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Local History

Incorporation Fever: Hysteria or Salvation?



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INTRODUCTION

At the turn of the decade in 1939, there were 45 cities in the County of Los Angeles. The first city to become an entity within itself was Los Angeles, more than 100 years ago in 1850. The next incorporation did not take place until 1886, when two communities, Pasadena and Santa Monica, decided to become cities. Through December of 1939, 45 local areas took the necessary steps to become incorporated. In that year, 1939, only one area, Palos Verdes Estates, became incorporated; and the preceding one, Gardena, received final incorporation papers nine years before that, in 1930.

After the Palos Verdes incorporation in 1939, no new cities were formed in Los Angeles County until 1954, when the city of Lakewood became a reality. What followed was an onrush of "incorporation fever" never equalled in the history of the county. In 1956, four cities realized their desires for incorporation. In the first seven months of 1957, five cities had already become realities. At this writing (July, 1957), no less than 23 areas are or have just recently been involved in incorporation proceedings, and many other areas are carefully eyeing the possibility of becoming cities.

Why, after so many years of a fairly static condition as far as incorporation was concerned, did so many local areas decide to make the change? Why, in the space of less than two years, would 30 areas engage in incorporation proceedings, while only half again as many had become incorporated in all the preceding 106 years? Obviously, some major changes had taken place in a relatively short time to make the prospects of incorporation look so inviting to so many small, local areas. What was formerly a relatively untravelled road had suddenly become as busy as a super-freeway. What factors contributed to this unprecedented change in city-county relationships, and what effects has the change had on the administration of government at both levels?

It will, then, be the purpose of this report to investigate these incorporation questions, with special emphasis on cause, effect, and future implications.

I. WHY INCORPORATE AT ALL

Our state is divided into areas known as counties. While at the state level problems involving California as a whole are tackled, at the county level problems of local importance are dealt with. In effect, the county supplies an amount of local government so necessary in a society as complex as ours. Yet, many people feel (and rightly so) that

even the county cannot supply the required need of local supervision that is brought about by problems which evolve in the small, local community.

This desire for local control and local outlook in governmental administration has been the prime motivating factor for incorporation of the local community in the County of Los Angeles ever since the first city to incorporate—Los Angeles in 1850—became a separate entity. Since that time, through the process of incorporation, other local areas in the County which felt the need to become separate from County government became cities also. The procedure was not usually attempted unless the residents of the proposed city were certain that their desire for local control was sufficient to offset the disadvantages which would surely occur in attempting to set up this local administration.

Then in 1955 the beginnings of a "municipal revolution" began to take shape. Areas which before were just small communities in County territory began to talk of incorporation. Areas which ten years previous would have considered the idea preposterous and inconceivable began seriously to investigate the possibilities of becoming separate municipalities. What factors contributed to their sudden reversal?

There have been many theories advanced to explain the snowballing trend. Some sociologists point out that all such a trend needs to start it is one such action; and the incorporation of the city of Lakewood in 1954 could certainly fulfill this requirement. Others say that our intense population buildup and the increase in localism contributed materially to the suddenness of the change.

It would be unrealistic to deny that each of these explanations has some merit; yet none tells the entire story. After all, Lakewood was the 46th city to incorporate; the mere fact that it did so can certainly not be called a precedent (although it will be seen that the peculiar conditions under which it made its move were, to say the least, novel). In addition, our "intense population buildup" and the "increase in localism" did not suddenly begin in 1955. These factors have been present in Los Angeles County for a long time. Their existence would not start such a gigantic move so suddenly as the one which began in 1955.

A look at the latest assessment of incorporation proceedings will reveal communities currently engaged in the incorporation process which were virtually unheard of ten years ago. Many of these areas were just cow pastures until recently. Obviously, their

sudden growth has been a contributing factor to the desire to incorporate. This is all a part of what the sociologists call "exurbia," resulting in a move to "get away from the big city," but now with the added complication that the new exurbia residents want to urbanize themselves! Yet, this trend has been going on since the early 1930's when the move away from the large metropolis first started, and incorporation fever has become an epidemic only in the last two years.

A significant factor in all mass reaction is fear, and fear is indeed a motivating factor in the rush to incorporate. There is, for example, fear of annexation by another city close by. Yet, this is as much an effect of incorporation as it is a cause.

When a large city, which has its eye on several small areas adjacent to it, sees one of these areas attempt incorporation, often the result is a hurried attempt on the larger city's part to annex it and the other areas before any of them can succeed in incorporation moves. This, in turn, spurs the other small areas to investigate the possibility of cityhood before they are "gobbled up" by the larger city.

In addition, there is the fear that an "unsympathetic" and geographically detached planning commission will put dumps in residential areas or other equally obnoxious uses of property in areas zoned for vastly different purposes. Although these fears are, for the most part, unfounded, the desire for local control nevertheless enters in quite significantly.

In order to find out just what is on the minds of the leaders of incorporation proposals, the man to contact is James S. Mize, Assistant Chief Clerk of the Los Angeles County Board of Supervisors. One of Mr. Mize's many duties is to talk with persons seeking information and/or advice concerning the possibility of incorporating a local area.

When asked what were the similarities, if any, of the types of areas proposed for cityhood, Mize explained that there are essentially two types of local communities that wish to incorporate. The first is the fairly settled residential community which has slowly built up over the years and has finally decided that it wants to become a city. This, he explained, is the sort of thing which has been going on ever since the first incorporation in the County.

The second type is an area which has overnight become a brand-new community. Usually, it is the result of a mass building

of tract homes, where before there was nothing but agricultural land.

While in the first case, Mize explained, it is usually just "an honest desire for local government" that prompts the area to incorporate, in the latter case more explicit considerations provide the motives. In some of these cases, the main motive may be the perpetuation of a certain character of the community, which could be assured by local control of zoning.

Mize also pointed out that a third, distinct motive for incorporation has become particularly significant since the new wave of incorporations began. This is the fear of annexation discussed earlier, stemming from the desire to remain a separate entity. In many of these cases, incorporation becomes as much a protective measure as anything else.

Mize then discussed a fourth kind of community now eyeing incorporation which had not previously been discussed. This was the area which has no apparent reason nor motive for incorporation—nothing to gain, and perhaps something to lose by becoming a city. A result of trend, says Mize. People see areas around them incorporating, and they too want to become a city.

Let us now examine the average citizen and taxpayer in the area proposed for incorporation. All his governmental services have been provided him by the County. What will happen to these long-established forces when the area incorporates?

In addition to those services which by State Law and County Charter the County will continue to provide the resident of the newly-incorporated community, in all probability many of the municipal-type services previously provided by the County (and up until 1954 usually taken over on a municipal basis by the new city upon incorporation) will still be rendered by the County through what is officially known as the Contract System.

To a small area, the cost of attempting to set up complete governmental services on a municipal basis is prohibitive. In addition, the cost of such municipal services will remain substantially higher than the same services previously provided by the County—due, in part, to the vast resources and experience of County agencies.

The Contract System, familiarly known throughout the country as the "Lakewood Plan," was initiated by the incorporation of the city of Lakewood in 1954, and provides

the answer to the problem of providing municipal-type services at a cost not prohibitive to the new community's pocket-book.

When proponents of incorporation of a local area wish to find out just how the Lakewood Plan can benefit them, they are directed to the office of Robert T. Andersen, Assistant Administrative Officer for the County of Los Angeles. Mr. Andersen's duties include the co-ordination of city-county services of the type embodied in the Lakewood Plan. As former Lakewood City Administrator, Mr. Andersen is particularly qualified to discuss incorporation from the standpoints of both city and county.

Lakewood's plan, Andersen explains, was to "hire" the County to provide all vital governmental services in substantially the same way they had been rendered when Lakewood was still County territory. Although some services have been supplied cities by the County since as early as 1923, this was the first time governmental services were hired in toto from the County.

Since Lakewood's initiation of the complete Contract System plan, other newly incorporated cities (which could never hope to assume municipal services on their own) have been contracting the bulk of their municipal-type services from the County, creating a new city-county relationship. In addition, some long-established cities are currently exploring the possibility of contracting from the County services which have previously been taken care of on the municipal level.

Although the city of Lakewood itself was a comparatively large community (6 $\frac{1}{2}$ square miles in area with a population in excess of 70,000 persons) and could have conceivably sustained its own municipal services, its incorporation and the resultant "Lakewood Plan" made incorporation of the truly small community feasible.

The Lakewood Plan does provide an answer to the problem of prohibitively expensive governmental services on the municipal level through contract with the County, yet in itself it is only a tool for incorporation, and not an incentive.

The question arises as to whether there is any compensation to the newly-formed city for the increase in the cost of government following incorporation. Particularly expensive facets of community services to be considered are road maintenance, parks and recreation services, and police protection.

Although the cost of government may be

higher for the new community than it was under the County, revenues from gasoline tax, motor vehicle license fees, sales tax, fines and forfeitures, and other revenue items—the actual bulk of city income—may be enough to offset this increase in cost, and in some cases may even be substantially greater. In Lakewood, for example, it was found that an appreciably lower tax rate was possible following incorporation than had been levied on property by the County.

Such is not the case in all situations, however. Many areas have discovered that revenues to be received by a proposed city do not match the increase in governmental cost, yet there still remains the desire to incorporate. What does Mr. Andersen feel is the reason for this desire, in light of potential costs for running the proposed city?

"The desire for local control explains a great deal of it," he points out. In many areas it is felt that local control of zoning, for example, will achieve for the community retention of a greater amount of the localism which it has built up.

There is no doubt that the desire for local control is a primary attraction of incorporation. Coupled with local control of money and governmental services—even though hired from the county government—the advantages of deciding locally what to do with this money and consequently how to run the city provide the attraction of incorporation. The Lakewood Plan in 1954 eradicated the final barrier to successful incorporation of small areas, and all that remained to set off the wave of incorporation fever was one spark.

During the 1955 session of the Legislature of the State of California, a very significant bill was passed by both houses and signed into law by Governor Goodwin J. Knight. The bill in essence allows counties in the state to levy a one per cent sales tax in all unincorporated areas of the county. Ostensibly, the bill's purpose was to create a uniform 4% tax throughout the state (3% state plus 1% local).

The effect of the bill was the one spark the move for incorporation needed. Although cities could levy a sales tax prior to the passage of the bill, this was never quite enough incentive to start a wave of incorporations. Since the new measure, however, allowed the County to collect a sales tax which would be put in County coffers and was not under the control of the residents of the particular County area in which it was collected, communities were spurred to incorporate and retain this money in their own local treasuries.

What the effects of this sudden change in city-county relationships will be and what the future holds for these newly incorporated cities will be the subject for the remainder of this report.

II. THE LAKEWOOD PLAN EVALUATED

As has been pointed out, the Lakewood Plan allows an area which could never attempt municipal services on its own to contract for these services from the County. Yet, in this very aspect of the Lakewood Plan lies what some would call its basic defect. Areas so small that they can be called no more than residential sections have become full-fledged cities. Areas which could never have hoped to become municipalities prior to the Lakewood Plan are now in the process of becoming cities.

To some people this is unwise. The fact that an area which under previous circumstances could support municipal services only as one large city is now broken up into several small municipalities is to the opponents of such mad-cap incorporations a serious mistake.

The Lakewood Plan continues successfully as long as the County is willing to continue it; should the County refuse to renew Lakewood Plan contracts, many now incorporated areas would be completely unable to sustain themselves.

To John D. Maharg, Deputy County Counsel and legal advisor to the Los Angeles County Board of Supervisors, the reason that the Lakewood Plan has enjoyed the success it has had in Los Angeles County is that the County government is willing to provide these services efficiently and with integrity. Although Maharg points out that the possibilities of the situation changing drastically are slim, nevertheless if the County were to discontinue the Contract System, the position of the System's "stepchildren cities" would be an important problem indeed!

In some cases, of course, the Lakewood Plan provides only an interim basis for governmental services until such time as the newly incorporated community can set up its own system. In many others, however, the possibility of such a change-over is nil, and the small community relying solely on the County for its municipal-type services would be seriously affected if ever the County ceased the "hiring out" of such services.

A disturbing feature of incorporation of a small area to Maharg is that through incorporation, the newly-formed city may draw away from the tax base of a larger adjacent

community the lands which may rightly be a part of the latter city.

In answer to the question of what is the greatest danger in the incorporation of an area which would be unable to sustain municipal government on its own, Maharg stated it is simply "the natural inclination of government to grow." If the city which contracts services can keep its own administration to a minimal level, its chances of success are high. If the sphere of duty of the municipal government begins to grow in an area which cannot support it, however, then the real problem begins.

When asked if there is anything to be learned from the sudden change in city-county relationships, Maharg pointed out that the outcome of the current trend to the Lakewood Plan may well provide clues to an answer to the problem of integration of governmental services.

"They have tried the borough system in New York," he said, "where they have arbitrarily divided governmental control" between the city and the smaller boroughs. This arbitrary division, Maharg maintains, has not been greatly successful.

"The current situation in Los Angeles County will prove an interesting testing ground—to see just which governmental services [now assumed by the cities] eventually came back to the County."

As was mentioned earlier, even now cities with long-established governmental services are investigating the possibilities of abandoning some local agencies and contracting such services from the County.

III. AN ALTERED SITUATION?

It has now been shown what the current trend in incorporation means to the community taking the step, to the county which may be hired to provide services to the new city, and to the theory of administrative government as a whole. In a later section an attempt will be made to examine what alternatives may be available to the County of Los Angeles for the disadvantages which indiscriminate use of the Lakewood Plan may have. It has not, however, been seen what this new type of county-city relationship means to the man on the street not involved in incorporation proceedings of a local area.

Our hypothetical taxpayer probably views the multiplicity of incorporations with very little interest. "Why should I care whether

Mr. Jones of Lakewood writes his angry letters to his city council or to the County Board of Supervisors?" he may ask. Yet, there comes a time when he does become very concerned about incorporation fever.

"Look at this County tax bill—it's bigger than ever!" our friend will exclaim. He recalls that more and more county territory is becoming incorporated, and the former burden of tax on him and his fellow taxpayers to pay for these areas' services is now theoretically being paid in full by the newly formed city.

"Why," he asks, "do my County tax bills get bigger and bigger, when supposedly the cost of County government is getting less and less?" If the job of County administration is apparently becoming increasingly smaller and in turn is necessary for an increasingly smaller area, the average citizen may justifiably ask why this job is costing more and more money.

John R. Leach, Assistant Administrative Officer in the Management Division of the County of Los Angeles points out that the effect of incorporations on the County's annual budget is negligible for three basic reasons:

First, over 90% of general County appropriations finance activities provided both within and without cities. These types of services—welfare, jails, hospitals, District Attorney, the court system, etc.—remain entirely unaffected by incorporation.

Secondly, Leach explains, in spite of the seven incorporations beginning with Lakewood in 1954 which affect the 1957-58 budget, the population of the unincorporated area continues to increase. Therefore, he points out, no reduction has been possible in funding County services normally provided to the unincorporated areas.

Thirdly, Leach says, all seven incorporations have generally followed the Lakewood pattern. Thus, County budget appropriations must provide for the men, materials, and equipment necessary to render the requested services.

When asked if this affected the County tax rate, Leach replied that "not one dollar" of the cost of these services is included in the General County Tax Levy requirement. Services provided through special district taxes are financed outside of the General Tax Levy. Others are paid for entirely through fees collected and retained by the County; the cost of these services does not affect the County tax rate. The remaining

activities, he explained, are directly paid for by the cities.

IV. A POSITIVE DISSENSION

So far in this report we have examined the position of the small, local community which has taken or is now taking the steps toward cityhood. We have not, however, examined any of those communities which have many of the aspects of those which are being incorporated, yet still remain in unincorporated area.

Such an area is the community just south and east of Los Angeles, known as Southeast Los Angeles. Representing the interests of that area's industry which is opposed to incorporation or annexation of the community is Louis A. Gretz, Secretary of the Southeast Industrial Area Association, Inc.

While Mr. Gretz stresses that he is not opposed to the incorporation of cities per se, he points out that he feels it is not the answer to the problem of our growing communities. Gretz has been a registered lobbyist in Sacramento and often addresses groups contemplating the incorporation of a local area.

"What has government got for you and me?" Gretz asks. "Nothing," he then answers, "except that which we are able to pay for."

Government, Gretz maintains, only adds to the citizen's difficulties through what he calls "legalistic red tape." As an example, Gretz points out that in County territory citizens "get things done" by simple petition, and people, he says, have an opportunity to review the things they are getting as well as be given an estimate of the cost. In contrast, Gretz alleges, due to the powers granted city councils, "they can spend money which people do not have a knowledge of—or, and explanation of these costs is not given."

Gretz decries the multiplicity of governmental agencies all doing the same work, citing as chief offenders police protection and fire fighting agencies.

"Crime knows no boundaries; fire knows no boundaries," Gretz says. Yet, even though the Los Angeles County Sheriff's Department is "one of the best organized police departments in the United States," its jurisdiction decreases with the establishment of a new municipal police force, Gretz points out. The same sort of conditions prevail in the area of fire fighting, he maintains.

Gretz feels that with the multiplicity of incorporations, there has not only been an increase in the number of agencies, but a concurrent duplication of facilities. As long as this continues, he warns, we cannot have the most efficient and least expensive governmental services.

To Gretz, the answer to the problem is "functional consolidation." Those governmental services which best serve the people on a county-wide basis should be on that level. Gretz feels that the larger agencies of government have better facilities and are better organized.

Should the County serve as the director of a potential functional consolidation? Gretz recommends that there be a "central agency" to oversee the work of the services, with possible "Borough" or "Town Hall" meetings where matters of local nature could be controlled on the local level.

V. WHERE DO WE GO FROM HERE?

At this point in a study of the rush to incorporate the small, local area, it becomes necessary to examine the situation in relation to its future effects. There are some very intelligent and informed minds in Los Angeles County government who feel that mass incorporation is not the answer to the governmental problems of the County. Currently, there is being carried on at the high administration level a study of the possible future form of government which Los Angeles County could conceivably adopt—in place of the current form.

One of the men who are conducting this study is Arthur G. Will, Business Manager of the County's Air Pollution Control District. As a third generation governmental expert (his father is Arthur J. Will, Chief Administrative Officer for the County), he has some very definite ideas on the future of Los Angeles County.

The basic problem, he explains, is to provide a uniformity of services over a large area which can be reconciled with the desires of individuals in a certain area. For example, should there be an agency to provide a certain type of street throughout the County, that agency at the same time should be able to provide for those people who want a different kind of street. In other words, the County government of the future must be, according to Will, "universal in scope, yet adaptable to local wants."

In this connection, Will mentioned a study made in Miami to determine what kind of

government would be best suited to that area. The study recommends that the county form of government be abolished and that a "Metropolitan Authority of Miami" be substituted for it.

To this Metropolitan Authority, Will continued, would be assigned public health, sanitation, and so forth—those functions best accomplished on a broad geographical basis. The cities could, if they so desired, form a special district and pay the Authority for a better service.

Under the plan, specific functions best accomplished on a local basis would be assigned to incorporated cities. Such services as police and fire protection would be reserved for municipalities, although the Metropolitan Authority could provide such services as criminal records and jails.

When asked how this plan would differ from a similar arrangement under the Lakewood Plan, Will pointed out that under the proposed Miami plan, there are certain functions the city must obtain from the Authority. The Lakewood Plan, on the other hand, gives the city the option either to provide municipal services on its own, or to contract them from the County.

How could such a plan be adapted to the Los Angeles area? All data available on governmental services in the County should be synthesized and studied, Will recommends. "There is a tremendous job to be done in documenting just what the conditions are," he explains.

Will feels the next step would be to set up a powerful, representative, community committee, dedicated to the conducting of a study designed to produce results. Many organizations are now conducting one type of study or another, he explained, but not on a unified basis.

"Our County is growing every year, and our problems are not diminishing," Will warns. "How can 60 of 70 cities handle a water shortage or a major disaster?" These levels of services should be on a large geographical basis, he believes, perhaps even encompassing territory outside of Los Angeles County as well as that within.

Asked what he felt the major problem to be overcome in the changing of County government to a new system would be, Will replied that he feels it is educating people so they will accept the plan. "A really 'salable package' must be presented to them," he feels.

If it can be shown that the local communities will still retain control over local matters, but that those problems which are difficult to undertake on a local level will be handled on a uniform basis by the central authority, then there will be a salable package, Will predicts.

CONCLUSION

In this report on incorporation fever in Los Angeles County, an examination has been made of the trend itself, its causes, its effects, and its future implications. The ideas of men directly connected with and affected by incorporation have been set down and evaluated. In addition, conclusions have been drawn concerning both the advantages and disadvantages of the current trend. Possible

future alternatives have been shown in both the areas of complete change and partial alteration.

It is hoped that this report has given the reader a more complete knowledge of incorporation fever in Los Angeles County as well as its implications and significance.

No matter how comprehensive and complex a report such as this is, however, it is only current as long as the situation it examines remains static; as changes occur, it is necessary to revise and amend—perhaps even to make a complete change. It is therefore suggested that in future studies of the subject of incorporation, this report may be used as a guide to what has gone before and a possible hint as to what may happen in the future.