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A Tale of Two Anaheims

Disney may have won the day against the construction of affordable housing in its "tourism zone" but the coalition forged in the struggle against The Mouse is alive and well and pushing for a community benefits agreement in Anaheim's Platinum Triangle development. By [BOBBI MURRAY](#)

In the end, Mickey Mouse won. But it wasn't the clean slam-dunk he's been accustomed to in Anaheim, since Walt Disney bought 160 acres in sunny southern California and opened Disneyland in 1955.

It took much of 2007 and at least a couple of million dollars for The [Walt Disney Company](#) to prevail in a high-profile fight against a development that could have brought as many as 225 affordable rental units to an area near Disneyland. The Mouse pretty much scuttled the development, but the battle energized a nascent grass-roots movement unlike any other that Anaheim, population 328,014 and Orange County's second-largest city, has ever seen.

The coalition in the Disney fight, Orange County Communities for Responsible Development (OCCORD) has turned its attention to bringing affordable housing—along with decent job standards—to city-owned land in the heart of a new mega-development, an 840-acre spot called the Platinum Triangle. But the residential project that drew Disney's ire last year and sparked an epic community fight was one launched by SunCal Companies, a developer based a few miles from Anaheim in Irvine, Calif.

SunCal planned a 1,500-unit condominium project near Disneyland, most of them for sale, but with 15 percent set aside for rent at affordable rates. That project ran aground in November 2007, but only after expansive months of legal wrangling and City Hall skirmishing on Disney's part and, ultimately, an assist from the tanking housing market. It's likely Disney brass was caught off guard by the fight, both high-profile and protracted, required to win. The Mouse had, for decades, gently swayed Anaheim municipal policy through lunches, golf outings, and strategic political back scratching. Anaheim Mayor Curt Pringle, for example, not only opposed the SunCal project as an elected official: he became a face for a Disney-organized "grass-roots" coalition that opposed it.

A couple of years prior, The Mouse persuaded city officials to cough up a staggering \$550 million for new roadways, along with creating a special tax district. This was to aid Disney's then-on-the-drawing boards California Adventure park—one that has performed so dismally that Disney now plans a \$1.5 billion overhaul.

The SunCal fight drew international headlines, but the real noise rumbled forth from a scrappy grass-roots coalition that brought a new, previously unheard voice to the policy debate—that of the tourism workers that drive Anaheim's tourism and entertainment-based economy.

The rank-and-file from [UNITE HERE](#), the hotel and tourist workers union local composed largely of Latino immigrants, showed up at City Hall, packed council hearings, and held demonstrations to back the SunCal affordable-housing proposal. Those employees hold the jobs that average an \$11 hourly wage. Affordable-housing advocates estimate it takes \$28-per-hour-plus to pay rent on a two-bedroom apartment in Anaheim—typically \$1,400- to \$2,500 a month.

The workers' presence at City Hall forced what might previously have been a corporate backroom battle out into the open, and, activists say, helped the City Council hang tough for as long as it did. "They've never had this particular demographic come to City Hall," says City Councilwoman Lorri Galloway, the council's strongest affordable-housing proponent. "Without the resort area workers, where is the success of this economic engine everyone talks about?"



Three strategic community partners joined together in ad-hoc coalition in support of the project—UNITE HERE, the Kennedy Commission, a coalition of community organizations supporting housing opportunities for working families, and OCCORD, a labor-community coalition formed in 2005 with support from UNITE HERE.

The coalition partners saw the SunCal project as a positive precedent in housing creation for Anaheim's tourism workers. Disney is by far the largest employer in the city, which lies about 40 freeway miles south of Los Angeles.

The SunCal conflict flared into public view after an April 26, 2007 Anaheim City Council vote in favor of a change to Anaheim's General Plan for an area known as the Resort District. The 2.2-square-mile area includes two Disney theme parks and a host of hotels and was zoned in 1994 to exclude any development that did not support tourism.

The April 2007 council vote approved a zoning overlay that permitted residential development in the district if 15 percent of the units were affordable—a seemingly modest approach given that Anaheim's affordable-housing strategic plan calls for a mere 1,328 new affordable units between 2006 and 2001.

California law does not require cities to build affordable housing, only plan for it, setting goals in the housing elements of a municipal general plan, says Cesar Covarrubias, senior project manager for the [Kennedy Commission](#). "If it doesn't happen by the end of the planning period, the state doesn't do anything," Covarrubias says.

David Rusk, a former mayor of Albuquerque and former member of the New Mexico Legislature who is currently a Washington, D.C.-based urban policy consultant, says New Jersey is the only state that does have a clear statewide mandate, although the law allows what he calls loopholes. While Illinois, Massachusetts, and Connecticut have statewide policies, "I would not consider any very vigorous," Rusk says.

Overlays that allow for some affordable housing in Anaheim were the result of years of pressure by housing advocates, says Scott Darrell, the Kennedy Commission's executive director. "The political environment was such that we couldn't get inclusionary zoning," he says.

Advocates say the notion of affordable housing near Disneyland clashed with Disney's plans for a third theme park—in addition to Disneyland and California Adventure—across the street from the SunCal site. Disney is tight-lipped, but the new park is most likely based on Disney Discovery Cove in Orlando: \$249 tickets and a tony image at variance with the notion of affordable housing.

Rob Doughty, vice president of communications for Disney, summed up Disney's view in an interview: "Our position has always been that the Anaheim resort area was designed to be for tourist services only," he said. "Our focus has always been protecting that vision."

Just two days after the April council vote that allowed the SunCal project to advance, Disney hauled out the heavy artillery. Anaheim Mayor Curt Pringle led the charge. Pringle, a former GOP state assemblyman who, in addition to his duties as Anaheim mayor runs a governmental relations consulting firm, took the lead at a news conference to herald a new Disney-backed coalition: [Save Our Anaheim Resort](#) (SOAR). As a SOAR co-chair, Pringle also announced the launch of a petition drive to put a referendum on the issue on the June 3, 2008 city ballot. Fifty-four percent of city revenues, Pringle argues, come from the resort district, the majority from the so-called "bed tax" that hotels pay. Converting the resort district land use from hotel to residential undercuts the city's income.

Despite SOAR's endorsements from Anaheim police and firefighters groups and the lavish member profiles on the SOAR Web site, the coalition was more like pricey AstroTurf than grass roots. Disney spent \$1.7 million for SOAR and its successful efforts to qualify both the referendum and another pro-Disney measure for the municipal ballot. The referendum became moot when Disney won. And, in Anaheim style, the council later voted 3-2 to adopt SOAR's pro-Disney ballot initiative.

Communications vice president Doughty referred most questions from *Shelterforce* to a SOAR spokesperson who turned out to be a staffer for powerhouse public relations firm Porter-Nevelle.

Not that SunCal rolled over easily. The company ponied up \$700,000 to form the Committee to Defend and Protect Anaheim, which threatened a counter-Disney ballot initiative. SOAR supporters showed up all summer long and into the fall, each time the City Council was faced with a project-related decision.

Speakers against the development introduced a strong whiff of xenophobia at one meeting when they showed up in T-shirts emblazoned with the logo of the Minutemen, the self-appointed civilian border patrol group that many liken to vigilantes.

SOAR supporters were far outnumbered by the resort workers mobilized by the ad-hoc coalition of the union, OCCORD, and the Kennedy Commission.

The employees testified about two-hour commutes to outlying areas where housing prices are more in line with their budgets, or how they crowd multiple families into two bedroom apartments. On one occasion, the pro-housing activists pitched a red tent city in

front of City Hall to demonstrate the need for affordable housing.

But for all that, Disney won in November 2007.

The SunCal deal foundered when Frank Family Partnership, the owner of the property SunCal had been working to acquire for three years, suddenly declared SunCal in default of its purchase contract because the company failed to close the deal by Oct. 1, 2007. SunCal countered that action, filing suit against Frank Family, accusing it of undermining SunCal's efforts to obtain the government entitlements necessary to close the deal. It also complained of interference by a third party that was clearly Disney.

After SunCal filed suit, the councilwoman who had provided the swing vote in favor of the project reversed her stance. She did not return calls for comment, but told The Orange County Register, "I believe we need to keep the resort area special."

By the time the deal collapsed, the subprime mortgage debacle had deflated the market, stalling virtually all condo development throughout Orange County.

Despite the outcome, activists claim a significant victory. That the city council stood up to the mighty Mouse for as long as it did shows a change in power relations. "The fact that Disney had to organize SOAR, that SOAR was going to the ballot box and threatening recalls is completely new," says Eric Altman, executive director of OCCORD. "The way that things have happened in the past is not the way they will happen in the future." The needs of working families are not yet adequately addressed, he says, but adds, "The dynamic has changed. For the first time we had working families very engaged in the process."

Now OCCORD—made up of 22 organizations from around Orange County—along with the Kennedy Commission, have returned to a fight they had been focused on before the Disney conflict began.

Disney, an entertainment company that reported a net income of \$4.7 billion in 2007, is no longer central to the new struggle. This one involves the Los Angeles Angels of Anaheim, a Major League Baseball franchise valued at \$368 million, with a stadium on leased city land in the heart of the Platinum Triangle, where various developers have acquired tracts for mixed-use development.

The area was no big dollar deal until 2004, when the Anaheim City Council re-zoned the industrial area surrounding Angels Stadium and the Honda Center entertainment arena. What had been a grey asphalt dead zone indeed went platinum after the council voted to allow greater density, thus making it possible to profitably develop condos, lofts, and office towers.

Land values shot up to as much as \$5 million an acre as developers snatched up the land. In December 2007, the council increased an already staggering density standard in the Platinum Triangle, jumping the amount of office space to 7.2 million square feet.

Residential unit allowance doubled to around 18,000—not a stick of it designated affordable. The Kennedy Commission's Covarrubias believes the city could have extracted some affordable housing from the deal if they had leaned on the developers a little. State law allows for density bonuses—if a developer wants to build 34 units on a parcel zoned for 30, the city can leverage affordable units, he says. "Some cities say 'If we're going to give you density, we should get something in return.'"

San Diego and Los Angeles activists have made the density bonus law work, but in Anaheim, Covarrubias says, "we're just going to give you the upzoning," largely because, he adds, affordable-housing advocates on the five-member Anaheim City Council saw that Mayor Pringle, a tireless champion of the Platinum Triangle development, had the votes to push it through without conditions.

The San Diego-based Citizens for Responsible Equitable Environmental Development recently challenged the Platinum Triangle expansion in court because the city's Environmental Impact Report shows a lack of transportation infrastructure and a dearth of workforce housing. But the hour is late for community advocates to enter the debate. OCCORD wasn't even formed when the Platinum Triangle development first picked up speed. The Kennedy Commission, with its small staff, was at the time busy winning an affordable-housing ordinance in Anaheim that offers incentives to developers who agree to set aside from 10 to 20 percent of their new units for renters living at or below 50 percent of the area's median income.

But OCCORD and its allies have found a strategic opening in the Platinum Triangle, homing in on a 51.4-acre, city-owned parcel where the planning for a new development is still in progress. This particular expanse is owned by the city, allowing for more public input than a private development, thereby, advocates say, letting the public engage in a discussion for on-site affordable housing, open space, child care, and schools for the employees' children. OCCORD is also advocating for decent pay and career ladders for jobs created within the Triangle.

Altman, OCCORD's director, says the city's environmental impact report shows the majority of jobs generated by Platinum Triangle development to be low-wage—janitors, office workers, food-service clerks—unless standards are imposed. So OCCORD's goal is to incorporate their constellation of standards into a contract with the city called a community benefits agreement, or CBA.

Labor-community coalitions similar to OCCORD have developed around the country, networked through the national Partnership for Working Families. Affiliated groups in Minnesota and Pittsburgh have used the CBA model to increase affordable housing in

those areas.

To follow suit in Anaheim, OCCORD must get to the table with the city and the Colorado-based Archstone, the developer given exclusive rights by the city to develop the parcel. The Angels also need to be there, Altman says.

The Angels lease their stadium along with the adjacent land that includes the area set for Archstone's development. That current lease agreement excludes residential development, and OCCORD will have to persuade the Angels to change that. Altman says it's too early to comment about the status of OCCORD's outreach to any of the parties the organization might be negotiating with, including the Angels.

Angels vice president of communications Tim Mead confirmed that the Angels' lease rules out residential development but said it was too early to comment on the development process and whether they would meet with community groups or change the lease to allow housing.

Sources close to the two camps say the Angels responded favorably to an invitation to meet, but no date had been set as of mid-April.

OCCORD has met with Archstone, but has yet to see what that could yield, Altman says. An Archstone spokesperson would not comment on events in Anaheim, but said his company is committed to working with community leaders wherever they have a development.

Meanwhile, OCCORD has gradually stepped up pressure on the city, the developer, and the Angels. In October 2007, even as the Disney fight dragged on, OCCORD set up a display outside City Hall called "A Tale of Two Anaheims" with photos of graffiti-tagged fences alongside pictures of Anaheim's million-dollar-plus homes, accompanied by charts illustrating income gaps and housing costs.

In January 2008, activists from unions, religious, and community organizations ignored the cold rain blown sideways by chilly winds to march in support of more equitable development.

And in March, OCCORD delivered 2000 postcards to City Council urging negotiations and plans to deliver at least as many to Archstone and the Angels.

It's hard to predict how the Angels will react. Arte Moreno, the Angels' owner, has a hands-on, pragmatic reputation that makes activists hopeful he may want to talk. Moreno became wealthy as an outdoor advertising executive and became the first Latino major-league owner when in 2003 he purchased the Angels franchise from—who else?—Walt Disney Company.

The fight is only beginning. But Altman sees good-faith negotiations as a win for all parties. "We think it makes sense—the development partners have nothing to lose and everything to gain from having a dialogue."

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