

The Local Initiative in California

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Foreword

The statewide initiative process is a well-known and frequently used way of making public policy decisions in California. What is not so well known is that California voters also use the initiative process at the local government level and that they seem to do so far more often than voters in the rest of the nation.

Tracy Gordon reviews the use of the initiative at the local level in California during the 1990s. She arrives at three main conclusions. First, initiative activity was concentrated in just a few jurisdictions. The majority of local measures were proposed in the Bay Area and South Coast regions. Although cities and counties in other regions also used the initiative, these two regions accounted for the lion's share of activity.

Second, the most popular topics for initiatives in the 1990s were land use, governance, and safety—issues that are typically local and controversial. Issues relating to zoning changes, urban growth boundaries, open space preservation, and new development were frequently taken to the ballot box. At the county level, initiatives relating to the environment, water, and general service delivery were often the most likely to qualify for the ballot. Local measures were more likely to make it to the ballot box (75% to 80%) than their statewide counterparts (15%), but the approval rate was similar to that at the statewide level (40% to 45%).

Third, local initiatives are most common in larger, growing, and economically diverse cities. Gordon observes that larger populations, less political party affiliation, greater income diversity, and higher residential mobility can make it difficult for elected representatives to anticipate the needs of their constituents. Furthermore, voters may be less able to monitor the behavior of their elected representatives in larger jurisdictions. Thus, the initiative becomes an important adjunct to the process of representative decisionmaking in California's larger cities and counties.

The local initiative has not been subject to the intense criticism frequently leveled at the statewide initiative. No doubt there are landowners and landlords who feel that the initiative diminishes their power when it comes to development issues. But, in general, the local initiative in California seems to be a benign process that most, if not all, use with equanimity. It is simply part of the decisionmaking portfolio in the local setting, and it has been used without the cries for reform heard at the state level.

In a world where good news in the public sector is hard to come by, the local initiative process seems to be an exception to the rule. It is widely used, it provides a solution to often intractable problems, voters are just as tough at passing an initiative as they are at the state level, and it focuses on the topics best suited to the local setting. This report presents a very useful perspective on decisionmaking at the local level in California, and it presents a view of a rather benign process that is more often fraught with contention.

David W. Lyon
President and CEO
Public Policy Institute of California

Summary

Controversy regarding statewide ballot propositions tends to overshadow direct democracy at the local level. Inattention to the local initiative is surprising given that roughly 70 percent of Americans live in cities where this process is available (Matsusaka, 2003). Moreover, voters have used the local initiative to decide major policy issues such as whether to impose urban growth boundaries, limit the terms of elected officials, establish rent control, permit gambling, and levy or repeal local taxes.

California is a leader in local direct democracy. San Francisco and Vallejo were among the nation's first jurisdictions to enact the initiative and referendum in 1898. Today, voters in all California cities and counties have access to the initiative. Results from a recent national survey suggest that Californians are more likely than the residents of any other state to exercise this power. In the November 2000 election, over half of all U.S. local measures relating to growth and development appeared on the ballot in California (Meyers and Puentes, 2001).

This report provides the most comprehensive evaluation of the local initiative to date. It draws on previously unexplored data to document the prevalence of local direct democracy in California and to compare trends and patterns in local initiatives and statewide measures. It further investigates the causes and policy consequences of local initiatives. Among the key findings are the following:

Local Experience with Direct Democracy Is Wide But Not Deep

Over 730 local initiatives were circulated for signatures in California between 1990 and 2000. More than half of all cities and three-quarters of all counties had at least one proposed citizen measure. However, initiative activity was concentrated in just a few jurisdictions. At the extreme, 54 initiatives were circulated for signatures in the city and

county of San Francisco, whereas the average city had 1.2 initiatives and the average county had 2.7 citizen measures during the 1990s. The majority of local initiatives were proposed in the Bay Area and South Coast regions of the state.

Local Initiatives Are More Successful Than Statewide Measures at the Ballot Box

Local initiatives are more likely than their statewide counterparts to qualify for the ballot and to pass into law. Nearly 80 percent of county initiatives and 75 percent of city initiatives qualified for the ballot between 1990 and 2000, compared to 15 percent of statewide measures. Of initiatives that qualified for the ballot, voters approved 42 percent of county measures and 45 percent of city measures, compared to 40 percent of statewide measures. Initiatives were most likely to qualify for the ballot and to pass into law in statewide primary elections and non-concurrent local elections, when more interested and informed voters may be more likely to participate.

Local Initiatives Address Typically Local Concerns

The most popular topics for local initiatives in the 1990s were land use, governance, and safety. Land use measures addressed both traditional planning issues—such as zoning changes and specific projects (40%)—and newer growth management techniques including urban growth boundaries (35%), voter approval requirements for new development (12%), and open space preservation (10%). Governance initiatives sought to implement political reforms—including campaign finance rules and term limits (32%)—and to modify the timing and administration of local elections (23%) or local government structure and organization (17%).

In cities, local initiatives concerning gambling, land use, transportation, and the environment were the most likely to qualify for the ballot. Voters were most likely to approve measures relating to water, facilities, and taxes. At the county level, qualification rates were highest for environment, water, and general services initiatives, whereas approval rates were highest for transportation, governance, and facilities measures.

Local Initiatives Are Common Where Institutional Barriers Are Low

Charter cities have wide latitude in setting the requirements to qualify an initiative for the ballot. Cities that require fewer signatures as a percentage of registered voters or of votes cast in the last municipal election had more initiatives during the 1990s than cities that follow the state Elections Code (requiring 10% of registered voters to qualify a measure for the next regularly scheduled election and 15% to call a special election within 88 to 103 days). Those with higher signature requirements or shorter circulation periods had fewer initiatives.

Local Initiatives Are Most Common in Large, Growing, and Economically Diverse Cities

Voters are more likely to turn to the ballot box for policymaking in cities that are larger in terms of both population and government size. For example, cities at or above the 75th percentile of population (53,000 residents) could expect 80 percent more initiatives than cities at or below the 25th percentile (7,300 residents), all else being equal. Initiatives are also more common in cities with a higher proportion of voters registered as Democrats or as Independents (i.e., declining to state a party affiliation). Cities with greater income diversity have more initiatives, whereas those with greater racial diversity have fewer citizen measures. Finally, cities with greater residential mobility, or fewer persons living in the same house for more than five years, have more citizen measures.

These characteristics may reflect uncertainty among legislators and voters. Larger populations, lower political party affiliation, greater income diversity, and higher residential mobility can make it difficult for elected representatives to anticipate the needs of their constituents. Similarly, voters may be less able to monitor the behavior of their elected representatives in larger jurisdictions. Many traditional determinants of voter participation—such as income, age, and homeownership—have little bearing on the number of proposed initiatives. This may be because the threat alone of an initiative is sufficient to bring public policies in line with voter preferences.

Cities in Which Voters Have Proposed at Least One Initiative Tend to Have Higher Local Revenues

Previous research suggests that states where the initiative is available have lower public spending and rely more on fees and charges than on taxes as sources of revenue (e.g., Matsusaka, 1995, 2004). At the city level, however, cities with at least one proposed initiative during the 1990s had higher per capita own-source revenues in fiscal year 2000–2001. This relationship persists even after controlling for other city characteristics including population size, density, age structure, racial diversity, household income, homeownership, residential mobility, Democratic Party registration, and region. On the other hand, there is no statistically significant relationship between initiative use and per capita expenditures or fees and charges as a percentage of own-source revenues.

Overall, there is little evidence that the local initiative has become a “fourth branch of government.” The major criticisms of the statewide initiative—for example, that it benefits special interests, depresses turnout, or tramples minority rights—do not seem to apply to the local initiative. Local voters appear to use this process to tackle issues that are not adequately resolved by their elected representatives or by state policy, and there is no evidence that it leaves the average voter worse off.

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1. California's Fourth Branch of Government

Nearly a century after its adoption, the voter initiative remains extremely popular with Californians. Seven in ten residents believe that making laws and changing public policies by passing initiatives is a “good thing,” and a majority think that policy decisions made through the initiative process are probably better than those made by the governor or legislature. Although three in four Californians agree that the initiative is in need of reform, only one-third say that these changes should be major (Baldassare, 2000). Moreover, some of the most favored changes—preelection reviews of proposed initiatives to avoid legal problems and drafting errors—could make the initiative a more rather than less powerful force in state politics.

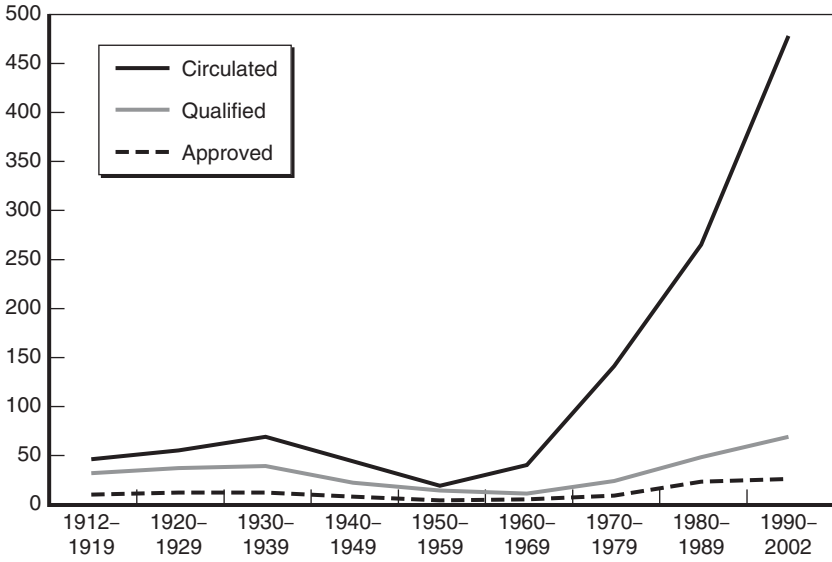
The enduring popularity of the initiative stems in part from its role in California history. The initiative, referendum, and recall were enacted in 1911 following the election of Governor Hiram Johnson, who ran on the Progressive Party platform of curbing the influence of special interests, in particular the Southern Pacific Railroad, in government. The *initiative* enabled citizens to propose new legislation and pass these proposals into law by a majority popular vote. The *referendum* allowed citizens to approve or reject statutes previously adopted by their elected representatives.¹ The *recall* granted citizens the power to remove elected officials from office before their terms had expired. The Progressives also introduced several economic and social institutions—a state workers’ compensation fund, mental health care facilities, a juvenile justice system, restrictions on child labor, public water and power projects, a

¹These popular referendums are distinct from legislative referendums placed on the ballot by a local elected body. There are also compulsory referendums for charter amendments, bond issues, tax increases, and amendments of voter initiatives. Referendums are not the focus of this study.

comprehensive school curriculum, and women’s suffrage—that helped to establish California’s reputation as a national leader in restructuring and reform (Starr, 1985).

Although many Western states share this Progressive tradition, Californians have relied on the initiative process more than the residents of any other state except Oregon (Initiative and Referendum Institute, 2003). Since the inception of direct democracy, Californians have voted on more than 290 statewide initiative measures. Half of these measures did not appear on the ballot until after 1970 (Figure 1.1). More dramatically, proponents have gathered signatures for roughly 1,200 initiative petitions since 1912, nearly 80 percent of which circulated after 1970 (California Secretary of State, 2002).

This upsurge in initiative activity is widely attributed to the “tax revolt” movement and the passage of Proposition 13 in 1978.² Since the



SOURCE: California Secretary of State (2002).

Figure 1.1—State Initiative Measures Circulated, Qualified, and Approved, 1912–2002

²See Doerr (2000) for a history of the tax revolt movement.

1970s, initiatives have addressed many other substantive policy issues including universal health care, criminal penalties, school vouchers, environmental protection, the minimum wage, term limits, the treatment of undocumented immigrants, and affirmative action. As a result, the initiative has become known as California's "fourth branch of government" (e.g., California Commission on Campaign Financing, 1992).

Californians' reliance on the initiative has attracted widespread attention and controversy. Echoing Populist and Progressive arguments from the turn of the century, proponents claim that the initiative makes government more responsive to the will of the voters and, in turn, creates a more engaged and informed citizenry (e.g., Schmidt, 1989).³ Critics argue that the initiative subverts representative democracy for the benefit of the special interests whose influence it was intended to thwart (e.g., Broder, 2000).⁴ Moreover, these critics contend that, because voters consider ballot propositions in isolation from other priorities, initiatives can result in inadequate and even incoherent policies, contributing to perceptions of legislative gridlock, distrust of government, and ever more initiatives (e.g., Schrag, 1998).

What About Local Direct Democracy?

The initiative debate has almost entirely overlooked direct democracy at the local level. This inattention to the local initiative is surprising given that it is more widely available than its statewide counterpart. Nearly 70 percent of Americans live in cities with the initiative, compared to 40 percent who live in states with the initiative (Matsusaka, 2003). Moreover, local direct democracy precedes the statewide version. America's first experience with direct democracy was the town meeting of colonial New England. During the late nineteenth

³They point to evidence that the availability of the initiative leads to more popular fiscal and social policies (Matsusaka, 2004; Gerber, 1996), improved economic performance (Blomberg et al., 2001; Feld and Savioz, 1997), and even happiness (Frey and Stutzer, 2002).

⁴The empirical evidence suggests that the picture is more complicated: Campaign spending can defeat initiatives but does not guarantee their electoral success (Gerber, 1999).

and early twentieth centuries, many cities used their new “home rule” powers to adopt the initiative and referendum in advance of state governments. In California, San Francisco and Vallejo enacted the initiative in 1898, the same year in which South Dakota became the first state to do so.

In recent years, voters have used the local initiative to implement major policy changes. Several authors have documented the growing frequency of “ballot-box zoning” or land use regulation and planning by initiative (e.g., Fulton et al., 2002). California is a leader in this trend: More than half of all local growth and development initiatives in the November 2000 election occurred in this state (Meyers and Puentes, 2001). Although city councils and county boards of supervisors also place measures on the ballot, citizen propositions typically promote newer growth management tools, including urban growth boundaries and voter approval requirements for new development (Glickfeld and Levine, 1992; Fulton et al., 2002).

Perhaps the most visible citizen measures have tackled local controversies such as whether to allow a Wal-Mart in Inglewood or a commercial airport in Orange County. However, the local initiative is also a favored instrument for government restructuring and reform. Voters have used the local initiative to limit the terms of elected officials, restrict campaign contributions, set rules for awarding public contracts, and modify the administration and timing of elections. In addition, voters have applied the local initiative to fiscal matters, by increasing, reducing, and repealing local taxes as well as by earmarking funds for specific uses.⁵

The causes and consequences of statewide initiatives have been researched extensively, yet little is known about local direct democracy. This gap is unfortunate because state and local politics are fundamentally different. Local politics may be more susceptible to external social, economic, and political forces (e.g., Peterson, 1981). These forces may also shape demand for voter initiatives. For example, local governments

⁵As discussed in Chapter 2, tax increases by initiative are not subject to the two-thirds vote requirement in Article XIII of the California constitution (*Kennedy Wholesale v. State Board of Equalization* (1991) 53 Cal.3d. 245).

in California operate within state-imposed limits on their ability to raise local revenues (e.g., Proposition 13).

Local politics are also distinguished by the centrality of land use. Some observers argue that cities are little more than “growth machines,” in which elected officials cater to pro-development elites (Molotch, 1976). Others claim that homeowners will nearly always dominate issues—including land use, school quality, taxation, and environmental protection—that affect property values (Fischel, 2001). In either case, local initiatives should reflect distinctly local policy priorities.

To date, there have been no comprehensive studies of the local initiative. This omission is due in part to data limitations. This study relies on previously unexplored data from the California Secretary of State validated with other ballot proposition databases, media searches, and contacts with local elections officials (see Appendix A). As a result, it is the most accurate and complete analysis of the local initiative in California.

Aims of This Study

The study examines local initiative activity in California from 1990 to 2000. It asks the following questions:

- How often do voters use the initiative process in cities and in counties?
- How frequently do local initiative measures qualify for the ballot and pass into law?
- What topics do local initiatives typically address? Do success rates vary by subject matter?
- In what types of elections do local initiatives most often occur and pass into law (e.g., presidential, gubernatorial, or primary)?
- Do cities in which voters frequently propose initiatives exhibit different demographic, political, and economic characteristics?
- How does the frequency of initiative measures depend on features of the process, including signature requirements and circulation periods?
- Does a greater reliance on the initiative alter city finance decisions?

The plan for the remainder of the report is as follows. Chapter 2 reviews the origins of local direct democracy and the process by which voters can introduce new local ordinances or charter amendments and pass them into law. It also considers legal constraints on the use of the local initiative and provides examples of how local initiatives have been used to set the local and regional policy agenda.

Chapter 3 explores trends and patterns in the use of local initiatives. It compares the higher qualification and approval rates of local initiatives to statewide citizen measures. The chapter also summarizes circulation, qualification, and approval rates by jurisdiction (i.e., city or county), topic area, election type, and geography.

Chapter 4 investigates the causes of local initiatives. It reports differences in the number of city initiatives by population size, diversity, and growth as well as by local government structure and other factors. It then evaluates these differences in light of explanations from the political science literature and lessons from previous research on the state initiative.

Chapter 5 analyzes the consequences of local initiatives. It asks if cities with initiatives exhibit different levels of public spending and alternative revenue sources. Chapter 6 discusses conclusions and policy implications.

2. Overview of the Local Initiative

This chapter provides an overview of the local initiative. Following a brief history of local direct democracy, it outlines the steps necessary to qualify and to pass a local initiative. The chapter then compares the legal scope of state and local initiatives. It concludes with recent examples of influential local initiatives and policy considerations for local governments.

A Brief History of the Local Initiative

The first American experience with direct democracy was at the local level, in the town meeting of colonial New England.¹ As documented in the *Federalist* papers, the framers of the U.S. constitution explicitly considered but ultimately rejected direct democracy as a model for the national government. Apart from requirements that voters ratify state constitutions and all subsequent amendments, citizen lawmaking lay dormant until the mid-nineteenth century. At that time, states gradually began to allow popular votes on a broader set of issues including municipal incorporations, debt obligations, taxes, liquor licenses, and the locations of primary schools, universities, and charitable institutions (Dubois and Feeney, 1998).

The social and economic transformations of the nineteenth century revived popular interest in direct democracy. In particular, the Populist and Progressive movements seized on the initiative and referendum as political reforms that could limit the influence of special interests in government. Although early efforts to amend the New Jersey

¹The earliest examples of direct democracy are from ancient Athens and Rome as well as medieval Europe (Magleby, 1984). Swiss cantons began experimenting with direct democracy in the 1830s, and the Swiss constitution extended the initiative to all levels of government in 1848 (Dubois and Feeney, 1998).

constitution to include direct democracy were unsuccessful, support for the initiative spread quickly among the states (Schmidt, 1989). In 1898, South Dakota became the first state in the nation to adopt the initiative and referendum, followed closely by Utah (1900), Oregon (1902), Montana (1906), Oklahoma (1907), and Maine (1908) (Initiative and Referendum Institute, 2003).

Another Progressive-era reform—municipal “home rule”—was instrumental in advancing direct democracy at the local level. Municipal home rule gave cities the power to draft and amend their own charters, analogous to a constitution, and to regulate purely local matters.² Missouri was the first state to enact municipal home rule as a constitutional amendment in 1875. In this same vein, Nebraska’s legislature passed a bill in 1897 allowing cities to adopt the initiative and referendum.

As noted above, San Francisco and Vallejo were among the first cities in the nation to exercise their charter authority to enact direct democracy in 1898.³ Los Angeles adopted the initiative in 1903, and by 1910, 20 charter cities in California—including Pasadena, San Diego, San Bernardino, Fresno, and Sacramento—had implemented the initiative, the referendum, or both (Dubois and Feeney, 1998; Simmons, 1997).⁴ In 1911, following the election of Progressive Governor Hiram Johnson, voters overwhelmingly approved amendments to the California constitution extending the initiative, referendum, and recall to the state and to all remaining cities and counties.

²In California, the distinction between charter and “general law” cities has eroded over time as the state legislature has granted more power to all cities.

³It is interesting to note that these actions may have been illegal because the state did not explicitly permit charter cities to adopt the initiative and referendum until 1902. An earlier statute (1893) allowed counties to hold popular referendums if citizens filed petitions with a number of signatures equivalent to 50 percent of votes cast in the last general election (Dubois and Feeney, 1998; Crouch, 1950).

⁴Early examples of local direct democracy include successful referendums to overturn sales of railroad franchises in Los Angeles and Sacramento and recalls of the mayors of Los Angeles and San Francisco (Dubois and Feeney, 1998; Starr, 1985).

The Local Initiative Process

Procedural requirements for placing a local initiative on the ballot parallel those for qualifying a statewide proposition. After drafting an initiative measure, proponents must file a “notice of intention” to circulate a petition for signatures with their local elections official (i.e., the city clerk, county clerk, or county registrar of voters), along with the text of the proposed measure and a request for ballot title and summary. The filing fee of \$200 is refundable to the filer if the petition receives sufficient signatures to qualify for the ballot within one year. The local elections official forwards the request to the city attorney or county counsel, who has 15 days to return an impartial ballot title and summary.⁵ Proponents must publish the notice of intention, ballot title, and summary in the local newspaper of general circulation.⁶

Next, proponents have 180 days from the receipt of ballot title and summary to circulate a petition for signatures.⁷ In general law cities, they must obtain signatures from 10 percent of registered voters for a measure to appear on the ballot in the next regularly scheduled election. The threshold is 15 percent to call a special election within 88 to 103 days. (In cities with fewer than 1,000 registered voters, the signature requirement is the lesser of 25 percent or 100 voters.) Counties require signatures in the amounts of 10 and 20 percent of votes cast in the last

⁵Initiative proponents may seek a writ of mandate to amend the ballot title or summary if there is clear and convincing evidence that the title and summary are false, misleading, or inconsistent with the Elections Code (California Elections Code, Section 9106).

⁶Requirements for a newspaper of general circulation are outlined in the California Government Code (Section 6000 and following). If there is no newspaper of general circulation in the city, proponents must publish the petition in a newspaper of general circulation within the county and post the petition in three public places. If there is no newspaper of general circulation in the city or county, they must simply post the petition in three public places (California Elections Code, Sections 9103 and 9205).

⁷Section 9209 of the Elections Code states that circulators must be registered to vote in the city or county in which the initiative is circulated. However, the California Attorney General has issued an opinion that this requirement is unconstitutional in light of the U.S. Supreme Court decision in *Buckley v. American Constitutional Law Foundation* (1999) (525 U.S. 182) (82 Op. Atty Gen. Cal. 250).

gubernatorial election for regular and special elections, respectively (Table 2.1).⁸

Charter cities have wide latitude in setting their local initiative procedures, although many defer to the state Elections Code.⁹ Signature requirements vary from 5 percent to 30 percent of either registered voters or votes cast in the last mayoral election, and circulation periods range from 90 to 200 days (Table 2.2). Charter amendments follow the California Elections Code, which requires signatures from 15 percent of registered voters within a 200-day circulation period.¹⁰

Table 2.1
Procedural Requirements for State and
Local Initiatives

	Signature Requirements	Circulation Period (days)
State	5% statutory 8% constitutional	150
Cities	10% general election 15% special election	180
Counties	10% general election 20% special election	180

SOURCE: California Elections Code, Sections 9100-9126; 9200-9226.

NOTES: The table includes general law cities and counties only. Signature requirements are expressed as a percentage of votes cast for governor in the last election for statewide initiatives and of registered voters for city and county initiatives.

⁸Counties have statutory authority to exceed the 103-day limit to avoid having more than one election within a six-month period.

⁹The conduct of local elections is one of the few specifically enumerated areas of municipal home rule (California Constitution, Article 11, Section 5[b]).

¹⁰San Francisco requires signatures from 10 percent of registered voters for a charter amendment because it is also a county.

Table 2.2

Procedural Requirements for Statutory Initiatives in Charter Cities

City	Signature Requirements (%)		
	General Election	Special Election	Circulation Period (days)
Alhambra	15v	25v	40
Berkeley	5m	10m	180 ^a
Los Angeles	15m	15m	120 ^a
Oroville	25v	25v	180 ^a
Palo Alto	6	12	180 ^a
San Bernardino	30m	30m	180 ^a
San Diego	10	10	180 ^a
San Francisco	5m	10m	180 ^a
San Jose	5	8	180 ^a
Stockton	5	10	90

SOURCE: City charters.

NOTES: All other charter cities follow the California Elections Code. Signature requirements are expressed as a percentage of registered voters unless otherwise noted by “m” for votes cast in the last mayoral election, or “v” for votes cast in the last municipal election.

^aDenotes circulation period not specified in city charter; city conforms with California Elections Code.

Upon receiving an initiative petition, the local elections official must verify the number of signatures obtained and their eligibility within 30 days. When there are more than 500 signatures, random sampling is allowed. In the interim, the legislative body may refer the proposed measure to a local agency for a report on its fiscal impact, consistency with the general plan, and other effects. Reports must be received within 30 days after the local elections official has certified the sufficiency of the petition.

If the local elections official determines that the requisite number of valid signatures has been gathered, he or she submits the initiative to the local legislative body (i.e., the city council or county board of supervisors). A local government cannot refuse to place a duly certified initiative on the ballot. The governmental body, or any person or entity with legal standing, may file a petition for writ of mandate, seeking a

court order removing the initiative measure from the ballot. Generally, however, courts prefer not to rule on the validity of an initiative until it has been passed into law.¹¹

Unlike the state, the local elected body has an option, or “right of first refusal,” to adopt the proposed initiative within ten days without modification.¹² Alternatively, it may submit the measure directly to the voters. If a majority of voters approves the initiative, it goes into effect ten days after the vote is certified. As at the state level, ordinances adopted through the initiative process may be repealed or amended only by a popular vote. Where two conflicting initiatives are approved in the same election, the one receiving the highest number of votes prevails.

The Scope of Local Initiatives

The California Constitution states that the initiative is not a right granted to the people but a power reserved by them (California Constitution, Article IV). As a result, the courts have repeatedly invoked a duty to “jealously guard” the initiative and to construe this power liberally in favor of its use (e.g., *Associated Home Builders vs. City of Livermore* 18 Cal. 3d 582). Nevertheless, both state and local initiatives are subject to certain constitutional restrictions (Table 2.3). For example, initiatives cannot violate state or federal constitutional rights to equal protection or due process of the law. Nor can initiatives name a person to hold office or a corporation to perform a given function (California Constitution, Article II, Section 12).

In addition, initiatives may address only one subject (California Constitution, Article II Section 8(d)). As with acts of the state legislature, initiatives with multiple parts are permissible, so long as these parts are “reasonably germane” to one another (*Perry v. Jordan* 34 Cal. 2d 87, 207). In more recent cases, the court has upheld this

¹¹The legal standard is that a duly certified ballot measure must be presented to the voters unless there is a “compelling showing” to the contrary (*Save Stanislaus Area Farm Economy v. Board of Supervisors* (1993) 13 Cal. App. 4th 141). Following an election, however, a court must determine only whether the ballot measure is valid (*Memorial Hosp. Assn. v. Randol* (1995) 38 Cal. App. 4th 1300).

¹²California had a similar “indirect initiative” at the state level, but voters repealed it in 1966 for lack of use.

Table 2.3
Restrictions on Subject Matter of State and Local Initiatives

	State	Local
Cannot violate state or federal constitutional rights to equal protection, due process of law	X	X
Cannot address more than one subject	X	X
Cannot name individual to office or corporation to function	X	X
Applies to legislative acts only	X	X
Cannot declare policy views by resolution	X	X
Cannot direct a legislative body to act	X	X
Cannot contravene state law		X
Cannot interfere with power specifically delegated by the state		X

SOURCES: California Constitution; California Elections Code; California case law.

interpretation, rejecting a more stringent “functionally related” standard (*Fair Political Practices Com. v. Superior Court* (1979) 25 Cal. 3d 33; *Brosnahan v. Brown* (1982) 32 Cal. 3d 236).

The constitution stipulates that the initiative is the power to adopt “statutes” and courts have interpreted this provision as limiting the subject matter of initiatives to “legislative acts” only (California Constitution, Article II Section 8[a]). Generally, a legislative act declares a public purpose and provides for its accomplishment. In contrast, an administrative decision carries out policies and purposes already declared by the legislative body (*Simpson v. Hite* (1950) 36 Cal. 2d 125). For example, at the local level, courts have ruled that adoptions or amendments of general plans and zoning ordinances are legislative acts, whereas variances and use permits are administrative decisions (*DeVita v. County of Napa* (1995) 38 Cal. 4th 763; *Arnel Dev. Co. v. Costa Mesa* (1980) 28 Cal. 3d 511; *Fishman v. City of Palo Alto* (1978) 86 Cal. App.3d 506, 509).

By the same reasoning, courts have ruled that initiatives may not direct a governing body to act or declare policy views by resolution (*AFL-CIO v. Eu* (1984) 36 Cal. 3d 687).¹³ For example, an appellate court

¹³However, the California Supreme Court held in *Farley v. Healey* (1967) that a San Francisco initiative declaring a policy in favor of an immediate cease-fire and

struck down a San Clemente initiative requiring the city to amend its general plan in keeping with certain “concepts,” on the grounds that the measure merely expressed a policy preference rather than changing the law directly (*Marblehead v. San Clemente* (1991) 226 Cal. App. 3d 1504). More recently, however, another appellate court upheld a San Diego initiative directing the city to revise its general plan and local zoning ordinances because the measure specifically enumerated which changes should be made (*Pala Band of Mission Indians v. Board of Supervisors* (1997) 54 Cal. App. 4th 565).

Beyond these limitations on the use of the initiative in general, certain rules govern the use of local measures in particular. As with all local legislation, local initiatives may not contravene state law, even if there is no specific conflict but the state has enacted legislation on the subject before, or “preempted the field.” The legal inference of state preemption is stronger where the state has delegated authority exclusively to a specific local governing body, such as a city council or county board of supervisors (*Committee of Seven Thousand et al., v. The Superior Court of Orange County* (1988) 45 Cal. 3d 491).

Recent court decisions have expanded the power of the local initiative. In 1995, for example, the California Supreme Court ruled that voters could use the initiative process to amend local general plans (*DeVita v. County of Napa* (1995) 38 Cal. 4th 763). Prior court decisions had established that zoning ordinances were subject to initiatives and general plans to referendums but left open whether general plans were subject to initiatives (*Associated Home Builders v. Livermore* (1976) 18 Cal.3d 582; *Yost v. Thomas* (1984) 36 Cal. 3d 561). This distinction is important because courts had previously invalidated growth-management zoning ordinances enacted by initiative on the grounds that they conflicted with local general plans, including the housing element (*Building Industry Assn. v. Oceanside* (1994) 27 Cal. App. 4th 744; *Lesher Communications v. Walnut Creek* (1990) 52 Cal. 3d

withdrawal of American troops in Vietnam was permissible because the city charter had defined the right of initiative with unusual breadth (67 Cal.2d 325).

531).¹⁴ In *DeVita*, the court ruled that state elections law specifically recognized that general plans could be amended by initiative and that state planning law reflected that land use planning is a local matter (*DeVita v. Napa* (1995) 9 Cal. 4th 763).¹⁵

In another recent decision, the California Supreme Court ruled that local taxes are subject to the initiative process. Previously, appellate courts had ruled that local initiatives may not “impair essential government functions,” including the power to tax (*City of Atascadero v. Daly* (1982) 135 Cal. App. 3d 466; *Community Health Assn. v. Board of Supervisors* (1983) 146 Cal. App. 3d 990).¹⁶ However, in 1995, the court upheld a San Francisco measure repealing the residential utility tax, noting that the initiative would affect only future budgets (*Rossi v. Brown* (1995) 9 Cal. 4th 688). Statewide Proposition 218, passed in 1996, codified the power of voters to use the initiative to affect (including reducing or repealing) local taxes, assessments, fees, and charges.¹⁷ The proposition also stipulated that the signature requirements for local tax initiatives could be no higher than that required for statewide statutory initiatives (i.e., 5 percent of votes cast in the last gubernatorial election).¹⁸ Moreover, tax initiatives (including tax increases) need only a simple majority rather than the two-thirds vote required for other tax

¹⁴Proponents of the initiative measure struck down in *Marblehead v. San Clemente* (1991) directed the city council to amend its general plan to avoid precisely these conflicts (“Leshner Ruling May Signal Shift in Court Attitude Toward Initiatives,” 1991).

¹⁵Using this reasoning, an appellate court subsequently ruled that initiatives could also amend local coastal plans (*San Mateo County Coastal Landowners' Assn. v. San Mateo* (1995) 38 Cal. App. 4th 523).

¹⁶On the other hand, tax levies are exempt from the referendum process (California Constitution Article II, Section 9[a]; *Community Health Association v. Board of Supervisors* (1983) 146 Cal. App. 3d 990; *Fenton v. Delano* (1984) 162 Cal. App. 3d 400).

¹⁷As a result, the only limit on voters’ ability to overturn local revenue-raising measures is the “debt impairment clause” of the U.S. constitution, which prevents voters from eliminating a new or existing revenue stream if doing so would jeopardize the security of bonded indebtedness. (Legislative Analyst’s Office, 1996)

¹⁸The same provision of Proposition 218, that “the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax,” does not, however, require that a city expedite votes on tax initiatives, according to the California Attorney General (Opinion No. 01-1114, August 12, 2002).

measures to pass into law (*Kennedy Wholesale v. State Board of Equalization* (1991) 53 Cal.3d. 245).

Examples and Policy Considerations

The local initiative is thus a broad legislative power. Voters have exercised this power for a variety of purposes. Below are prominent examples of how the local initiative has been used both to resolve local disputes and to set regional priorities in the absence of a statewide policy.

The Proposed El Toro Airport

A prominent example of initiatives setting the local policy agenda is the nearly ten-year struggle over the fate of the former El Toro Marine Corps Air Station in central Orange County. In November 1994, voters passed Measure A, an initiative amending the county general plan to permit civilian aviation at El Toro and directing the county to proceed with planning a civilian commercial airport. In March 1996, voters again went to the polls and defeated Measure S, a county initiative invalidating the 1994 measure and requiring voter approval for any planned commercial airport at El Toro.

Throughout this period, the county initiated various planning efforts, including ordering the preparation of an environmental impact report (EIR), developing an airport master plan, and negotiating with the Department of Defense for a transfer of the El Toro property. In addition, opponents of the airport, predominantly south Orange County cities, filed lawsuits challenging the legality of Measure A and the EIR.¹⁹

In March 2000, voters approved yet another initiative, Measure F, requiring a two-thirds public vote before certain land use projects, including airport projects, could receive county approval. An appellate court invalidated this measure on the grounds that it did not legislate policy but rather created administrative burdens on the county planning process, a power delegated by the state and an “essential government

¹⁹Indeed, several Orange County cities incorporated primarily to contest the proposed airport plan (“Measure to Block El Toro Airport Overturned on Multiple Grounds,” 2002).

function” (*Citizens for Jobs and the Economy v. County of Orange* 94 Cal. App. 4th 1311).

Finally, in March 2002, voters approved Measure W, an initiative measure blocking the development of an airport at El Toro by rezoning most of the area for open space and educational uses.²⁰ One month later, the Navy announced that it would sell the base at a public auction after the city of Irvine had annexed it. Irvine will rezone the property for residential and business uses in exchange for new landowners deeding some portions back to the city. Efforts to gather signatures for another initiative overturning Measure W have been unsuccessful.²¹

Growth Management Strategies and “Ballot-Box Zoning”

The burgeoning use of initiatives to decide local land use planning issues has generated concerns about “ballot-box zoning.” In recent years, the focus of local land use measures has shifted from traditional growth management techniques, such as population and housing caps, to urban growth boundaries and voter approval requirements for new development (Glickfeld and Levine, 1992; Fulton et al., 2002). Opponents argue that these measures undermine comprehensive planning processes, including public hearing and notification requirements. Proponents claim that such tools are the best alternative to “sprawl” in the absence of a statewide growth management policy.

One of the first such propositions, Measure J, passed in Napa County in November 1990. This measure prevented changes in the land use element of the county general plan without a popular vote for the next 30 years. In the landmark *DeVita* decision described above, the California Supreme Court upheld the constitutionality of this measure and of using the initiative process to amend local general plans more

²⁰Voters in every city north of Irvine, with the exception of Tustin, rejected Measure W (Pasco, 2003).

²¹See <http://www.eltoroairport.org/news/litigation.html>. City of Los Angeles officials also petitioned U.S. Transportation Secretary Norman Mineta to block the sale of the former Navy base and to reconsider building a commercial airport at El Toro in order to relieve congestion at Los Angeles International Airport. However, Secretary Mineta indicated in a July 2003 letter to U.S. Representative Christopher Cox (R-Newport Beach) that the Department of Transportation would not intercede (Haldane, 2003).

generally. Measure J inspired a flurry of similar initiatives in other localities, often in a coordinated effort backed by a single group.

Most famously, the Save Open Space and Agricultural Resources (SOAR) group in Ventura County backed voter approval requirement initiatives in the city of Ventura in November 1995, and in Ventura County and the city of Thousand Oaks in November 1998. They also supported urban growth boundaries (City Urban Restriction Boundaries, or CURBs) in the cities of Camarillo, Simi Valley, Santa Paula, and Oxnard in November 1998. All but the Santa Paula measure were approved, although Santa Paula voters followed up with a second successful initiative in 2002. Voters in the city of Moorpark in Ventura County passed its SOAR measure in January 1999. More recently, similar measures have appeared on the ballot in Fillmore and San Luis Obispo.

Another group, the Citizen's Alliance for Public Planning (CAPP), advocated more stringent local initiatives requiring citywide voter approval for general plan amendments that would add as few as ten or 20 homes. The Bay Area cities of Pleasanton, Livermore, and San Ramon all defeated CAPP measures in November 2000.

As several authors have pointed out, concerns about the initiative and ballot-box zoning may be misplaced. In fact, local elected bodies (i.e., city councils and county boards of supervisors) are responsible for the most growth management regulations (Glickfeld and Levine, 1992; Lewis and Neiman, 2002). On the other hand, the policy consequences of local initiatives may be greater than their numbers would suggest if the threat alone of a citizen measure can prompt legislative action (Gerber, 1996).²²

These examples illustrate just some of the uses to which the local initiative has been put. Subsequent chapters will explore more systematically how the local initiative has been used and to what effect.

²²Results from a PPIC survey of local planning directors support this view. Although only 16 percent of planning directors indicated that citizen initiatives had been "a major source of policies to slow residential development" in their cities, slow-growth policies were more prevalent in jurisdictions where respondents had or expected to have voter initiatives (Lewis and Neiman, 2002, pp. 46–47).

3. Patterns in Local Initiative Use

This chapter reviews local initiative activity in California during the 1990s. Using a unique and comprehensive dataset (Appendix A), it compares the number of initiatives proposed, qualified, and approved at the state and local levels. It goes on to explore the frequency and success of local initiatives by subject area, election type, and geography.

Local Initiative Activity During the 1990s

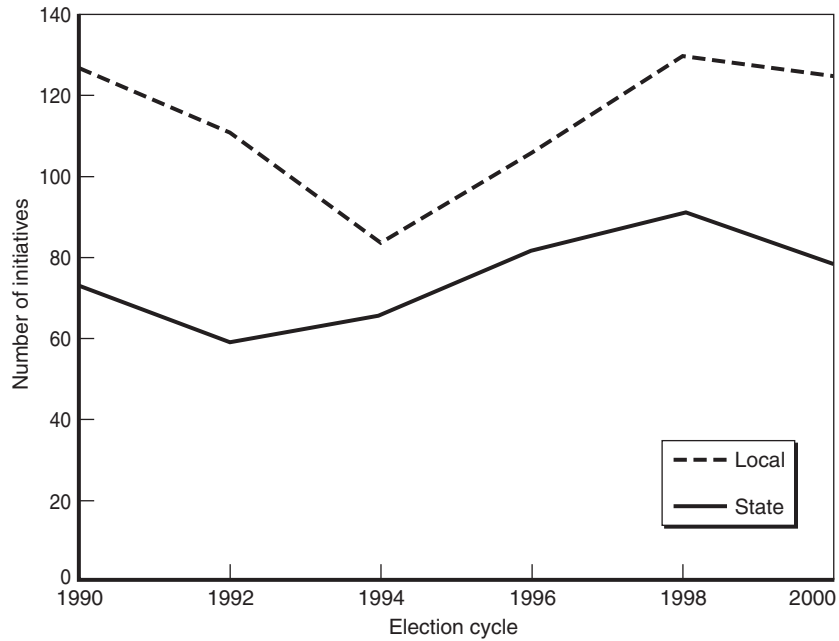
Over 730 local citizen initiatives circulated for signatures in California between 1990 and 2000, compared to roughly 450 state measures (Figure 3.1). More than half of all cities and three-quarters of all counties had at least one citizen petition circulated for signatures during the 1990s.¹

However, initiative activity was concentrated in a few jurisdictions. The average city had only 1.2 proposed citizen measures. Of cities with at least one proposed initiative, 75 percent had fewer than three measures (Table 3.1). A handful of cities were frequent users of the initiative process: San Francisco had 54 proposed measures between 1990 and 2000, Berkeley had 15, and San Diego had 11.

At the county level, use of the initiative process is more evenly dispersed. The average county experienced 2.7 proposed initiatives. Sixty percent of all counties with at least one initiative had more than two measures circulated (Table 3.2). Tuolumne and Napa Counties had the most initiative activity over this period, with nine proposed initiatives each.²

¹For the purposes of this report, San Francisco is considered a city although it is also a county.

²We have made every attempt to exclude non-countywide measures from this total.



SOURCES: California Secretary of State (2002, 1990–2000).

NOTE: The figure includes all initiatives circulated for elections within each two-year cycle.

Figure 3.1—State and Local Initiatives Circulated During the 1990s

The Success of Local Initiatives

Local initiatives are more likely than their statewide counterparts to become law. Nearly 80 percent of citizen-initiated county measures and 75 percent of city measures qualified for the ballot between 1990 and 2000, compared to 15 percent of statewide initiatives. Of initiatives that qualified for the ballot, voters approved 45 percent of city measures and 42 percent of county measures, compared to 40 percent of statewide initiatives (Table 3.3).³

³These totals do not include roughly a dozen measures reported to the Secretary of State as adopted by a local elected body through the “indirect initiative” option. We cannot evaluate these measures separately because respondents frequently misunderstood the questionnaire and reported initiatives as being both legislatively adopted and approved by the voters, even though these outcomes are mutually exclusive.

Table 3.1
Prevalence of City Initiative Measures

No. of Initiatives Circulated	No. of Cities	% of Cities
0	231	48.7
1	127	26.8
2	54	11.4
3	25	5.3
4	13	2.7
5	9	1.9
6	4	0.8
7	4	0.8
8	1	0.2
9	1	0.2
10	2	0.4
11	1	0.2
15	1	0.2
54	1	0.2
Total	474	100.0

SOURCES: California Secretary of State (1990–2000).

NOTE: Percentages do not sum to 100 because of rounding.

Table 3.2
Prevalence of County Initiative Measures

No. of Initiatives Circulated	No. of Counties	% of Counties
0	13	22.4
1	13	22.4
2	5	8.6
3	8	13.8
4	5	8.6
5	5	8.6
6	4	6.9
7	2	3.4
8	1	1.7
9	2	3.4
Total	58	100.0

SOURCES: California Secretary of State (1990–2000).

NOTE: Percentages do not sum to 100 because of rounding.

Table 3.3

Qualification and Approval Rates of State and Local Initiatives

	No. of Initiatives	No. of Jurisdictions	% Qualified	% Approved
State	450	1	15	40
Cities	576	243	75	45
Counties	156	45	78	42

SOURCES: California Secretary of State (2002, 1990–2000).

NOTE: Percentage approved is based on initiatives that qualified for the ballot.

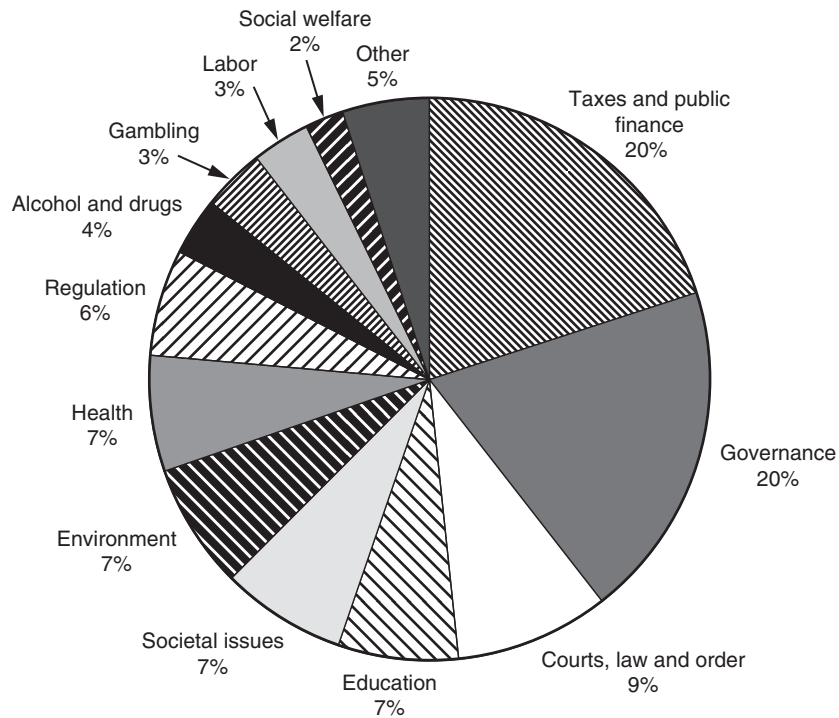
The Subject Matter of Local Initiatives

Local initiatives typically address a different range of subjects than statewide measures. The most popular topic areas for statewide initiatives during the 1990s were taxes and public finance, governance, the courts, and education (Figure 3.2). In contrast, local initiatives were more likely to address land use, governance, and safety (Figure 3.3a and 3.3b).⁴

Within topic areas, land use initiatives were split between measures addressing traditional planning issues—including zoning changes (33%) and specific projects (7%)—and those seeking to implement newer growth management tools such as urban growth boundaries (35%), voter approval requirements for future development (12%), and open space preservation (10%) (Table 3.3).⁵

⁴These figures are not directly comparable because of different procedures used to classify initiatives addressing multiple subjects (e.g., taxes for public safety). State measures can belong to multiple categories, whereas local measures are coded according to their primary objectives. In both cases, the “other” category includes initiatives that could not be readily classified as well as categories with less than 1 percent of all measures. For state initiatives, “Taxes and public finance” includes initiatives on taxation, bonds, and fiscal matters; “Governance” includes elected officials and civil service compensation, elections, reapportionment, and campaign finance.

⁵There is considerable overlap among these objectives (e.g., the SOAR initiatives discussed in Chapter 2). Breakdowns should be interpreted as a guide to the content of local initiatives rather than an exact accounting.

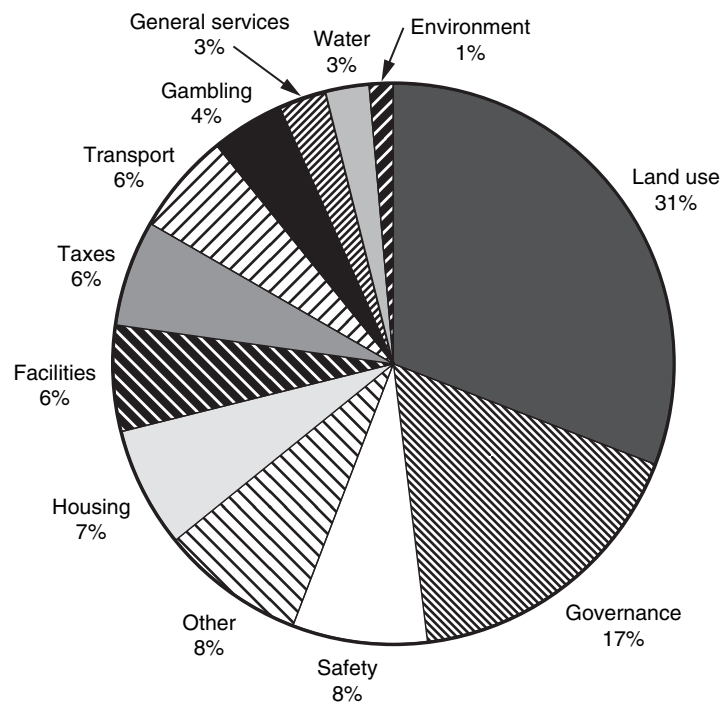


SOURCE: California Secretary of State (2002).

Figure 3.2—Proposed Statewide Initiatives, by Topic Area

Among governance initiatives, the most prevalent topics were political reform, including the adoption of campaign finance rules and term limits (32%); the timing and administration of elections, including shifts from at-large to district voting (23%); and government structure or organization, including the adoption of an elected mayor (17%) (Table 3.5).

Qualification and approval rates for local initiatives vary by subject matter. Gambling, environment, transportation, and land use initiatives were most likely to qualify for the ballot at the city level during the 1990s. Among initiatives that qualified for the ballot, voters were most likely to approve measures related to water, facilities, and taxes (Table 3.6). For counties, the highest qualification rates were for environment,



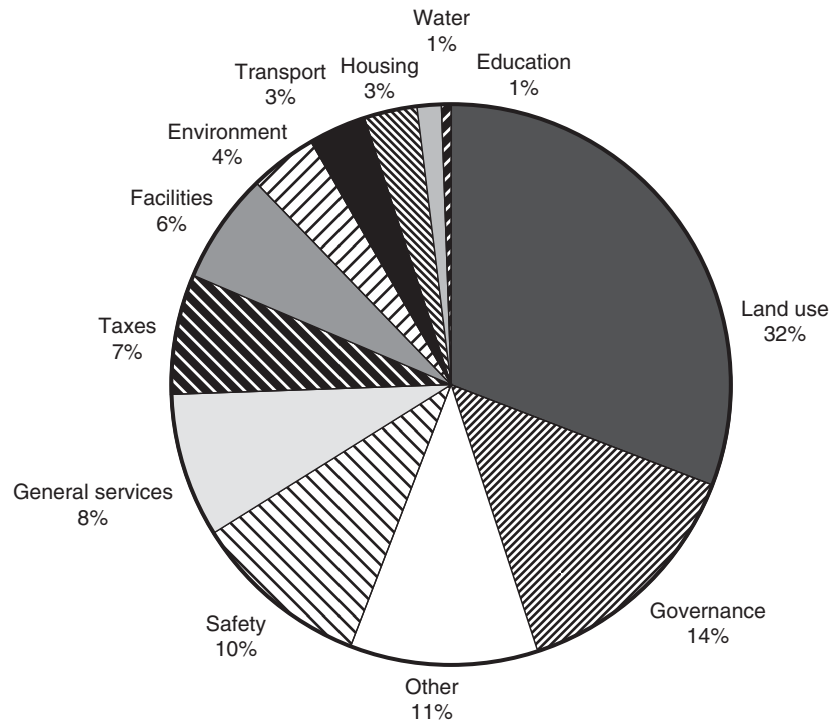
SOURCES: California Secretary of State (1990–2000).

Figure 3.3a—Proposed City Initiatives, by Topic Area

water, and general services, although there were very few measures in some of these categories. Transportation, governance, and facilities measures had the highest approval rates for qualified county initiatives (Table 3.7).

Passage rates also differ within subject categories. Among land use initiatives, qualification and approval rates are higher for “pro-growth” measures than for “anti-growth” measures (Table 3.8).⁶ However, this difference is not large.

⁶This taxonomy does not take account of contextual factors, such as whether more lenient growth management plans are competing against more stringent measures.



SOURCES: California Secretary of State (1990–2000).

Figure 3.3b—Proposed County Initiatives, by Topic Area

Table 3.4

Land Use Initiatives, by Topic Area

Topic Area	No. of Initiatives	% of Total
Growth cap or boundary	80	35.4
Zoning	74	32.7
Voter approval	26	11.5
Open space	23	10.2
Private projects	15	6.6
Military base conversion	6	2.7
Sale or leasing	2	0.9
Total	226	100.0

SOURCES: California Secretary of State (1990–2000).

Table 3.5
Governance Initiatives, by Topic Area

Topic Area	No. of Initiatives	% of Total
Political reform	36	31.9
Elections	26	23.0
Organization	19	16.8
Benefits and compensation	15	13.3
Charters	7	6.2
Personnel and labor relations	5	4.4
Contracting and bidding	5	4.4
Total	113	100.0

SOURCES: California Secretary of State (1990–2000).

Table 3.6
**City Initiatives, Qualification, and Approval Rates,
by Topic Area**

Topic Area	No. of Initiatives	% Qualified	% Approved
Water	15	73	82
Facilities	36	58	52
Taxes	39	72	50
Land use	178	82	49
General services	15	60	44
Other	46	74	44
Safety	47	79	43
Governance	92	63	43
Housing	41	73	40
Transport	33	82	33
Gambling	25	92	26
Environment	8	88	14
Education	1	0	0
Total or average	576	75	45

SOURCES: California Secretary of State (1990–2000).

NOTE: Percentage approved is based on initiatives that qualified for the ballot.

Table 3.7
County Initiatives, Qualification, and Approval Rates,
by Topic Area

Topic Area	No. of Initiatives	% Qualified	% Approved
Transport	5	80	100
Governance	21	57	67
Facilities	10	70	57
Taxes	11	64	57
Other	17	65	55
General services	14	93	54
Housing	5	60	33
Land use	48	88	31
Safety	16	88	29
Environment	6	100	0
Water	2	100	0
Education	1	0	0
Total or average	156	78	42

SOURCES: California Secretary of State (1990–2000).

NOTE: Percentage approved is based on initiatives that qualified for the ballot.

Table 3.8
Local Initiatives, Qualification, and Approval Rates,
by Growth and Development Orientation

Growth Orientation	No. of Initiatives	% Qualified	% Approved
Anti	176	83	40
Pro	37	95	46
Total or average	213	85	41

SOURCES: California Secretary of State (1990–2000).

NOTE: Percentage approved is based on initiatives that qualified for the ballot.

The Election Timing of Local Initiatives

Local initiatives can appear on the ballot in state and local (concurrent) or local-only (non-concurrent) elections. For both cities

and counties, most local initiatives were circulated in presidential and gubernatorial general elections. However, qualification and approval rates were highest in primary and non-concurrent elections (including off-cycle and odd-year November elections) (Tables 3.9 and 3.10). There is evidence that the latter types of elections have lower rates of voter participation and may attract more interested and informed voters (Hajnal, Lewis, and Louch, 2002).

Table 3.9
City Initiatives, Qualification, and Approval Rates,
by Election Type

Election Type	No. of Initiatives	% Qualified	% Approved
Gubernatorial primary	28	89	52
Off-cycle	104	82	52
Presidential	142	73	51
Odd-year November	103	83	45
Gubernatorial	107	80	42
Presidential primary	49	63	26
Total or average	533	78	46

SOURCES: California Secretary of State (1990–2000).

NOTES: The table includes all initiatives for which election date are available. Percentage approved is based on initiatives that qualified for the ballot.

The Geographic Distribution of Local Initiatives

Local initiatives are most common in the more populous Bay Area and South Coast regions of the state (Figure 3.4). Qualification rates were highest in the Far North and Sacramento regions during the 1990s (Figure 3.5), whereas approval rates were highest in the San Joaquin Valley and Sierra regions (Figure 3.6). Although high qualification and approval rates can be an artifact of having few initiative measures, areas with frequent initiatives also had many successful measures (e.g., San Francisco, Ventura County, and Orange County).

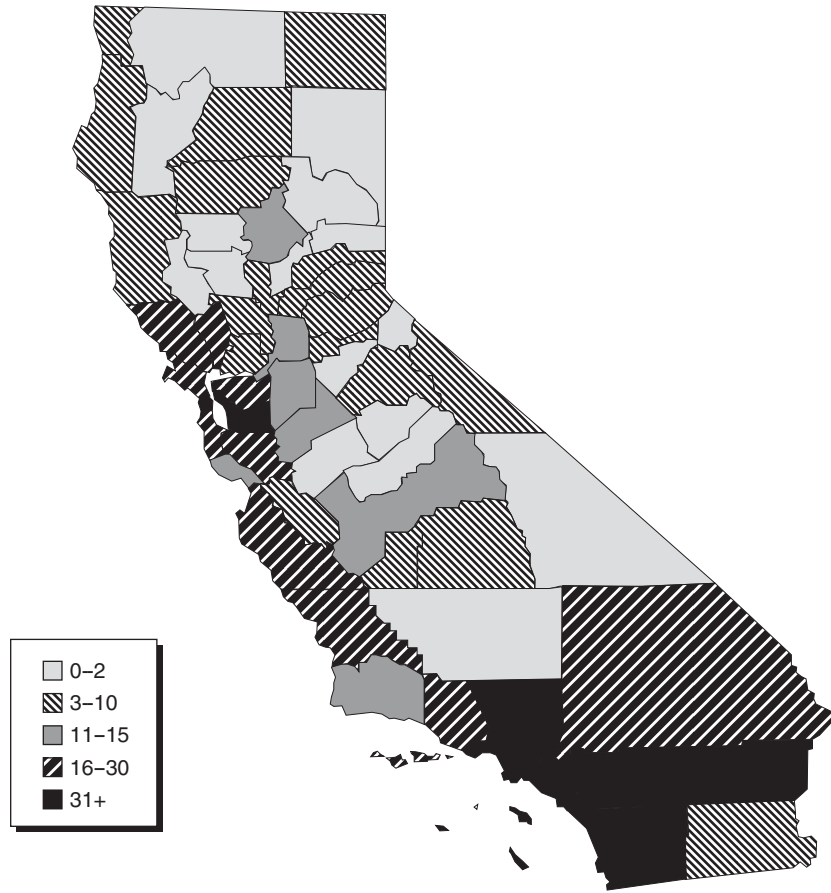
Table 3.10
County Initiatives, Qualification, and Approval Rates,
by Election Type

Election Type	No. of Initiatives	%	%
		Qualified	Approved
Presidential primary	26	77	55
Odd-year November	8	75	50
Gubernatorial	32	91	48
Presidential	37	86	44
Gubernatorial primary	25	92	26
Off-cycle	9	100	22
Total or average	137	87	42

SOURCES: California Secretary of State (1990–2000).

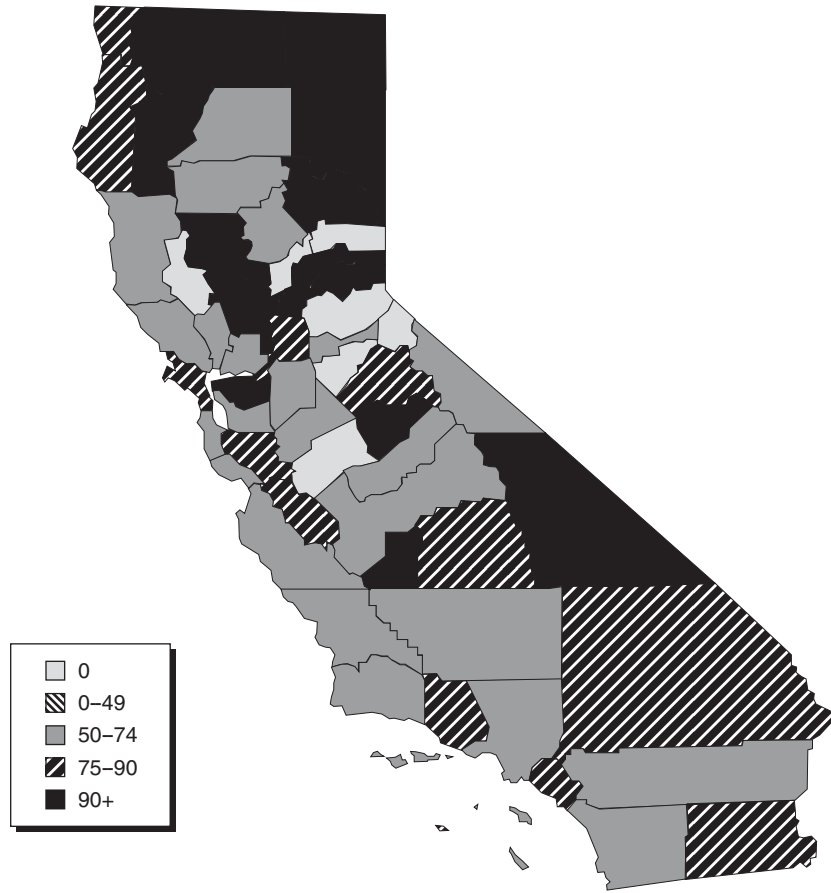
NOTES: The table includes all initiatives for which election date are available. Percentage approved is based on initiatives that qualified for the ballot.

It is tempting to conclude from Figure 3.4 that the frequency of initiatives follows directly from population. For example, Los Angeles County, with nearly 10 million residents and 41 incorporated cities, experienced over 100 initiatives during the 1990s. However, the city and county of San Francisco, a single political jurisdiction with fewer than 800,000 residents, ranked second in initiative use, with 54 proposed measures. The next chapter explores determinants of the frequency and success of local direct democracy in greater detail.



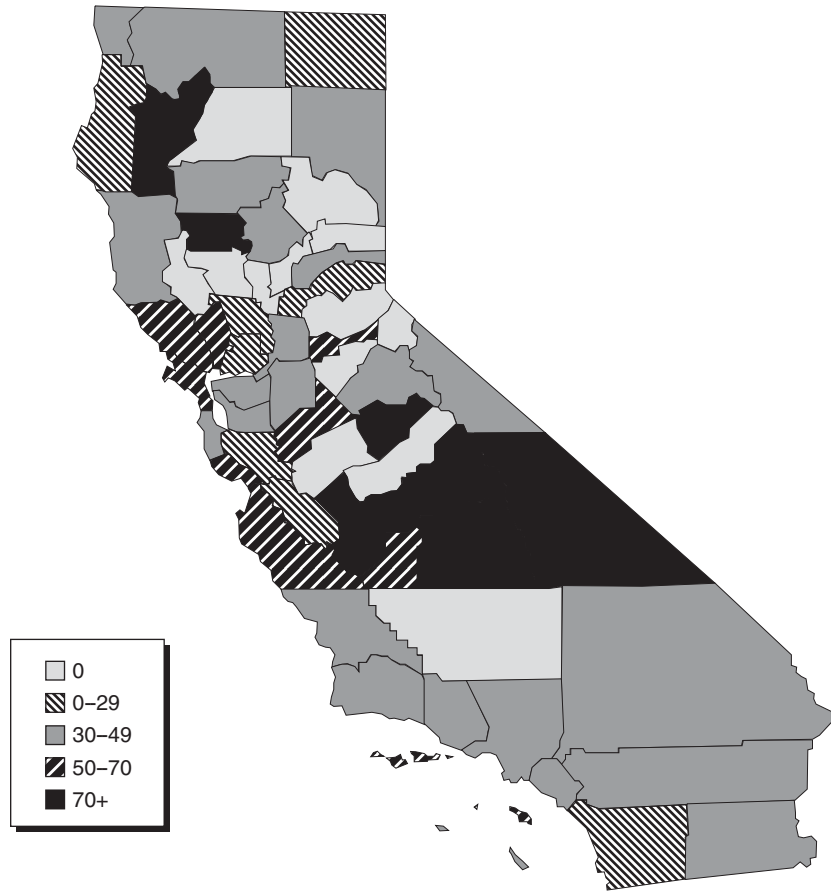
SOURCES: California Secretary of State (1990–2000).

Figure 3.4—Number of Local Initiatives Proposed, by County, 1990–2000



SOURCES: California Secretary of State (1990–2000).

Figure 3.5—Percentage of Local Initiatives Qualified, by County, 1990–2000



SOURCES: California Secretary of State (1990–2000).

Figure 3.6—Percentage of Local Initiatives Approved, by County, 1990–2000

4. Causes of Local Initiatives

The previous chapter documented the number and types of local initiatives in California. This chapter asks why voters turn to the ballot box in some jurisdictions and not in others. In particular, it examines demographic, economic, and political differences among California cities and counties and relates these differences to the frequency of initiative measures.¹ Results indicate that, although jurisdictions with many initiatives share certain features, the incidence of local initiatives is also driven by purely local or idiosyncratic factors.

A First Look

Cities

A preliminary comparison of cities according to the number of initiatives circulated during the 1990s reveals some intriguing differences (Table 4.1). Cities that relied intensively on the initiative process (three or more proposed measures) were more than double the size of other cities at the beginning of the decade (118,000 compared to 43,000 residents). They also had more city employees per capita (85 compared to 66 per 10,000 residents).

Like intensive users of the initiative, moderate users (one or two proposed measures) were more diverse than cities with no initiatives with respect to income, although differences in racial and ethnic diversity were not statistically significant.² Moderate users of the initiative also had

¹Demographic and economic characteristics come from the decennial census, voter registration and turnout data are taken from the California Statewide Database at UC Berkeley, and information on local government structure is from a PPIC mail survey of California city clerks conducted in 2000 (Appendix A).

²Diversity scores are calculated according to the entropy measure and range from 0 to 100. The entropy index is:

more ideological diversity, with a higher proportion of voters registered as Independents or declining to state a party affiliation (9% versus 8%). In addition, they had less residential stability or fewer residents living in the same house for more than five years (44% versus 47%).

Paradoxically, cities experiencing three or more initiatives during the 1990s were more likely to have political institutions that are thought to promote electoral accountability and therefore offset the demand for citizen initiatives. Nearly half of all cities that were intensive users of the initiative were charter cities. Likewise, half of all intensive users had elected mayors, a quarter had district elections, and roughly a third had either mayoral or city council term limits. However, it is important to note that these institutions may themselves be the product of initiatives in previous years.

This preliminary comparison also suggests that initiative activity depends on some of the same demographic and socioeconomic factors that drive political participation generally. Cities that experienced at least one initiative campaign during the 1990s housed more college graduates than cities with no initiatives (23% compared to 20% of all adults over age 25), and intensive users had higher median home values in 1990 (\$244,088 versus \$202,000). Both intensive and moderate users of the initiative included fewer children as a share of the overall population (24% and 26% compared to 28% in other cities).

There were few systematic differences between cities that approved initiatives during the 1990s and those that qualified, but did not pass, initiatives (Table 4.2). Cities in which voters passed at least one initiative were again larger than other cities in 1990 (roughly 77,000, compared to 42,000 residents). Cities with at least three approved measures had one-third more residents per square mile (6,029 versus

$$E = \sum_{r=1}^n Q_r \log \left(\frac{1}{Q_r} \right)$$

where Q_r is the proportion of the total population in group r , and n is the number of groups. Racial and ethnic groups are Hispanic and non-Hispanic white, black, Asian, and other. Income categories are those in the table. Results are similar for alternative categories.

Table 4.1
Characteristics of Cities, by Number of Proposed Initiatives, 1990–2000

	Number of Initiatives		
	0	1–2	3+
Size characteristics			
Population	40,497	43,299	118,118**
Population density (persons per square mile)	3,529	4,032	4,805
% county population growth, 1990–2000	15	15	16
Demographic characteristics			
% white	62	65	65
% black	3	4	6*
% Hispanic	28	23*	21
% Asian or Pacific Islander	6	8*	7
Racial diversity index	45	49	53
Income diversity index	77	82**	87*
Percentage of households with income			
< \$35,000	53	49	47
\$35,000–\$75,000	32	36**	37
> \$75,000	15	15	16
% age < 18 years	28	26**	24*
% age 65 years and over	12	12	11
% of adults with college degree or more	20	23*	28
Political characteristics			
% charter city	8	19**	48**
% with district elections	4	6	24**
% with an elected mayor	23	28	50**
% with mayoral term limits	10	15	31*
% with city council term limits	13	19	33*
City employees per 10,000 city population	58	66	85*
% voters registered as Republican	41	41	38
% voters registered as Democrat	48	48	50
% voters registered as Independent	8	9**	9
Housing characteristics			
Median home value (\$)	186,115	201,665	244,088*
% owner-occupied housing	61	59	53*
% living in same house for five years	47	44**	42

SOURCES: 1990 and 2000 Censuses; California Secretary of State (1990–2000); 2000 PPIC survey.

NOTES: All variables are measured as of 1990 unless otherwise noted.

*Denotes statistically significant difference at the 5 percent level.

**Denotes statistically significant difference at the 1 percent level.

Table 4.2
Characteristics of Cities, by Number of Approved Initiatives, 1990–2000

	Number of Initiatives		
	0	1–2	3+
Size characteristics			
Population	42,288	76,730*	142,173
Population density (persons per square mile)	3,816	4,015	6,029*
% county population growth, 1990–2000	16	15	12
Demographic characteristics			
% white	66	64	69
% black	4	5	4
% Hispanic	21	23	20
% Asian or Pacific Islander	8	8	6
Racial diversity index	49	51	51
Income diversity index	85	82	88
Percentage of households with income			
< \$35,000	46	51	50
\$35,000–\$75,000	37	36	33
> \$75,000	16	14	17
% age < 18 years	25	26	19**
% age 65 years and over	11	12	15
% of adults with college degree or more	26	23	31
Political characteristics			
% charter city	20	29	62*
% with district elections	9	13	10
% with an elected mayor	32	40	38
% with mayoral term limits	21	16	30
% with city council term limits	24	22	22
City employees per 10,000 city population	73	65	143**
% voters registered as Republican	40	39	41
% voters registered as Democrat	48	49	47
% voters registered as Independent	10	9	9
Housing characteristics			
Median home value (\$)	225,980	194,809	306,050**
% owner-occupied housing	60	57	45**
% living in same house for five years	43	43	43

SOURCES: 1990 and 2000 Censuses; California Secretary of State (1990–2000).

NOTES: All variables are measured as of 1990 unless otherwise noted.

*Denotes statistically significant difference at the 5 percent level.

**Denotes statistically significant difference at the 1 percent level.

4,015) and fewer children as a share of the total population (19% versus 26%). They were also more often charter cities and employed more municipal workers per resident than did other cities (143 per 10,000 residents). In addition, these cities displayed higher median home values (approximately \$306,000 compared to \$195,000) and lower homeownership rates (45% versus 57%).³

For charter cities, we can examine the relationship between the “costs” of accessing the initiative and the frequency of its use. As noted in Chapter 2, charter cities have wide latitude in setting the requirements to qualify an initiative. Although most follow the state Elections Code, some charter cities adopt very different rules. As we might expect, cities with lower signature requirements had more initiative measures proposed, qualified, and approved than other charter cities during the 1990s. Those with higher signature requirements or shorter circulation periods had fewer initiative measures (Table 4.3).⁴ Unfortunately, the number of cities that deviate from the state Elections Code is too small to perform a multivariate analysis that considers other city characteristics and their consequences for local initiative activity.

Counties

There are hardly any systematic differences among counties with and without initiatives during the 1990s. Counties with three or more proposed measures housed more college graduates in 1990 than did moderate users (21% compared to 16% of residents over age 25) (Table 4.4). Counties where voters approved three or more initiatives had much larger populations (more than one million compared to fewer than 300,000 residents) and a higher share of voters who registered as

³With a few exceptions, reported differences remain statistically significant when San Francisco, a statistical outlier with 54 proposed initiatives from 1990 to 2000, is excluded from the comparison. Exceptions are the population share age 18 and younger and municipal employees per resident in Table 4.1 and population density in Table 4.2.

⁴Cities with lower signature requirements are Berkeley, San Francisco, San Jose, and Stockton (with signature requirements of 5 percent of registered voters or votes cast in the last mayoral election), and Palo Alto (6%). Those with higher signature requirements are Alhambra and Los Angeles (15%), Oroville (25%), and San Bernardino (30%). Cities with shorter circulation periods are Alhambra (40 days), Stockton (90 days), and Los Angeles (120 days).

Table 4.3
Initiative Activity, by Qualification Requirements in Charter Cities,
1990–2000

	Signature Requirement			Circulation Period	
	< 10%	10 %	> 10%	< 180 Days	180 Days
Number of cities	5	74	4	3	80
Average number of initiatives					
Proposed	15.8	2.3	0.8	1.3	3.1
Qualified	12.6	2.1	0.7	2.0	2.9
Approved	6.4	1.1	0.3	0.5	1.5

SOURCES: California Secretary of State (1990–2000); city charters.

NOTES: The table includes both ordinance measures and charter amendments. It excludes cities that attained charter status during the 1990s through the initiative process. Signature requirements are expressed as a percentage of registered voters or votes cast in the last municipal election.

Republican than counties with one or two successful initiatives (45% compared to 38%) (Table 4.5). Counties with one or two approved initiatives also had a higher share of registered Independents.

Counties where voters rely on the local initiative may not exhibit a more distinct profile because of the variety that exists at this level of government. Whereas some counties provide municipal services in unincorporated areas, others are primarily “creatures of the state,” administering state programs and performing state-mandated countywide functions. Table 4.6 illustrates two types of counties with initiatives during the 1990s. The first group includes more rural counties with a larger role in service delivery, as indicated by their control over a higher share of total direct government expenditures (e.g., Napa, Tuolumne, Humboldt, and Butte Counties). The second group includes counties with large or growing populations (e.g., El Dorado, Sonoma, Orange, and San Diego Counties) putting greater pressures on land resources and the environment. Unfortunately, the number of counties in California (58) is too small to permit a fuller statistical analysis.

Table 4.4

Characteristics of Counties, by Number of Proposed Initiatives, 1990–2000

	Number of Initiatives		
	0	1–2	3+
Size characteristics			
Population	145,825	800,984	476,610
Population density (persons per square mile)	67	248	422
% county population growth, 1990–2000	18	14	17
Demographic characteristics			
% white	75	71	73
% black	3	4	3
% Hispanic	16	18	17
% Asian or Pacific Islander	3	5	5
Racial diversity index	44	51	47
Income diversity index	75	78	83
Percentage of households with income			
< \$35,000	63	60	54
\$35,000–\$75,000	31	32	35
> \$75,000	7	9	12
% age < 18 years	28	27	26
% age 65 years and over	13	13	13
% of adults with college degree or more	15	16	21*
Political characteristics			
% voters registered as Republican	40	41	39
% voters registered as Democrat	48	48	49
% voters registered as Independent	9	9	9
Housing characteristics			
Median home value (\$)	99,917	130,383	165,570
% owner-occupied housing	63	62	62
% living in same house for five years	44	45	45

SOURCES: 1990 and 2000 Censuses; California Secretary of State (1990–2000).

NOTES: All variables are measured as of 1990 unless otherwise noted. The table does not include San Francisco.

*Denotes statistically significant difference at the 5 percent level.

**Denotes statistically significant difference at the 1 percent level.

Table 4.5

Characteristics of Counties, by Number of Approved Initiatives, 1990–2000

	Number of Initiatives		
	0	1–2	3+
Size characteristics			
Population	407,774	285,847	1,031,254**
Population density (persons per square mile)	117	284	818
% county population growth, 1990–2000	16	16	15
Demographic characteristics			
% white	76	72	77
% black	3	3	3
% Hispanic	16	18	13
% Asian or Pacific Islander	3	5	5
Racial diversity index	45	48	46
Income diversity index	79	81	87
% of households with income			
< \$35,000	58	56	51
\$35,000–\$75,000	33	33	37
> \$75,000	9	11	12
% age less than 18 years	26	26	24
% age 65 years and over	13	12	14
% of adults with college degree or more	17	20	23
Political characteristics			
% voters registered as Republican	42	38	45*
% voters registered as Democrat	47	50	44
% voters registered as Independent	8	10*	9
Housing characteristics			
Median home value (\$)	126,340	159,819	170,817
% owner-occupied housing	64	62	63
% living in same house for five years	44	45	42

SOURCES: 1990 and 2000 Censuses; California Secretary of State (1990–2000).

NOTES: All variables are measured as of 1990 unless otherwise noted.

*Denotes statistically significant difference at the 5 percent level.

**Denotes statistically significant difference at the 1 percent level.

Table 4.6
Selected Characteristics of Counties with the Most
Countywide Initiatives

	No. of Countywide Initiatives	% of Direct Expenditures Controlled by County	2000 Population	Population Growth 1990–2000 (%)
Napa	9	63.8	124,279	12.2
Tuolumne	9	90.3	54,501	12.5
San Mateo	7	45	707,161	8.9
Sonoma	7	53	458,614	18.1
San Luis Obispo	7	62.1	246,681	13.6
San Diego	6	42.8	2,813,833	12.6
Sacramento	6	70.8	1,223,499	17.5
Marin	6	51.2	247,289	7.5
El Dorado	6	56.9	156,299	24.1
Orange	5	46.7	2,846,289	18.1
Butte	5	60.7	203,171	11.6
Humboldt	5	64.6	126,518	6.2
Nevada	5	52	92,033	17.2
Mendocino	5	59	86,265	7.4

SOURCES: California Secretary of State (1990–2000); 1997 Census of Governments; 1990 and 2000 Censuses.

Results from Multivariate Analysis

Regression analysis enables us to evaluate multiple determinants of local initiatives simultaneously, assessing the contribution of each factor while holding other influences constant. The following analysis focuses on cities because the large number of jurisdictions (458 in 1990) permits a more fully specified statistical model. In addition, cities account for the preponderance (80%) of local initiative activity.

We evaluate links between the number of proposed initiatives and characteristics similar to those described in Tables 4.1 and 4.2. The model includes factors shown in previous research to influence both the

number of state initiatives and political participation more generally.⁵ We examine which factors contribute to overall initiative activity and to the number of initiatives on land use and governance in particular. (See Appendix B for more detailed methods and results.)

Total Initiatives

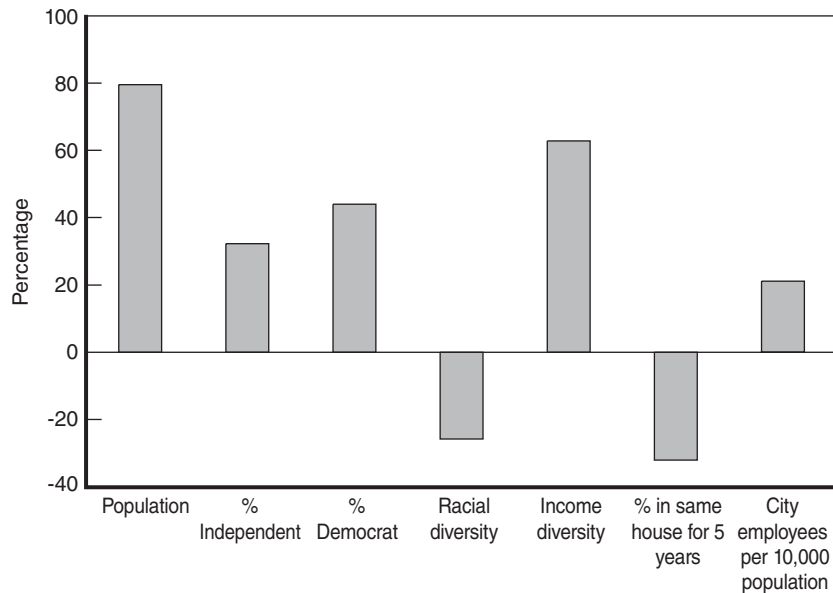
Results from the multivariate model corroborate several observations from the preliminary comparison of cities by initiative use. We illustrate results from the model by simulating the effects on initiative activity of moving from “low” to “high” values of important community characteristics, with low defined as the 25th percentile and high as the 75th percentile. It is worth remembering throughout this discussion that local initiatives are rare events. The average city could expect to have only 1.24 initiatives during the 1990s.⁶

Initiatives are more common in larger political jurisdictions. The expected number of initiatives is 80 percent higher in cities with larger populations compared to smaller populations (i.e., 53,000 versus 7,300 residents) (Figure 4.1). In addition, cities with larger public sectors (more than 75 public employees per 10,000 residents) could expect roughly 20 percent more initiatives than cities with smaller governments (fewer than 38 employees per 10,000 residents).

Initiative activity also depends on political party affiliation. The predicted number of initiatives is 44 percent higher in cities with more Democrats (56% compared to 40% of all registered voters). Similarly, cities with more political independents (over 10% of registered voters) could expect 32 percent more initiatives than cities with fewer voters who decline to state a party affiliation (7%).

⁵All variables are measured as of 1990 to avoid picking up the reverse effect of initiatives on demographic and socioeconomic variables. This problem may remain if past initiatives have led to changes in these variables and the use of initiatives is correlated over time.

⁶The average city is one with median values for all variables included in the model. All reported relationships are statistically significant and of a similar magnitude when San Francisco is excluded from the analysis.



NOTES: High values correspond to the 75th percentile and low values to the 25th percentile of each variable. Other values are held constant at their medians.

Figure 4.1—Percentage Change in Expected Number of City Initiatives Moving from Low to High Values of Explanatory Variables

The relationship between population diversity and initiative use is more complex. Cities with greater income diversity (nearly equal proportions of households earning less than \$35,000, between \$35,000 and \$75,000, and more than \$75,000 annually) are predicted to have 63 percent more initiatives than cities with less evenly distributed income.⁷ Conversely, cities with greater racial diversity (nearly equal proportions in the five main racial and ethnic categories) are expected to have 26 percent *fewer* initiatives than more racially homogeneous cities.⁸

⁷Results are similar for other classifications of income (e.g., less than \$25,000, \$25,000 to \$49,999, \$50,000 to \$74,999, \$75,000 to \$99,999 and \$100,000 and up).

⁸Racial and ethnic categories are Hispanic and non-Hispanic white, black, Asian, and other. Results are similar when percentage non-Hispanic white is substituted in the model for racial diversity.

Finally, initiatives are less common in cities where there is more residential stability. Cities in which the majority of residents have lived in the same house for the past five years or longer are predicted to have 32 percent fewer initiatives than cities where more than 60 percent have changed residences. Other demographic and socioeconomic characteristics typically associated with political participation—such as median household income, educational attainment, rate of homeownership, and age structure—do not affect the frequency of initiative measures according to this model.⁹

Initiatives by Topic Area

Many of the same factors contributing to overall initiative activity also influence the number of proposed land use and governance measures. This overlap is to be expected given that these are the two most common topics for local initiatives. However, there are also notable differences in the determinants of each type of initiative.

Land Use

The incidence of land use measures is strongly related to population size (Figure 4.2). Larger cities (with populations of at least 53,000 persons) are predicted to have more than double the number of land use initiatives as smaller cities (7,300 or fewer residents). Similarly, cities with more equal population shares in each of the three household income categories (less than \$35,000, \$35,000 to \$74,999, and above \$75,000) can expect nearly 130 percent more land use measures than cities with less evenly distributed income.

As above, racial diversity works in the opposite direction, so that cities with nearly equal population shares in the five major racial and ethnic groups are predicted to have roughly 34 percent fewer land use initiatives than less diverse cities. The proportion of residents living in

⁹The model includes only median household income or percentage of adults with a college degree because of the high degree of collinearity between these two variables. Results are not sensitive to which variable is included.

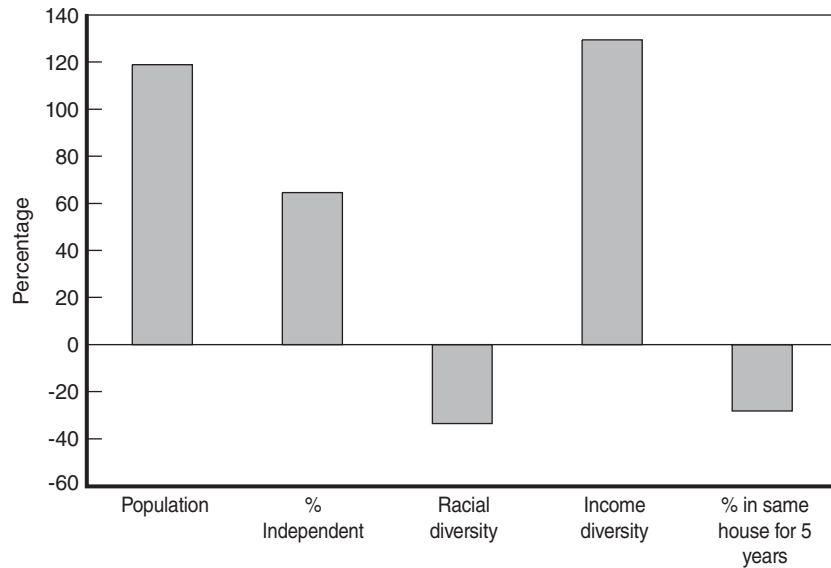


Figure 4.2—Percentage Change in Expected Number of Land Use Initiatives Moving from Low to High Values of Explanatory Variables

the same house for more than five years is also negatively related to the number of land use initiatives, as would be expected since residential mobility is correlated with population growth.

Perhaps more surprising is the relationship between the number of land use initiatives and the proportion of Independent voters. Cities with low levels of political party affiliation (at least 10% registered as Independents) are predicted to have 65 percent more land use measures than cities with few voters registered as Independents (7% or less). In contrast, the share of registered Democrats is not significantly related to the incidence of land use initiatives.

Governance

As with land use measures, governance initiatives are more common in large and growing jurisdictions. Larger cities are predicted to have nearly three times as many governance measures as smaller cities, even after controlling for other institutions such as charter city status (Figure 4.3). Cities with high residential stability (more than 50% of residents

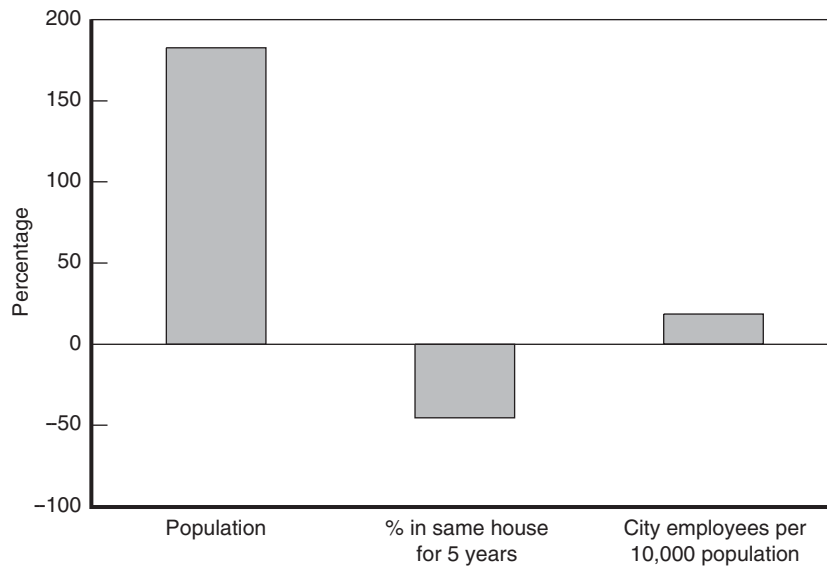


Figure 4.3—Percentage Change in Expected Number of Governance Initiatives Moving from Low to High Values of Explanatory Variables

living in the same house for the past five years) can expect 46 percent fewer governance initiatives as cities with greater mobility. In addition, governance measures are more likely in cities with larger public sectors. A city with at least 75 municipal employees per 10,000 residents could expect roughly 20 percent more initiatives than a city with fewer than 38 city workers per 10,000 residents. Although only marginally statistically significant, Democratic Party registration is also positively related to the prevalence of governance measures. The share of political Independents has no detectable influence on the number of proposed initiatives in this area.

Interpretation of Results

The finding that initiatives are more common in larger jurisdictions is consistent with previous research at the state level (e.g., Matsusaka and McCarty, 2001; Banducci, 1998). One interpretation of this result is that initiatives occur where governing is difficult. In particular,

legislators in large and growing cities may have greater difficulty ascertaining the preferences of the electorate. As a result, they may be more likely to enact unpopular policies or to fail to act, thereby prompting citizen efforts at direct legislation (Matsusaka, 1992).

Income diversity can exacerbate legislative uncertainty if it reflects different underlying preferences among the electorate for public spending. Ideological diversity among likely voters, to some degree captured by the percentage registered as Independents, can also obscure information about voter preferences. The opposite finding for racial diversity is somewhat unexpected. It could be that income is a better proxy than race or ethnicity for divergent policy preferences.

Alternatively, initiatives may be more common in large, growing, and diverse cities because voters in these jurisdictions cannot easily monitor the behavior of their elected representatives. This lack of information can give rise to incentives for legislators to “shirk” in their duties to act on behalf of their constituents (Kalt and Zupan, 1984). The result that governance initiatives are more likely in cities with larger public sectors supports this interpretation.

By this reasoning, existing political reforms such as charter city status, district elections, and directly elected mayors should offset the demand for citizen initiatives. However, although none of these institutions alone is significantly related to the number of proposed initiatives, they are jointly significant ($p < 0.01$) and *positive* in the multivariate analysis. As noted above, this relationship could be an artifact of the institutions being adopted by initiative in previous years. Another possibility is that cities with more responsive forms of government attract residents who are more inclined toward citizen activism, including participating in initiative campaigns.

Nearly as interesting as what factors influence the number of proposed initiatives is what does not exert an effect. Typical predictors of voter participation such as median income, age structure, and homeownership have little bearing on the number of proposed initiatives overall or by type. This could be because idiosyncratic factors are more important in determining the number of local initiatives. For example, anecdotal evidence suggests that, as at the state level, many local initiative

petitions coincide with individual campaigns for elected office or political appointments.

The absence of strong predictors for the local initiative could also stem from its “threat value.” Previous research suggests that the threat alone of a citizen initiative is often sufficient to bring public policies in line with voter preferences (e.g., Denzau, Mackay, and Weaver, 1979; Gerber, 1996; Besley and Coate, 2000).¹⁰ In addition, as noted in Chapter 2, local elected bodies have a “right of first refusal” to adopt any proposed initiative without modification. They may be more likely to exercise this option if the threat of an initiative is higher. These dynamics could mask the true relationship between voter participation more generally and initiative use. As we will see in the next chapter, these dynamics may also lead to different observed relationships between initiatives and city fiscal characteristics.

¹⁰Similarly, results from a PPIC survey of local planning directors indicate that, although voter initiatives are rarely a major source of growth management policies, such policies are nevertheless more common in jurisdictions that have had, or expect to have, initiatives (Lewis and Neiman, 2002).

5. Fiscal Consequences of Local Initiatives

This chapter explores links between voter initiatives and fiscal outcomes. Previous research indicates that states where the initiative is available have lower public spending and rely more on fees and charges as sources of revenue (e.g., Matsusaka, 1995, 2004). This finding is consistent with theoretical predictions that, in the absence of the initiative, elected representatives will overspend to maximize their own power (Niskanen, 1971), to appease special interest groups (Stigler, 1971; Peltzman, 1976), or to reach mutually beneficial agreements with other legislators (Weingast, Shepsle, and Johnson, 1981).

We might expect a different relationship between initiatives and government finances at the local level. Theory and evidence suggest that local governments are more responsive to the will of the average constituent or “median voter” (Fischel, 2001, pp. 87–89). Thus, there may be less demand at the local level for initiatives to restrain public spending. To the contrary, it is possible that elected representatives will approve greater public spending to forestall citizen initiatives (Zax, 1989).

A preliminary comparison shows that cities with more local initiatives do in fact have higher own-source revenues and spending per capita.¹ Intensive users of the initiative (cities with three or more proposed measures during the 1990s) had own-source revenues of nearly \$1,400 per resident in fiscal year 2000–2001, compared to roughly \$900 among moderate users (cities with one to two initiatives). Moderate users had higher own-source revenues than cities without any initiatives, although these differences are only marginally statistically significant

¹Own-source revenues are total revenues less intergovernmental grants. Reported differences remain statistically significant if San Francisco is removed from the analysis. The comparison does not include cities with populations under 2,500.

($p < 0.08$) (Table 5.1). A similar pattern holds for local expenditures per capita. Differences in own-source revenues persist even after controlling for other relevant city characteristics such as population (Table 5.2) and median household income (Table 5.3).

The finding that cities with more initiatives tend to have higher taxes and public spending may reflect the fact that local governments in California make tax and spending decisions within statewide fiscal constraints, themselves often the result of initiatives (e.g., Proposition 13). Where voters prefer higher public spending, local initiatives may provide an important “safety valve” or mechanism to assert their own preferences within state limits.

We attempt to separate the influence of the initiative from these preferences and other determinants of local revenues and spending in a multivariate regression analysis. The analysis includes controls for population size, population density, proportion of senior citizens, proportion of children, racial diversity, average household income, percentage of homeowners, residential stability, percentage registered Democrat, and regional indicator variables.² Results indicate that per

Table 5.1
Fiscal Characteristics of Cities, by Number of Proposed Initiatives

	Number of Initiatives		
	0	1–2	3+
Per capita own-source revenues	787.42 (731.82)	917.55 (689.10)	1,381.51** (870.94)
Per capita expenditures	902.31 (752.71)	977.88 (645.87)	1,514.76** (1047.30)
% own-source revenues from fees and charges	39.99 (17.78)	39.49 (16.16)	42.90 (16.49)

SOURCE: California State Controller (2003).

NOTE: Standard deviations are in parentheses.

**Denotes statistically significant difference at the 1 percent level.

²We include controls for political ideology and regional indicator variables in an attempt to limit potential endogeneity problems from unobservable characteristics that are correlated with both initiative use and fiscal outcomes.

Table 5.2
Per Capita Own-Source Revenues of Cities, by Number
of Proposed Initiatives and Population

	Number of Initiatives		
	0	1-2	3+
Population quartile			
1	931.02 (937.46)	1,238.78 (924.85)	1,461.38 (775.26)
2	741.39 (677.38)	810.14 (580.21)	920.98 (351.21)
3	657.15 (400.04)	820.44 (658.16)	1,357.32* (917.93)
4	767.89 (700.06)	862.97 (501.93)	1,443.09** (934.67)

SOURCE: California State Controller (2003).

NOTE: Standard deviations are in parentheses.

*Denotes statistically significant difference at the 5 percent level.

**Denotes statistically significant difference at the 1 percent level.

capita own-source revenues remain significantly higher in cities with at least one initiative during the 1990s, even after holding these other factors constant. On the other hand, differences in per capita expenditures, although suggestive, are not statistically distinguishable from 0 (Appendix Tables B.1 and B.2).³

In sum, this analysis detects a positive relationship between initiatives and per capita own-source revenues and no relationship with either per capita expenditures or fees and charges as a percentage of own-source revenues. It is important to note that we cannot say whether initiatives themselves *cause* higher local government revenues. In fact, the opposite interpretation is plausible. Cities that spend more on locally provided services might experience more issues and controversies, which

³Results are qualitatively similar if we consider only tax initiatives.

Table 5.3
Per Capita Own-Source Revenues of Cities, by Number
of Proposed Initiatives and Income

	Number of Initiatives		
	0	1-2	3+
Median household income (quartile)			
1	777.58 (819.61)	763.57 (611.99)	1,050.21 (342.86)
2	611.69 (406.66)	871.90* (783.23)	1,198.68 (737.55)
3	887.03 (599.83)	922.72 (517.38)	1,555.63** (1,034.57)
4	912.44 (960.98)	1,057.92 (784.60)	1,442.64 (859.87)

SOURCE: California State Controller (2003).

NOTE: Standard deviations are in parentheses.

*Denotes statistically significant difference at the 5 percent level.

**Denotes statistically significant difference at the 1 percent level.

in turn generate more citizen initiatives. Also, as in previous chapters, interpreting these findings is complicated by the universal availability of the initiative across California cities and the threat value of the initiative even in cities where it is not used.

6. Conclusion

Californians' reliance on direct democracy extends well beyond the state level. Voters exercised the initiative power in the majority of cities and counties at least once between 1990 and 2000. They used the initiative to decide such weighty issues as whether to impose urban growth boundaries, limit the terms of their elected officials, establish rent control, permit gambling, impose taxes for transportation or public safety, and reduce or repeal utility user taxes.

Local direct democracy differs fundamentally from its statewide counterpart. Local initiatives are far more likely than statewide measures to qualify for the ballot and pass into law. However, their scope is more circumscribed because they may not contravene state law or enact legislation on matters that the state has specifically delegated to a local governing body. Local initiatives also address a different range of topics than do statewide measures, including land use, governance, public safety, housing, and general services. In addition, local voters have access to the indirect initiative, whereby the elected body can enact a qualified measure without a popular vote.

In its 2002 final report, the Speaker's Commission on the California Initiative Process recommended adopting a similar indirect option at the state level. Under this proposal, the legislature would conduct hearings and make amendments to a qualified citizen measure. Proponents would retain the right to place the original measure on the ballot if they were unsatisfied with the amendments. The commission argued that an indirect process would reduce drafting errors, constitutional problems, and the unintended consequences of initiatives.

Data limitations prevent us from tracking indirect initiatives reliably at the local level or predicting how often state voters would use this option. However, anecdotal evidence suggests that many city councils and county boards of supervisors enact qualified initiatives without a

popular vote or adopt similar legislation in the event that a citizen measure fails to qualify or is rejected by the courts.

These dynamics could explain why traditional determinants of voter participation—such as income, age, and homeownership—have little bearing on the number of proposed initiatives in our statistical model. Paradoxically, cities in which local initiatives are most likely should experience the fewest citizen measures if the threat alone of an initiative is sufficient to bring public policies in line with voter preferences.

Cities that experience initiatives tend to be places where uncertainty among both legislators and voters is high. Larger populations, lower rates of political party affiliation, greater income diversity, and higher residential mobility can make it difficult for elected representatives to anticipate the needs of their constituents. Similarly, voters may have a more difficult time monitoring the behavior of their elected representatives in larger jurisdictions. Alternatively, initiative activity may be influenced by other unmeasured characteristics, including the preference for larger government. This explanation is consistent with the finding that cities with initiatives also have higher own-source revenues per capita.

In light of these differences between state and local direct democracy, criticisms of the statewide initiative may not apply at the local level. Although some commentators have expressed concern that the proliferation of local ballot propositions can confuse voters and depress turnout, there is no empirical support for this view. To the contrary, previous research suggests that city elections in which local initiatives or council-sponsored measures appear on the ballot have higher turnout in the range of 3 to 4 percentage points (Hajnal, Lewis, and Louch, 2002, p. 41).

Another area of concern with state initiatives is the role of money in direct democracy. There is anecdotal evidence that local initiative proponents use this process to accelerate campaigns for elected office or to secure political appointments. An interesting though difficult question for future work is the role of money in local initiative campaigns. Although the state Political Reform Act of 1974 requires that committees formed to support or oppose local ballot measures report campaign contributions over \$1,000, there is no centralized

source for these data. County elections officials maintain financial disclosure reports for individual ballot measures, but few make this information available in electronic form.¹

Critics have also argued that initiatives can lead to majority tyranny or a trampling of the rights of numerical minorities. At the state level, there is evidence that racial and ethnic minorities are as likely as any other group to be on the winning side of a statewide initiative, unless the initiative specifically focuses on issues related to race or ethnicity (e.g., affirmative action, illegal immigration, or bilingual education) (Hajnal and Louch, 2001). However, with a few exceptions, local initiatives rarely address these kinds of issues.

Overall, there is little evidence that the local initiative has become a “fourth branch of government.” The major criticisms of the statewide initiative—for example, that it benefits special interests, depresses turnout, or tramples minority rights—do not seem to apply to the local initiative. Local voters appear to use this process to tackle issues that are not adequately resolved by their elected representatives or by state policy, and there is no evidence that it leaves the average voter worse off.

¹A notable exception is the city and county of San Francisco (<http://www.ci.sf.ca.us/ethics/>).

Appendix A

Data Sources

This study relies primarily on data collected by the California Secretary of State from 1990 to 2000. The California Elections Code (Sections 9213 and 9112) requires that city and county election officials report to the Secretary of State every two years the number of local initiative petitions circulated, qualified, approved by the voters, and adopted by the legislative body. The Secretary of State's office then compiles these reports into summaries and releases them to the public.¹ These reports are the most accurate and comprehensive sources of information available on the local initiative in California.²

Nevertheless, the Secretary of State data are subject to reporting error. In particular, jurisdictions may report legislatively proposed measures as voter initiatives despite language to the contrary on the questionnaire sent to all city clerks and county clerks or registrars.³ The Elections Division of the Secretary of State's office performs limited audits of the completed reports from each jurisdiction, following up on measures that appear to be legislative in origin. Despite these efforts, our preliminary checks of the data uncovered several measures that had been sponsored by a city council or county board of supervisors rather than by voter petition.

¹Reports for calendar years 1995–1996 through 2001–2002 are available at the California Secretary of State Elections Division website, http://www.ss.ca.gov/elections/elections_initiatives.htm (August 13, 2003). We obtained paper copies of summary reports for prior years and of individual city reports for calendar year 1990.

²Another widely cited source of information on the local initiative, the International City/County Management Association Form of Government Survey, has problematic question wording and changes in format over time (Matsusaka 2003). The ICMA survey also does not include initiatives circulated but not qualified for the ballot.

³For instance, the questionnaire for calendar years 1999–2000 reads: “Measures placed on the ballot by your **local legislative body (board of supervisors or city council)**, and the **referendum or recall process** are **not** required to be reported” (emphasis in original).

We therefore undertook to validate each measure in the Secretary of State data through a comprehensive process. First, we matched measures to corresponding information from the California Election Data Archive (CEDA) on the complete ballot question, measure type, and outcome (i.e., passage or failure) for all propositions appearing on local ballots after 1995.⁴ The archive includes a variable indicating whether a measure is an initiative; however, this indicator is based solely on ballot language and, thus, is not determinative.

Next, we sought confirmation from a variety of other sources. We performed extensive media searches using LexisNexis and other Internet search engines. In addition, we contacted local elections officials directly and consulted several databases on local ballot propositions. These databases include *The California Ballot Monitor*, a summary of land use and taxation measures compiled by the California Association of Realtors from 1986 to 1992; *The California Planning and Development Report*, a monthly newsletter tracking land-use ballot propositions from 1986 to 2002; and, *Smart Voter*, an online database produced by the League of Women Voters of California with coverage of local propositions in selected counties beginning in 1996.

This procedure yielded approximately 50 initiatives that were missing from the Secretary of State reports. We supplemented the original nearly 870 Secretary of State data measures with these data. Of the resulting total of 920 measures, roughly 20 percent were put on the ballot by a local governing body (e.g., city council or a county board of supervisors) and were omitted from the analysis. The study sample also excludes roughly 20 measures relating to local government formation (e.g., municipal incorporation or annexation, special district formation or dissolution), 14 measures that were voter-initiated referendums, and 18 duplicates.⁵ The remaining 150 measures could

⁴The overall match rate among initiatives reported to the Secretary of State and CEDA was over 80 percent. Measures in the Secretary of State data but missing from CEDA tend to appear on local ballots in off-cycle elections, which are generally underreported in the archive.

⁵Although originating by citizen petition, referendums were not the subject of the Secretary of State questionnaire and they follow a different process than initiatives. For instance, proponents of a municipal referendum must gather the requisite number of

not be verified.⁶ These latter measures were included in the analysis unless otherwise noted.

Because we do not know local government response rates to the original Secretary of State questionnaire, we cannot gauge the extent of missing initiatives. However, judging by the missing initiatives we recovered, there are no systematic differences in misreporting. For example, there are no significant differences in the number of misreported initiatives based on the number of actual voter initiatives or other observable characteristics, such as geographic region or jurisdiction size. As a result, we are reasonably confident in the quality of the data.

For the analysis of determinants of direct democracy, these data were supplemented with information from the decennial censuses of 1990 and 2000. Information on the structure of local governments is based on a PPIC mail survey of California city clerks conducted in 2000.⁷ Voter registration and turnout in statewide general elections come from the California Statewide Database. This database uses specialized algorithms to match voting data to census levels of geography.⁸

signatures within 30 days after the city council has adopted the ordinance in question (California Elections Code Sections 9235–9247; 9140–9147). Municipal incorporation and annexation procedures require the participation of Local Agency Formation Commissions. See Bui and Ihrke (2003).

⁶LexisNexis and other Internet searches were used to verify roughly 50 percent of all measures reported to the Secretary of State. Correspondence with local elections officials provided confirmation for another 30 percent, and other databases provided the remaining 20 percent.

⁷The survey response rate was 397 (84%) of the 474 cities in existence at the time. Complete and usable data are available for 350 cities. There are no significant differences between cities that did or did not respond to the survey. See Hajnal, Lewis, and Louch (2002, pp. 13–14) for more details. I am grateful to Paul Lewis for providing these data.

⁸See <http://swdb.berkeley.edu/info/PDRDocument.txt> for details of this matching procedure.

Appendix B

Regression Results for Chapter 4

Table B.1 presents results from negative binomial regressions of the number of proposed initiatives, land use initiatives, and governance initiatives in a city between 1990 and 2000. The negative binomial functional form is preferred to the Poisson model because of significant overdispersion ($G^2 = 35.08$, $p < 0.01$) (Cameron and Trivedi, 1998). Table B.2 provides summary statistics for key explanatory variables as described in the text.

Table B.1
Determinants of Number of Proposed Initiatives

	Total Initiatives	Land Use Initiatives	Governance Initiatives
Population (natural log)	0.299 (0.078)**	0.403 (0.094)**	0.533 (0.151)**
% registered as Independent	0.089 (0.035)**	0.158 (0.053)**	-0.026 (0.101)
% registered as Democrat	0.022 (0.009)*	-0.015 (0.014)	0.036 (0.019)
Charter city (= 1 if yes)	0.28 (0.182)	0.372 (0.314)	0.511 (0.419)
Elected mayor (= 1 if yes)	0.168 (0.147)	-0.047 (0.254)	-0.128 (0.319)
District elections (= 1 if yes)	0.27 (0.197)	-0.108 (0.392)	-0.576 (0.632)
Council or mayoral term limits (= 1 if yes)	0.017 (0.148)	-0.179 (0.263)	0.104 (0.353)
Racial diversity	-0.011 (0.005)*	-0.016 (0.008)*	-0.009 (0.010)
Income diversity	0.022 (0.011)*	0.038 (0.017)*	0.007 (0.020)
Median household income	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
% age 65 and over	0.01 (0.018)	0.035 (0.027)	0.051 (0.040)

Table B.1 (continued)

	Total Initiatives	Land Use Initiatives	Governance Initiatives
% age < 18 years	-0.024 (0.021)	0.008 (0.036)	0.001 (0.050)
% living in same house for five years	-0.032 (0.009)**	-0.028 (0.014)*	-0.051 (0.022)*
% owner-occupied housing	-0.005 (0.008)	0.01 (0.013)	-0.026 (0.017)
City employees per 10,000 city population	0.005 (0.001)**	0.003 (0.002)	0.004 (0.001)**
Bay Area	-0.007 (0.359)	-0.01 (0.634)	0.853 (1.278)
Central Coast	0.409 (0.329)	0.267 (0.545)	1.671 (1.200)
Southern	0.198 (0.315)	-0.463 (0.520)	1.005 (1.189)
Central Valley	0.26 (0.321)	-0.233 (0.490)	1.18 (1.194)
Constant	-4.766 (1.506)**	-8.164 (2.565)**	-8.686 (3.348)**
Pseudo R-squared	0.169	0.143	0.170
No. of observations	375	375	375

SOURCES: 1990 Census; California Secretary of State (1990–2000); 2000 PPIC survey.

NOTES: Diversity scores are calculated according to the entropy measure and range from 0 to 100. The entropy index is:

Table B.1 (continued)

$$E = \sum_{r=1}^n Q_r \log\left(\frac{1}{Q_r}\right)$$

where Q_r is the proportion of the total population in group r , and n is the number of groups. Racial and ethnic groups are Hispanic and non-Hispanic white, black, Asian, and other. Income categories are \$0–\$34,999, \$35,000–\$74,999, and \$75,000 and up. Robust standard errors are in parentheses.

*Denotes statistically significant difference at the 5 percent level.

**Denotes statistically significant difference at the 1 percent level.

Table B.2
Distribution of Key Explanatory Variables

	25th Percentile	Median	75th Percentile
Population (natural log)	9	10	11
% registered as Independent	7	9	10
% registered as Democrat	40	48	56
Charter city (= 1 if yes)	0	0	0
District elections (= 1 if yes)	0	0	1
Elected mayor (= 1 if yes)	0	0	0
Council or mayoral term limits (= 1 if yes)	0	0	0
Racial diversity	35	48	61
Income diversity	71	83	92
Median household income	25,852	33,166	44,704
% age 65 and over	8	11	14
% age < 18 years	22	27	31
% living in same house for five years	39	45	51
% owner-occupied housing	50	59	67
City employees per 10,000 city population	37	55	76

SOURCES: 1990 Census; 2000 PPIC survey.

Appendix C

Regression Results for Chapter 5

Tables C.1 and C.2 report estimates from ordinary least squares regressions of the effect of having at least one initiative measure during the 1990s on city own-source revenues and general expenditures per capita in fiscal year 2000–2001. Demographic data come from the 2000 Census and fiscal data are taken from the California State Controller (2003).

Table C.1
Determinants of Per Capita Own-Source Revenues

	(1)	(2)	(3)	(4)
Proposed at least one initiative, 1990–2000	252.542 (71.897)**	140.681 (65.851)*	136.904 (65.359)*	141.964 (66.115)*
Population size (natural log)		51.085 (43.120)	53.255 (42.407)	48.102 (49.169)
Population density (natural log)		-283.64 (68.364)**	-302.586 (69.424)**	-312.602 (73.800)**
% age < 18 years		-28.39 (8.603)**	-29.806 (8.731)**	-31.813 (8.878)**
% age 65 and over		10.425 (11.707)	12.185 (12.422)	12.668 (12.732)
Racial diversity		-0.065 (2.331)	-0.001 (2.291)	0.096 (2.311)
Median household income		0.007 (0.002)**	0.008 (0.002)**	0.008 (0.003)**
% owner-occupied housing		-23.817 (4.960)**	-21.134 (5.111)**	-22.144 (5.188)**
% living in same house for five years		7.717 (7.085)	1.874 (7.548)	2.527 (8.065)
% voters registered as Democrats			8.318 (4.069)*	8.198 (5.736)
Bay Area				123.355 (189.903)

Table C.1 (continued)

	(1)	(2)	(3)	(4)
Central Coast				157.344 (160.418)
Southern				148.077 (166.257)
Central Valley				241.89 (140.808)
Constant	787.417 (51.609)**	3,947.74 (726.797)**	3,801.53 (743.611)**	3,856.46 (850.972)**
No. of observations	436	436	436	436
R-squared	0.03	0.25	0.26	0.27

NOTES: Robust standard errors are in parentheses. All variables are measured as of 1990 unless otherwise noted. Diversity scores are calculated according to the entropy measure and range from 0 to 100. The entropy index is:

$$E = \sum_{r=1}^n Q_r \log \left(\frac{1}{Q_r} \right)$$

where Q_r is the proportion of the total population in group r , and n is the number of groups. Racial and ethnic groups are Hispanic and non-Hispanic white, black, Asian, and other. Income categories are those in the table. Results are similar for alternative categories.

*Denotes statistically significant difference at the 5 percent level.

**Denotes statistically significant difference at the 1 percent level.

Table C.2
Determinants of Per Capita Expenditures

	(1)	(2)	(3)	(4)
Proposed at least one initiative, 1990–2000	218.424 (75.094)**	103.491 (64.806)	100.131 (64.268)	109.605 (65.293)
Population size (natural log)		50.635 (50.194)	52.811 (49.635)	53.246 (57.722)
Population density (natural log)		–311.801 (64.004)**	–329.014 (64.959)**	–331.263 (69.311)**
% age < 18 years		–34.531 (9.883)**	–35.821 (10.001)**	–38.128 (10.096)**
% age 65 and over		4.172 (10.462)	5.8 (11.037)	6.726 (11.447)
Racial diversity		–0.253 (2.413)	–0.19 (2.378)	–0.127 (2.396)
Median household income		0.005 (0.002)*	0.006 (0.002)**	0.006 (0.003)*
% owner-occupied housing		–27.648 (5.083)**	–25.178 (5.213)**	–26.054 (5.377)**
% living in same house for five years		14.645 (7.824)	9.25 (8.069)	9.493 (8.862)
% voters registered as Democrats			7.645 (4.248)	7.902 (5.998)
Bay Area				47.962 (206.825)

Table C.2 (continued)

	(1)	(2)	(3)	(4)
Central Coast				15.338 (160.456)
Southern				64.956 (180.965)
Central Valley				212.125 (149.561)
Constant	902.313 (53.347)**	4,558.41 (750.143)**	4,420.14 (766.167)**	4,400.53 (898.937)**
No. of observations	432	432	432	432
R-squared	0.02	0.25	0.26	0.26

NOTES: Robust standard errors are in parentheses. All variables are measured as of 1990 unless otherwise noted. Diversity scores are calculated according to the entropy measure and range from 0 to 100. The entropy index is:

$$E = \sum_{r=1}^n Q_r \log \left(\frac{1}{Q_r} \right)$$

where Q_r is the proportion of the total population in group r , and n is the number of groups. Racial and ethnic groups are Hispanic and non-Hispanic white, black, Asian, and other. Income categories are those in the table. Results are similar for alternative categories.

*Denotes statistically significant difference at the 5 percent level.

**Denotes statistically significant difference at the 1 percent level.

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