


NEWS

Sting Casts Shadow on Franich

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On Wednesday morning the state legislature was teetering on a fine line between Santa Cruz County and the City of Watsonville, with all eyes focused on State Senator Henry Mello (D-Watsonville).

Until the last minute on Wednesday, when the state legislature was poised to decide the fate of Tony Franich's Watsonville apple orchard, Mello was ironically non-committal about whether he would sway in favor of the legislation that he himself sponsored in the senate. As one observer ventured, "Henry Mello has always been able to get the votes of the legislators when he needs them." And in this case, even with the county's other state legislator Sam Farr (D-Monterey) staunchly opposed to the bill, it appeared that Mello would win his way—and win enemies either in Watsonville or in the county.

Farr, along with Santa Cruz Local Agency Formation Commission (LAFCO) Commissioners and even the Santa Cruz County Board of Supervisors, have long spurned the state legislation—dubbed the Franich bill—because it takes a major annexation proceeding out of LAFCO's hands, where the fate of all annexation proceedings legally falls.

Referring to the bill as "The Mello Bill," County Supervisor and LAFCO Commissioner Gary Patton comment-

ed shortly before the legislature filed its final decision, "If [Henry Mello] wants to put his name on it he's making a mistake, and I'm hoping he does not want to make such a mistake." Patton, who has in the past vociferously criticized Mello for his role in the bill's foray in the state legislature, on Tuesday likened the bill and Mello to the corruption recently uncovered in the Federal Bureau of Investigation's sting operation in the state legislature.

"We are not conducting any sting operations here," Patton said. "But a state law that is written so that it applies to one piece of property... is the kind of case in which legislators have been known to get money." The FBI last week concluded a 3-year-old sting operation centered on a piece of false legislation that repeatedly made its way through the state legislature, possibly through bribery. The dummy bill, a classic piece of special interest legislation, would have enabled an FBI-front shrimp company, "Peacestate Capital Ltd.," to sell tax-free bonds.

According to research by the *San Jose Mercury News*, legislators estimate that as many as 12 such bills—which benefit one party and not the public as a whole—make it into the legislature each year, and Patton suggests the Franich bill is a prime example. "There's no evidence to say that

[bribery] happened, it's just that it stinks. It doesn't look good."

Originally sponsored by Assembly-member Dan Hauser (D-Arcata), the Franich bill has been portrayed as a piece of affordable housing legislation. Hauser chairs the Assembly Committee on Housing and the bill requires that 15 percent of all 600 units developed on the Franich property be affordable to low- and moderate-income people. But since the affordable units amount to only 90 spaces on no more than 72-acres in the entire state—the Franich parcel in Watsonville—the bill has received serious criticism in Sacramento and in Santa Cruz. "I wouldn't support this bill even if it did what the County of Santa Cruz did for affordable housing for the state, because it's a bad bill," Patton commented, for instance. Other opponents in Sacramento included Assemblymember Dominic Cortese (D-San Jose), chair of the Assembly Local Government Committee, who originally rebuffed Tony Franich when he asked Cortese to sponsor the bill.

In developments leading up to Franich's fate in the state legislature, on Monday morning LAFCO approved a version of the memorandum of understanding it has been trying to reach with the Watsonville City Council, only to have it rejected at a special meeting of the Watsonville Coun-

cil on Monday night. The two bodies disagree on whether or not LAFCO's consideration of the annexation would be subject to current or previous law; whether or not the annexation application could be re-submitted following a potential rejection; and whether or not LAFCO would take into account potential "financial resources" when considering development alternatives to the Franich property.

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