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Direct Democracy and Land Use Policy: Exchanging Public Goods for Development Rights

Elisabeth R. Gerber and Justin H. Phillips

Summary. To counter the power of pro-development interests, growth opponents in American communities have increasingly turned to the institutions of direct democracy. This study analyses the effects of one type of direct democracy—voter requirements for new development—on municipal growth. Analysing data from a sample of California communities, we consider the impact of voter requirements on the land use process and outcomes. We find that—in general— voter requirements fail to stop new development; property owners and developers can and do adapt to the constraints created by these direct democracy institutions. We also find, however, that voter requirements change the land use process in important ways. Specifically, they change the way developers interact with interest groups in the community and force developers to compensate current residents for enduring some of the negative aspects of growth.

Introduction

On 7 November 2000, voters in 21 California communities considered 26 local ballot measures that would require voter approval for a wide range of future residential and commercial development. Most of these voter requirement initiatives sought to impose an 'urban boundary' around the community, beyond which development would be prohibited except by the approval of a majority of voters. Others sought to require voter approval for any development involving more than 10 housing units, for development that would adversely impact traffic, for airport expansion, for reconstruction of a power plant or for any major amendments to the community's general plan.[1] Of the 26 measures, 15 passed, adding their communities to

the growing list of localities in California that have adopted voter requirements since the late 1980s. Table 1 describes each of the November 2000 California voter requirement measures.[2]

These voter requirement measures are attempts by slow-growth interests to shift the balance of power over land use decisions in their communities.[3] Since the regulation of land use in the US is largely a local issue, local government entities such as city councils, town councils, county boards and their staffs make most land use policy decisions.[4] Much of the research on this process concludes that the traditional process of land use regulation results in a 'growth machine' where property owners, developers, local

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Table 1. Voter requirement initiatives, November 2000

Jurisdiction	Measure	Vote (percentage)	Description
Fillmore	K	38	Flood plain development
Paso Robles	O	39	Open space and agricultural development
San Luis Obisbo Co.	M	41	Open space and agricultural
Healdsburg	L	42	Annual limit
Sonoma Co.	I	43	All zoning changes
Alameda Co.	C	43	Urban boundary
Fillmore	J	43	Open space and agricultural
Clayton	O	45	Over 10 units/2 acres/1000 ft commercial
Morro Bay	Q	46	Power plant approval
Brea	N	49	Hillside development
Malibu	P	49	All zoning changes and large commercial development
Marina	E	52	Urban boundary
Malibu	N	53	Large commercial and mixed-use development
Danville	R	53	Over 10 units
Santa Paula	I	55	Open space and agricultural
Healdsburg	M	55	Annual limit
Alameda Co.	D	57	Urban boundary
Dublin	M	59	Urban boundary
Solana Beach	T	62	General plan amendments
Newport Beach	S	63	General plan amendments
Sonoma	S	64	Urban boundary
Rohnert Park	N	71	Urban boundary
Danville	S	74	Open space and agricultural
Burbank	B	80	Airport expansion
San Jose	K	81	Urban boundary
Monterey	G	84	Sale of city-owned open space

Source: Official election returns, California county registrars, 2000.

businesses and elected representatives all share strong incentives to promote commercial and residential growth (Molotch, 1976). In other words, this process is believed to have a strong pro-development bias.[5]

Growth provides numerous benefits to a community—it stimulates the economy, creates jobs, generates tax revenues, provides needed housing and increases a city's prestige. But growth also imposes costs on people who live near it and, in recent years, some of the more unsightly consequences of growth have come to light. Recent surveys report increasing public frustration with the negative aspects of growth (see, for example, Ladd and Bowman, 1995; *Polling Report*, 2001; Baldassare, 2001).

In a number of cities, slow-growth interests have responded to the city hall growth machine with creative new political strategies. One increasingly common strategy is the use of these voter requirements, which allow current residents a greater say in land use decisions. Thus, while local government officials still make most land use decisions, the projects that are subject to a voter requirement must also gain the support of a majority of the voting public. In effect, voter requirements allow current residents to veto projects they oppose.

Advocates of voter requirements reason that current residents have different incentives regarding growth from those of elected representatives. They argue that voters will be less tolerant of new development, since they receive few direct benefits and pay substantial costs in the forms of traffic, congestion, environmental degradation, loss of open

space, strain on infrastructure, invasion of privacy and depression of existing housing values. Thus, the advocates argue, voters will protect their interests by voting 'no' on new development and hence will more effectively limit sprawl than will city hall (Fischel, 2001).

This paper is a first step towards understanding whether this prediction is likely to be accurate. More generally, the research provides insight into the impact of direct democracy institutions on the politics of land use. To understand the effects of these institutions, we draw upon the experiences of a number of communities where voter requirements have been used. The main conclusion of our research is that voter requirements force pro-development interests to interact differently with interest groups in the community. Perhaps most importantly, we find that voter requirements do not stop growth but, rather, they appear to change the way current residents are compensated for bearing the costs of growth.

Our findings have important practical implications for the communities that have recently adopted or are considering implementing voter requirements for future development. We find that the types of development that occur, and the interests that benefit, are often quite different from those originally conceived by supporters of the voter requirements. We consider this and a number of other implications in more detail below.

Our research also provides new insight into how political institutions affect the distribution of costs and benefits in this increasingly salient area of local governance. Land use decisions dominate local politics in many communities. These decisions range from the mundane—such as whether to install a new stop sign or allow a second-storey addition to an existing residence—to the extraordinary—such as long-range planning for species preservation. By focusing on the choice in some communities to subject these land use decisions to voters, rather than elected representatives, this study helps to inform our understanding of how institutions impact policy outcomes in this highly salient area of local politics.

In the following section, we describe the experiences of San Diego, California, where voter approval for certain types of development has been required for many years. San Diego's experience implies hypotheses about the effects of voter requirements on several aspects of the land use policy process. These include the effect of voter requirements on interest group strategies, on the content of development proposals and on public policy outcomes. We test these hypotheses with data from a sample of California communities. We conclude by explaining the implications of this research for the study of land use and the future of growth management strategies.

Land Use Initiatives in San Diego, California

In 1985, San Diego voters passed Proposition A, which required voter approval for all development in the city's 'future urbanising areas' or FUA.[6] The FUA is one of three planning areas designated by the city's general plan and progress guide.[7] The FUA consists of regions of the city currently reserved for agricultural uses and open space, and accounts for most of the city's useable, undeveloped land (see Calavita, 1992). These planning areas are represented in Figure 1.

Prop A was placed on the ballot by slow-growth interests using the acronym PLAN (Prevent Los Angelization Now). Its stated purpose was drastically to slow residential development (McMenamy, 1999). The proposition was initiated as a direct response to the city council's 1984 decision to approve a proposed development of 5100 acres in pristine La Jolla Valley. The approval of the La Jolla Valley project helped to fuel the already existing perception that the city council was unwilling and/or unable to say 'no' to powerful development interests (Weisberg, 1987). As suggested above, Prop A's proponents reasoned that current residents would be less favourable to develop-
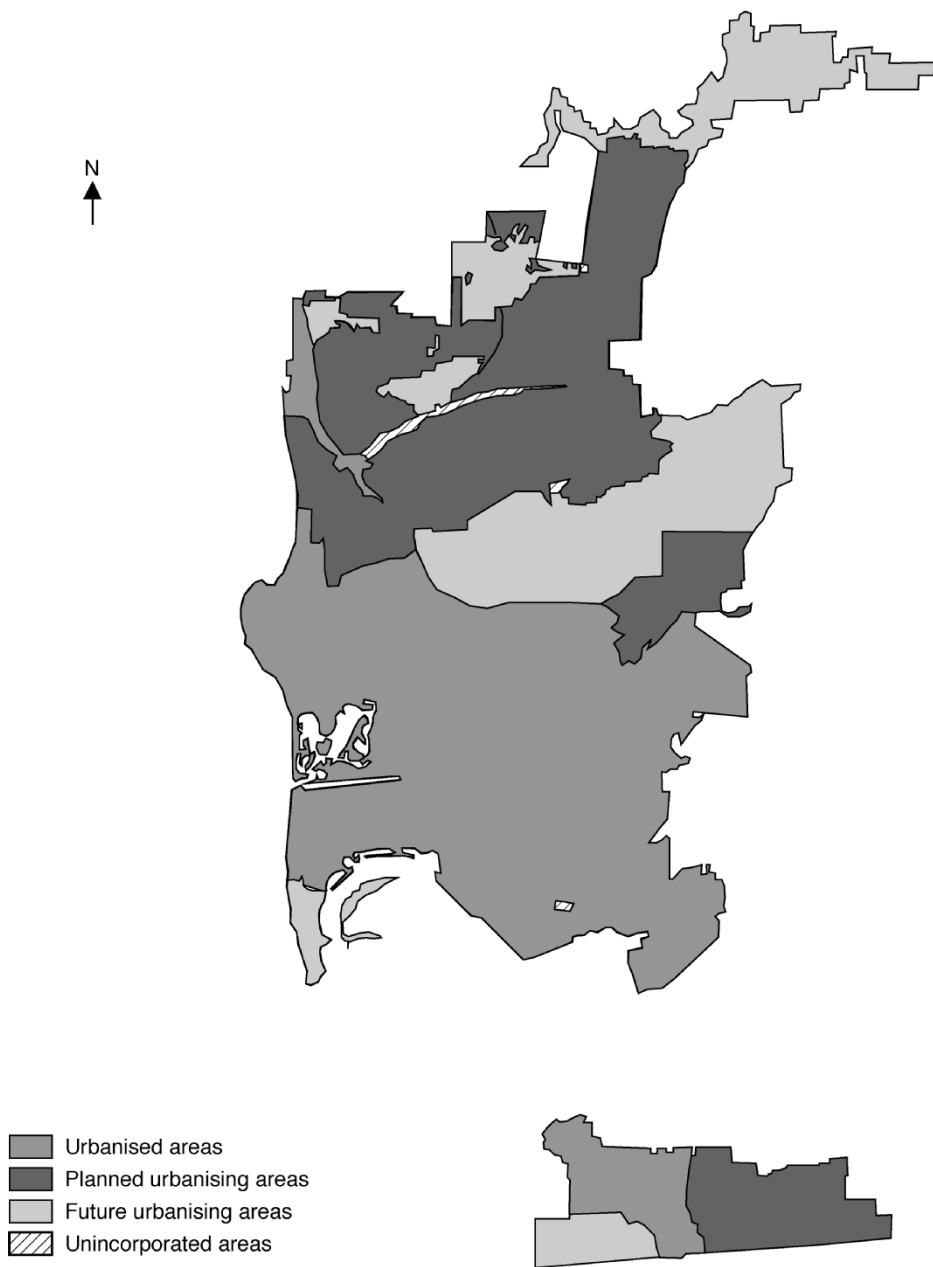
Figure 1. Planning areas: San Diego, California.

ment pressures and would protect their own economic interests by voting against new development. Prop A passed easily with 56 per cent voter support. And for 10 years, Prop A's proponents seemed to be right. Only three measures to approve new development in the FUA were placed on the ballot

in the decade after Prop A, and only one passed.

Since 1996, however, property owners and developers have been much more successful in obtaining voter approval for their development projects. Between 1996 and 1998, seven of nine measures required by Prop A

Table 2. Campaign contributions to San Diego development measures, 1986–98

Vote Proposition	Supporting (percentage)	Opposing contributions ($)	contributions ($)
J 87	23	NA	NA
G 96[a]	29	8 750	6 140
F 96[a]	31	8 750	6 140
C 94	46	3 022 586	17 040
K 98	52	802 098	513 294
M 98	53	1 202 442	45 278
H 96[b]	54	264 666	0
E 96[b]	58	264 281	0
C 96	60	31 532	0
D 96	68	0	0
N 98	71	0	0
D 86	72	NA	NA

[a]Contributions made jointly to F and G campaigns.
[b]Contributions made jointly to E and H campaigns.

passed.[8] Several of the successful developments were enormous projects, involving hundreds of acres and thousands of new housing units. Thus, contrary to the predictions of the growth opponents, San Diego's voter requirement has failed to prevent development in recent years.

How do we explain the recent ability of developers in San Diego to gain voter support for their development projects? Several possible explanations present themselves. One possibility is that proponents of these pro-development measures began to devote more resources to their supporting campaigns. Developers have extremely deep pockets and perhaps they simply outspent the grass-roots environmental groups that might have opposed them. This explanation is consistent with critics of the initiative process who argue that, by spending vast sums in direct legislation campaigns, wealthy economic interests dominate initiative outcomes (see, for example, Broder, 2000).

There are two reasons to doubt this explanation. The first is a theoretical reason. Previous research shows that money is necessary but not sufficient to pass initiatives (Smith, 1998; Gerber, 1999). Voters need to see that 'people like them' are behind an initiative and developers do not convey this sort of commonality of interest. The second

is an empirical reason. Experience in San Diego shows that some of the most expensive measures failed, while some that passed received no campaign spending at all. Table 2 reports campaign contributions for and against the 12 measures required by Proposition A since 1986.[9] We see that the measure with the most expensive supporting campaign (Prop C of 1994) failed and several measures with no supporting campaign at all (Prop D of 1996 and Prop N of 1998) passed with large majorities. Given the patterns reported in Table 2, it is clear that, if campaign spending contributed to the developers' ability to pass their proposals after 1994, it was certainly not the only factor.

A second possible explanation is that developers after 1994 began to construct more modest proposals. In other words, perhaps the projects that passed were more modest and hence less offensive to slow-growth interests. This is clearly not the case. As shown in Table 3, several of the successful measures embodied huge developments involving thousands of acres and hundreds of new housing units, while some of the unsuccessful measures involved much smaller projects.

A third possible explanation is that the underlying growth preferences of San Diegans changed. In other words, it may be the

Table 3. Provisions of San Diego development measures, 1986–98

Measure	Provisions	Endorsements	Opposition	Public Goods	Vote (percentage)
D 1986	178 acre land transfer for industrial development	Sierra Club	None	291 acres of open space and $ million to city of San Diego	72
J 1987	Christian university and a 750-acre industrial park	None	Sierra Club	None	23
C 1994	Between 14 780 and 17 500 residential units	Planning group	Planning group Sierra Club	6000 acres of open space, new schools and funds for SR-56	46
C 1996	Construction of two hotels	Planning groups Sierra Club	None	$12.6 million for open space	60
D 1996	Designate Naval Training Center, Marine Corps Recruit Depot and Airport as urbanised (allowing commercial development)	Sierra Club	None	None	68
E 1996	72-acre residential development	Planning group	None	Open space and equestrian trails	58
F 1996	13-acre residential development	None	Planning group	14-acre wildlife corridor	31
G 1996	32.8-acre commercial development	None	Planning group Sierra Club	Roads and 21 acres of wetland restoration	29
H 1996	1134-acre residential development	Planning group Sierra Club	Planning group	250 acres of open space, funds for SR-56, and schools	54
K 1998	1410-acre residential development	Planning group Sierra Club	Planning groups	280 acres of open space, funds for SR-56, schools and fire stations	52
M 1998	2102-acre residential development	Planning group Sierra Club	None	150 acres of open space, funds for SR-56, schools, and police and fire stations	53
N 1998	30 acre land transfer for commercial development	Planning group Sierra Club	None	47.7 acres of open space	71

case that, after 1994, San Diego voters simply wanted a larger housing stock, more jobs and additional commercial services. However, this explanation is also not supported by the existing evidence. Recent surveys show that large majorities of San Diego residents still rate growth-related problems as their biggest concerns and believe that the city is growing too rapidly (Baldassare 2000, 2001). Additionally, voters have not written a blank cheque to developers. Despite approving seven new developments in recent years, voters have handily rejected others, often during the same election.

A fourth possible explanation is that the need to obtain voter approval forced developers to adopt different strategies *vis-à-vis* interest groups in the community. This explanation is consistent with the theoretical literature on voting in direct legislation elections and, as we will demonstrate, is supported by the data in San Diego and in other communities that have voter requirements in place. In brief, our explanation is as follows. We argue that, after several failed attempts immediately following the imposition of the voter requirements, developers changed the way they interacted with interest groups in the community. The need to obtain majority voter support forced developers to negotiate directly with interest groups, particularly local community planning boards and environmental organisations, over the terms of development. Interest groups endorsed the resulting measures and these endorsements provided powerful signals to voters. In return for these interest group endorsements, developers provided a range of local public goods that the community and environmental organisations demanded on behalf of their constituents. These public goods offset some of the negative externalities created by the new development and, in effect, compensated current residents for some of the costs they would incur. Thus, by forcing developers to form coalitions with local interest groups, voter requirements empowered different interests and created different political processes from the traditional city hall land use process.

This explanation is consistent with the view that procedures matter in terms of who gets what. Environmental interests in particular complained that the city hall 'growth machine' in San Diego was unresponsive to their demands to provide stronger provisions for environmental protection in their land use decisions (Caves, 1992).[10] With the imposition of voter requirements, these interests were able to extract much stronger environmental provisions from developers. However, our explanation also underscores the point, common in the literature on land economics, that voter requirements and other restrictive zoning procedures affect winners and losers, but do not necessarily change patterns of economic activity—i.e. they do not halt development (see Coase, 1960).

In the following sections, we subject our explanation to more rigorous scrutiny. Specifically, we consider the effects of voter requirements on interest group politics, public goods provision and policy outcomes in a sample of California communities.

Interest Group Politics: Building Coalitions with Community Organisations

San Diego's experience with voter requirements suggests that one important consequence was a change in how interest groups and developers interact in the land use process. Our explanation of what changed in San Diego is that developers formed coalitions with key interest groups and this interest group support was critical to the passage of pro-development measures after Prop A. To what extent does the empirical evidence in San Diego and other California communities systematically support this explanation?

First, consider the latter part of this question, whether interest group support was critical to the passage of pro-development measures after Prop A. It turns out that the format of the ballot used in California local elections, and the supporting documentation received by all California voters, allows us a unique opportunity to test for the influence of interest group support on the passage of initiatives. Each registered voter in California

receives two 'ballot pamphlets', one from the Secretary of State and one from his/her county of residence. The ballot pamphlets describe each state-wide and local ballot measure, respectively, including the official title and summary of the measure, as well as signed arguments for and against. Research on the dynamics of direct democracy elections indicates that voters can and do use these sorts of endorsement to help link their own interests with the (known) positions of credible endorsers (Lupia, 1994; Bowler and Donovan, 1998). In other words, interest group endorsement can serve as low-cost information short-cuts or cues.

To test the impact of interest-group endorsements on voter support for required development initiatives, we coded two types of endorsement for each of the 29 measures that have been placed before voters in California communities as a result of pre-existing voter requirements.[11] These measures are described in Table 4. The first type of endorsement includes those from community planning groups. In each city and county in California, local community organisations participate in the land use process. Members of these planning groups are elected in local elections, for terms ranging from two to four years. The groups make non-binding recommendations to city or county planning commissions, city councils or county boards on most land use decisions. For each measure, we created a variable coded one if an official community planning group signed a supporting argument on the ballot pamphlet and coded zero otherwise. We created a second variable coded one if a community planning group signed an opposing argument on the ballot pamphlet and coded zero otherwise.

The second type of endorsement includes those from environmental organisations. Environmental organisations are actively involved in a wide range of policy debates including many land use and development issues. On the 29 measures in Table 4, a number of organisations that claimed to be environmentalist took positions on the issues. Some were well-known national organisations; others were not. To include only those

endorsements that most voters would recognise and consider reliable sources of information, we created two variables, coded one if the local chapter of the Sierra Club took a position on the measure (again, one variable identifying 'yes' endorsements, the other identifying 'no' endorsements), and each coded zero otherwise.

Interest-group endorsements have a substantial effect on a measure's electoral success. Table 5 reports the results of six OLS regression analyses. In each model, the dependent variable is the measure's vote share. The independent variables are dummy variables indicating the measure's endorsements. We see that the effects of the interest group endorsements are as hypothesised. In models 1–4, a measure's vote share is positively and significantly related to whether it received Sierra Club or community group support and is negatively and significantly related to whether it received opposition from either group. In model 5, the directions of these effects hold when we control for the measure's other endorsements, although none of the coefficients is statistically significant. This lack of significance is clearly due, at least in part, to the high degree of collinearity between the independent variables. When we drop any one of them from the model, the signs on the remaining coefficients remain the same and several of the effects again become significant.

Clearly, then, there exists a strong relationship between whether a measure was endorsed by an interest group and the vote share it received. Less immediately clear, however, is the other part of our explanation about interest group politics: to what extent do voter requirements force developers to interact differently with local interest groups? Did interest group politics change after the passage of a voter requirement measure? On the one hand, we recognise that interest groups are heavily involved in the local policy process in general, and the traditional land use policy process in particular, even in places that pass and utilise voter requirements. On the other hand, two pieces of evidence strongly suggest that voter re-

Table 4. Required development measures, California communities, 1986–2000

Jurisdiction	Measure	Year	Yes (percentage)	EnvYes	EnvNo	CommY	CommN
San Diego	Proposition D	1986	80	1	0	1	0
San Diego	Proposition J	1987	23	1	0	1	1
Poway	Proposition J	1990	60	0	0	0	0
San Diego	Proposition C	1994	46	0	1	0	1
Oceanside	Proposition G	1994	31	0	0	0	0
San Diego	Proposition C	1996	60	1	0	1	0
San Diego	Proposition D	1996	68	1	0	1	0
San Diego	Proposition E	1996	58	0	0	1	0
San Diego	Proposition F	1996	31	0	1	0	1
San Diego	Proposition G	1996	29	0	1	0	1
San Diego	Proposition H	1996	54	1	0	1	0
Napa County	Measure W	1996	16	0	1	0	0
Napa County	Measure X	1996	14	0	1	0	0
San Diego	Proposition K	1998	52	1	1	1	1
San Diego	Proposition M	1998	53	1	0	1	0
San Diego	Proposition N	1998	71	1	0	1	0
Oceanside	Proposition V	1998	55	0	0	0	0
Ventura City	Measure C	1999	55	0	0	0	0
Napa County	Measure G	2000	40	0	1	0	0
Ventura County	Measure F	2000	73	0	0	0	0
Escondido	Proposition J	2000	29	0	1	0	0
Escondido	Proposition K	2000	37	0	1	0	1
Escondido	Proposition L	2000	48	0	0	1	0
Escondido	Proposition M	2000	33	0	0	0	0
Escondido	Proposition N	2000	29	0	0	0	1
Escondido	Proposition O	2000	36	0	1	0	1
Escondido	Proposition P	2000	38	0	1	0	1
Escondido	Proposition R	2000	28	0	0	0	1
Ventura City	Measure M	2000	54	0	0	0	0

Table 5. Effect of interest group endorsements on vote margin, multivariate regression analysis, California development initiatives, 1986–2000 ($N = 29$)

Independent variable	Model 1 DV = Vote	Model 2 DV = Vote	Model 3 DV = Vote	Model 4 DV = Vote	Model 5 DV = Vote	Model 6 DV = Vote
Sierra Club Yes	0.18 (0.07)				0.08 (0.11)	0.13 (0.06)
Community Yes		0.18 (0.06)			0.06 (0.11)	
Sierra Club No			− 0.18 (0.06)		− 0.10 (0.07)	− 0.11 (0.06)
Community No				− 0.15 (0.06)	− 0.08 (0.06)	− 0.09 (0.06)
Constant	0.40 (0.03)	0.39 (0.03)	0.52 (0.04)	0.50 (0.04)	0.47 (0.05)	0.48 (0.04)
Adjusted R^2	0.18	0.23	0.25	0.15	0.32	0.34

Note: Standard errors in parentheses.

quirements have changed the way that interest groups are involved in policy formation. First, voter requirements tend to come about precisely because interest groups feel they are excluded from the traditional local policy process. Most voter requirements are placed on the ballot by slow-growth interest groups.[12] These groups incur substantial costs in their efforts to draft, qualify and campaign for the voter requirement. We interpret their decisions to take costly action as evidence that the proponents of voter requirements perceived they were being excluded under traditional local political processes. Their presence at the negotiating table after passage of the voter requirement, as documented by numerous newspaper accounts and self-reports by the developers and the groups themselves, suggests that the voter requirement changed the degree of interest group involvement, at least to some extent.

Secondly, it is clear that, over time, the interaction between developers and interest groups has changed. In the first election after passage of the Proposition A voter requirement measure in San Diego, developers neglected to engage local community and environmental groups in the formation of their development proposals and appealed directly to voters. Their measure (J of 1987) failed miserably, with only 23 per cent of the vote. Over time, we observe developers more actively soliciting the involvement (and endorsements) of interest groups and, after 1994, virtually all of the measures on the San Diego ballot had some formal involvement from community and/or environmental interest groups. Additionally, newspaper accounts indicate that the two post-1994 measures that did not receive endorsements from either the Sierra Club or a community planning group failed to do so because the developers did not come to the bargaining table with these organisations.[13] Representatives of the Sierra Club, when questioned by reporters about their opposition to these proposals, claimed that they could not support propositions that 'by-passed community involvement' (Weisberg, 1996). Unfortunately, we do not have systematic evidence that developers excluded local interest groups in the formation of their development proposals before the passage of Prop A.

The Cost of Interest Group Endorsements: Private Provision of Public Goods

The second piece of our explanation of the effects of voter requirements concerns the costs of interest group endorsements. We argue that developers provide public goods to obtain these endorsements. Based on interviews with interest group representatives, developers and others involved in the land use process in San Diego, plus in-depth analysis of the development agreements for the proposed projects, we have identified a range of local public goods that developers provided as part of some of their proposed developments. These public goods are primarily of two types. One type includes public services and facilities such as schools, senior centres, community centres, child-care facilities, transit centres, street and highway repairs, and park improvements. Some of these facilities and services are required of developers by existing city laws and planning agreements; many others, however, are above and beyond any requirements or existing agreements. More importantly, they are often located in communities *outside* the planned developments or at the boundaries of the planned developments where they will be accessible to both current and future residents. Thus, we interpret these public goods as being targeted at current residents, whose interests are represented by the community planning boards and whose support is necessary for approval of the projects. In other words, it appears that the developers are providing these local public goods in return for the community group endorsements and hence the support of local residents. These are local public goods that cash-poor municipalities may have difficulty providing.

The second type of public goods includes environmental concessions such as open space set-asides, protection of environmentally sensitive parcels, steps to promote spe-

Table 6. Effect of public goods on interest group endorsements, logistic regression analysis, California development initiatives, 1986–2000 ($N = 29$)

Independent variable	Model 1 DV = Yes endorsement	Model 2 DV = No endorsement
Public Good	1.71 (0.92)	− 1.60 (0.81)
Constant	− 1.71 (0.77)	0.81 (0.60)
Pseudo R^2	0.11	0.11

cies and habitat preservation, and environmentally friendly landscaping and construction practices. We believe that developers are providing these environmental concessions in order to obtain the endorsements of environmental interest groups. These benefits are viewed by representatives of the environmental organisations as mitigating or offsetting some of the negative consequences of growth. Unlike the local public goods provided to obtain the endorsements of community planning groups, which are targeted at residents in the immediately surrounding neighbourhoods, these environmental benefits appeal to citizens across the city. Support of these voters is critical when an initiative requires the electoral support of voters who live some distance from the proposed development, as is the case in San Diego.

Unfortunately, it is extremely difficult to be certain whether these local public goods and environmental concessions are provided as a direct consequence of the voter requirement. Any large-scale development proposal—whether or not it is subject to voter approval—contains many, many provisions, including the number, placement and character of structures, as well as supporting infrastructure and public facilities. Some provisions are required by law, since developers may be required to provide the infrastructure necessary to support their new development. However, implementation of these state laws leaves much room for interpretation and the final project, whether approved by a city council or by voters, often contains a complex bundle of provisions including public goods. Hence, it is extremely

difficult to determine which public goods would have been provided in the absence of voter requirements and which are provided in response to this institutional constraint.

It is possible, however, to make three points that are consistent with the argument that developers trade public goods for interest group endorsements. The first is that only one of the San Diego propositions that failed to offer substantial public goods received interest group endorsements.[14] Thus, it is apparent that the provision of public goods is at least necessary, though perhaps not sufficient, for interest group and voter support.

The second point is that the relationship between endorsements and public goods holds across the larger set of 29 development measures. In Table 6, we report the results of two logistic regression analyses.[15] For each measure, we create a dummy variable coded one if the measure included significant public goods and coded zero otherwise.[16] In column one, the dependent variable is a dummy variable coded one if a measure received a supporting endorsement from either an environmental interest group or a community planning group and coded zero otherwise. In column two, the dependent variable is a dummy variable coded one if a measure was formally opposed by either type of interest group. We see that the provision of public goods is positively related to the odds of receiving a supporting endorsement and is negatively related to the odds of receiving an opposing endorsement.

The third point is that, even after we control for whether a development proposal contained public goods, we find that

endorsements still have a significant independent effect on vote share. In Table 7, we report the results of five regression analyses on our sample of the 29 California development measures that came about due to voter requirements. In column one, we report the relationship between a measure's vote share, whether it included public goods and whether it received a supporting environmental endorsement. In columns two through four, we substitute each of the other three endorsement variables and, in column five, we include the three endorsements and the public goods variable. In each case, we see that, while public goods are positively and significantly related to support for the development measures, the effects of endorsements, in terms of sign, magnitude and statistical significance, remain largely unchanged. In other words, it appears that the interest group endorsements are of value, above and beyond the public goods that bring them about, and that developers actively pursue these endorsements through the provision of these public goods. Additionally, in terms of judging the relative impact of endorsements and public goods on the decisions of voters, it is worth noting that, while several of the proposals that offered substantial public goods failed, no proposal failed that received the endorsement of both the Sierra Club and a community planning group.

In sum, interest group endorsements come at a substantial cost to developers. To obtain these endorsements, developers provide a range of local public goods and benefits. These benefits are unique in that they are negotiated and provided privately with little formal input from elected representatives.[17] In other words, voter requirements have forced developers to trade public goods for private development rights.

Policy Consequences of Voter Requirements: Some Preliminary Observation

In addition to the impact of voter requirements on the land use policy process, the experience in San Diego suggests that voter requirements may also affect policy outcomes in important and sometimes unanticipated ways. Perhaps the most striking example is the case of Proposition J of 1987. Proposition J was a measure that sought approval for the development of a commercial office park and a Christian university in the future urbanising area. This development was approved by the city council prior to the passage of Proposition A. Given its location, however, the passage of Prop A negated the council's approval and required that the developer obtain voter approval instead. The measure lost overwhelmingly in a special election in 1987, thereby effectively rescinding the council's approval for the project. Thus, by shifting the power to approve new development from elected representatives to current residents, Prop A resulted in the cancellation of a major development project that would have been allowed under the previous regime.

There are a number of other ways that San Diego's voter requirement appears to have changed policy outcomes as well. It seems, for example, that voter requirements may have increased the optimal scale of development. When developers must provide expensive public goods and services in exchange for interest group endorsements, the ability to compete may be limited to developers with sufficient capital to cover the costs of these goods. In other words, if the price of the Sierra Club's endorsement is protecting 300 acres for permanent open space, few small developers can afford that provision.

A second possible policy consequence of voter requirements may be an increase in housing costs. Economists argue that by restricting supply, zoning restrictions increase the costs of housing. In the case of voter requirements, since developers must pay the price of providing public goods in order to gain voter approval for their projects, they may try to pass on these costs to future residents by increasing the prices of the new homes. Furthermore, to the extent that small developers are priced out of the housing market, there may be less price competition from smaller developers.

Table 7. Effect of public goods on vote margin, multivariate regression analysis, California development initiatives, 1986–2000 ($N = 29$)

Independent variable	Model 1 DV = Vote	Model 2 DV = Vote	Model 3 DV = Vote	Model 4 DV = Vote	Model 5 DV = Vote
Public goods	0.15 (0.05)	0.14 (0.06)	0.14 (0.05)	0.17 (0.05)	0.13 (0.05)
Sierra Club Yes	0.13 (0.06)				0.10 (0.06)
Community Yes		0.13 (0.06)			
Sierra Club No			− 0.14 (0.05)		− 0.07 (0.06)
Community No				− 0.14 (0.05)	− 0.10 (0.06)
Constant	0.33 (0.04)	0.33 (0.04)	0.42 (0.05)	0.40 (0.04)	0.41 (0.05)
Adjusted R^2	0.35	0.35	0.38	0.39	0.47

Note: Standard errors in parentheses.

A third possible policy consequence of voter requirements is their effect on elected representatives. In many communities that have voter requirements, the requirements cover only a small share of the total development that occurs within the jurisdiction. Urban growth boundaries, for example, only cover development on the community's geographical fringes; other requirements pertain only to large developments or projects that require major amendments to the community's general plan. Most of the rest of the land use decisions that these communities make remain the purview of elected representatives and the community's planning staffs.

It is quite possible, however, that the presence of voter requirements may affect the decisions made through the traditional land use process in these communities. When elected representatives see strong voter support for proposals that contain significant environmental concessions or local public goods, these representatives may themselves demand that developers provide similar goods and services in return for approval of their projects. In the San Diego County community of San Marcos, for example, a project recently approved by the city council contained many of the same sorts of provision as the voter-approved projects in nearby San Diego, including a 19-acre city park and a 13-acre commercial centre, each of which would serve both future and current residents (Berhman, 1999). In San Diego County, the County Board of Supervisors required developers of a nearly 3000-acre residential development to contribute $17.2 million to improve freeways. The developers also agreed to build a Boys and Girls Club and a water reclamation plant near the development and to set aside 1845 acres for open space and parkland (Balint, 1998). All of these provisions were above and beyond any pre-existing agreements or mitigations.

Finally, there are potential redistributional considerations. None of the developments that voters have approved in San Diego contains provisions for low-income housing. Unlike elected representatives, who represent and may need the votes of low-income constituents, current residents have little economic incentive to demand low-income housing in their own back-yards. It is of course possible that current residents in some communities may demand low-income housing on ideological grounds. However, the voters of San Diego had apparently not been so ideologically motivated. It will be interesting to see whether voters in other communities consider low-income housing to be a pre-condition for their approval of residential development projects.

Discussion

Experience with voter requirements in San Diego and other California cities and counties suggests that transferring some property rights to current residents can slow growth temporarily. Over time, however, developers adapt to the new institutional environment created by voter requirements. Rather than choosing not to build, developers simply shift their energy and resources from lobbying elected representatives to negotiating with the unelected interest group representatives of the voting public. This outcome is consistent with similar findings regarding the robustness of development activity to slow-growth policy efforts (Logan and Zhou, 1989; Donovan and Neiman, 1992).

From the stand-point of the growth opponents who originally advocated voter requirements, these initiatives have failed to significantly slow growth. Nevertheless, it is important to recognise that even if voter requirements do not stop growth, they still affect the land use process and outcomes in important ways. By forcing developers to interact differently with interest groups in the community, the types of development that result, and the patterns of compensation to those who pay the costs of development, differ from the outcomes of the traditional land use process. Voter requirements provide a mechanism for groups such as environmental organisations to participate meaningfully in negotiations over the terms of development. In a community like San Diego, where

environmental interests have found quite limited success in securing representation on elected bodies such as city councils and county boards, this represents a significant new political opportunity for these organisations. In addition, voter requirements force developers to internalise some of the externalities produced by their actions. Indeed, voter requirements force developers to compensate precisely those interests who are most immediately and negatively affected by growth—current residents, especially those in immediately adjacent neighbourhoods. To the extent that developers can pass on these increased costs, in the form of higher prices for their new homes, this creates a curious situation whereby it is not the developers themselves, but rather the future residents, who provide these public goods to current residents.

Notes

1. California law requires all cities and counties to have a general plan that describes its goals and guidelines for future development (see Durkee *et al.*, 1990 for a summary of relevant state laws in California).
2. California is extreme in the number and visibility of local land use initiatives in general and of voter requirements in particular. However, it is by no means unique. Cities and other local governments in most states frequently place land-related policy measures to a public vote and, where these involve charter amendments or have revenue implications, are often required to do so (see Renner, 2002).
3. In some communities, two measures appeared on the ballot—one sponsored by growth opponents, the other placed on the ballot by growth advocates. These competing measures were attempts to provide a less restrictive alternative and/or to confuse voters (see Dubin *et al.*, 1992 for a discussion of competing development initiatives).
4. There are a number of federal and state laws and regulations that provide some broad parameters on land use (dealing with issues such as safety, environmental/conservation/species preservation and non-discrimination), but the details are largely delegated to local governments.
5. The 'growth machine' thesis has spawned large literatures on both sides of the debate (see Jonas and Wilson, 1999, for a recent review).
6. Proposition A requires developers seeking approval of a project in the future urbanising area to have their proposal placed on the ballot as a referendum by the city council or as a direct initiative. If their proposal is supported by a majority of voters, the developers are allowed to proceed. However, in two cases, proposals have appeared on the ballot as part of the settlement of a lawsuit brought against the city of San Diego by developers (see Weisberg, 1996 and Ristine, 1985).
7. The city's general plan and progress guide designates three planning areas: urbanised, planned urbanising and future urbanising (see City of San Diego, 1993).
8. No measures appeared on the 2000 ballots, the last election year at the time of this writing.
9. Spending figures for these measures are not available. However, it appears that all of the campaigns spent virtually all of the contributions they received. Therefore, contributions provide a good proxy for expenditures. On two sets of these measures (E and H of 1996 and F and G of 1996), all contributions were reported as supporting both propositions.
10. There are notable exceptions to the pattern of exclusion of environmental interests from the city hall land use process. In 'slow-growth' places like Santa Barbara, Palo Alto, Boulder and Portland, environmental interests dominate local government and have effectively slowed or limited growth without the need to resort to institutions like voter requirements.
11. Representatives from a number of other groups and organisations endorsed one or more of these 29 measures as well. While it is of course possible—indeed, probable—that these other endorsements also affected campaign dynamics, we limit our analysis to the two that are most consistent across measures and communities, and for which we have the strongest theoretical expectations.
12. As discussed above, there have been several measures that were placed on the ballot by pro-development interests in response to initiatives sponsored by slow-growth interests. These efforts are clearly defensive efforts by growth advocates.
13. These two propositions are F and G of 1996.
14. The exception is Proposition D of 1996. It should be noted, however, that Proposition D did not call for new development but was intended to remove an inconsistency between San Diego's Progress Guide and General Plan.

15. We employ logistic regression because the dependent variables are binary. A linear probability model produces similar (and in fact, stronger) results.
16. These public goods include new public facilities, streets and highways, parks and environmental set-asides. Sixteen of the measures offered one or more public goods while thirteen did not.
17. In most cases, city government officials were informally involved in the negotiations.

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