The History of Leisure World 1963 - 1975

Chapter I - Background - Ross Cortese

By Terry Baker

Our picture perfect community, formerly known as Leisure World, originated from the foresight and creative genius of one of our country’s true visionaries, Ross W. Cortese.

As Jones initially remembered, “It matters not that Ross W. Cortese was born in Ohio or that he graduated from Glendale High School in California. What does matter is that as a teenager he found his first job with a building contractor. He tried selling houses only long enough to accumulate a minimum of funds to start building on his own. From this he learned that the profit from one building could be the starter fund for two buildings. Step-by-step he increased his activities, associating himself along the way with others knowledgeable in their own special fields…”

As a “thirty-something” real estate developer, Cortese earned his first real success following World War II after spending more than a decade learn-

Some Things Never Change

By Warren Hyman

[This article originally appeared in the Leisure World News on November 30, 1967 under the title, “How Are You So Dumb With $28 in Pocket.”]

It was on one of those dark and dismal days, back in November, 1930, when I received a telephone call informing me that our bank had closed its doors. It was broke, bankrupt, “kapoot,” and there I was with just twelve dollars to my name in my pockets. Now what to do?

That evening after dinner, in which I indulged very sparsely, I, with all humility, huddled with my darling Gloria and explained our plight.

“She is,” I said, with a cracked smile, “we have no dough and no payroll coming up. Our bank went broke, so are we and ditto for my firm. Perhaps, darling, we’d better make reservations at the county poor house.” Of course, this was in jest, and my way of taking off some tension, but Gloria thought it was serious and replied, “That’s ridiculous.”
**MUSINGS**

**Honoree of Month**

Our congratulations to Mark Stein, our Laguna Woods Honoree for June. We are grateful to the Video Club, whose members videotape the ceremony. Inga Futtrup is the photographer at Images by Dwayne who has so expertly captured the images of our honorees of the month for the last seven years.

**CALLING ALL VETERANS!**

The Historical Society will facilitate your participation in the Library of Congress’ Veterans History Project. You can choose to submit a data form that details important aspects of your service (locations of assignment, highest rank, etc.) and, if you wish, participate in an interview to bring your experiences to life. All veterans are added to the Society’s registry of Laguna Woods’ Veterans, a copy of which is also maintained at the Library of Congress in Washington D.C. For more information, or to request that a data form be mailed to your home, please contact our office at 206-0150.

**This Month’s Stories**

The History story, written by Society Board Member Terry Baker, was based on the paper written by Marjorie F. Jones. I took the liberty of adding information obtained from 1980-82 Journals of the Leisure World Historical Society. In the next issue we will examine the information in the paragraphs that follow the Financing heading as well as the activities of Golden Rain during the year that preceded the first move-in in 1964.

A note about the name Leisure World. Studies indicate that Leisure World was born in the fertile brain of Ross Cortese. L. H. (Bud) Davis, one of Rossmoor’s early employees, is credited with suggesting the name Leisure World. Cortese quickly accepted it. The Seal Beach unisphere, similar to those which stood at each Leisure World site, cost about $18,000.

The “How Are You So Dumb” story was written in 1967 and refers to an incident in 1930. When I read the story, in my mind I increased the amounts by a factor of 10 and concluded that the incident could have taken place last week. That lead to the title, “Some Things Never Change.”

**History Defined**

By Susan Mullins

Susan Mullins is the sister-in-law of May’s Honoree of the Month, Hillel Pitlik. Her poignant comments, during the ceremony, about the value of history are worthy of repetition.

Hillel, when you called me and said that you were being honored by the Historical Society, I thought, well … sometimes we think he is a dinosaur, but then that would be PRE-historic. I thought, “Historical Society,” what is that about?

But the more I thought about it, the more I realized that history is not just about the famous people and dramatic events they write about in textbooks and make into documentaries. History, and it’s so present here in Laguna Woods, is about how we hold up the people – ordinary people, their lives and events in a context from which we can learn lessons that we can pass on to others, and to the generations that come after us. That’s really what history is about and what makes it important.

In that sense, Hillel, I know that I have been honored because you have given all of us in the family and your friends a lot of wonderful lessons. One of which is how to grow up without growing old. I think that you have done that beautifully. You have made aging look very different to me. And you do it with such energy and zest that it doesn’t matter how old you are. Satchel Paige was right, “If you didn’t know how old you was, how old would you be?”

Hillel, I think you would probably be about 45. You can certainly outpace most of us who are a little bit older than that. You have embraced life with such a passion for everything. You continue to be curious, and I think that’s got to be the greatest possible antidote to aging. You continue to believe that you are not here just to count off the minutes until its your time to go. Instead you continue to believe that you have something, from all these years, that you can continue, through your wisdom and experience, to share with others.

If you know of a resident of Laguna Woods who has dedicated at least five years enhancing the quality of life by helping others, please submit his or her name and accomplishments to: Historical Society, Honoree of the Month, P.O. Box 2220, Laguna Woods, CA 92637.
ing the building industry. His empire began in earnest when he formed the Rossmoor Corporation after developing homes in the Downey and Anaheim areas over the previous two years.

In 1953, he introduced plans to build a subdivision of 800 homes in Lakewood—the Lakewood Rancho Estates Project. In this project he discarded his early designs to incorporate the ideas of Cliff May, a world-renowned designer. May is considered the father of the modern California Ranch home. For the next 20 years his designs revolutionized home construction with prefabrication techniques, slab floors and floor to ceiling windows. In June 1954, Cortese began marketing his new Lakewood Rancho Homes which were priced at $11,700 for a three bedroom plan. He proved to have impeccable timing.

Cortese develops Rossmoor

By December 1955, Orange County’s population had grown to 434,800, twice that recorded during the 1950 census. Benefiting from the increase in traffic generated by the opening of Disneyland the previous July, Los Alamitos soon became the target of Cortese’s first master stroke of brilliance.

In May 1956, he purchased 756 acres from the Irvine Company for a 2,398 home development valued at $80 million. Up to that time, this was the largest tract land sale in Orange County. He named the subdivision “Rossmoor,” coined from his first name and “moor”– the Scot’s word for land. “He gave Rossmoor entity and protection by enclosing the town within walls,” Jones asserted. “It was there that he could formulate some of his ideas for future years…”

Cortese’s Rossmoor experience resulted in his development of a successful community marketing strategy. For the first time, Cortese became fully involved with the development of the total community, from churches, schools and businesses to even sponsoring a local Little League.

Jones wrote, “As the homes were sold he watched and listened, asked questions, studied statistics and came to the conclusion that the building industry was not meeting all the needs of the middle-aged group. In this category he placed those over 52 years of age, those who had retired or would retire, those whose children were grown and gone from the family, those who lived alone and those who were migrating to the west coast from the cold winters of the east…

His plan for the Leisure World communities was the result of research developed by a Cortese-funded Gerontology Program at the University of Southern Califor-
nia. This program provided an invaluable source of information about what mature people needed and wanted in their environment, social and recreational activities, and health and medical requirements.

**Leisure World Seal Beach**

“...Cortese also acquired a 541-acre site across Pacific Coast Highway in Seal Beach,” Jones continued, “and was ready to start his next big step in building development... the first of the Rossmoor Leisure Worlds... They must also meet ideals which he had set for himself.

Despite much negative pressure and financial resistance at becoming involved with such a far out project, development of Leisure World Seal Beach was started in 1960. It was the first major planned retirement community of its type in the nation.

The building plan was a cluster-type unit of apartment buildings. The first residents moved in on June 6, 1962. Today, 47 years later, there are approximately 9,000 residents who reside in 6,608 units. This represents nearly one-half the households and one-third of the population of the City of Seal Beach.

**Criteria for Leisure World Sites**

“Looking for another community site...,” Jones recorded, “Cortese traveled north to the San Francisco Bay area. By this time he had established certain guidelines for the location of his developments. First, it must be within reasonable distance of a metropolitan area with a population of at least one million. Second, the site must not be in an area already developed with housing. Third, it must be adjacent to transportation. Fourth, the land purchases made for Leisure Worlds would have to be about 2,500 acres.”

In the northern area he took advantage of the beginning migration of urban dwellers seeking to relocate in the suburbs. He selected a site in the beautiful valley of Walnut Creek located on the escape route from the bay cities and San Francisco.”

Cortese hired Robert L. Price, a former city manager, to be the administrator for his Walnut Creek project. Price became the Administrator of Leisure World Laguna Hills just after it opened.

**Moulton Ranch**

“At about the same time,” Jones wrote, “Cortese was looking for opportunities in South Orange County. He realized that this region was not seriously affected by population spread from Los Angeles. Many sites were offered to him, but the Moulton Ranch property seemed to meet his needs. It was still ranch grazing land. The property was next to the arterial road between Los Angeles and San Diego and it met the four criteria he had previously established.”

Jones reported that Cortese could be found in 1962 “riding around the ranch property in the company of Mrs. Nellie Gail Moulton.” His search ended the day he closed a deal for about 2,775 acres of the Moulton Ranch for $6,005,582. Twenty-two hundred acres were used for the Leisure World project.

“Historically speaking,” Jones continued, “the entire Saddleback Valley, in which Moulton Ranch is located, might be known as a “young land.” In the long, long ago, the coastal, valley and mountain areas were subject to the convulsions of a changing land, finally coming to rest as it is today. The Santa Ana Mountains and their beloved Old Saddleback provided a backdrop for the ranch. The rolling plains slope easily to the sea providing drainage.”

During the time of submersion a deep layer of shells and other marine deposits formed a lime-like consistency known as diatomaceous earth. Later when excavations were made in the commercial areas adjacent to Leisure World many artifacts were found.
Problems with the Marines

“It was not entirely an easy birth,” Jones wrote. “To the north was the United States Marine Corps Air Station at El Toro. The Marine Corps were opposed to the dense population being planned because it would place homes directly under one of their air corridors. Negotiations between Cortese and Colonel Evans Carlson, assistant chief of staff at El Toro, started in June 1962.

It was only after Cortese’s capitulation to the Marine Corps demands that the County of Orange passed an ordinance, on February 14, 1963, approving zoning for the Leisure World Laguna Hills. Cortese agreed to a 3,000-foot greenbelt which roughly divided the Leisure World properties along Moulton Parkway. The greenbelt could be used only for recreational purposes including clubhouses.

Shortly after the ordinance was prepared for final signatures the Department of the Navy made additional demands which further limited development. In order to obtain mortgage insurance from the Federal Housing Authority (FHA) and permits from the Orange County Supervisors, Cortese signed a new and more demanding “Document of Restrictions” on the 709 acre greenbelt. It was this agreement that caused Cortese to change the location of the golf course from Avenida De La Carlota to its present location.

This dispute finally ended on December 28, 1972 when Commissioner John Day in the Los Angeles Court of Claims declared that “Rossmoor had been “clubbed, coerced, forced and even sandbagged by the United States acting through the Navy Department and the Marine Corps.” He awarded Rossmoor $2.75 million in damages and $1.45 million in accrued interest.

Water and Sewage Disposal

Jones noted, “It has been estimated that in 1961-1962 there were less than one thousand people living in the Saddleback Valley. They depended on private wells for water and had their own disposal methods. Electrical service was available. Utility service for water and sewage disposal was critical.”

Since annexation attempts with Laguna Beach and Santa Ana had failed, Rossmoor formed two subsidiary corporations, Rossmoor Water Corporation and Rossmoor Sanitation, Inc.

Prior to the start of Leisure World, the Saddleback Valley had experienced long periods of drought. Large land owners had applied to the Metropolitan Water District (MWD) for Colorado River water. They had been assured that with the proper agencies to deliver the water they could be supplied from the MWD’s distribution line which ran south from the Lake Matthews reservoir. In 1960, three large water districts were formed: El Toro Water District, Los Alisos Water District and Moulton Niguel District.”

“In 1962, the Rossmoor Water District filed an application with the El Toro Water District to obtain water. The three large water districts which had been formed were also legally entitled to establish sewage disposal districts. They proposed to unite in forming standard pipeline collection and outfall to the ocean.”

“Rossmoor Sanitation declined participation,” Jones remembered, “and instead decided to develop a treatment and reclamation system. It is a system where nothing is wasted. The purified reclaimed water is used in Leisure World to irrigate the golf course turf. The reclaimed water is kept entirely separate from other water used in the community.”

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management. For this reason and for personal reasons as well (Cortese had said that he is a builder but did not want to be a manager) it was necessary to create a unique corporate structure.

Two separate not-for-profit corporations were required before any of the Leisure Worlds could be built. The Golden Rain Foundation of Laguna Hills (GRF) and Leisure World Foundation (LWF) had both been formed in 1962 when Leisure World Seal Beach was being developed. LWF would sponsor, merchandise, administer and manage the Rossmoor Leisure Worlds. GRF would be owner and/or trustee for assets of the Leisure World Mutuals and for all of the common facilities. It would also provide communitywide services such as recreation and security.

The Golden Rain Foundation of Laguna Hills was originally incorporated as the Golden Rain Foundation of Santa Ana on November 19, 1962. Its name change was recorded on March 5, 1963. On December 20, 2000 GRF’s name was changed to the Golden Rain Foundation of Laguna Woods.  

**Leisure World Foundation**

[Please note that the Laguna Woods Village Foundation had no relationship with LWF.] LWF named prominent businessmen to serve on its first Board of Directors as volunteers. They were responsible for getting Leisure World started. The Foundation President was William G. Simon, a lawyer with many years of service in the Federal Bureau of Investigation. The Executive Vice President was Kenneth E. Belleau, the former Under Secretary of the Navy.

The Trustees were Henry O. Duque, a lawyer with an impressive background in service organizations; Y. Frank Freeman, a businessman with experience in the Motion Picture Industry, the Red Cross and the Olympic Games; Fred L. King, a Director of United California Bank and a Trustee of the Automobile Club of Southern California; Allan Oakley Hunter, a former Congressman and Liaison Officer between Congress and the White House for the Housing and Financing Agency; Mervyn Leroy, a Motion Picture Industry executive; Walter F. O’Malley, a lawyer and owner of the Los Angeles Baseball Dodgers; and Syl- vester C. Smith, Jr., former General Counsel with Prudential Life Insurance Company and member of the New Jersey Highway Authority. These were the men charged with the overseeing of the first steps in the development of Leisure World.

Jones noted, “In the meantime Rossmoor Corporation had to prepare the land, provide facilities, design the pro-

posed development, define the acreage and number of housing units, estimate the unit costs and proposed selling prices, project the cost to manage the community and estimate the resulting monthly carrying charges. In other words, the whole package had to be prepared and ready for presentation to FHA for approval. In the case of Leisure World Laguna Hills more than $4 million was spent before a single home was sold.”

**Ross W. Cortese**

Cortese’s Leisure World became the first “mass marketed gated community.” The studies of USC’s Urban and Regional Planning Department also recognized that a “developer driven” trend of adding a gate or a guardhouse, at little expense, became a feature that prospective buyers found extremely desirable when considering moving to a new home.

Born in 1916, Ross Cortese died at the age of 75 in October, 1991. Among his many developments, his genius produced a total of seven Leisure World communities, the first two in Orange County, and the last in Silver Spring, Maryland. He also helped to create schools, hospitals, business parks, retail centers, and non-retirement housing. He is remembered as a generous benefactor for numerous causes.

Cortese’s down-to-earth business savvy ultimately produced a legacy that encompassed the establishment of numerous communities. Communities which have offered practical living and the true American dream to three generations of American families.

The next Historian will focus on the Golden Rain Foundation and the events that took place during 1963 and 1964.
Ridiculous Idea

“How would we appear driving up to check in with our new Cadillac and me with my new mink coat? Now you hush and listen to me. Every evening preceding the news on radio station WMZ, there’s this lovely soft-spoken man from the Friendly Finance Co., who loans money at only six per cent,” she said. The idea sounded good to me, so that evening we had our ears glued to the radio. Sure enough, through the speaker came the words, “Do you need a loan?”

“Man, did I need a loan,” I thought.

“Well,” the voice continued, “come to our nearest office and we can arrange a loan of any amount up to $3,000. And think, he continued, 90 per cent of our loans are consummated in less than 20 minutes – only six percent interest.”

Off to Finance Co.

The next morning we both were on our way to the nearest office of the Friendly Finance Co. with the deed to our paid-up home in my inside pocket, just in case.

“Honey,” I said, “what makes you so smart? I sure was lucky the day I married you.”

Gloria smiled coyly and affirmed it by saying, “You bet.”

Upon arrival, we were ushered into a small cubicle furnished with an unpainted desk and three unpainted chairs, and were told someone would be with us in a few moments.

During the wait and from my own observation, I wondered if the firm didn’t need a loan worse than I did.

A few moments later a middle-aged man appeared, sat down at the desk, looked at us and said, “now what can I do for you?” There was no good morning greeting from this unfriendly guy, and I could almost bet he hadn’t smiled in years.

I explained what our mission was, as if he didn’t know, and all he said was, “How much of a loan do you expect?”

“A thousand dollars would do,” I replied.

“Fine,” he said, casually. “Do you mind answering a few questions?”

Endless Queries

He pulled out a long card and started with the usual name, address, age, wife’s name, her age. Gloria gave me that certain look and I answered 21 plus. Then came a stickler.

“What was your mother’s maiden name?” he asked.

“I don’t know,” I replied.

“How come?”

“Well, sir,” I answered, “you see I didn’t know my mother until after she was married.”

I thought it was funny but he didn’t. After a hundred more questions, pertinent and otherwise, the man disappeared into another office, but was back at the desk within ten minutes.

“I’m sorry,” he said, “but all our board of directors will loan you at this time is $100.”

I made a move as if to walk out without further adieu. My feelings were indeed hurt. Just then my darling chirped and said, “We will take it.”

“Fine,” he repeated, as he prepared a legal looking document for us to sign.

Rates Explained

“As you know,” he continued, “our interest rate is only six percent. Now for a two-year loan that would come to $6 per year or $12.

That sounded okay, but he continued, “There is a $25 fee for investigation and also a premium for a life insurance policy that amounts to $10 a year or $20 for the two years. Also, a $2.50 extra charge for each year to back up the policy in case of your committing suicide. There is also a $10 charge for a chattel mortgage on your house.”

By this time, I had my fill and left the Friendly Finance office and Gloria behind, and waited in the car. Pretty soon my dear Gloria appeared with a check in her hand. It amounted to $28.

“See, honey, all we have to do now is send them a check for $4.50 for the next two years. Aren’t they the nicest people?”

I just glared and my blood pressure was peaked.

“Darling,” I asked, “How can we be so dumb?”

“Oh, it’s easy, honey,” she replied.
□ Yes! I/we want to support the Historical Society of Laguna Woods in 2013. The Historical Society participates in the following worthwhile activities:

- Library of Congress’ Veterans History Project
- Bi-Monthly publication of The Historian
- Oral history projects that capture stories from Veterans and participants in the El Toro Airport battle
- Production of a commemorative book celebrating the Village’s 50th Anniversary
- Maintenance of a vast repository of historical material
- Honoree of the Month Ceremonies

The Historical Society is a 501(c)(3) tax exempt charitable corporation – #FJ95-3213797. Your support will make it possible to continue these activities, as well as many other special projects, events, and activities.

**Membership Category**

Name 1 __________________________________________    ____  $300.00 – Patron  
(each membership is for one person)    ____  $100.00 – Sponsor  
Name 2 __________________________________________    ____  $ 50.00 – Friend  
(additional member)    ____  $ 25.00 – Contributor  
Address __________________________________________    ____  $ 15.00 – Regular  
Telephone _____________________

Amount Enclosed ______________ Check # __________ Date __________

Please mail to Historical Society, P.O. Box 2220, Laguna Woods, CA 92654-2220 or drop off at our office (next to Laguna Woods Village Library). If you have questions please call 206-0150. Thank you.

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1963 – Initial construction in what would become Laguna Woods. The administration building originally housed the sales office, a bank, and design center where new owners could select carpet, drapes and other interior accessories. It is now the site of the San Sebastian.

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**Editor - Bob Ring**

Opinions expressed by authors in The Historian do not necessarily reflect those of the Historical Society of Laguna Woods.