



SAVE OUR FOREST AND RANCHLANDS

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December 9, 2009

MTS Public Hearing Comments
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

RE: Proposed MTS Service Reductions

Dear MTS Board of Directors:

Please accept this letter on behalf of Save Our Forest and Ranchlands ("SOFAR"), an organization dedicated to utilizing proper land use and transportation planning to protect wilderness, watershed, and agricultural resources, as well as ensuring that cities grow in a sustainable manner in San Diego County.

The purpose of this letter is to submit the following comments on the Metropolitan Transit System ("MTS") Service Reductions proposed to take place starting February 28, 2010: (a) SOFAR challenges the validity of MTS's claim that they are in a fiscal emergency (b) SOFAR is opposed to the proposed service reductions, because such reductions will only harm the long-term vitality of San Diego's public transit system, (c) MTS needs to consider alternative means of funding to reduce their budget deficiency without cutting service, (d) MTS is obligated to complete further research into public desire for transit projects before making service reductions, and (e) failing to provide public transit as an adequate means of transportation will continue to exacerbate social, economic, and environmental problems throughout San Diego.

Fiscal Emergency

MTS seeks to avoid analyzing the significant air quality, traffic, global warming and other impacts caused by the proposed reduction in bus service by relying on CEQA's statutory exemption for transit agency responses to revenue shortfalls. See Pub. Res. Code § 21080.33; CEQA Guidelines § 15285. This exemption, however, only applies in instances where a "fiscal emergency" exists, i.e., where "the transit agency is projected to have negative working capital within one year from the date that the agency finds that a fiscal emergency exists." Guidelines § 15285(c). "Working capital" is defined as the sum of all unrestricted cash, unrestricted short-term investments, and unrestricted short-term accounts receivable, minus unrestricted accounts payable." *Id.*

MTS has provided no analysis to support its conclusion that a fiscal emergency exists. Its sole evidentiary support consists of a one-page memo dated November 25, 2009 (Attachment D to staff report), which summarily concludes that MTS's working capital will drop from \$6.2M in November 2009 to negative \$0.5M in December 2009. No explanation or backup calculations are provided to support this conclusion.

Furthermore, MTS fails to mention that other funding sources are available to solve this so-called "fiscal emergency." For example, in June MTS chose not to request that SANDAG amend the TransNet ordinance to provide \$22M for transit operations but held open the possibility to reconsider this amendment during mid-year budget discussions. This funding alone would solve MTS's \$13M deficit projection and should be requested immediately. In addition, as detailed below, in September 2009, SANDAG finalized its Transit Impediments Study. MTS should actively pursue the Study's recommendations for potential existing, new, and future funding options. Finally, as recommended by Councilmember Todd Gloria, MTS could achieve additional revenue by restoring commercial advertising on MTS buses.

Before taking the draconian step of virtually eliminating Sunday service – a decision that would impact roughly 145,000 churchgoers, shoppers, and workers – MTS must evaluate these additional funding options. If it does, MTS will conclude that no fiscal emergency exists.

Service Reductions and the Public Transit System

Cutbacks and fare changes are not new in the recent history of MTS, but rather how MTS has chosen to handle budgeting issues. The recent history of MTS includes the following service reductions and fare price increases:

- 2007: On September 27, 2007 the MTS Board of Directors adopted various service changes and reductions to help reconcile a predicted \$11 million dollar deficit for the following fiscal year.
- 2008: In August and September of 2008 MTS implemented route and schedule modifications in order to reconcile an operating deficit of more than \$6 million.
- 2009: On March 26, 2009, the MTS Board of Directors approved a proposal to cut service by \$4.7 million and raise monthly pass fares for MTS customers. The service

reductions and fare increases were deemed necessary to accommodate the loss of STA funds from the State of California.

The recent history of MTS also includes positive events, such as on July 30 of 2009 when MTS was selected as the Outstanding Transit System of the year by the American Public Transportation Association (“APTA”). In accepting this award, the Chief Executive Officer of MTS, Paul Jablonski stated, “Our goal is always to maintain the highest level of service even when our funding is getting slashed. I think our performance numbers show that we have become a very efficient and well-run agency.”¹

One has to wonder how a transit agency could claim to be efficient when it responds to short-term budgeting issues by reducing service and increasing fares. The long-term history of public transit in San Diego suggests that while there may be short-term lapses in ridership, the use of public transit has grown dramatically over the past thirty years. According to SANDAG, transit ridership has grown in San Diego County by more than 150% over the past 30 years, when population during this time frame only grew by 75%. In addition, public opinion polls suggest that reducing service and increasing fares only reduces ridership further, and that such cutbacks taken by MTS make the system less efficient. A 2008 transit public opinion study conducted by SANDAG states,

“The most commonly mentioned obstacle preventing increased ridership among those who were interested was that the transit mode did not travel to the places they needed to go (20%), followed by the locations of transit stops being inconvenient (15%), and a general reference to transit being inconvenient (14%). Other frequently mentioned reasons for not increasing their use of transit included that transit takes too much time (11%), there are few transit options near their home (10%), transit schedules were inconvenient (9%), that they prefer to use a different mode (8%), and that transit is too expensive (5%).”²

In summary, 79% of San Diegans mentioned an error in the system itself, including inconvenience and not enough service as being the obstacle that prevented ridership. In contrast, only 8% of people mentioned that their obstacle to transit was that they preferred to use a different mode of transportation.

Although MTS is currently facing budgeting issues due to the loss of STA and other funding sources, the aforementioned information suggests that by continually reducing service; MTS is only further hindering the efficiency and use of its public transit system in San Diego. Therefore, it is the responsibility of MTS to find other means of funding and/or other ways to reduce its budget deficit that do not require service reductions.

Potential Funding Sources

Due to the current economic climate, transit authorities throughout the United States have had to make difficult decisions regarding how to reduce budget deficits.³ While this is a challenging issue, it is not imperative that transit authorities such as MTS reduce budgets by cutting transportation services. The 2009 report by SANDAG entitled *Transit Impediments Study* explored various methods of increasing

¹ <http://www.sdmts.com/APTAaward.asp>

² http://www.sandag.org/uploads/publicationid/publicationid_1428_9419.pdf

³ <http://articles.latimes.com/2009/jan/27/nation/na-transit-crunch27?pg=3>

transit revenues.⁴ This report mentions three main arenas that should be explored to increase funding for transit projects, including: reallocation of existing funding, new funding sources, and future federal and state funding opportunities.

The first potential source of funding would consist of restructuring current transportation funding sources, such as TransNet. The Transit Impediment Study states that, “Excluding administrative expenses, oversight, and funds for the bicycle/pedestrian/neighborhood safety program (approximately 3%), the *TransNet* Extension Ordinance includes a set-aside dollar amount comprising **8.1 percent** of revenues collected to operate new transit services developed by the *TransNet* Major Corridors program.” The report goes on to explain that shifting TransNet dollars, including increasing the percentage of funding to transit projects, would be possible with two-thirds approval from the SANDAG Board of Directors. TransNet is funded by taxpayer money, and therefore should reflect the needs and desires of the taxpayers. Therefore, as detailed below, SOFAR demands that MTS examines and analyzes the current demand of taxpayers, and ensures that TransNet funds are being allocated in a way that reflects taxpayer interests.

Public Desire for Transit

A public opinion poll conducted by the Public Policy Institute of California (“PPIC”) in July of 2009 found the following survey results with regards to transit:

- 77% of Californians say the state should focus transportation planning dollars on expanding public transit.
- 18% of Californians say the state should focus on building freeways and highways.
- 78% of Californians favor encouraging local governments to change land use and transportation planning so that people wouldn’t have to drive as much.⁵

The aforementioned survey was conducted throughout the state of California, and therefore may not directly correlate with the opinions held by San Diegans. As public officials, the Board of Directors for MTS (“Board”) are obligated to act in a manner that fulfills the desire of San Diegans. Therefore, it is the responsibility of MTS to conduct surveys and polls to determine where San Diego taxpayers want their TransNet money to go. If the Board finds a conclusion that even remotely mirrors the results found by the PPIC, they must urge the SANDAG Board of Directors to re-allocate TransNet funds such that taxpayer money funds transit projects at a much higher level than 8%, and dramatically reduces highway funding.

Social, Economic, and Environmental Problems Caused by Reduced Public Transit System Capacity

The aforementioned points argue for the necessity of funding public transit projects throughout San Diego in lieu of continuing to spend money on highway projects. While it has been suggested above that public opinion would agree with this idea, research and lessons from other cities demonstrate that if San Diego does not improve its development patterns and transit infrastructure, community livability will be jeopardized. The livability and/or sustainability of a community are often addressed within three

⁴ http://www.sandag.org/uploads/publicationid/publicationid_1452_10128.pdf

⁵ <http://www.ppic.org/main/publication.asp?i=834>

categories of issues: social, economic, and environmental issues. San Diego is currently experiencing social, economic, and environmental crises at a regional level, indicating that San Diego is not going to succeed if it continues on its current course. Such regional crises include: housing, traffic, economy, and the environment. These crises, as will be described further below, have one general cause: low-density development within a system that is dependent on the automobile for the primary means of transportation. Similarly, these crises can be resolved by one solution: high-density development structured around transit-based infrastructure.

Housing:

There are two main components to housing issues within San Diego, there is a lack of affordable housing, and the housing market is unstable. Affordable housing has been an issue in San Diego for many years, and according to SANDAG's 2008 publication titled *Affordable Homes in Our Neighborhoods*, "the housing market—the system for people finding places to live — is not working in the San Diego region..."⁶ In this report SANDAG recognizes that despite the current economic recession, affordable housing continues to be an issue by saying, "Even with recent downturns in home prices, the cost to purchase or rent a home is well beyond what most residents earn — or what they can expect to earn in the foreseeable future." In their 2003 report *Solving the Region's Housing Crisis*, SANDAG states that, "New homes are being built, but the majority of them are single-family homes, and luxury apartments and condominiums. The result is that many residents are commuting long distances to find affordable homes, causing urban sprawl and contributing to increased traffic on our roadways."⁷ The last SANDAG statement identifies the key problem to San Diego's housing problem: sprawl. Continued sprawl development of large single-family homes in the region is continuing to provide homes that San Diegans cannot afford, and utilizing resources that the region cannot afford to waste. If SANDAG would heed its own advice and stray away from sprawl development, investing in transit infrastructure to support higher density development, San Diego would have the housing units that are needed at a price that citizens can afford.

Low-density, sprawl development that exists in San Diego is not only unaffordable, but also unstable. In 2007 San Diego scored twenty third on a list of 100 cities with the top foreclosure rates in the United States, with a rate of 1 foreclosure for every 75 homes.⁸ In comparison, Portland Oregon, which is considered to be the most sustainable city in the nation, scored eighty fourth on the list with a foreclosure rate of 1 foreclosure for every 353 homes. The difference between San Diego and Portland's foreclosure rates could be greatly attributed to San Diego's lack of public transit and smart growth development when compared to Portland. Studies demonstrate that smart growth development, defined as high density development with transit infrastructure, results in reduced vulnerability to economic downturns and weak housing markets, thus resulting in more stable communities.⁹ The root of this stability is founded in the fact that the price of personal automobile transportation is prohibitively expensive for many people. Therefore, by utilizing public transportation, people can save thousands of dollars a year in transportation costs.¹⁰ Reducing daily transportation costs allows for

⁶ http://www.sandag.org/uploads/publicationid/publicationid_1405_8963.pdf

⁷ http://www.sandag.org/uploads/publicationid/publicationid_42_1060.pdf

⁸ http://money.cnn.com/2007/08/14/real_estate/California_cities_lead_foreclosure/index.htm

⁹ Lenberger, Christopher B. (2008). *The Next Slum? The Subprime Crisis Is Just The Tip Of The Iceberg. Fundamental Changes In American Life May Turn Today's McMansion Into Tomorrow's Tenements.* *The Atlantic*, March 2008; www.theatlantic.com/doc/print/200803/subprime.

¹⁰ Litman, Todd. 2008. *Evaluating Transportation Affordability.* www.vtpi.org/affordability.pdf.

greater savings during economic downturns, as well as provides for reduced monthly expenses, and therefore increased economic stability.

Traffic:

Many San Diego residents experience some form of traffic congestion on a daily basis, and such congestion is easily visible during peak hours when many of the freeways are at full capacity. This sentiment was firmly expressed in a 2004 survey conducted by the City of San Diego, in which **89%** of responders said that they felt it was either very important or somewhat important to reduce traffic congestion.¹¹ The severity of traffic congestion can be estimated by total delay, which measures the total difference between actual travel time and the amount of time it would take to travel at free-flow speeds. In other words, this measure can estimate the amount of time people spend in their cars due to traffic congestion. The Texas Transportation Institute estimated that in 2007 the total delay time for San Diego was approximately 85 million hours.¹² Such time spent behind the wheel in traffic reduces quality of life, and threatens the ability for San Diego to succeed as a community in the future.

Therefore, the main issue in San Diego is not whether or not there is a traffic issue, but how will this issue be resolved. One obvious way would be to provide alternative means of transportation and reduce vehicle miles travelled (VMT), thereby reducing the amount of driving done each day. This is exactly what SANDAG suggested in their 2030 Regional Transportation Plan by saying, "Traffic congestion in urban areas like the San Diego region generally will worsen over time unless we take actions to directly address travel demand and have options to get people out of their single occupant vehicles, especially during peak travel periods."¹³ It seems obvious that reducing transit funding and cutting service to transit will only increase congestion and VMT, yet this continues to be San Diego's strategy with regards to transportation planning. The only way to alter this pattern and reduce traffic congestion is to make transit competitive with the automobile so that people choose transit over driving.

Economy:

There is no doubt that San Diego is currently in an economic crisis. There are many indicators that point toward this fact, but some important indicators are:

- March 26, 2009: MTS declares a "fiscal emergency," meaning that it will have negative working capital by March 26, 2010.
- November, 2009: The City of San Diego announces various budget cuts to public services, including libraries and police services to address a \$179 million deficit.¹⁴
- December, 2009: The County of San Diego unemployment rate reached approximately 10.5%, which directly impacts local tax revenues.¹⁵

The current state of San Diego's economy demonstrates that we cannot currently afford to waste any money on unnecessary resources. In addition, if governmental agencies have money to spend at this time, it seems prudent that such money be spent on projects that benefit the public rather than

¹¹ http://www.sandiego.gov/environmental-services/sustainable/pdf/ut_8_29_04.pdf

¹² http://mobility.tamu.edu/ums/congestion_data/tables/san_diego.pdf

¹³ http://www.sandag.org/programs/transportation/comprehensive_transportation_projects/2030rtp/2007rtp_3_final.pdf

¹⁴ <http://www.signonsandiego.com/news/2009/nov/24/mayor-takes-aim-179-million-deficit/>

¹⁵ <http://www.sandiegoreader.com/weblogs/financial-crime-politics/2009/nov/20/local-unemployment-rate-rises-to-105-in-october/>

benefitting special-interests. Historically, growth in San Diego County has been in an outward direction, consisting of sprawl development on previously undeveloped lands. This kind of growth is not only expensive to the homeowners of such development projects, but also costs taxpayers a considerable amount of money to add public services in areas that do not have any infrastructure. For example, studies demonstrate that sprawl development (on undeveloped land) compared to infill development (in developed areas) will increase local road lane-miles by an average of 10%, which in San Diego would require tax-payer money to fund.¹⁶ According to the County of San Diego, additional public service costs (roads, sewer, water, schools, parks, etc.) associated with residential development require an estimated \$1.42 in expenses to the public for every dollar such projects generate in tax revenues, and that such costs are 74% greater for low-density semi-rural development.¹⁷

While sprawl development costs taxpayers money, transit can actually generate money for communities. Research demonstrates that over time, every \$10 million invested in transit saves more than \$15 million in transportation costs to highway and transit users due to reduced operating, fuel, and congestion costs. In addition, long-term transit investments have been shown to generate \$31 million in business output and personal income for every \$18 million invested.¹⁸ A specific example of this is the 4.7-mile loop of the Portland Streetcar, which generated an estimated \$1.4 billion in just five years.¹⁹

Given the current economic crisis that San Diego faces, it seems necessary that government officials direct funds into projects that will continue to enhance the economy, such as transit rather than allocating tax dollars to fund highways that service sprawl development projects.

Environment:

San Diego currently faces two major environmental crises: water availability and air quality. These issues threaten the ability for San Diego to function as a community in the future, because they directly threaten the health and well-being of all San Diego citizens.

Water availability has become an increasingly pressing issue in San Diego, and throughout most of Southern California. This fact is echoed in the response that many local municipalities have taken to increase water conservation. For example, the City of San Diego, the leading retail water agency in the county, implemented mandatory conservation measures on June 1, 2009 when they declared a Level 2 drought alert. Following this declaration, the majority of water agencies within San Diego County began to implement various water conservation measures.²⁰ Water conservation has two major components: availability and consumption, meaning that municipalities can choose to increase availability, and/or reduce consumption in order to increase future water security. Water conservation measures, such as those taken by local municipalities, generally aim at reducing water consumption by limiting and restricting highly consumptive activities. In contrast, proposed projects such as the Carlsbad Desalination Project attempt to increase water supply in the region. This proposed desalination project proposes to produce 50 million gallons of drinking water per day, at an estimated cost of approximately

¹⁶ *Conventional Development versus Managed Growth: The Costs of Sprawl*. American Journal of Public Health, Vol. 93, No. 9 (www.ajph.org), Sept. 2003, pp. 1534-1540.

¹⁷ http://www.sdcounty.ca.gov/dplu/gpupdate/docs/draftgp/ch2_vision.pdf

¹⁸ Cambridge Systematics, Inc. 1999. *Public Transportation and the Nation's Economy*. http://www.camsys.com/pubs/publictransp_nationseconomy.pdf

¹⁹ http://www.iedonline.org/Downloads/Smart_Growth.pdf

²⁰ <http://www3.signonsandiego.com/stories/2009/aug/28/1n28water002319-use-water-dropping-double-digits/>

\$2 billion just for construction of the facility.²¹ While increasing water supply is one way to increase water availability in the region, as exemplified in the Carlsbad Desalination Project, it can come at an extremely high price to taxpayers and the environment.

As mentioned previously, water conservation measures generally aim at reducing consumption by activities that use large amounts of water. In the San Diego region, municipalities generally target irrigation activities to reduce water consumption. Although such conservation measures can be effective, they do not address the whole issue. Development patterns have a drastic impact on water conservation in terms of water consumption and water supply. Studies demonstrate that per capita water consumption is generally greater in low-density development compared to high density development, because low-density development is correlated with larger lot sizes and therefore necessitates more outdoor water use.²² In addition, increasing the impermeability of a surface by paving or compacting soils for development alters the hydrologic cycle and prevents water infiltration into the ground, thereby decreasing future water supplies.²³ Infill development, which consists of building within already developed areas, does not generate additional impermeable surfaces, and generally includes limited landscaped environments (limited outdoor water use). Therefore, increasing infill development decreases water demand by providing a lower demand for outdoor water use and increases water supply by reducing the amount of impermeable surfaces that would otherwise threaten future water supply. Proper infill development is not possible without a transit infrastructure, thus changing development patterns and providing transit infrastructure are necessary to ensure a more secure water supply at a reduced cost to taxpayers.

At a time where Californian governments are being pressed to address global climate change due to the inception of Senate Bill (“SB”) 375 and Assembly Bill (“AB”) 32, San Diego has the additional pressure of needing to comply with basic air quality standards of the Clean Air Act. Currently, San Diego is in nonattainment for California’s particulate matter (“PM”) standard, and for the state and federal standards for ozone (“O₃”), the major component of smog. Due to this lack of compliance, San Diego received an “F” grade from the American Lung Association in the 2009 report titled *State of the Air*.²⁴

Both O₃ and PM pollution in San Diego would be greatly improved by significantly reducing VMT throughout the region. According to the United States Environmental Protection Agency (“US EPA”), the source for at least half of the pollutants contributing to O₃ pollution in urban areas includes: cars, buses, trucks, and off-highway mobile sources such as construction vehicles and boats.²⁵ Furthermore, the San Diego Air Pollution Control District (“APCD”) states that, “Locally, motor vehicles and mobile equipment powered by internal combustion engines produce about three-quarters of the smog-forming emissions, about one-half of the greenhouse gases, and they contribute significantly to diesel particulate matter, a known carcinogen, in the air we breathe.”²⁶ In the 2030 Regional Transportation Plan produced in 2007, SANDAG estimated that in 2009 yearly average VMT for the entire region would be approximately 89 million, and that this number would grow to approximately 115 million by 2030.²⁷ Given that mobile sources of air pollution are the leading causes of both O₃ and PM pollution, it does not seem that San

²¹ <http://www.sdn.com/sandiego/2009-06-07/special-sections/water/desalination-has-major-role-in-san-diego-water-plans#ixzz0YUC7EoOy>

²² <http://www.westernresourceadvocates.org/media/pdf/SWChapter4.pdf>

²³ <http://www.epa.gov/ednrmrli/publications/reports/epa600r00016/epa600r00016.pdf>

²⁴ <http://www.stateoftheair.org/2009/states/california/san-diego-06073.html>

²⁵ <http://www.epa.gov/otaq/consumer/04-ozone.pdf>

²⁶ <http://www.sdapcd.org/info/reports/ANNUAL.pdf>

²⁷ http://www.sandag.org/programs/transportation/comprehensive_transportation_projects/2030rtp/2007rtp_E_final.pdf

Diego will ever meet air pollution requirements by continuing to base land use planning around automobile driving. The only way to reduce these emissions and directly reduce health-related air quality issues within the region is to increase transit infrastructure and reduce VMT.

Future:

The regional crises described above all point to the fact if San Diego is going to have a viable future, land use and transportation planning must change in a fundamental way. Currently, transportation and land use are disjointed planning efforts where areas are developed, then roads are built to provide access. Due to the regional crises caused by this sort of ad hoc planning, San Diego must take a proactive planning approach that recognizes the inherent connection between land use, transportation, and sustainability. Several initiatives and publications throughout San Diego demonstrate that the region has begun, albeit on a preliminary level, to begin such changes. A publication produced by the APCD and entitled *Tools for Reducing Vehicle Trips through Land Use Design* states,

“Low density sprawl can’t continue forever. In fact, the San Diego Association of Governments projects the region will run out of urban residential land by 2010. Consequently, growth will be more compact in the future. To keep vehicle emissions and congestion in check, we need to provide ways to travel without a car. The Tools recommend 37 land use and transportation strategies for cities and neighborhoods to encourage walking, biking, and transit use.”²⁸

In addition, SANDAG is currently working on an Urban Core Transit Strategy that has the overarching goal of creating a “world class transit system for the San Diego Region.” In order to achieve such a goal, SANDAG is looking at various cities with well-developed transit systems and finding out how such transit systems were achieved. One of the lessons learned from this process is, “transit success depends on regional plans and visions that guide the integration of land use and transportation.”²⁹

These examples demonstrate that now is the time to be investing in transit infrastructure and planning for development and growth that would be supported by such infrastructure. They also demonstrate that cutting transit service will only lead San Diego down a wrong path that will ultimately lead to failure and exacerbate region-wide crises.

²⁸ <http://www.sdapcd.org/planning/LandUse.pdf>

²⁹ Parsons Brinckerhoff for SANDAG. 2009. *Lessons Learned from Peer Regions*.

Conclusion:

In sum, if MTS moves forward with their proposed service cuts without further examining their supposed fiscal emergency and ensuring that SANDAG TransNet funding reflects public opinions, they will have sidestepped their duties as public servants and will have threatened the viability of San Diego to exist as a livable community.

Sincerely,

Save Our Forest and Ranchlands

A handwritten signature in cursive script that reads "Duncan McFetridge".

Duncan McFetridge