Initially rejected by Davis, Ramos then proposed the project to the county Board of Supervisors, which has traditionally refused to hear proposals for development that would not be annexed to cities within the county.

Facing a multimillion-dollar budget deficit, however, the Yolo supervisors entertained the idea — a move to which Davis objected. (*CP&DR*, December 1986.)

After several months of negotiation, the two sides finally agreed to a settlement. Davis received review power over all urban development in a large area around the city. In return, the city agreed to give with the county a share of the incremental tax revenue in its new South Davis redevelopment area — an agreement that should bring Yolo $2.5 million over the first seven years of the project and about $1 million a year by the year 2000. In a special part of the agreement, the county may review and reverse Davis's decision on Ramos's property.

After the agreement was inked, however, officials in Woodland learned that the agreement pushed Davis's sphere of influence 1½ miles further north toward their city. The two cities lie about 10 miles apart and, while Davis is larger, Woodland is the county seat.

Woodland officials said that while there is not likely to be any immediate conflict with Davis, in the long run their city may seek to expand further south, only to be stymied by Davis's slow-growth attitude because of the latter city's large sphere of influence.

Suit Dismissed Against Sacramento Library Project

Sacramento's new $67 million central library won't be stopped by legal action.

Several tenants who now operate on the proposed site sued the city over the project's approval, but in early January Sacramento Superior Court Judge Darrel W. Lewis ruled that their lawsuit was filed too late to be considered.

Under the unusual agreement, private developers and the city will join in building an office building and the new library, while the city redevelopment agency will build an $11 million parking garage which it will then make available to the developers at half the price. Overall the cost of the project would be split 50-50 between the private and public sector. (*CP&DR*. September 1987.)

The lawsuit contended that the write-down on the parking garage constituted an illegal gift of public funds, and also that Phil Angelides acted improperly by serving as a member of the redevelopment agency board, then joining the development team on the library project.

However, the city approved the project on Aug. 4 and tenants and taxpayers filed the suit on Oct. 22, after the 60-day deadline for challenging such a deal in court.

Meanwhile, the Sacramento City Council has given final approval to a plan that would require large employers to prepare ridesharing plans to improve air quality and also impose fees on new commercial and industrial developments for low-income housing. Both provisions arose from similar commitments made by developers seeking to unlock the 10,000-acre North Natomas area, now a farming region.

The air-quality measure will require all employers of 100 or more people to work toward a 35% ridesharing goal. The housing fee was more controversial, though the council supported a suggestion by Councilman Joe Serna that it range between 25 cents per square foot for warehouses and 95 cents per square foot for office buildings.

Irwindale Blocks Audit Of Gann Limit Status

The City of Irwindale, which has been under seige for its bold attempt to lure the Los Angeles Raiders football team and provide them with a stadium, appears to be outlasting the opposition.

Though the city was forced to postpone a scheduled Nov. 3 bond vote because of an environmental challenge (*CP&DR*, October 1987), Irwindale is now leaping over legislative obstacles in its attempt to use public funds to finance the Raiders' stadium.

On Jan. 21, the city won a temporary court order stopping the state auditor general from obtaining the city's records to see whether the city's $10 million up-front payment to the Raiders violated the state's Gann expenditure limit.

A week later, Assemblyman Mike Roos, D-Los Angeles, dropped two bills seeking to block the Raider's stadium financing. Roos, who is seeking to force the Raiders to remain in the Los Angeles Memorial Coliseum, said he did not have time to move the bills through the legislature on schedule and would try to place key provisions in other bills. Roos also was the legislator who asked state to audit Irwindale's record on the Gann limit issue.

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COURT CASES

Appellate Court Rejects Developer's $2.5 Million Judgment

A land developer's $2.5 million judgment in a civil rights case against Sonoma County has been thrown out as "excessive" by the Ninth U.S. Circuit Court of Appeals in San Francisco.

John and David Herrington and their development partnership, Quail Hill Ranch, had been awarded the judgment because a jury found Sonoma County violated the Herringtons' due process and equal protection rights under the U.S. Constitution. However, ruling in *Herrington v. County of Sonoma*, the Ninth Circuit ruled that the judgment had been based on inflated damage claims by the Herringtons and ordered a new damages trial.

Due process and equal protection claims in land-use cases, which invoke the 14th Amendment of the Constitution, are not as common as the claim that a public agency has "taken" a landowner's property by regulation and must be compensated under the Fifth Amendment. However, in his dissent last summer in the noted *First English* case, which established the principal of compensation for a taking via land-use regulation, Justice John Paul Stevens argued that due process claims should be "the primary constraint on the use of unfair and dilatory procedures in the land-use area."

The Herringtons, who own a 540-acre parcel of land near Sebastopol, were denied permission to build a 32-unit residential subdivision. The developers had sued under 42 U.S.C. section 1983, the federal civil rights statute.

The Herringtons' case does indeed seem to be littered with an unusual procedural history. Though the Sonoma County Planning Commission found, in 1979, that the development application was consistent with the county's general plan, the Board of Supervisors referred the case to the Agricultural Technical Advisory Committee.

According to the court ruling, the Agricultural Committee met to discuss the Herringtons' proposal without giving the Herringtons notice of the meeting; when the Herringtons attended anyway, according to the case, they were denied permission to speak. Acting on the Agricultural Committee's recommendation, the Board of Supervisors then found the Herrington proposal inconsistent with the general plan.

Subsequently, as part of a specific plan, the supervisors downzoned the Herringtons to 100-acre-per-unit zoning. Though they participated in preliminary hearings on the issue, the Herringtons claim they were denied adequate opportunity to speak on the matter.

Though the Herringtons dropped their initial legal claim that a taking under the Fifth Amendment had occurred, they pursued the claims that their equal protection and due process rights under the 14th Amendment were violated, and won the $2.5 million in damages.

Though the Ninth Circuit rejected all Sonoma County attempts to have the judgment itself reversed, the judges did find fault with the $2.5 million figure. In particular, the court found that the Herringtons' claim of a permanent loss in land value of $810,000 was too high, since it was based on the difference between land value with permission for a 32-unit subdivision and land value with no permission for residential development at all. Since the rest of the $2.5 million judgment was calculated on assumptions involving the $810,000, the court determined that the entire award was inflated and ordered a new damages trial.

"The Herringtons obtained a verdict only that the county's inconsistency determination was unlawful, not that destruction of a 32-lot development potential would have been unlawful," the judges wrote. "...(T)he Herringtons abandoned their taking claim and cannot now argue that the county denied them of all economically viable use of their land."

The complete text of Herrington v. County of Sonoma, Nos. 86-2620 and 86-2728, appeared in the Los Angeles Daily Journal Daily Appellate Report on Dec. 24, 1987, at page 10185.

Goleta Case May Widen Scope of Environmental Review

Continued from page 1

"The answer is always, 'It costs us money, period,' and that's impenetrable," said Carlyle Hall, co-director of the Los Angeles-based Center for Law in the Public Interest, which conducts a great deal of CEQA litigation. "Unless a public agency really presses them, you won't get much information."

Lawyers on the other side, however, are hoping that the state Supreme Court will reverse. "It's crazy," said Timothy Tosta, a San Francisco lawyer representing Hyatt Corp., which is proposing the hotel. "If this stands, we're going to have some interesting times under CEQA."

Tosta said that, once rehearing procedures before the Court of Appeal are completed, he would ask the Supreme Court to schedule an appeal of *Goleta Valley* ahead of the appeal of a similar case, *Laurel Heights Improvement Association v. Regents of the University of California*, 238 Cal.Rptr. 451. In that case, a panel of appellate justices in San Francisco rejected an EIR for new biomedical research facilities, saying discussion of project alternatives wasn't sufficient even though alternative sites were considered.

Rezoning of the 73-acre site was approved by the Santa Barbara Board of Supervisors in June 1985, with Coastal Commission approval following that December. A trial judge in Santa Barbara County denied the request of the Santa Barbara-based Environmental Defense Center to set aside the county's certification of the environmental impact report, or EIR. In a unanimous decision, however, the three-judge appellate panel reversed the trial judge.

First, the court rejected Hyatt's contention that no alternative site should be considered because Hyatt owns no other site in the area. Under CEQA, part of the environmental impact review process is to consider whether alternative development schemes might reduce the potential environmental damage. In most instances, this provision has not led to consideration of other sites, largely because private landowners usually do not have an array of sites to choose from.

However, in the *Goleta Valley* ruling, the appellate justices wrote: "Serving the public purpose at minimal environmental expense is the goal of CEQA. Ownership of the land used and the identity of the developer are factors of lesser significance."

Second, the justices criticized the evidence Hyatt presented to support its claim that a 340-room alternative, considered in the EIR, was economically infeasible.

"Hyatt contends that substantial evidence of economic infeasibility is presented by estimates of annual revenues, infrastructure costs, and overall project costs," the justices wrote. "None of the figures purports to relate to estimated costs, projected income, or expenses for the 340-unit alternative. They provide no basis for a comparative analysis between the project actually approved and the 340-unit alternative."

The complete text of Goleta Valley et al. v. Board of Supervisors of Santa Barbara County, 2d. Civ. No. B026619, was published in the Los Angeles Daily Journal Daily Appellate Report on Jan. 27 at page 886.

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Redevelopment Likely to Play Bigger Role in Housing

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downtown redevelopment spending cap — and, to entice opponents into accepting the plan, he promises to commit half the increase, or more than $2 billion over 30 years, to housing. *(See accompanying story.)*

"The net effect ... is that six or seven years from now, redevelopment agencies will be in the housing business and will have the resources to be effective," says Calvin E. Hollis, a principal with Katz Hollis Coren & Associates, a leading redevelopment consulting firm based in Los Angeles.

Over the past few years, state legislation has forced redevelopment agencies to commit more resources to housing. Starting in 1977, redevelopment agencies were required to commit 20% of the increases in property tax revenue ("tax increment" in redevelopment lingo) inside *new* redevelopment areas to housing. More recently, that requirement has been applied retroactively to all active redevelopment areas, many of which produce huge amounts of tax increment. And redevelopment agencies are now permitted to spend that 20% on housing anywhere in their city or county, not just inside their redevelopment areas.

However, the state's redevelopment law has also given redevelopment agencies considerable leeway to get around the 20% requirement, particularly if they can make findings that the money is otherwise committed. The result is that many cities have committed substantial amounts of redevelopment money to housing on paper but have not actually spent it. According to the state Department of Housing and Community Development, that figure approached $160 million statewide in 1986.

AB 1735

Last year, however, the state legislature passed AB 1735, a law which closes many of the loopholes redevelopment agencies use to limit their housing commitment to less than 20%.

AB 1735, which was proposed by housing activists at such organizations as the Los Angeles-based Western Center on Law and Poverty, makes it much tougher for cities (or counties) to make findings allowing them to set aside less than 20%. According to the analysis of the bill prepared by Katz Hollis, which represents dozens of redevelopment agencies around the state, in order to set aside less than 20% for housing, a redevelopment agency must make one of the following findings:

1. *No need exists in the community* to improve or increase the supply of low-cost housing.
2. *Less than 20% is required* to meet the housing need (and both this finding and the previous one must be consistent with the housing element of the city's general plan).
3. *Other sources are making a "substantial effort"* (i.e. direct financial contributions equivalent in impact to the 20%) to meet the housing need.

For project areas formed before 1977, a redevelopment agency make make one of two additional findings in order to get around the 20% requirement:

1. The funds are needed to make payments under "existing obligations" (i.e. bond payments).

Bradley Seeks Huge Increase in Redevelopment Spending Cap

While redevelopment agencies and housing activists have been wrangling over AB 1735 and related topics, Los Angeles Mayor Tom Bradley and his Community Redevelopment Agency have been gearing up to seek a huge increase in the allowable downtown redevelopment spending limit.

CRA is seeking a hike from $750 million, the limit agreed to in the 1977 settlement of a lawsuit, to $5 billion. But to obtain the support of CRA opponents — including Councilman Ernani Bernardi, the plaintiff in that lawsuit — Bradley has proposed that half the money, or some $2.2 billion over 30 years, be devoted to low-cost housing throughout the city. In keeping with current political fashion, Bradley said the funds would be used not just for construction and subsidy of low-cost housing, but also for services for the homeless.

Interestingly, however, CRA's proposed 1988-89 budget of $352 million, though it's $67 million higher than the '87-88 budget, contains a reduction in housing allocation of $17 million.

CRA, by far the state's largest redevelopment agency, is expected to hit $750 million in downtown spending by 1990 or 1991. According to Bernardi, under the terms of the legal settlement the city will receive 33% of additional tax increment revenue, with about 45% going to Los Angeles County, 19% to the Los Angeles Unified School District, and the rest going to special districts.

Bernardi claims that under that split, the city would still receive some $1.6 billion over the life of the project, not that far below the $2.2 billion Bradley wants to dedicate to housing. In order to raise the redevelopment cap, Bradley must persuade a court that the 1977 legal settlement should be changed — and to do that he must have the support of other parties to the settlement.

At this point, Bradley's lobbying effort is concentrating on Bernardi, who said he is tempted by the offer of so much money for housing, but fearful that the mayor has ulterior motives. "Is this a program for affordable housing?" he asked. "Or is it being held hostage to a likely tax increase that would result with a $5 billion redevelopment cap, in order to fund services that the city and county badly need?"

Obviously, another important player in this game is the Los Angeles County Board of Supervisors, which would stand to lose the lion's share of the tax revenue — some $2 billion over the life of the project — if the cap is increased. The county is said to be interested in dealing on the redevelopment cap if the CRA is willing to grant higher densities on downtown parking lots the county owns and hopes to develop with lucrative commercial projects.

Interestingly, however, Bradley's lobbying strategy has not included an intense effort with the county, at least not so far. In fact, Mark Fabiani, a Bradley staff lawyer, said he has not spoken with county officials yet and believes the cap could be raised even without the consent of the Board of Supervisors. "The county has had a very bad record on housing in general and the homeless in particular," Fabiani said. "We would have an excellent chance in court with just the CRA and Bernardi on our side, because circumstances have changed so dramatically since 1977."

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2. Some of the money is needed to complete projects, programs, and activities approved before 1986. However, this excuse can be used only until the 1995-96 fiscal year. And if either of these findings are used, the redevelopment agency must record the difference between the 20% and the amount actually set aside *as an indebtedness of the redevelopment area*, meaning the city must prepare a plan to make up that indebtedness at some point in the future.

In other words, redevelopment agencies can get around the 20% set-aside only if they can prove — with the assistance of the city's housing element — that local housing needs are being met some other way — or, in the case of older projects, if pre-existing commitments eat into the 20%. And if the older projects kick in less than 20%, they're not off the hook forever; rather, the redevelopment agencies must figure out a way to make up the difference sooner or later.

In particular, the potential financial impact of the pre-1977 project areas could be enormous, because many of those project areas — with hotels, office buildings, and shopping centers within their boundaries — generate huge amounts of tax increment revenue. And, under the provisions of the law, by 1996 these project areas will be just about out of legal excuses to avoid setting aside the full 20% for housing.

The Indian Wells Case

Of course, even if state legislation forces rich redevelopment agencies to spend money on low-cost housing, the political pressure to keep such housing outside a particular city's boundaries will continue to be strong — particularly in affluent cities or in so-called "corporate cities" such as Irwindale or Industry, which have lots of tax increment but few residents. That's why the deal between housing activists and the City of Indian Wells, near Palm Springs, could be important.

Indian Wells's city council and voters recently approved the the billion-dollar Sunterra resort project, which would include some 4,500 hotel rooms and a convention center. (*CP&DR*, December 1987.) However, the Western Center on Law and Poverty, California Rural Legal Assistance (which represents farmworkers), and the neighboring cities of Rancho Mirage and Palm Desert all sued on a variety of grounds, including adequacy of the environmental impact report and adequacy of the general plan's housing element.

So far as the poverty lawyers were concerned, the problem was housing — specifically, their contention that Indian Wells, while welcoming $1 billion in new development, had made no provision for housing the many low-paid workers the hotel/resort project would bring to the city.

So Sunrise Co., the developer, and Indian Wells have agreed to ensure that 750 units of low-cost housing will be built in conjunction with the project. According to Jonathan Lehrer-Graiwer, a lawyer with the Western Center, Sunrise will have ultimate responsibility for building the units, but Indian Wells may use redevelopment funds to assist.

The real catch, however, was the fact that affluent Indian Wells was not receptive to constructing low-cost housing inside its boundaries. Under the legal settlement, the city agreed that its regional "fair share" low-cost housing requirement (148 at the moment, perhaps more when the estimates are revised) will be built within the city limits, with the rest built within an eight-mile radius. To ensure that the low-income students are not dumped into revenue-starved schools, the units must also be built within the Palm Desert or Palm Springs school districts. Rancho Mirage and Palm Desert have not joined the poverty law groups in settling the case.

However, under present law, no city may use its redevelopment funds to assist in the construction or subsidy of low-cost housing outside its own city limits. So CRLA and the Western Center are sponsoring a bill (SB 1719) to make the Indian Wells case an exception to this rule.

The housing activists say they are not entirely sure whether this potentially pathbreaking deal is a good idea, considering that fact that it could allow tax-rich cities to export their poor people to other jurisdictions and pay the cost of building housing. However, in the Indian Wells case, Lehrer-Graiwer said, it was the only alternative to lengthy litigation.

Housing May Emerge as High-Profile Issue Nationwide

California is not the only place where low-cost housing is moving up the ladder of public issues into prominence. In New York City, surplus redevelopment funds have also been committed to a huge low-cost housing effort. And senators from both states — Democrat Alan Cranston of California and Republican Alfonse D'Amato of New York — are about to unveil a supposedly innovative package of public-private housing efforts recommended by a task force co-chaired by James Rouse.

In New York, the city recently announced that some $1 billion in surplus redevelopment funds from the Battery Park City project would serve as equity for Mayor Edward I. Koch's $4.2 billion plan to build or rehab 252,000 low- and moderate-income apartments throughout the city.

Battery Park City is a redevelopment project built on reclaimed land along the Hudson River near the World Trade Center in lower Manhattan. Though it languished in the backwaters of public policy for many years, recently its market success has been stupendous. In 1986, the Battery Park City Authority, a state agency, agreed to give the city some $400 million over 30 years for housing; part of the funds constituted money already committed to the city as payment in lieu of taxes.

However, in December, Battery Park City agreed to pay the city an additional $600 million — money which will become available because the authority's board decided to build an high-rise office tower instead of an apartment building, meaning its revenues will increase dramatically.

Meanwhile, the National Housing Task Force, which has been meeting since September, is preparing the final draft of its report to the Senate Subcommittee on Housing and Urban Affairs, which is chaired by Cranston and on which D'Amato serves as ranking Republican member.

Though the task force's recommendations have not been made public, a source close to the group said the task force would call for an "innovative" federal role in housing that would include heavy involvement of state and local government and the private sector. This federal role would not be a "retreat," but, rather, heavy involvement in housing in "a new way."

Agnos May Change Membership of S.F. Planning Commission

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Nakashima, and Richard Allen — said they will resign if the mayor asks them to.

Shortly after taking office, Agnos asked all city commissioners who are appointed by the mayor to resign, including five members of the planning commission. However, Rosenblatt said Agnos quickly rescinded the order when he realized it would leave the commission unable to gather a quorum for its weekly meetings.

When asked to describe the relationship he has forged with Agnos so far, Rosenblatt said: "I've not met the mayor, even."

Rosenblatt, Bierman, and Nakashima, the core of the planning commission, have served together since they were appointed by Mayor George Moscone in 1976. According to the *San Francisco Examiner*, they have been involved in the approval of 27 million square feet of high-rise office space during that time — a record which has touched off an intense political battle over the city's downtown growth and its loss of blue-collar jobs, both of which became important Agnos campaign issues last year.

The *Examiner* also noted, however, that Bierman, who estimates she has voted against some 15% of the city's office buildings, may be retained by the mayor. Nakashima is also seeking another term, but Rosenblatt, a venture capitalist who has served as commission president since 1977, said he might step down if Agnos stacks the commission with neighborhood-oriented slow-growthers.

"There is a use of the world 'neighborhood' in San Francisco that is equivalent of saying there should be no change in the fabric of our neighborhoods," he said. "That is not a position I support."

Looming underneath the surface is the question of whether Agnos will retain the controversial Macris, who has often served as a lightning rod for slow-growth criticism in the city. Schaeffer said Agnos has deferred any action on whether to retain department heads, but sources say Macris, an astute political player, is meeting with the new mayor regularly.

BRIEFS

The prestigious and exclusive Jonathan Club can legally be required to eliminate discriminatory membership policies before it obtains permission to expand its beachfront facility, the state Court of Appeal has ruled.

The Coastal Commission had made that requirement a condition of the club's permit to expand its Santa Monica beach club by 122,000 square feet, including 58,000 square feet of public property leased from the state under a 1984 legal settlement between the club on one hand and the state and City of Santa Monica on the other.

Ruling in *Jonathan Club v. California Coastal Commission*, the appellate court said the earlier legal settlement created sufficient "entanglement with the state" to justify the requirement. The court also said that the requirement was a legal exaction under the U.S. Supreme Court's ruling in *Nollan v. Coastal Commission* because there is "a direct connection between the governmental purpose of maximizing public access to state beach lands and the condition which was imposed."

San Diego is considering quadrupling the size of its downtown redevelopment area.

The Centre City Planning Committee, chaired by developer Ernest Hahn, has asked city planners to investigate the idea of extending the redevelopment area from its current 322-acre boundaries to include some 1200 acres.

Currently, Union Street serves as the eastern boundary for the bulk of the redevelopment zone. The new proposal would encompass virtually all areas downtown west of Interstate 5.

Some 82,000 acres of farm and ranch land in the Central Valley has been purchased by the Nature Conservancy, a nonprofit conservation group which buys land to shield it from development.

The land is located in a mountain valley called the Carrizo Plains in San Luis Obispo County, halfway between Santa Maria and Bakersfield. Oppenheimer Industries Inc., the owner, will receive receive cash, a note, and about 40 acres of recreational land near Fresno; the whole package was valued at $14.5 million, or about $170 per acre.

The Conservancy said the Carrizo Plains will be used as an ecological preserve designed to protect many rare animals, including the San Joaquin kit fox, the blunt-nosed leopard lizard, the giant kangaroo rat, and the bald eagle.

Biggest display of chutzpah this month came from both sides in a development dispute in the Ventura County community of Moorpark.

Urban West Communities, a Santa Monica-based development company that is building a 2,500-home subdivision in Moorpark, sought an exemption from the city's 1986 growth cap to complete its construction. When the city refused, Urban West sued, alleging a possible taking and also claiming it had overpaid its share of infrastructure and community facilities by $17 million.

On Jan. 28, Urban West booked the community room in the Moorpark City Hall in order to call a press conference saying the company was suing the city. In the middle of the press conference, Moorpark Mayor John Galloway walked into the room and started distributing his own press release refuting the charges.

At that point, Urban West's public relations people tried to stop the mayor from distributing information in his own City Hall. Galloway did stop passing out the press release, but held his own impromptu press conference afterwards.

Headline(s) of the Month: Los Angeles Times, Jan. 22, page 3:

GOVERNOR TAKES BLAME FOR
LOSS OF COLLIDER PROJECT

Sacramento Bee, Jan. 22, page 3:

DUKE DEFLECTS COLLIDER BLAME

And the lead paragraphs were almost exactly the same!

ROUNDUP: The **Sacramento City Council** approved a new general plan somewhat reluctantly on Jan. 19, with several council members saying they expect to continue revising the document, which calls for a 60% population increase over the next 30 years. ... The **California Tahoe Conservancy Board will spend $4.3 million** to acquire 200 acres of land in Lake Tahoe as part of a settlement with a development company stopped by the 1985 court-imposed building moratorium in the area. ... The Los Angeles City Council has approved **a massive residential downzoning** as part of plan revision in Westwood. ... **San Diego County has sued the city of Santee** and the Padre Dam Municipal Water District, claiming the two agencies considered to keep the county from getting sewer hook-ups for a proposed jail expansion in downtown Santee.