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MUNICIPAL INCORPORATION UNDER LAFCO: A CRITICAL VIEW

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In the mid-1950's, two factors came together to initiate an avalanche of municipal incorporations in Los Angeles County. The Lakewood Plan allowed cities to contract economically for urban services from the county or other large producers, thus realizing economies of scale without annexation to a large city. Secondly, the Bradley-Burns Sales Tax of 1956 provided a means of financing a minimal level of services without municipal property taxation, and minimal services were generally sufficient for middle-class housing developments with no blight, no poverty, little crime, and lots of open space. There were 31 municipal incorporations in the decade after 1954.

Many of these incorporations were "special interest" incorporations, designed for specific tax advantage to small groups of people or businesses. Irwindale, for instance, was incorporated by the gravel companies in the San Gabriel Valley who were benefitting from the rapid expansion in the region's freeway system and did not want to have it spoiled by annexation to Azusa or some other property-taxing city. Industry was incorporated in 1957 along 18 miles of Southern Pacific and Union Pacific Railroad track. It was just wide enough to protect a large proportion of the county's industry from municipal property taxation, but not wide enough to have more than 700 residents.

While somewhat less narrowly interested, the motivation for other municipalities formed during this decade was clearly to include a

revenue base while excluding (by means of local control over zoning) undesirable characteristics or land uses such as low-cost housing concentrations, wrecking yards, or certain kinds of industry. Commerce and Santa Fe Springs carved out chunks of territory that included sufficient property to guarantee a per capita assessment figure many times that of most of the rest of the county; however, sales tax revenue permitted low municipal tax rates. Rolling Hills, Rolling Hills Estates, Hidden Hills, Bradbury, and Walnut incorporated as exclusive suburbs, with restrictive zoning ordinances that limited access to only a small class of people.

The institutional process of urban growth was thus one that encouraged fierce municipal competition for resources, and equally fierce municipal antipathy toward undesirable housing and land use patterns. This worked fine for those cities that were successful in the competition, but it was not clear that municipal competition was the best institutional framework for overall, long-run urban growth. The ease with which municipalities and special districts could be formed to service new developments encouraged developers to use land in a profligate way. Development rushed outward from central Los Angeles along transportation routes toward the Orange and San Bernardino County lines, often on land that turned out to be in flooding zones, unsuitable for septic tanks, far from fire stations or other emergency services, or unable to handle increased traffic burdens. Undesirable land was left out of municipal incorporations, resulting in awkward islands, often with a desperate need for urban services. With much of the taxable property in municipalities that had no property taxation,

the cost of municipal services fell all the harder on these jurisdictions that did rely on property taxation, with often a much weaker tax base.

These problems were magnified many times over throughout the state of California, and as a result, in 1963, a major effort to reform institutional procedures for urban growth was made under Governor Pat Brown's administration. The avowed purpose was to put urban growth under a more comprehensive, less competitive governmental framework, and to attack the problem of disparities of tax levels and of urban services between municipalities.

Drawing on studies and recommendations by the Governor's Commission on Metropolitan Area Problems, and influenced by the County Supervisors Association of California, the Knox-Nisbet Act of 1963 established county-level agencies to review municipal incorporations and annexations, and special district formations and annexations. These local agency formation commissions, or LAFCOs, are composed of two county supervisors selected by the county board, two representatives of the cities elected by the mayors of the cities in the county, and one public representative selected by the other four LAFCO board members. They are empowered to disapprove any petition for incorporation, special district formation, or dissolution. For municipal incorporation petitions, they may exclude territory from a proposed incorporation. The County Board of Supervisors then decides whether or not to grant a petition for an election in the proposed city, and in so doing, may also exclude territory from the incorporation. The election then decides the issue.

LAFCO is essentially an extra review step in the incorporation proceeding: before its creation, the County Board of Supervisors performed

virtually the same function alone, with virtually the same powers.

Part of the purpose in creating an agency charged with explicit overview of the municipal incorporation process was to have an agency staff of professionals with responsibility for making studies on the land use and other impacts of incorporation proposals. The virtually unanimous opinion of observers of the Los Angeles LAFCO is that staff reports and recommendations are a key influence on agency decisions, and that, without important other reasons, the LAFCO ratifies staff recommendations. The reasons for this are also widely agreed upon. The LAFCO board members are busy with other professions, and there is little status associated with sitting on the commission meetings twice a month. In 1973, County Commissioner Debs said, "I got off of LAFCO. That was the greatest thing that ever happened to me as far as I was concerned, but I had a tough time getting off. I had to wait for someone to get elected so I could get off. The newcomers get all the bad--things, and I was a newcomer. I inherited it." (Los Angeles County Board of Supervisors, 1973:9.)

The LAFCO members have no incentive to do their own research, but there is a sizeable cost attached to checking staff reports for accuracy. Furthermore, the LAFCO members are very aware of being only an intermediate link in a chain of administrative procedures for incorporation. Besides the county supervisors hearing, it is always possible to pass the decision on to the voters, as the "democratic way".

For all these reasons, the LAFCO has little reason to take their job seriously enough to do their own research. This means that they are left with the staff report as being the major cue for decisions.

As one observer said, "The Commission will always back the staff because she is their mule, she does the work for them."

How well have the LAFCO board and staff responded to the challenge of rationalizing the process of municipal incorporation? Has the devil of political influence been exorcised? Is there promise of dealing effectively with the problems of urban sprawl, unincorporated "islands", and inequality of urban finance? The first municipal incorporation under LAFCO was that of Carson; this was an illuminating case, which says much about the effectiveness of LAFCO in working towards its announced goals.

The Case of Carson

Long Beach has long been a competitor with the city of Los Angeles for leadership in the Southern California basin. At the turn of the century it had sought to obtain the same San Pedro-Wilmington harbor area that eventually became the port of Los Angeles, and in failing, had built its own harbor. During the decade after 1900, it had the greatest population growth rate in the nation, from two to seventeen thousand. During Los Angeles' most aggressive annexation period in the twenties, Long Beach had made its own annexation campaign to the north, during which decade it almost tripled its population to reach 142,000.

It suffered a temporary set-back in 1924, when oil companies stopped Long Beach from annexing the great Signal Hill oil field, by incorporating Signal Hill as a separate city completely surrounded by Long Beach. But more petroleum lay beneath the city controlled tidelands, providing inexpensive energy for a municipal power company and revenue for recreation and development of the harbor.

During the Second World War, Long Beach became the location of major military installations. In the post-war housing boom, Long Beach made new annexations along its northern border. It hoped to avoid major controversy by making its acquisitions small and piece-meal, but it planned on major long-term acquisitions of the open space between it and Whittier, far to the north.

Then the developer Louis Boyar obtained sufficient FHA guarantees to secure huge loans for most of the development costs of

Lakewood Park, launched in 1950 with the purchase of over 3000 acres of farm land. He built "the biggest single-ownership development in the nation...twice as big as the famed Levittown of Long Island, New York." [Nadeau, 402.] In only three years, Lakewood had a middle-class population of 77,000. While remaining officially neutral, Long Beach campaigned to annex Lakewood, and more to the point, keep it from incorporating and blocking its northward campaign for more land. A primary element in the campaign was the argument that Long Beach could not economically support sufficient urban services for the development, but this argument was deferred by the county's intervention in the form of the Lakewood Plan, mentioned earlier.

With similar failures in Bellflower and Paramount, in 1957, Long Beach's hopes for growth to the north were shattered. In fact, there was only one further avenue of growth, the 30 square mile Carson-Dominguez area to the west, between Long Beach, Compton to its north, and Los Angeles' "shoestring" which connected the central city with the Port of Los Angeles.

It is not surprising, then, that Long Beach in 1957 became intensely interested in annexing parts of the Carson area. This was especially true because the Carson area was especially attractive for tax resources and development. It had a significant amount of oil extraction, and was developing into a major industrial center, located as it was on major highway routes between the harbor and central city.

Thus, in 1958, an attempt to annex the Dominguez-Lincoln Village area just west of Long Beach was made. It failed because of

a technical problem with the definition of the boundaries. In 1960, Long Beach encouraged a pro-annexation movement on the part of inhabitants of the same area, which eventually died out from lack of enthusiasm.

But these two attempts at annexation by Long Beach, along with a 1958 attempt by gambling interests to incorporate the heart of Carson as a gambling town, were enough to start serious incorporation attempts.

In 1960, an insurance agency owner, Jack Carpenter, backed by Dominguez Chamber of Commerce and local businesses, attempted to incorporate the entire 30-square-mile Carson-Dominguez area. This attempt failed quickly due to strong opposition by home-owners and a committee of forty industrial leaders, who feared higher tax rates, and did not believe annexation by Long Beach was a serious threat.

A much smaller incorporation attempt was made in 1961, consisting of only 6 square miles. This attempt failed when representatives of the Carson Property Owners, and the Industries Committee, charged that two signatures on incorporation petitions were forgeries. The Board of Supervisors postponed the hearing due to the controversy surrounding this charge, and property owners representing 51% of the property in the proposed incorporation area signed a petition protesting the incorporations, which killed the proposal for another year.

In 1963, incorporationists switched to a strategy of starting small, hoping to incorporate a tiny (less than 2 square miles) area without controversy, and then begin annexing. "The idea was mainly to eliminate practically all the larger landowners whose exclusions would

bring the same failure as before." [Jerrils, 1972:110]. Yet even this incorporation attempt failed due to intense organization by the Carson Homeowners Association, which insisted that the incorporation would bring higher taxes. Industrialists outside the tiny proposal, fearing future annexations, still opposed the incorporation attempt, this time ironically charging that the city was too small, and had too small a tax base, to be a viable city. Once again opposition petitions by property-owners representing over half of the assessable property were presented to the board of supervisors.

After this attempt, Long Beach's fears about Carson's incorporation, and Carson's fears about Long Beach's annexation, began to feed on each other more intensively. As Carson made more credible moves for incorporation, Long Beach launched more desperate annexation attempts; the net result was to convince Carson home-owners and industrialists that they had no choice besides incorporation or annexation to Long Beach.

Immediately after the 1963 failure of incorporation, Long Beach made its most daring annexation proposal--"a jagged dagger...aimed right at the heart of the Carson-Dominguez community. If successful, this attempt would have killed the community's chances of ever becoming a city." [Jerrils, 1972:115.] This was especially potent, because the annexation proposal, though it actually did go all the way to the heart of Carson, followed a circuitous route so that it was technically an "uninhabited annexation", involving the residences of fewer than 12 persons and requiring little more than the approval of the property-owners, which happened to be a major land-development corporation. By protesting before the County

Board of Supervisors, the incorporationists were able to stop this threat.

Following this threat from Long Beach, the industrialists in Carson took their first serious look at incorporation. The incorporation attempt of the same year, 1964, was again a large incorporation proposal, of 25.6 square miles. This time, the Dominguez Industrial Committee appointed a sub-committee with representatives of Shell Oil Co., the Watson Land Co., the Stauffer Chemical Co., the Southern California Gas Co., the Santa Fe Railroad and the Dominguez Water Corporation. This sub-committee was to survey the proposed incorporation from the industrial perspective. This committee hired a consulting firm which concluded, in September of 1964, that no property tax would be necessary to successfully operate the new city, and consequently urged incorporation rather than annexation to Long Beach as the preferable alternative for the area's industry. However, they suggested deferring the current incorporation attempt, in order to build support for an incorporation filing in July, 1965.

In 1965, there was some opposition to incorporation because of delays in the county's program of major street improvements. "One industry spokesman said the new city could end up paying for all street improvements if incorporation were attempted at this time. This could mean a '25¢ per \$100 valuation property tax to homeowners' it was pointed out." [Jerrils, 1972:121.] By November, despite the fact that the consultants' report had led to greater pro-incorporation feeling than ever before among home-owners, industry decided that it would not support incorporation for one or two more years.

In 1966, Gordon Nesvig, Executive Secretary of LAFCO, proposed a one-year moratorium on any annexation incorporation. The incorporationists violently opposed this proposal, feeling that they were on the verge of a

successful incorporation, feeling that LAFCO was not pre-disposed to incorporation by Carson, and because "an adverse decision could have been the fatal blow that would stop all future incorporation attempts." [Jerrils, 1972:123.] LAFCO received a \$50,000 grant from the county to study the Carson problem, but the incorporationists appealed successfully to the Board of Supervisors to stop those funds from being delivered to LAFCO.

In a series of meetings a final working coalition between home-owners and industry was worked out. Home-owners wanted local control over zoning, and no property taxes, and industry concurred heartily in the latter sentiment. In 1966, an incorporation proposal for over 29 square miles was filed, making it the largest incorporation proposal ever made in Los Angeles County.

In September of 1966, the crucial LAFCO hearing occurred. Gordon Nesvig, the Executive Director, proposed to deny the incorporation petition at that time, and was supported by the LAFCO board.

However, at the following meeting of the County Board of Supervisors, Supervisor Kenneth Hahn, representing the county district that included Carson (but not Long Beach) charged that the political influence of Long Beach had been felt at the Carson hearing

I was shocked to find out that the (LAFCO) Commission by a three-to-two vote turned down the petition of the people in the Carson-Dominguez area. Now, the reason I am shocked is because I felt it was a stacked deck against them even before the meeting started. Of the five members there, our very able Chairman, Burton Chace, who was former mayor of Long Beach, sat in as a substitute for Warren Dorn. Then they had a Councilman of Long Beach, Mr. Bond served, and then the Chairman of the Committee, I think it is Mr. Hotchkiss, who has vast holdings representing the Bixby estate in Long Beach. So even before

they appeared the citizens felt it was a stacked deck against them. They couldn't even get a fair hearing...they have been afraid that Long Beach, with all its power, was going to annex their uninhabited area, especially where the oil wells are....

In 1967, the accelerating momentum of the Carson annexation drive led to a rash of annexation proposals, not only by Long Beach, which filed 3 annexation proposals, but also by Los Angeles and Compton, which filed two each. In July, 1967, a LAFCO hearing approved a staff recommendation that approved one annexation for each of these three cities, and resulted in further exclusions totally 45% of the proposed incorporation. The exclusions resulted in a corridor of land being left vacant between Los Angeles and Carson on Carson's western border, and a large area of land between Long Beach and Compton on Carson's northeast corner. (Parts of the excluded land have subsequently been annexed by all of the cities involved.)

The opposition of LAFCO to Carson's incorporation, and the granting of annexation proposals and exclusions that reduced Carson's territory by almost one-half resulted in deep-seated antagonism and distrust for LAFCO on the part of the local incorporationists. After all the frustrations of the previous attempts, including opposition by Long Beach, home-owner and industrial reluctance, and even charges of fraud, "it is almost certain that the majority of cityhood proponents would agree that the Local Agency Formation and Annexation Commission (sic) contributed the most in quantity and kind of frustration to their cause." [Jerrils, 1972:113.]

After finally getting approval from LAFCO for the smaller version of Carson, the strong coalition of business, industry and home-

owners which had spent a decade in forming, was able to convince the electorate to ratify incorporation with little trouble. There was no highly organized opposition, although individuals still expressed the opinion that municipalities were yet another level of unnecessary potential taxation. The proponents argued in their literature that Carson was getting a reputation of being "that area with all those junk yards and rubbish dumps"; and in fact, there were 96 wrecking yards in the Carson area at the time of incorporation, half of them illegal according to county ordinance. The proponents claimed that the county was simply indifferent about enforcing its own ordinances, and that incorporation was necessary to rid Carson of blight. Only local control of zoning enforcement would "stop our area from being contaminated with junk yards, dumps, cemeteries, and any other unwanted and unsightly projects that have been shoved down our throats for years. And most importantly, their campaign literature proclaimed, in capital letters, that they would be able to provide city services "without the need for a city property tax." The incorporationists won by a three-to-one majority.

Since that time, the city of Carson has lived up to the expectations of the incorporationists. The illegal wrecking yards were eliminated, and the total number of such yards reduced to 24 by 1978. Most strikingly, the city has been able to carry on without a property tax, one of 22 cities in the county to do so in Fiscal Year 71, one of only 5 in Fiscal Year 77.

Furthermore, Carson had one of the most successful records of growth in property tax base during the seventies. The seventies have been a period in which most of the cities in the county have experienced

been a period in which most of the cities in the county have experienced a growth in assessable property per capita less than the rate of inflation. Carson, on the other hand, has had a 5% increase in per capita assessable Property, even controlling for inflation, rising from \$3344 to \$3863 in the first seven years of the decade.

Long Beach on the other hand, has for the first time in its history, experienced in the seventies a prolonged decrease in its tax base in the decade after Carson's incorporation blocked off all prospects for area growth. During all its history, it has had a favorable tax base, but during the first seven years of the seventies, its taxable property per capita dropped from \$3758 to \$2747, a decrease of over one-quarter. To keep up services, it has had to increase its municipal tax rate from 1.5222 to 2.171, a fact which may explain why its population has experienced the first significant drop, falling from over 358,000 in 1970 to a little over 341,000.

The Case of La Habra Heights

While Carson was LAFCO's first incorporation, the most recent incorporation is that of La Habra Heights. Located in the eastern-most portion of the county, between Whittier and the Orange County line, La Habra Heights is primarily a semi-rural, residential area, consisting of single-family residential units on one-acre lots. A minority of the population, however, lives in a few densely populated developments on the fringe of Whittier and Orange County.

At the initial hearing on the proposed incorporation, on June 22, 1977, the opponents spoke first. The opponents of the incorporation were primarily from the developed southern fringe. The president of the property owners association of La Habra Heights argued that incorporation was proposed by the horse-loving homeowners of the rural northern sections, whose primary purpose was to "restrict development and maintain a horse-oriented community."

Other opponents challenged the LAFCO staff report, which had said the city was financially viable. The staff report, which estimated annual expenditures for the city at over \$763,000, had also estimated annual revenues of over \$834,000. However, \$530,000 of this estimated revenue came from revenue sharing, at \$100 per person for \$5,300. The opponents pointed out that this was an entirely unreasonable figure, since no city in the county received as much as \$40 per capita in revenue sharing, and comparable cities received more like \$5 a person, a figure which would leave an estimated annual deficit of over \$4,000,000 or over half the budget. Opponents also claimed that the projected budget underestimated insurance costs.

The proponents then spoke for incorporation, without answering the charges regarding financial viability of the city. Unlike the opponents, they expressed gratitude for the assistance of the LAFCO staff. They said they lived in a rural area, growing avocados and animals, and wanted to preserve it as a natural area. With the cooperation of the county, they had developed a Community General Plan in August, 1975, and claimed they could not maintain the one-acre minimum zoning as an unincorporated area. At this, the county supervisor for their supervisorial district, who was on LAFCO, reacted defensively with regard to the efficacy of county zoning, but they maintained the necessity of incorporation.

The proponents also had youth representatives asking LAFCO not to deny them the benefits of growing up in a rural area.

The session was continued until July 27, in order to consider boundary changes. At that meeting, the LAFCO staff issued a revised report which mentioned the difficulty of calculating the revenue-sharing formula, and mentioned that revenue sharing could provide between \$21,000 and \$530,000. It also included the possibility of a \$1.00 tax rate, which would generate \$268,000, still not enough to cover the projected expenditures if revenue-sharing turned out to be on the low side of the staff's "estimate". It also recommended that three pieces of developed acreage along the Orange County line be excluded from the boundaries of the proposed incorporation, noting that they are "fully urbanized, developed with single-family residential units, have curbs, gutters, and street lights, and have little in common with the lifestyle of the rest of the La Habra Heights area."

At this July 27th hearing, persons from these urbanized areas supported exclusions, as did spokespersons from other similar urbanized areas that had not contacted the LAFCO staff in the period of time between the meetings. However, a motion to "accept the staff report" was passed, meaning that those urbanized areas which had contacted LAFCO staff were successful in their exclusion, while those that had not contacted the staff were not. A spokesperson for one of the latter areas, in a later private discussion, blamed himself, because he had "been sleeping" when the other areas had been consulting the LAFCO staff.

In the brief discussion preceeding the vote on the motion, the various commissioners voiced bouts about the financial viability of the proposed new city, and worried aloud about the fact that they were creating new "islands" on the county line. However, after repeated reference to the need to let the majority speak through an incorporation election, they decided to approve the petition with the exclusions.

At the County Board of Supervisors meeting, the supervisors, too, worried about the financial viability of the city, but were told by their county counsel that they could return the proposal to LAFCO only for boundary re-hearings. They set the election date for November, 1978.

The residents of the excluded, developed county islands expressed appreciation that they had "got out and lowered their tax rate", but expressed great dissatisfaction with their services from the county. One resident told me that after calling the county sheriff, the department had called her back and asked her how to get to her home. They really wanted to join La Habra in Orange County, but did not know how to do so.

The opponents of incorporation hired a consultant who had fought previous incorporations, and sought a grand jury indictment against LAFCO for fraud and prejudicial abuse of duty. As of this writing, there is no word on the result of this proceeding.

Implications

1. The county government in Los Angeles has long sought to maintain a strong leadership position in metropolitan government, especially vis-a-vis the major city governments, Los Angeles and Long Beach. In this competitive atmosphere, the urbanization of the county after World War II was a major threat to county government, since historically municipal incorporation had meant less of a role for county government in the provision of urban services. The Lakewood Plan was a major victory for county government, representing as it did a means by which the county could increase the strength and vigor of its administrative agencies by providing services for the urbanizing areas even as they incorporated. The county government was thus prepared to accept almost any Lakewood Plan incorporation, while discouraging annexation.

On the other hand, the county had only a minority of votes on the LAFCO board, which represented some of the political forces that the county was competing against--in the case of Carson, Long Beach. It seems fairly obvious that, for strictly political reasons, the Carson controversy would have been resolved differently if the county board of supervisors, rather than LAFCO, had had the responsibility.

The position that LAFCO is a potential threat to the county's position of predominance is underscored by the major controversy surrounding LAFCOs in the late seventies--the question of county service areas. Since urban services in municipalities are paid for by municipal taxes, while urban services in unincorporated areas are paid for by county-wide taxes, incorporated areas have in effect subsidized unincorporated areas, of up to \$50 million annually. The creation of County

Service Areas would shift the burden of urban services for unincorporated areas to those areas themselves. The county view has opposed the creation of county services areas, which would encourage further incorporation of most of the remaining unincorporated territory, and LAFCO votes have barely supported the county position, most recently by a surprise defection of Palmdale Mayor from the city position, amidst charges of county politicking. It is doubtful that the county can maintain its position on this issue indefinitely.

2. A second implication of the Carson case is that while LAFCO represents a somewhat different mix of political influences, the name of the game is still politics, not planning according to technical criteria as was originally hoped. There was no technical criterion for the July, 1967, decision which resulted in exclusions and annexations of some of the proposed Carson incorporation. This decision clearly was the result of a political balancing of influence among Carson, the county, Long Beach, Los Angeles and Compton.

3. A third implication is that there is no serious reason to expect that LAFCO will be any more successful than previous institutional structures in dealing with problems of urban sprawl, inequities among municipalities, or even special-interest incorporations.

For instance, the 1967 proposed Carson incorporation would have left no "islands" of difficult-to-service unincorporated territory. Despite the fact that these "islands" were considered one of the special problems of urban sprawl that LAFCOs were to deal with, the LAFCO staff and board went out of their way to create these islands as a political

solution to a particular political problem. Now that they have been created, these islands pose serious problems with regard to the delivery of urban services, and are not in the least coveted by any of the cities involved, as they are residential areas with a poor ratio of expected tax benefit to service expense.

This problem is seen repeatedly in subsequent incorporation proposals before LAFCO. The Rancho Palos Verdes incorporation created a fourth exclusive suburb on the Palos Verdes peninsula in southwest Los Angeles County. Despite the fact that there are four cities on a fairly small peninsula, LAFCO allowed "islands" to be left behind by this incorporation, as well. In fact, County Supervisor Kenneth Hahn took the occasion of the Ranch Palos Verdes incorporation to condemn LAFCO's inadequacies in this regard:

If anyone can figure out how you can have these islands and hobgoblin lines for a central services and know here police and fire equipment should go or what city a person is in...it's unbelievable we're still putting cities that look like this. ...the Local Formation Agency was created by the legislature ...But, I haven't really been impressed with their actions. They are still creating these monstrosities of designs of lines. I was hoping that they would come with uniform lines and uniform areas, and they pretty well have slowed it down, but they are still creating those incorporations that make no sense of logic or reason. (Los Angeles County Board of Supervisors, 1973:46-47.)

Baxter Ward, something of a "maverick" on the County Board of Supervisors, has pointed out another instance of LAFCO allowing islands to continue. Sun Village is a post-war development for middle-class blacks east of Palmdale. While Palmdale has been annexing huge tracts of territory in the Antelope Valley, they have ignored Sun Village, because it has deteriorated rapidly, with terrible roads and other urban

services that are "incredibly bad". Although Ward suggested that annexations be stopped until the Sun Village problem is solved, LAFCO has allowed Palmdale to ignore Sun Village.

The La Habra Heights case, too, resulted in LAFCO-created islands, this time in an area along the county line with extremely difficult access.

Nor has LAFCO done anything about the problem of inequities of tax base and service delivery. Two of the four cities created under LAFCO administration Ranch Palos Verdes and La-Canada-Flintridge along with La Habra Heights, are homogeneously white, rich suburbs, incorporated with the explicit intention of maintaining their exclusive nature by zoning. LAFCO made no hint that this might be an inadequate reason for incorporation, or that these incorporations might exacerbate a problem of inequalities and segregation of income classes and races in the county.

4. A final implication of these cases is the weakness of the mechanism for governing municipal incorporations in Los Angeles County. The only book-length, academic discussion of LAFCOs found "essentially negative findings" after looking for any significant change in the annual rate of annexations, incorporations, or special district formations (LeGates, 1970:59). However, it found the most promising, positive characteristic of LAFCOs was their increasing ability and willingness to engage in planning. These cases reveal little of this capacity. Instead, they reveal a LAFCO board that is willing to follow staff decisions where no political considerations apply, and a staff that is too small, over-worked, or for other reasons unable to make accurate forecasts on the financial viability of proposed municipal incorporations.

In short, the post-war pattern of urban sprawl, inequities of service delivery, and segregation of races and income classes has proceeded without interruption under LAFCO, and there is little reason to believe that, without major overhaul, the system will improve in the future.

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