



PROPERTY OWNERS ASSOCIATION OF RIVERSIDE COUNTY

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RESTORING PROPERTY RIGHTS

Seventy-five percent of all privately-owned land in the unincorporated area of Riverside County has been declared "open space", and the ratio is increasing. The designations are being made, moreover, without notifying the owners or providing compensation.

In some cities as well as in the county, thousands of additional acres have been subjected to large-lot zoning, making them generally unusable for conventional residential development.

Increasingly, too, the Cities and the County are treating agricultural land as though it were public parkland instead of a private business asset. The land is being consigned to open-space preserves where it may not be converted to urban use.

Also, more and more, the Cities and the County are withholding public services from undeveloped areas and requiring that new projects provide their own public infrastructure. Because few projects, especially smaller ones, can afford such cost, most of the affected land cannot be developed.

Finally, throughout the county, "community plans" are being adopted that curtail future development sharply by imposing density restrictions and open-space requirements on undeveloped land. Yet those who own the land, maintain it, and pay the taxes on it have little real voice in the planning.

Effects

A continuation of these land-use policies will:

1. Further erode private property rights and the legal protections associated with land ownership.
2. Destroy many millions of dollars' worth of potential land value, constrict the public tax base, slow the growth of public revenue, and create increasing financial difficulties for local governments.

3. Hinder the Cities and the County in their efforts to deal with the problems of growth.
4. Destroy the residential quality and potential of much of the undeveloped portion of the county.
5. Prevent the expansion of many of the cities and, in particular, keep Riverside from becoming the great city it once seemed destined to be.
6. Drive up home prices markedly, progressively denying housing opportunities to young families, single parents, the elderly, and minorities.
7. Reduce job opportunities and consumer purchasing power, depressing the local economy.

Financial Impacts. As Ventura County recently learned, land-use policies that place excessive restrictions on growth eventually create severe financial difficulties for local governments. Cities and Counties depend heavily on growth and development for their operating revenue. When development is curtailed, the growth in revenue from property taxes, sales taxes, developer fees, State and Federal funding contributions, and most other sources also slows. At the same time, the revenue needs of local government keep increasing, if only to pay for mitigating the effects of earlier growth.

Quality Impacts. Wherever allowable densities are too low to support the cost of normal public improvements, attractive "planned" residential development is infeasible. Thus, in most areas that are zoned for large lots (1 to 10 acres), property owners and developers are forced to resort to lot splits and other kinds of land divisions that require only minimal public improvements, and the resulting land uses are generally of poor quality.

Except in those few parts of the county where the market can support very expensive homes, large-lot zoning is gradually creating areas of widespread blight. In the affected areas, the public infrastructure is inadequate and deteriorating, the tax base produces insufficient revenue annually to maintain roads and other public improvements, the zoning encourages speculative lot-sale programs in which few deed restrictions are imposed on the use of the property, almost no one can afford to landscape or maintain the huge lots, much of the unimproved property eventually becomes a repository for old car bodies and other unsightly material, and investment protection is virtually nil.

Over time, these conditions discourage new investment in the affected areas, property values decline, and the blight continues to spread.

Large-lot subdivisions also do the greatest environmental damage. They expose much more of the land to human access and use than do conventional projects, destroy wildlife habitats by preventing development "clustering", require more land area for roads, and usually make it impossible to pay for protected and managed open-space preserves and parks.

City Growth. Cities grow by extending their infrastructure into new areas. To do this, however, densities in the areas to be annexed must be sufficient to permit costs to be recovered at a reasonable charge per dwelling unit. Otherwise, there is no way to finance the necessary public improvements (e.g., access roads, sewage collection and treatment facilities, major water supply works, flood protection and drainage facilities, new public parks, additional police and fire stations, local schools, environmental protections of various kinds, etc.)

It is density that creates the values needed to support bond issues or amortize direct capital investments. So, when a city is surrounded by large-lot zoning and "rural" development, it cannot readily expand. The areas proposed for annexation cannot afford to "hook into" the city's existing urban infrastructure, nor pay their own way in terms of installing and maintaining the required improvements. They can be annexed only if the restrictive land-use policies are relaxed or the city's other taxpayers are willing to subsidize the new infrastructure costs.

Housing Costs. Expensive homes are obviously the most profitable to build, per unit. But the luxury market is so small that the homebuilding industry far prefers to build homes in the "popular" price ranges. That is where the largest volume potentials lie and total profits are the greatest.

So, builders and developers are not the ones driving up the cost of housing. Instead, local government is the culprit. Large lots and low densities have a major effect on housing cost, and are the principal deterrents to the construction of housing of low and moderate price. Local government compounds the problem further by levying heavy "mitigation" and other development fees against new projects, and by running up interest charges through project delays. In addition, its regulatory actions as a whole create housing shortages that force prices even higher.

There are dire predictions by the State, the Southern Cali-

fornia Association of Governments (SCAG), and other responsible sources that home prices in Southern California will soon be beyond the financial reach of all but the very wealthy unless land-use policies are changed. Nevertheless, Riverside County and some of the local Cities continue to follow the same kinds of policies that were responsible for creating the housing crisis in the first place.

Impacts on the Local Economy. At the local level, residential development is the principal force sustaining economic growth. It creates demands for building services, retail sales outlets, banking and other financial services, schools, governmental services, and a host of other supporting activities. And, as the local population grows, it generates a labor pool that attracts manufacturing industries from outside the area.

The reverse, of course, is also true. Land-use policies that discourage residential growth lead inevitably to a downturn in an area's general economic well-being.

Public Planning

At one time, governmental restrictions on private development were confined almost entirely to those deemed necessary to protect public health and safety. It was widely recognized that property owners were the ones whose capital was at risk, and that they needed planning latitude to ensure their investment success. Since development was seen to be in the public interest, moreover, the function of local government was to provide supporting services and facilities, including access roads, utilities extensions, and schools.

This philosophy began to change some years ago. Increasingly, interest groups saw public land-use planning and regulation as a way of achieving their particular social objectives, and local governments were pressed to expand their planning scope. Today, local governments control virtually all aspects of private land use, and the influence of the property owners has steadily waned.

As local governments assumed these new planning responsibilities and authorities, public planning became more and more politicized. Each proposed land-use policy, regulation, and development project is now the subject of public hearings in which competing interest groups vie with each other for political dominance. And, almost invariably, the decisions reached favor those who exert the greatest political influence in terms of their social philosophy, voting strength, vocal presence, and persistence.

Challenge

In seeking to regain a measure of control over what is done to their land, property owners currently are faced with the following situation:

1. The present political consensus strongly favors the positions of the "no growers" and "environmentalists", and only their side of the story is being heard by the general public.
2. Property owners seeking land-use approvals usually find themselves all alone in the hearing room, with little substantial support and intense political opposition.
3. The County's practice of establishing permissible land uses area by area through the adoption of community plans gives the anti-development forces even greater political advantage. It increases their degree of control while fragmenting property-owner support.
4. Elected officials who make the final decisions are influenced strongly by shifts in the political winds. Thus, although a property owner may have had long and cordial relations with his Councilman or Supervisor, he cannot count on that official's support if there is public opposition to his land-use application.
5. For their part, the public planners take their cue from the elected officials and, in any event, perform mainly an adversarial function. At the moment, then, they are largely unsympathetic to landowner concerns.
6. In the opinion of many land-use attorneys, the more damaging restrictions being imposed on the use of private property violate specific provisions of State or Federal law and are patently illegal. In the present political climate, however, even this fact has tended to carry little weight.
7. The Cities and the County customarily create advisory committees to study policy proposals and issue reports. Often, however, the reports are little more than "rubber stamps" endorsing preconceived concepts. Currently, too, the committees are composed mainly of those who favor severe restrictions on development, and members who do not share that view have little influence.

Action

We believe that the present situation can be turned around if property owners:

1. Recognize that the policies at issue are politically motivated and do not represent sound land-use planning.

2. Become as well-organized and articulate as those who are opposed to development.
3. Develop competent and unified positions on each of the issues, and present those positions to the appropriate governmental bodies in a professional manner.
4. Seek the active support of other affected groups (business, civic, finance, development, real estate, labor, minority, etc.).
5. Call upon cognizant State and Federal agencies to enforce applicable land-use laws and regulations.
6. Initiate legal actions collectively where appropriate and necessary to protect property rights.

Policy Changes

The policy changes that we advocate are as follows:

1. As State law envisions, make the County's present open-space designations advisory rather than mandatory, so that the marketability and value of the affected property will no longer be depressed.
2. As is the practice in other counties, defer actual open-space assignments until land is dedicated to that use by its owner, incident to the approval of his or her land-use application.
3. As is also common practice, allow property owners sufficient additional density on their remaining land to compensate them fully for the value they have lost as the result of any dedications of land to open space or public use.
4. To provide for this compensation, protect the environment, and allow owners to make the most efficient use of their land, permit density transfers and clustered development on all properties, large or small, so long as (a) the resulting lots meet minimum residential standards and (b) adequate provision is made for the on-going ownership and maintenance of the remaining land.
5. As strongly urged by SCAG, increase the supply of lower-priced housing by eliminating large-lot and other exclusionary zoning, and encouraging ample new zonings of land for conventional residential use in rural and outlying areas.
6. In deference to common sense, allow each development

enough density to recover the cost of its required public improvements at a reasonable charge per dwelling unit.

7. Make attractive "planned" development feasible and more profitable than "lot splits" and other undesirable forms of development.
8. Recognize the inevitability of growth, and seek to accommodate it and mitigate its effects rather than trying to stop it or distort it.
9. Seek to achieve a job/housing balance and adequate commercial development in each area in order to minimize commuting needs, reduce other unnecessary driving, relieve congestion, and enhance air quality.
10. As part of this effort, encourage ample zoning of land in and near residential areas for retail sales, office, business-park, and light industrial uses.

These changes are, in our view, founded on sound principles of urban planning, economic reality, and the clear provisions of State and Federal law.