Renaud Le Goix
Ph.D., Assistant Professor University Paris 1 Panthéon - Sorbonne
Department of Geography,
Permanent address: UMR Géographie-cités 8504 - 13 rue du Four 75006 PARIS (FRANCE)
phone: +33/ 1 40 46 40 00 ; home: +33/ 1 44 73 47 97 - email: rlg@parisgeo.cnrs.fr

Gated Communities as predators of public resources: The outcomes of fading boundaries between private management and public authorities in southern California[1]

[Version : August 20th, 2004 – This paper is due to be published as LE GOIX R, 2004 (in press), « Gated communities and municipal governance in the US », in GLASZE G., WEBSTER C., FRANTZ K., Private Neighbourhoods : Global and local perspectives, Routledge – Taylor and Francis. — Please do not quote without authorization*]*

SUMMARY

Based on an empirical study of the Los Angeles region, this chapter focuses on the consequences of gated communities development, leading to fading boundaries between private and public management of residential areas. As a standardized form of urban product, these neighbourhoods represent a form of urbanism where public spaces are being privatized. In the most recently urbanized areas, they represent an increasing part of the new homes market and they have thus become a symbol of contemporary metropolitan fragmentation and social segregation. They not only enclose space but they also actively select residents through restrictive covenants as well as through life style marketing and price. Because they are managed as private corporations, there is perhaps an inevitable tendency to seek political and fiscal independence through a process of municipal incorporation. This has led to a project of partition - strengthened by and strengthening existing partitioning movements - and to the prospect of increased social segregation. The outcome is fading boundaries between public and private management when a gated community engages in municipal incorporation. The sprawl of gated communities is not to be understood as secession from public authority, but as a public-private partnership. It is a local game where the gated community provides benefits to the public authority, in return for which, the Property Owners Association is granted autonomous local governance. The spill over effects of this method of ordering new urban space is to increase segregation. This is particularly so when gated communities are incorporated since the municipal institution is instrumental in securing public funds and property for the privilege of a gated enclave.

KEYWORDS

urban planning, segregation and housing, municipalities, public spaces, USA.

INTRODUCTION

In terms of private urban governance, the U.S. have developed a large range of experiences, which allows investigating the issues raised by their long term implementation. As a specific form of private governance, walled and gated residential neighbourhoods have become a common feature within the fastest growing US metropolitan areas. Numerous gated communities have been developed since the 1960s in Southern California, which serves in this chapter as a field of study for discussing the consequences of fading boundaries between public and private management due to the rapid development of these enclaves. Because security systems and around-the-clock gates prevent public access, gated communities represent a form of urbanism where public space is effectively privatized – protected for the exclusive consumption of a spatially and legally defined group. They differ from condominiums and secured apartment complexes because they enclose more natural real estate (as opposed to land created by investment in high rise development). In some cases this land and its public infrastructure such as streets, parks, sidewalks and beaches was formerly open to all. In some cases some of the infrastructure is still publicly owned. Gated neighbourhoods have greatly increased in number since the 1970s and have become a powerful symbol of the fragmentation and increasing social segregation of contemporary cities (Blakely and Snyder 1997). Social segregation goes hand in hand with these kinds of development because they are managed as private corporations, tend to seek political autonomy and practice implicit selection of residents.

In the social sciences literature about gated communities three types of arguments are now part of the general theoretical discourse. First, gated communities are described as part of a trend towards the commoditization of urban public space (Dear and Flusty 1998; Sorkin 1992). This is often linked with the spread of ideologies of fear developed by economic and political actors including municipalities, the homebuilding industry, the security industry and the media (Davis 1990, 1998; Flusty 1994; Marcuse 1997). A second type of argument presents gated communities as a symptom of urban pathologies, amongst which social exclusion is considered to be pre-eminent. In this discourse, the decline of public spaces in cities is seen as being detrimental to the poorest social classes and voluntary gating is associated with an increased social segregation (Blakely and Snyder 1997; Caldeira 2000; Webster, Glasze and Frantz 2002). The shift from a city with public spaces towards urbanization built of private enclaves is argued to be associated with the "secession" of the elite and to be a regressive redistribution of welfare (Donzelot and Mongin1999; Jaillet1999; Reich 1991). These are largely equity arguments that stand opposed to the efficiency arguments for gating based on the assumption that the public provision of services leaves potential welfare gains unrealised (Foldvary 1994). The debate about gated enclaves has been lively, despite a lack of empirical studies. Due to the difficulty of gathering a representative sample of gated communities at the local scale, empirical studies in the U.S. have so far focused on the nation-wide phenomenon (Blakely and Snyder 1997), or on a narrow municipal scale and a few case studies (Bjarnason 2000; Lacour-Little and Malpezzi 2001).

Based on an empirical study in the Los Angeles region[2], this chapter focuses on the diseconomies created by gated communities for neighbouring communities. It aims to identify the ways in which local governments favour the development of this form of land use to pay for the cost of urban sprawl. This issue is addressed by focusing on gated communities that have been part of an incorporation process – seeking municipality status and pushing for political autonomy. In this process, the boundaries between private interest and the public realm become considerably blurred. I argue that the incorporations of gated communities create spillover effects since public funds and property are captured for the privilege of a gated enclave.

GATED COMMUNITIES DEVELOPMENT AS A PUBLIC-PRIVATE PARTNERSHIP

The gated community life-style is clearly inspired by the historical golden-ghettos found in industrial-era cities - in Paris, the Montretout gated neighbourhood in Saint-Cloud developed in 1832 and in New York, Llewellyn Park, New Jersey developed in 1854. Gated enclaves today, however, are mainly suburban neighbourhoods distinguished not so much by their grand of idealistic designs but by their emphasis on "community life-style" and security features. The promotion of these standardised commodities by the real-estate industry typically focuses on exclusiveness, protection of families in a secluded environment, leisure facilities and amenities such as golf courses, private beaches, private parks and horse-riding trails.

In Los Angeles, the first gated neighbourhoods were developed in 1935 in Rolling Hills and in 1938 in Bradbury, and some well known gated communities were built early after World War II. These include Hidden Hills (1950) and the original Leisure World at Seal Beach, housing veterans and the retired (1946). Before 1960, about 1,700 housing units were gated in the Los Angeles area. This increased to 19,900 in 1970 through the development of major enclaves like

Leisure World (1965) and Canyon Lake (1968). After 1970, new developments were usually smaller and the growth rate decreased: 31,000 gated units existed in 1980; 53,000 in 1990; and 80,000 in 2000. In the year 2000, this market represented approximately 12 per cent of the new homes market in Southern California. Locally it is higher, however: 21 per cent in Orange county; 31 per cent in San Fernando Valley; and 50 per cent in the desert resort area of Palm Springs[3]. As real-estate commodities, they are tailored to a specific prospective buyer profile. The gated communities surveyed in the Los Angeles study are located within every kind of middle class and upper-class neighbourhood and are available for every market segment. Half of them are located within the rich, upper-end and mostly white neighbourhoods; while one third are located within the middle-class, average income and white suburban neighbourhoods. As evidence of the social diffusion of the phenomenon, 20 per cent of the communities surveyed are located within average and lower income Asian or Hispanic neighbourhoods, especially in the northern part of Orange County and in the North of San Fernando Valley (Le Goix 2002, 2003a).

The diffusion of homogeneous residential suburban communities is related to suburban growth; to the anti-fiscal posture; and to the municipal fragmentation dynamics that have affected the Los Angeles area since the 1950s - issues that have already been very well documented. In Los Angeles, the anti-fiscal posture has been associated with the incorporation of numerous cities – the first of which was Lakewood (1954). These municipal incorporations were designed to avoid paying costly county property taxes - which after incorporation were replaced by lower city assessments and better local control over local development and other municipal affairs (Miller 1981). A second important development may be linked to the 1978 “taxpayers’ revolt” - a homeowner-driven property tax roll back known as Proposition 13 (Purcell 1997). Passed in 1978, the *Jarvis Grann Initiative* introduced a 1 per cent limit of the assessed value for property taxes; annual increase is allowed up to 2 per cent a year. This tax limitation increased the need for public governments to attract new residential developments, especially those that would bring wealthy taxpayers into their jurisdiction. This set the scene for gated communities to become the perfect “cash cow”. (McKenzie 1994). A third influence on the spatial diffusion of gated enclaves is the rapid growth of the Los Angeles area, sustained by massive population flows driven to the Sun Belt cities during the 1980s (Frey 1993).

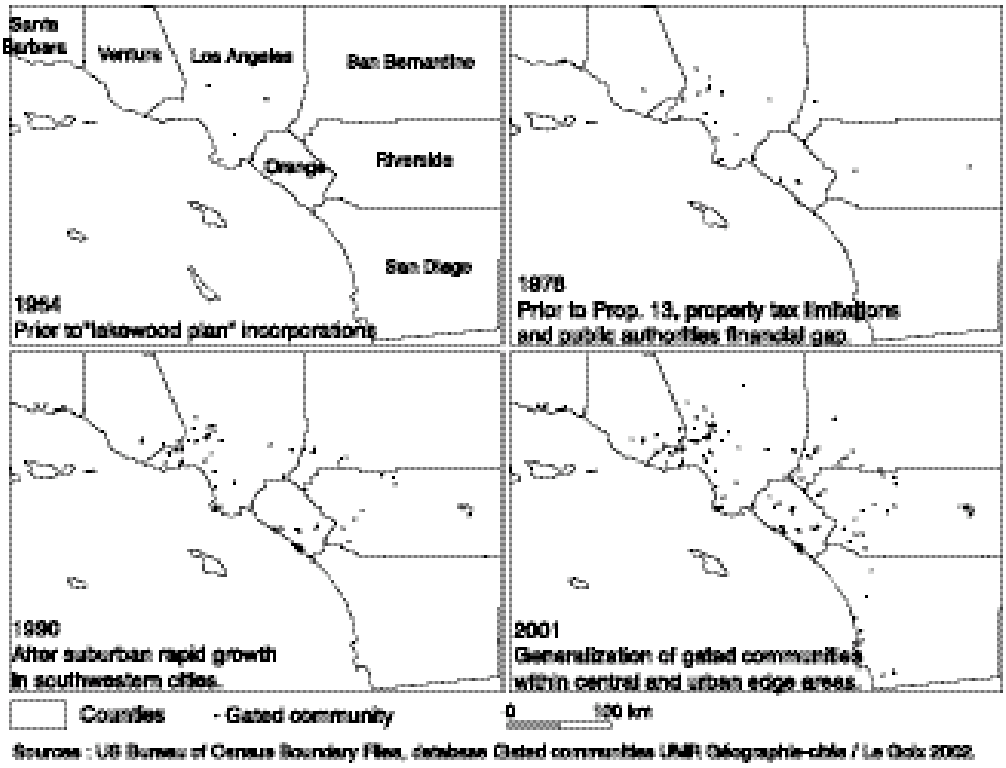

Figure 1. The diffusion of gated communities in the Los Angeles area

In this context, the peculiarity of gated communities compared to regular Common Interest Developments (CIDs) and Master Planned Communities lies in the gating. On one hand, access control and security features represent a substantial cost for the homeowner, not only the capital cost of infrastructure, but also ongoing maintenance costs that otherwise would be borne by the wider tax paying public. As compensation, the homeowner is granted with private and exclusive access to sites and to former public spaces. The resultant exclusivity enhances locational rent and positively affects the property values (Lacour-Little and Malpezzi 2001; Le Goix 2002). On the other hand, it provides the public authorities with wealthy taxpayers at barely any cost (McKenzie 1994).

As a consequence, the sprawl of gated communities tends to blur the limit between the public realm of municipal governance and the private realm of homeowner association management. Indeed, the status of a CID is instrumental in transferring the cost of urban sprawl from the public authority to the private developer and ultimately to the final homeowner (McKenzie1994). The enclosure movement has presented many interesting dynamics in regard to the financial situation of public governments since the 1978 tax limitation. For example, to the extent that gating favours property values, it helps increase the property tax basis. The erection of gates also transfers the cost of maintaining urban infrastructure to the association and the homeowner.

The relationships between gated enclaves and the public authorities can be thus summarized: because of the fiscal gains they produce at almost no cost except general infrastructures (freeways and major infrastructures), gated communities are particularly desirable for local governments, especially in the unincorporated areas where budgets are tied to a low-resource paradigm after Proposition 13. The city of Calabasas offers a dramatic example of this when it incorporated in 1991. Incorporation is the legal process by which unincorporated land (under county's jurisdiction) becomes a city, once approved by the State (in California, the LAFCO, Local Agency Formation Commissions are in charge of supervising the process) and by 2/3 of the voters. A new municipality can either be granted a charter by the State as large cities are, or be incorporated under the general law, which is the common case. In Calabasas, at least 30 per cent of single housing units are located within gated enclaves. *Baldwin*, the developer of the first enclave in the area (Calabasas Park) proposed in 1987 a 2,000 units extension on unincorporated land, while locally involved residents were pushing for the municipal incorporation, willing to promote a slow-growth policy. This controversial drive towards local autonomy was aimed at gaining control on local land development and challenging the County Board of Supervisors to support new residential subdivisions. The incorporation process went back and forth for 11 years (as the LAFCO rejected it several times), while the county had already approved 4,500 new units in the area (Le Goix 2003b).

When developing private neighbourhoods, the homeowner pays for the provision of public services. The sprawl of gated communities is not, however, to be understood as “secession” from the public authority, but as a public-private partnership, a local game where the gated community has utility for the public authority, whilst the Property Owners Association (POA) is granted autonomy in local governance, and especially in financing the maintenance of urban infrastructure. But this user-pays paradigm creates a high cost for the homeowner, charged with the property taxes, the district assessment and homeowners’ fees. This higher ‘entry-fee’ contributes to the protection of property values but also to socio-spatial selection and segregation.

GATED COMMUNITIES AS MUNICIPALITIES AND PUBLIC ACTORS

It has already been documented that Common Interest Developments (CID) are both public actors and private governments. The developer and the subsequent homeowner association substitute for the public authority and privately provide a public service (Kennedy 1995; McKenzie 1994). But some gated communities also became real public actors, by the means of incorporation as autonomous cities, or by being a key actor in an incorporation process. This issue is important in understanding the nature of the territories built by gated enclaves. Large gated communities incorporating as cities of their own include Bradbury and Rolling Hills (1957); Hidden Hills (1961); Canyon Lake (1991); and Leisure World (1999). Enclaves incorporating as part of a new city where a substantial part of single-family housing developments is gated include Dana Point (1989); Calabasas (1991); and Dove Canyon (incorporated with Rancho Santa Margarita in 2000 – see Table 1).

Local affairs are shared between a private homeowners association, in charge of road maintenance, security and compliance with land use regulations and restrictive covenants, and a *minimal city*. Being a *minimal city* entails minimizing the costs of operation by contracting with the county and other public agencies to supply public services (police, water, sewers and fire department) (Miller1981). Indeed, the municipality in these incorporated areas acts as an extension of the Property Owners Association.

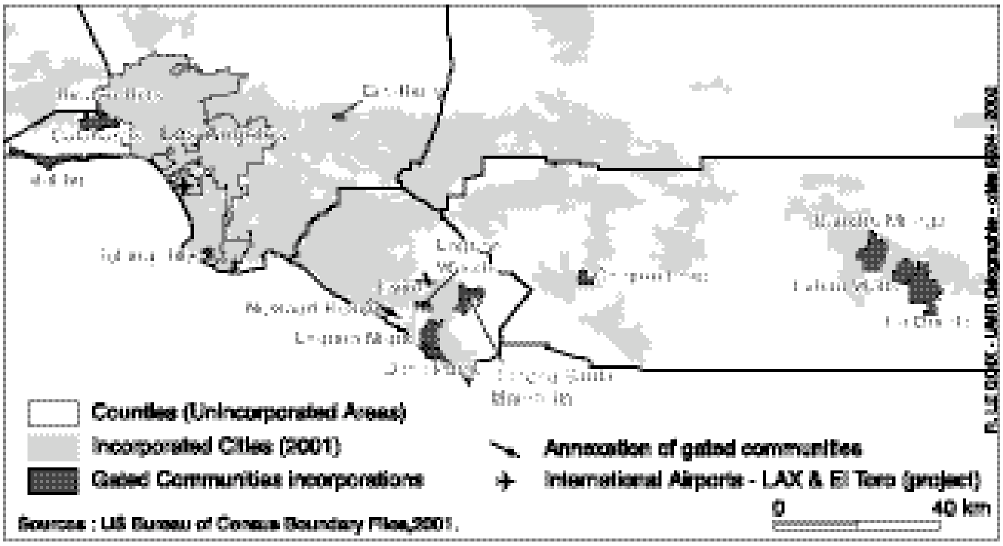

Figure 2. Gated communities and municipal incorporations in the Los Angeles area

Municipalities	Date		Number of housing units			Units in G.C.
	First G. C.	Incorporation	G.C.	in G.C.	in municipality (2000)	%
Newport Beach	1968	1906	7	1,789	37,288	4.8
Rolling Hills	1936	1957	1	636	682	93.3
Bradbury	1950's	1957	1	476	1,261	100.0
Hidden Hills	1950	1961	1	592	592	100.0
Indian Wells	1957	1967	3	2,135	3,842	55.6
Rancho Mirage	1952	1973	2	4,122	11,816	34.9
La Quinta	1980's	1982	2	2,064	11,812	17.5
Dana Point	1975	1989	15	2,817	15,682	18.0
Laguna Niguel	1982	1989	2	1,664	23,885	7.0
Canyon Lake	1968	1991	1	4,047	4,047	100.0
Calabasas	1978	1991	6	2,228	7,426	30.0
Malibu	1975	1991	4	769	6,126	12.6
Leisure World / Laguna Woods	1964	1999	1	12,736	11,699	100.0
Rancho Santa Margarita (Dove Canyon)	1986	2000	2	1,227	16,515	7.4

Sources : Database Gated Communities UMR Géographie-cités 8504 ; US Census 2000.

Notes :
Number of housing units in gated communities according to the database, and include units built and included in the Assessment Maps before 2000. Information based upon POAs data and / or Assessment Maps. Several contiguous country clubs or POAs, sharing the walls and entry gates, are considered as one unique gated community.

Table 1. Gated communities involved in municipal incorporations.

Generally speaking, such incorporations are conducted for two reasons, consistent with the global trend towards municipal autonomy in Los Angeles. On the one hand, they aim to prevent a potential annexation by another and less affluent community looking for an extended tax base (Rolling Hills, Hidden Hills, for instance, or Rancho Mirage and Indian Wells in the Palm Springs area). On the other, they aim to promote the protection of a life style and local values, and the local control of affairs and planning (Leisure World, Canyon Lake, Dana Point, Calabasas).

First, having a municipality tailored to fit the needs of a POA is a common pattern of most gated communities incorporation, exemplified by Canyon Lake's incorporation in 1991 (9,900 permanent residents in 2000). The City of Canyon Lake operates according to the *minimal city* paradigm. It is designed to provide residents with the basic services of police (contracted to the City of Perris police department); fire department (contracted to the county fire department); sanitary infrastructure; and zoning. Safety and security represent up to 61 per cent of the overall City budget (2000). All other services, including leisure, planning, development permits and regulations, are in the charge of the POA. In spite of its lack of power, the City acts as the public front office of the POA, especially when setting up zoning requirements. These seek to strictly avoid future development around the walls of the community. For instance, the municipality sought to acquire federal land on the outskirts of the city in 2000 in order to maintain a natural boundary between Canyon Lake ("bit of paradise" - the official motto) and the sprawling nearby community (Tuscany Hills in Lake Elsinore) [4].

Second, would a gated community be concerned with the preservation of a certain lifestyle and identity, then incorporation is considered as the means of gaining autonomy while avoiding annexation by less affluent municipalities seeking to enlarge their fiscal basis. Rolling Hills became the first gated community to incorporate as a city of its own in 1957, and was soon joined in the move by Hidden Hills in 1961. Both are countryside up-market private estates, emphasizing a ranching lifestyle, with horse stables and trails. Rolling Hills POA had already existed for two decades when the nearby middle-class and industrial Torrance City sought to annex the wealthy communities of the Palos Verde peninsula, south of Los Angeles (Figure 3). Rolling Hills quickly reacted, filing for and vote for incorporation in less than 18 months (Miller 1981). The sprawling Westside of the city of Los Angeles threatened Hidden Hills, which has strictly enforced a slow growth policy since incorporation. In Rancho Mirage, also dubbed *Country Clubs City* (Palm Springs resort area) the wealthy retirement gated communities (35 per cent of the total housing stock and almost 65 per cent of detached units) led the process of incorporation in 1973 to avoid annexation by Cathedral City or Palm Desert[5].

In some peculiar cases, external forces have convinced the POA to file an incorporation request. The incorporation of Leisure World as the City of Laguna

Woods was the outcome of the necessity. In the largest retirement gated community of the West Coast (19,500 inhabitants, whose average age is 77 years old), incorporation became a necessity because of the lack of involvement in the operation of the *Golden Rain Foundation* (the master association of the community). As Robert Ring, the former President of the Association's Board of Director and now City Council Member, put it: residents "don't buy greens bananas (…) and don't bother as well as they are happy" [6]. Several projects had been considered since 1964, but never passed. After Orange county forced bankruptcy in 1998, the situation has changed radically: the county promoted incorporation of urbanized areas and proposed that new *minimal cities* should use the local tax-base to supply the residents with improved public services, and sign contractual agreements with the county which operates basic services (Fire and Sheriff departments). Leisure World had to incorporate and there were several options. One was a joint incorporation with nearby communities housing younger populations in Laguna Hills or Mission Viejo. This option was rejected because of the obvious divergence of interest between a young population interested in schools and kindergarten and a retirement community. Another option was to be annexed by the large municipality of Irvine, but this gave rise to another conflict that helped to make the decision: Irvine supported a project for an international airport, the approach path to which would have flown over Leisure World (Figure 2). So, according to Robert Ring, the incorporation aimed to build a public entity that would be the voice and advocate of the Leisure World gated community against the International Airport project in El Toro.

Finally, the main argument driving the incorporation might be the need to retain the property tax dollars within the limits of a municipality. The incorporation of the city of Rancho Santa Margarita (2000) was complex: one large gated community was the main influence in this process (Dove Canyon, 1,230 property), whereas its neighbour (Coto de Caza, 4,152 units) rejected the plan and remained unincorporated (it now wishes to build a municipality of its own). Like in some other places, the incorporation aimed at gaining local control of the use of tax dollars and maintaining a slow growth policy favouring the leisure lifestyle and countryside setting (Yang and Ragland 1999). According to William O. Talley, the City Manager, incorporation was also a means to oppose the International Airport Project, west of the proposed city[7]. It is nevertheless unclear why Coto de Caza rejected incorporation, but it seems that wealthy Coto's residents were concerned about Rancho Santa Margarita (including several middle class neighbourhoods in addition to Dove Canyon, Figure 3) seeking to take control of Coto's high fiscal basis. Furthermore, it was also reported that Coto is also planning to apply for incorporation on its own. It should be noted that Dove Canyon was highly motivated to join Rancho Santa Margarita, as the county offered the proposed city $ 200,000 a year (financed with the county's share of property tax) in order to provide Dove Canyon with public services (Boucher and Gale 1998; Ragland 1999; Tessler and Reyes1999)… The private and gated Dove Canyon confronted with an offer that met its own interests, entered into the deal and benefited from the more secure source of tax funds for service-provision.

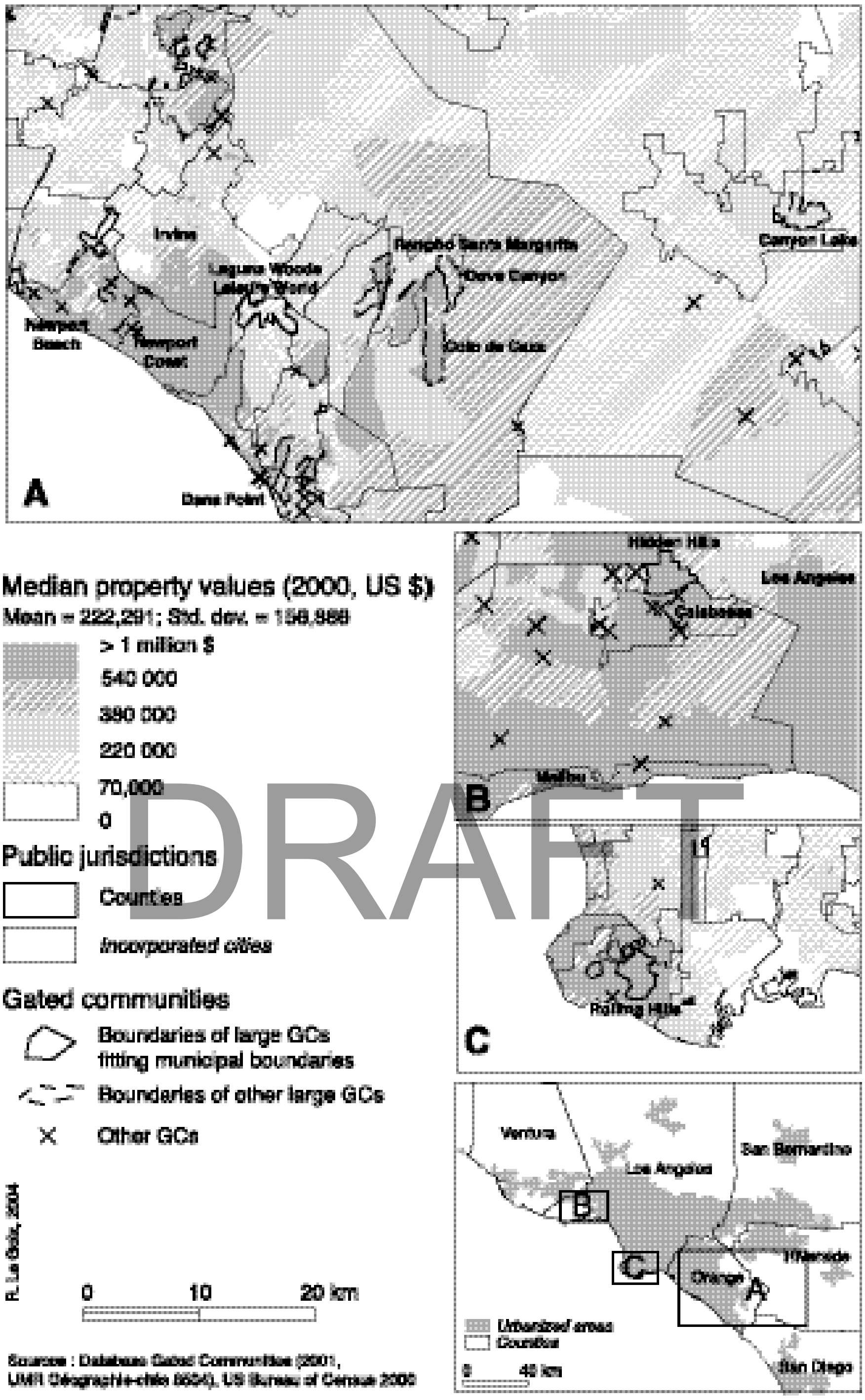

Figure 3. Gated communities, municipalities and property values patterns in the Los Angeles region (focus on Orange county, Palos Verdes Peninsula and Western Los Angeles County).

Setting aside the usual arguments of a better local control on planning and the preservation of life-style and identity, the incorporation of gated communities as new municipalities indeed reveals their political nature and has implications for other communities. Considering property values asa good proxy for assessing the tax base (given that property tax is the main resource for local governments), it appears that a majority of gated communities incorporations, when they took place, withdrew from the unincorporated areas a high level of tax base whereas nearby communities had to incorporate on a weaker fiscal basis (around Rolling Hills, Canyon Lake, Rancho Santa Margarita, Dana Point, see Figure 3). In Los Angeles county, on the outskirts of the continuously urbanized area, low-end communities might even remain unincorporated because they have insufficient resources to incorporate, and represent a charge for a county constantly losing the upper-market developments built on its land (Miller 1981).

I further argue that, doing so, gated enclaves seek to reach three interrelated goals:

- to prevent their upscale fiscal basis from being redistributed in other (poorer) areas; this is a permanent and rather obvious goal in all incorporation driven by upper-scale developments in the U.S.;
- to create a legal means of transferring public resources and assets for the profit of exclusive and enclosed neighbourhoods,
- and to find legal means of getting public financing of infrastructure within gated areas, whereas such public infrastructures are generally incompatible with gated private enclaves.

According to the last two goals, gated communities are acting as predators of public resources.

GATED COMMUNITIES AS PREDATORS OF PUBLIC RESOURCES

Through the incorporation cases previously exposed, not only do gated communities build their own respectability as public actors, but they also find public funding for private liabilities that were previously the responsibility of the POA.

An important impact of gated communities playing the game of municipal incorporation arises from their tendency to act as predators of public resources and a to shift the use of the city services (paid by the local taxpayers, along with other public grants) to the exclusive use of gated enclaves. No public money can be spent within the gates - otherwise public access would have to be granted and the gates would eventually become redundant. Such issues are documented by the 1992 decision of Hidden Hills to build its city hall outside its gates in order to allow public access to the facility without opening the gates (Ciotti 1992; Stark 1998). The 1994 *Citizen's Against Gated Enclaves (CAGE) vs. Whitley Heights Civic Association* case banned the gating of public streets (Brower 1992; Kennedy 1995; McKenzie 1994). In 1999, Coto de Caza rejected a project to build a public school within its gates because it would have allowed the public inside the gated community (Nguyen 1999).

Such behaviour risks gated communities becoming prisoners of their own small worlds – with the risk of obsolescence if re-investment funds are insufficient (Berding 1999). Approximately two decades after gated development started to occur, infrastructures is starting to wear out; streets need costly maintenance; costs are rising; and it seems increasingly difficult to raise new funding. New special assessments or increase property owners fees are problematic, especially because of the 2/3 majority approval required according to CIDs regulations (*Davis-Stirling Common Interest Development Act*, 1985). The issue can be sensitive in retirement communities where the average life expectancy of residents can be estimated at about 5 years, (hence the comment already quoted in respect of the private governance quagmire in Leisure World - "they don't buy green bananas"). In fact, many private non-gated CIDs can ultimately rely on the municipality to pay for the maintenance of streets and major infrastructure like parks and sewers. In Irvine, many private neighbourhoods are maintained with public money, but streets are kept opened.

As a consequence, the only way to get public funding for a gated community is to relying on a public government to externalize services that were paid for by the POA and may be provided by a public entity without infringing the law, and without having to remove the gate. This can be done several ways: a public service (library, kindergarten, trash collection, transit system…) that used to be in charge of the POA can be transferred to the municipality; a contractual agreement can also authorize the police department to patrol within the gates (like in Dove Canyon), thus saving the POA some security and regulations enforcement's costs.

A few examples further illustrate this assertion. First, incorporation allows transferring the cost of services formerly paid for by the POA to the municipality. In the peninsular community of Rolling Hills (630 housing units), all leisure facilities located inside the gates are the property of the City and the POA rents them with an exclusive privilege (Rolling Hills is the only gated community in the city and the municipality's jurisdiction fits the walls of the POA) Major maintenance costs are nevertheless borne by the City. In Calabasas, the developer of Parkway Calabasas gated communities created a Community Facility District[8] and contracted in 1992 a 30 millions dollars loan to pay for beautification and building of parks and access roads to the gated communities. Because of its cost ($ 4,000 a year by each resident), the loan was refinanced by the city in 2000 and this became the responsibility of all the taxpayers in Calabasas. Furthermore, 13 per cent of the municipal budget is dedicated to services paid for by the city, obviously favouring gated communities[9].. Although the golf course and other leisure facilities are supposed to be open to all the residents in the city, their location on the western side of the city, nested in the middle of gated enclaves, is detrimental to the open and middle-class neighbourhoods on the eastern side. Not only the properties abutting the golf course in gated communities benefit from higher property prices, but also other residents and taxpayers do not enjoy the same level of services near their homes, and must undertake longer trips to access the public leisure facilities.

In the elderly gated community of Leisure World/Laguna Woods (both the city and the POA encompass the same area), besides the airport issue, the incorporation was also motivated because of rising costs, aging private infrastructure and lower revenues from assessments than other gated enclaves. Retired population is indeed or a more modest condition than on residents on the eastern side of Orange county (Figure 3). As an answer, sewer maintenance, trash collection and public transit are being transferred from the POA to the City. Incorporating Leisure World is also an answer to the intricate decision making process in the POA previously explained: the municipality was designed to substitute for the POA when strategic and costly decisions are to be made, and is now in charge of zoning and planning. For instance, the City set up in 2001 the long range planning requirements in order to forecast the improvements needed by the gated community's infrastructure[10]. The POA shall now comply with regulations enacted by a municipality that was first designed to be instrumental to the association. This exemplifies how a public authority may substitute for the private urban governance when the private management fails to properly govern a 19,500 inhabitants private enclave.

The recent annexation of gated communities on Pelican Hills (forecasting 10 000 inhabitants in 2010) by the City of Newport Beach offers another dramatic example of gated communities seeking access to public funds. Because these communities are located under the landing and takeoff path of a planned airport, Newport Beach has proposed to annex them in order capture a new tax base ($2.8 billion when the development will be completed by 2010), and also to prevent them from becoming dangerous opponents to the airport by incorporating later in a city of their own. First, some residents challenged the annexation and the airport, but they did not manage to gather enough signatures on a petition to block the annexation. Second, once integrated among the 37,200 other residents of Newport Beach, the 7,000 residents (12,000 by 2010) do not represent a significant opposition force. And last but not the least, the motivation for not challenging the annexation has been guaranteed by the municipality of Newport Beach paying off an estimated 18 millions dollar special assessment debt owed by gated community residents, and offering the building of a $7 million community centre, free trash collection and finally landscaping of areas outside of gated communities (Willon 2001). This poignantly demonstrates the need for viewing gated communities as not only assemblages of private land, streets, infrastructure and services but also as political forces that will make decisions and play games in their members interests – including preying on public resources.

CONCLUSION

The novelty of gated communities in the suburban landscape is their enclosure and its implication for the nature of the territory developed behind the gate. Theoretically speaking, gated communities are private areas entitled to privately provide public services. The sprawl of gated communities is not to be understood as secession from public authority, but as a public-private partnership: the gated community provide the public authority with new tax payers at little cost, whilst the property owners association is granted an autonomous local governance and assume responsibility for local urban affairs. Nevertheless, gated communities tend also to become public actors (municipalities) and can be expected to try and offset the burden of private governance by transferring costs to the municipal entity, where possible, using public funds and federal grants for the exclusive use of private enclaves. Municipal incorporations have helped gated communities to acquire the status of real public actors, providing the private interest with official representation on the public scene.

This peculiar use of a public local government produces a cost borne by the urban community as a whole because of the scope for bargaining and other game playing. This adds another dimension to the spillover effects of gated communities that have been widely discussed, including the impact on property values outside gated communities and the increase of segregation patterns (Le Goix 2003a, 2003b).

REFERENCES

Berding, T.P. (1999) 'The Uncertain Future of Common Interest Developments', *Echojournal. A Journal for Community Association Leaders*, 5: 5

Bjarnason, S.J. (2000) 'Lawn and Order: Gated Communities and Social Interaction in Dana Point', unpublished thesis, University of Oregon.

Blakely, E.J. and Snyder, M.G. (1997) *Fortress America, Gated Communities In The United States*, Washington D.C., Cambridge, M.A.: Brookings Institution Press and Lincoln Institute of Land Policy.

Boucher, G. and Gale, E. (1998) '2 S. County Areas Are Walls – and Worlds – Apart', *Los Angeles Times*, August 9.

Brower, T. (1992) 'Communities within the community: consent, constitutionalism, and other failures of legal theory in residential associations', *Land Use and Environmental Law Journal*, 7 (2): 203–73.

Caldeira, T. (2000) *City of Walls: Crime, Segregation, and Citizenship in São Paulo*, Berkeley, CA: University of California Press.

Ciotti, P. (1992) 'Forbidden city', *Los Angeles Times*, February 9: B3.

Davis, M. (1990) *City of Quartz, Excavating the Future of Los Angeles*, London: Verso.

- (1998) *Ecology of Fear: Los Angeles and the imagination of disaster*, New York: H. Holt.

Dear, M. and Flusty, S. (1998) 'Postmodern urbanism', *Annals of the Association of American Geographers*, 88: 50–72.

Donzelot, J. and Mongin, O. (1999) 'De la question sociale à la question urbaine', *Esprit* , 258: 83–6.

Flusty, S. (1994) *Building Paranoia: The Proliferation of Interdictory Space and the Erosion of Spatial Justice*, West Hollywood, CA: Los Angeles Forum for Architecture and Urban Design.

Foldvary, F. (1994) *Public Goods and Private Communities: the Market Provision of Social Services*, Aldershot: Edward Elgar.

Frey, W.H. (1993) 'The New Urban Revival in the United-States', *Urban Studies*, 30 (4/5): 741–74.

Glasze, G., Frantz, K. and Webster, C.J. (2002) 'The global spread of gated communities', *Environment and Planning B: Planning and Design*,. 29 (3): 315–20.

Jaillet, M.-C. (1999) 'Peut-on parler de sécession urbaine à propos des villes européennes ?' *Esprit*, 11 (258): 145–67.

Kennedy, D.J. (1995) 'Residential Associations as State Actors: Regulating the Impact of Gated Communities on Nonmembers', *Yale Law Journal*, 105 (3): 761-93.

Lacour-Little, M. and Malpezzi, S. (2001) 'Gated Communities and Property Values', *Wisconsin-Madison CULER working papers - University of Wisconsin, 01(12):1-36*. Online. Available HTTP: http://ideas.repec.org/p/wop/wisule/01-12.html (accessed 17 August 2004).

Le Goix, R. (2002) 'Les gated communities en Californie du Sud, un produit immobilier pas tout à fait comme les autres', *L'Espace Géographique*, 31 (4): 328–344.

- (2003a) 'Les gated communities aux Etats-Unis. Morceaux de villes ou territoires à part entière [Gated communities within the city in the US: Urban neighbourhoods, or territories apart?]', unpublished thesis, Université Paris 1 Panthéon – Sorbonne. Online. Available HTTP: http://tel.ccsd.cnrs.fr/documents/archives0/00/00/41/41/index_fr.html

- (2003b) 'Gated communities sprawl in Southern California and social segregation', paper presented at International Conference on Gated communities: building social division or safer communities, Glasgow, September 2003. Online. Available HTTP: http://www.neighbourhoodcentre.org.uk/gated.html

Marcuse, P. (1997) 'The Ghetto of Exclusion and the Fortified Enclave: New Patterns in the United States', *The American Behavioral Scientist*, 41: 311–26.

McKenzie, E. (1994) *Privatopia: Homeowner Associations and the Rise of Residential Private Government*, New Haven: Yale University Press.

Miller, G.J. (1981) *Cities by Contract*, Cambridge, MA: The MIT Press.

Nguyen, T. (1999) 'Coto de Caza Residents Say No to School Within Gates', *Los Angeles Times*, March 4:1.

Purcell, M. (1997) 'Ruling Los Angeles: Neighbourhood movements, Urban Regimes, and the Production of Space in Southern California', *Urban Geography*, 18 (8): 684–704.

Ragland, J. (1999) 'City-to-be, county agree on tax deal; Cityhood: Rancho Santa Margarita will get $ 200,000 per year; Boundaries to include Dove Canyon, Robinson Ranch.' *Los Angeles Times*, June 23: 5.

Reich, R.B. (1991) 'Secession of the Successfull', *New York Times Magazine*:16.

Sanchez, T., Lang, R.E. and Dhavale, D. (2003) *Security versus Status? A First look at the Census's Gated Communities data,* Alexandria, VA: Metropolitan Institute, Virginia Tech.

Sorkin, M. (1992) *Variations on a Theme Park: The New American City and the End of Public Space*, New York: Hill and Wang.

Stark, A. (1998) 'America, the Gated? (Impact of Gated Communities in Political Life)', *Wilson Quaterly*, 22 (1): 50–8.

Tessler, R. and Reyes, D. (1999) '2. O.C. Gated Communities are latest to seek cityhood', *Los Angeles Times*, January 25: 1.

Willon, P. (2001) 'Petition to stop Newport Coast Annexation Fails', *Los Angeles Times*, November 22: 3.

Yang, E. and Ragland, J. (1999) 'New Year likely to bring O.C. new city', *Los Angeles Times*, June 24: 1.

END NOTES

[1] This paper is drawn from a doctoral thesis founded by the CNRS (UMR Géographie-cités 8504, Paris), the French-American Foundation (Tocqueville Fellowship, 2000–01), and the French-American Commission (Fulbright Research Scholarship, 2002–03), which is gratefully acknowledged.

[2] Because of the lack of a comprehensive survey of gated communities at a local scale, this research is based on a database derived from the same sources as a prospective homebuyer would use. Once integrated within a Geographical Information System with 2000 Census data, the diversity of the market can be assessed, as well as the location of gated communities, and their social patterns. Accompanied by field surveys, interviews with gated communities and local officials, the most relevant sources for locating gated neighbourhoods were *Thomas Guides®* maps plotting gates and private roads, real-estate advertisements in the press and in real-estate guides, and County Assessor's maps. 219 gated communities built before 2000 have thus been identified in seven counties (Los Angeles, Riverside, Orange, Ventura, San Bernardino, Santa Barbara and San Diego).

[3] According to the *2001 American Housing Survey*, it can be estimated that an average 11.7 per cent of the households are in walled, fenced and access-controlled community in the Los Angeles Metropolitan Area, based on a national sampling of households (SANCHEZ, LANG, DHAVALE 2003). It is relevant to mention here that the research presented in this chapter relies on a more restrictive sampling of gated communities, designed to exclude the condominiums and secured apartment complexes, which do not included privatized public spaces, according to Blakely and Snyder's definition of gated communities (1997), and exclude from the analysis any vertical co-ops or condominium in which common areas are limited to a parking, a common garden or a swimming-pool.

[4] Interviews with Kathy Bennet, City of Canyon Lake Clerk, and Linda Musselwhite, Canyon Lake POA Member Service Manager, December 2000; *Proposed Operation and Capital Improvement Budget, Fiscal Vear 2000–2001*, (2000) City of Canyon Lake, Canyon Lake, CA.

[5] Interview with Agnes Flore, Finance Office, November 2001, and municipal booklet: *A look back in time*, (1993) City of Rancho Mirage, Rancho Mirage, CA.

[6] Interview, November 2001.

[7] Interview, November 2001.

[8] A Community Facility District provides public services (improvements, water adduction…) to a designated area. According to the 1982 Mello-Roos act, CFDs are usually set up by developers and are financed by bonds and special assessments paid by homeowners included within the CFD boundaries.

[9] Interview with Donald Duckworth, City Manager of Calabasas, December 2001; *Community Facility District n° 2001-1, Special Tax Refunding Bonds, Financing Summary Report*, (2001) City of Calabasas, Calabasas, CA.

[10] Interviews with R. Ring and Leslie Kean, Laguna Woods City Manager, December 2001.