# Livable California
# Land Use, Housing, and Transportation
# – *Wishing Will Not Make It So*

**A Presentation by**

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**March 11, 2023**

# Today's Topics

- A bit about me …
- Some truths about transit
- How COVID has changed urban transportation
- How COVID has changed San Francisco and the Bay Area
- 15-minute city/induced (transportation) demand/road diets/complete streets
- Parking
- Importance of automobility for lower-income residents

# A Bit About Me …

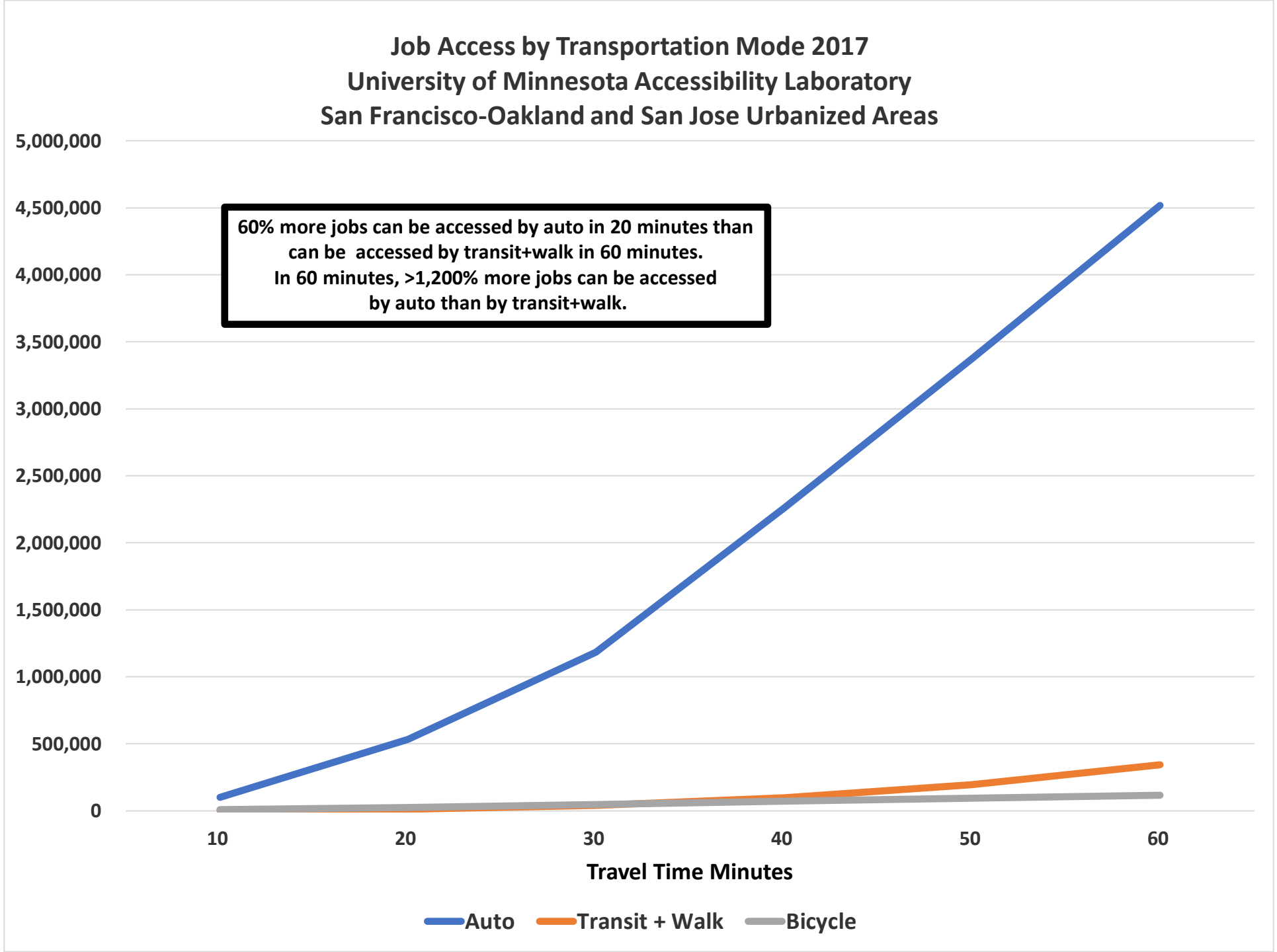
- Accountant by education and early career, expanded into transportation planning and operations
- Over four decades in transit industry, government finance, and major capital planning/project development/financing/construction
- Founded and led the U.S. transit practice of what is now Deloitte, LLP
- Former CFO of the third largest transit operator in the U.S., SCRTD in Los Angeles, and AC Transit
- Consulting and audit clients include well over 100 transit operators, metropolitan planning organizations, U.S. Department of Transportation, state DOTs, and others – including MTC and dozens of California transit operators
- Member, Institute of Transportation Engineers ( I'm ***not*** a P.E., but do a lot of work in related fields)
- Hundreds of professional papers and conference/seminar presentations

# Some Truths About Transit

- Transit carries only a small portion of urban passenger travel
  - Pre-COVID, about 5.0% of home-work trips and 2% of all trips
  - This has fallen greatly since 2019 – to 2.5% of home-work trips
  - Historically, San Francisco-Oakland had the second highest transit usage of US Urbanized Areas – 17.6% transit commute in 2019, dropping to 4.9% in 2021
- Transit is slow (national average home-work travel time in minutes by mode in 2019):

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Walk: | 12.6 | Bicycle: | 21.2 | Taxi: | 21.6 | Motorcycle: | 21.6 |
| Drive Alone: | 26.4 | **AVERAGE:** | **27.6** | Carpool: | 28.5 | Other: | 37.0 |
| **Light Rail:** | **45.8** | **Bus:** | **46.6** | **Heavy Rail:** | **48.8** | **Commuter Rail:** | **71.2** |

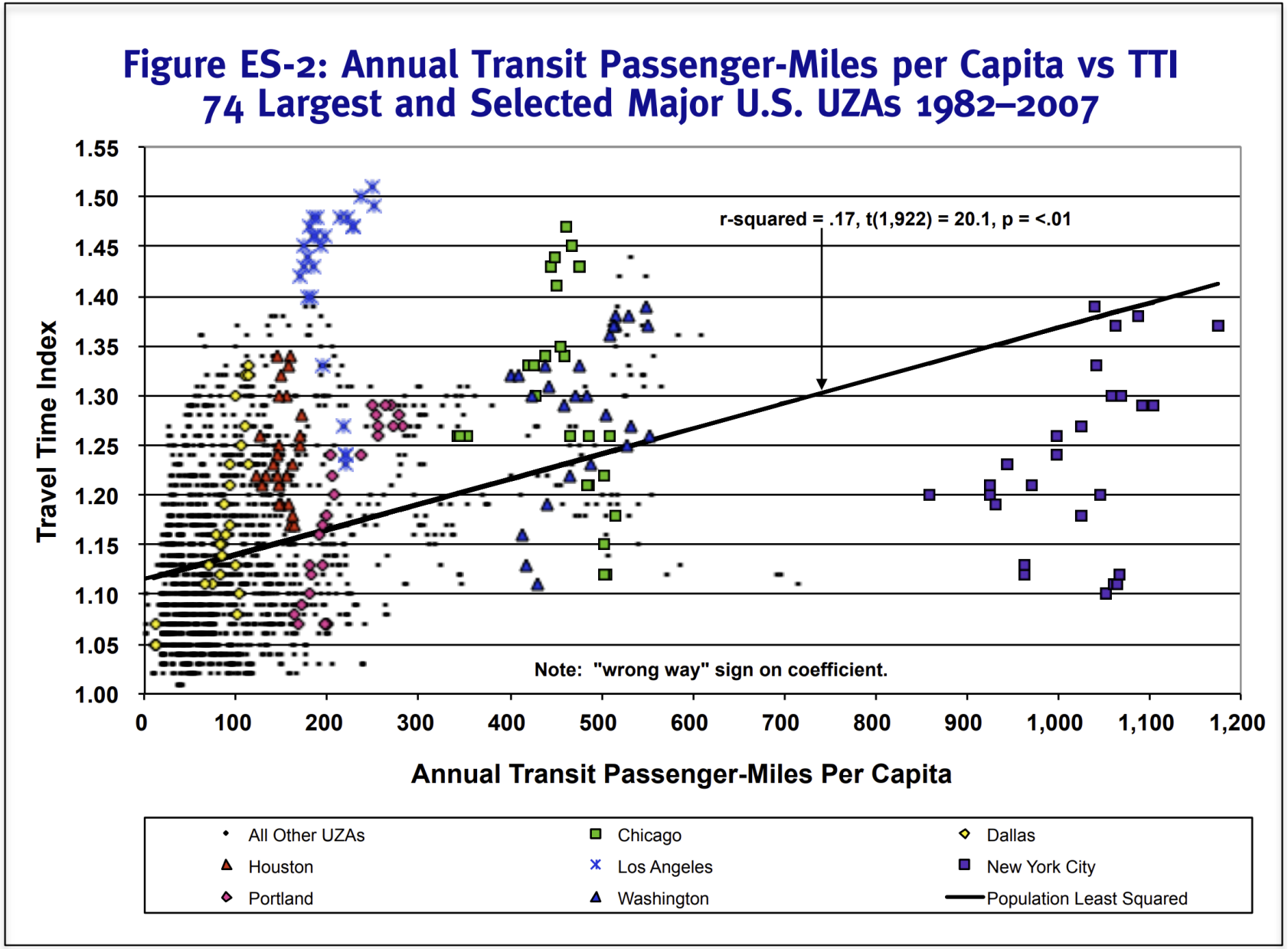
- Besides transit trips requiring more time, with the exception of commuter rail, they are generally also shorter than most automobile trips
- It is near impossible to access the majority of jobs in U.S. metropolitan areas by transit in any reasonable time: “The typical metropolitan resident can reach about 30 percent of jobs in their metropolitan area via transit in 90 minutes” – and that’s each way.


Job Access by Transportation Mode 2017
University of Minnesota Accessibility Laboratory
San Francisco-Oakland and San Jose Urbanized Areas
5,000,000
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
60% more jobs can be accessed by auto in 20 minutes than can be accessed by transit+walk in 60 minutes.
In 60 minutes, >1,200% more jobs can be accessed by auto than by transit+walk.
10
20
30
40
50
60
Travel Time Minutes
Auto
Transit + Walk
Bicycle

# Some More Truths About Transit … & Roads

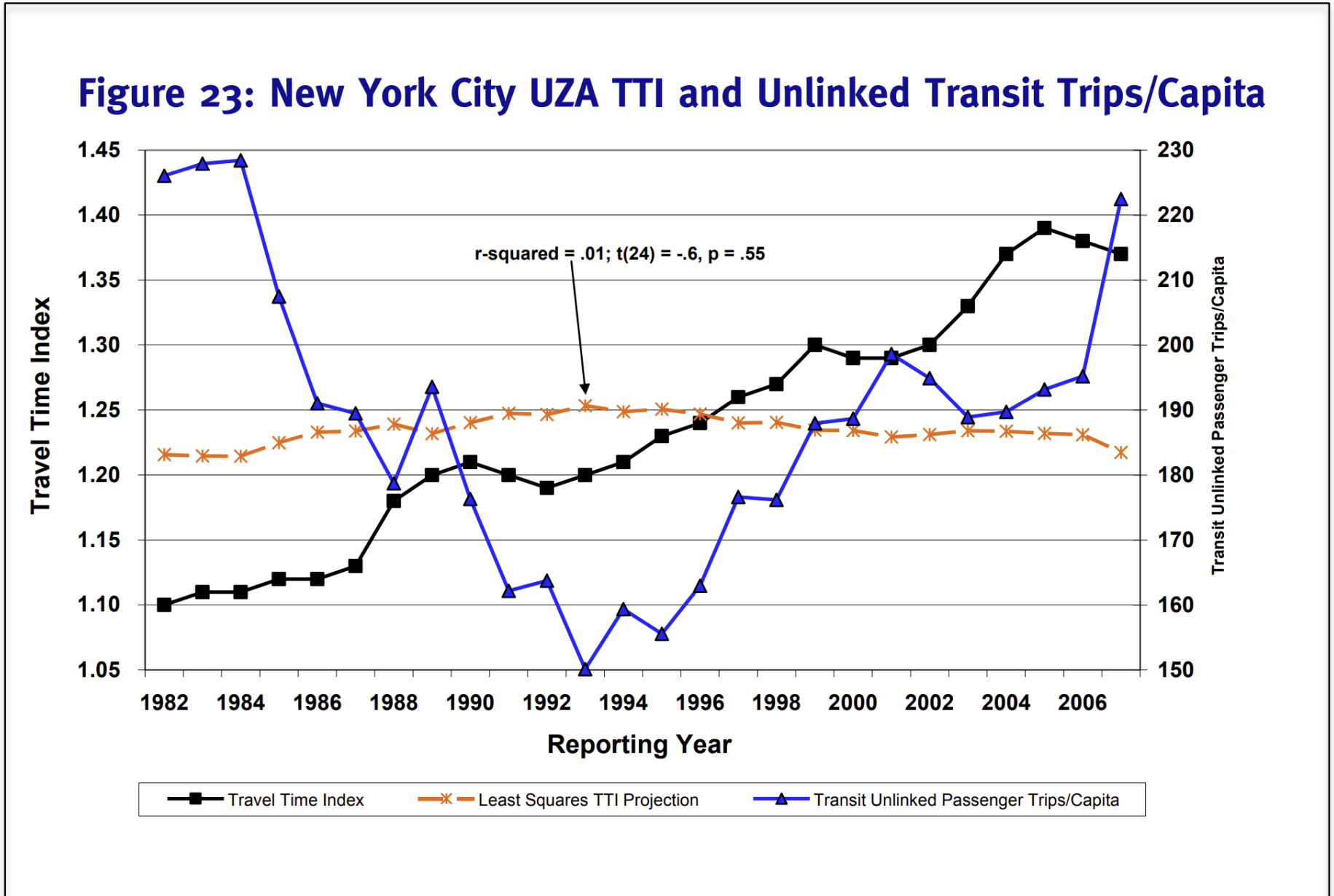
- Road users more than cover the government spending on roads through the user fees and taxes they pay for use of the roads (you'll hear very different from many anti-automobility interests; some of their points border on the laughable)
- Pre-COVID, transit users paid for well under one-quarter of the costs of transit through fares and other operating revenues (station parking, advertising) – and road users pay a major share of the government subsidies for transit (in California, though bridge tolls, sales tax on purchase of automobiles and motor fuel, etc.); post-COVID, under 10%
- Expanding transit ***does not*** reduce drive commute times
- Road are exceeding important for goods movement; important for intercity, absolutely irreplicable for urban – and transit is exclusively for moving people
- Transit ***can*** be "green" – as in, reduced energy use and lower emissions – for heavily utilized transit such as pre-COVID NY Subway System and BART – ***BUT, even pre-COVID, for the transit industry as a whole, the automobile had long left transit way behind***

# There is a slight *positive* correlation between increased transit utilization and *increased* road congestion



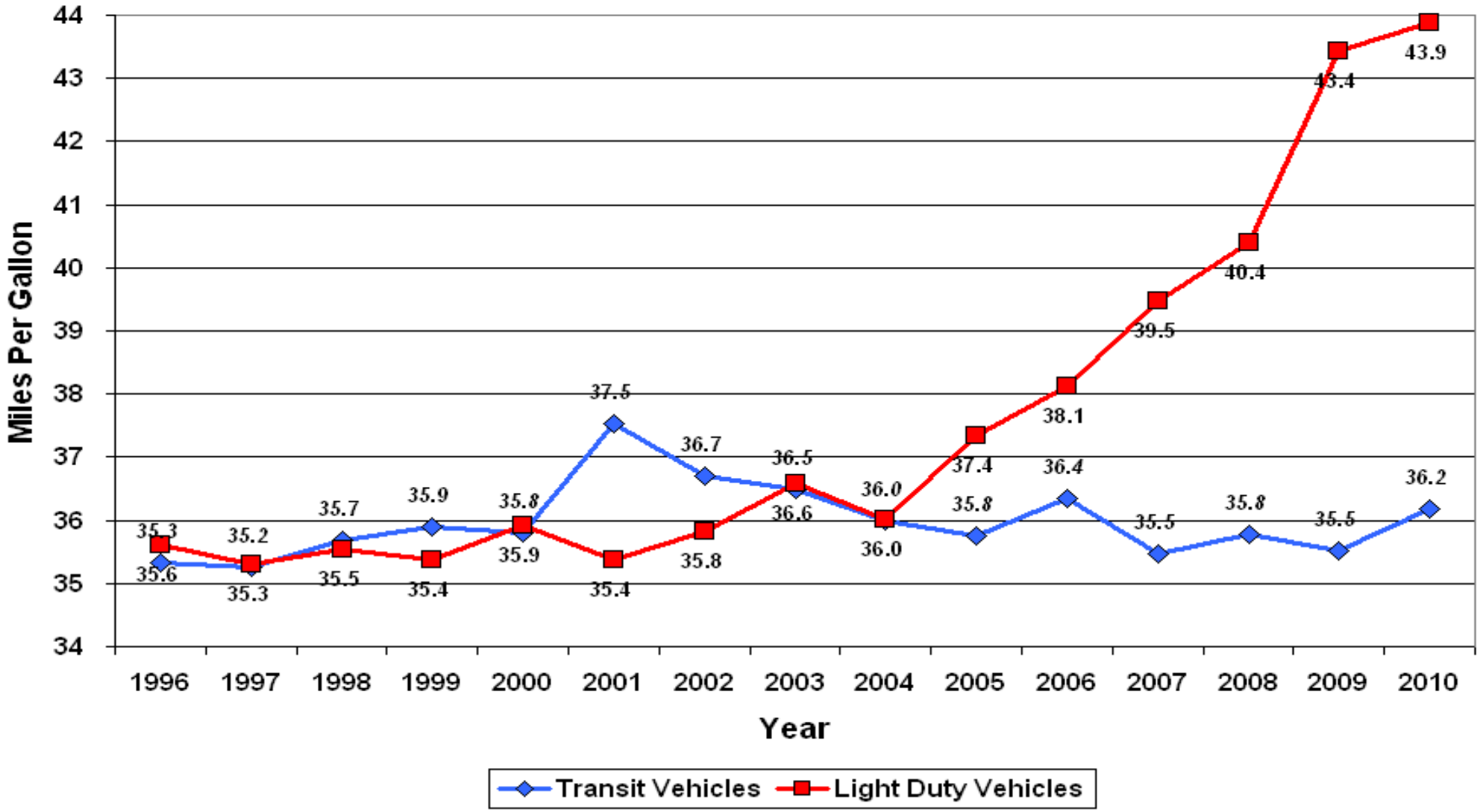

**Travel Time Index (TTI) is the longest standing and most recognized measure of traffic congestion. It is basically the ratio of the travel time during peak periods to that mid-day. If the same trip takes 30 minutes during peak and 20 minutes off-peak, the TTI is 1.50 (30/20).**

# Even in Metro New York, with 40% of U.S. Transit Use, and a Huge Increase Following a Huge Decline, *NO IMPACT*



# TRANSIT IS *NOT* MORE FUEL-EFFICIENT THAN AUTOMOBILES – *AND IS FALLING FURTHER AND FURTHER BEHIND EACH YEAR*

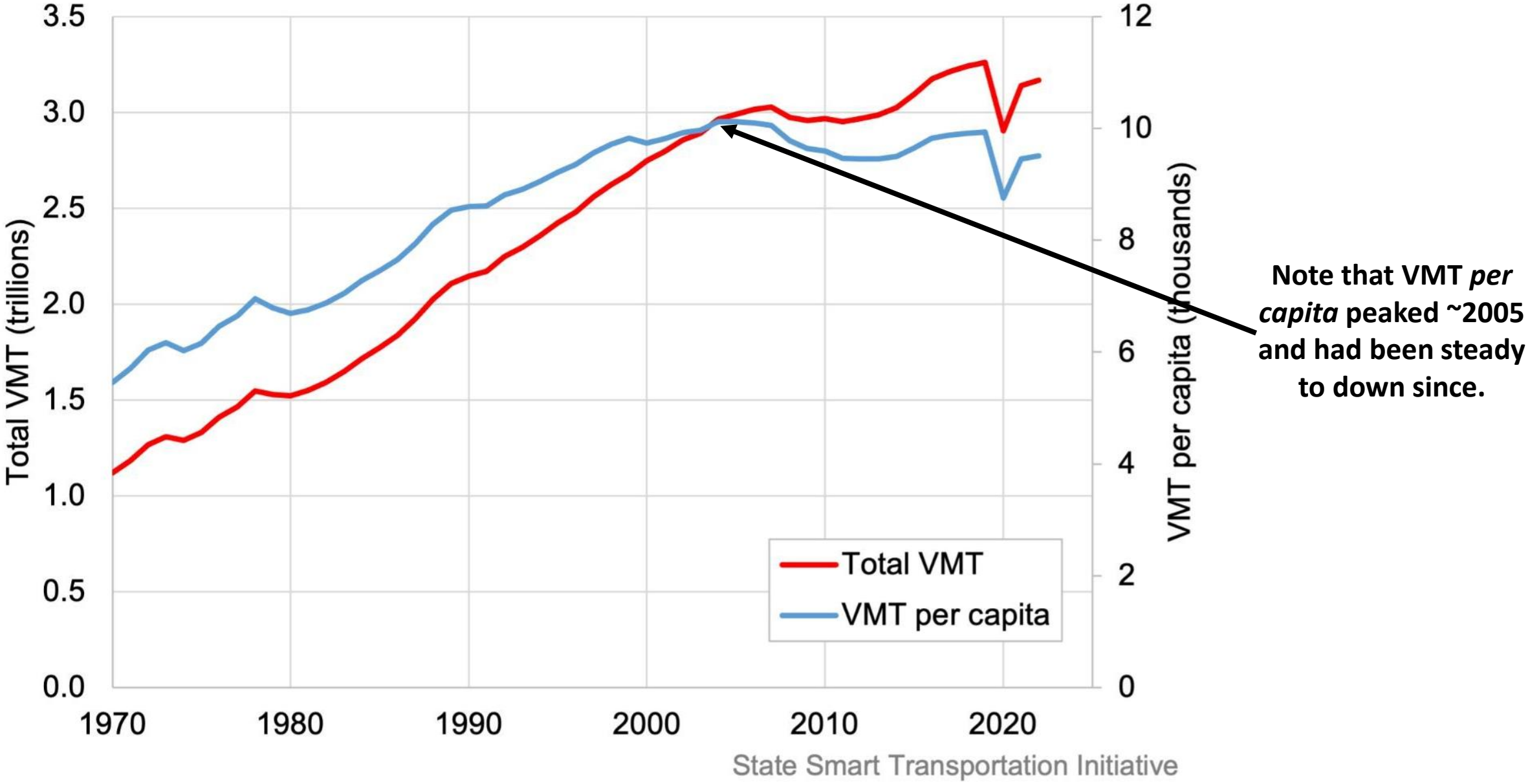
**U.S. Transit Industry (All Modes Combined) and**
**Light Duty Vehicle Average Passenger Miles per Diesel-Gallon Equivalent**



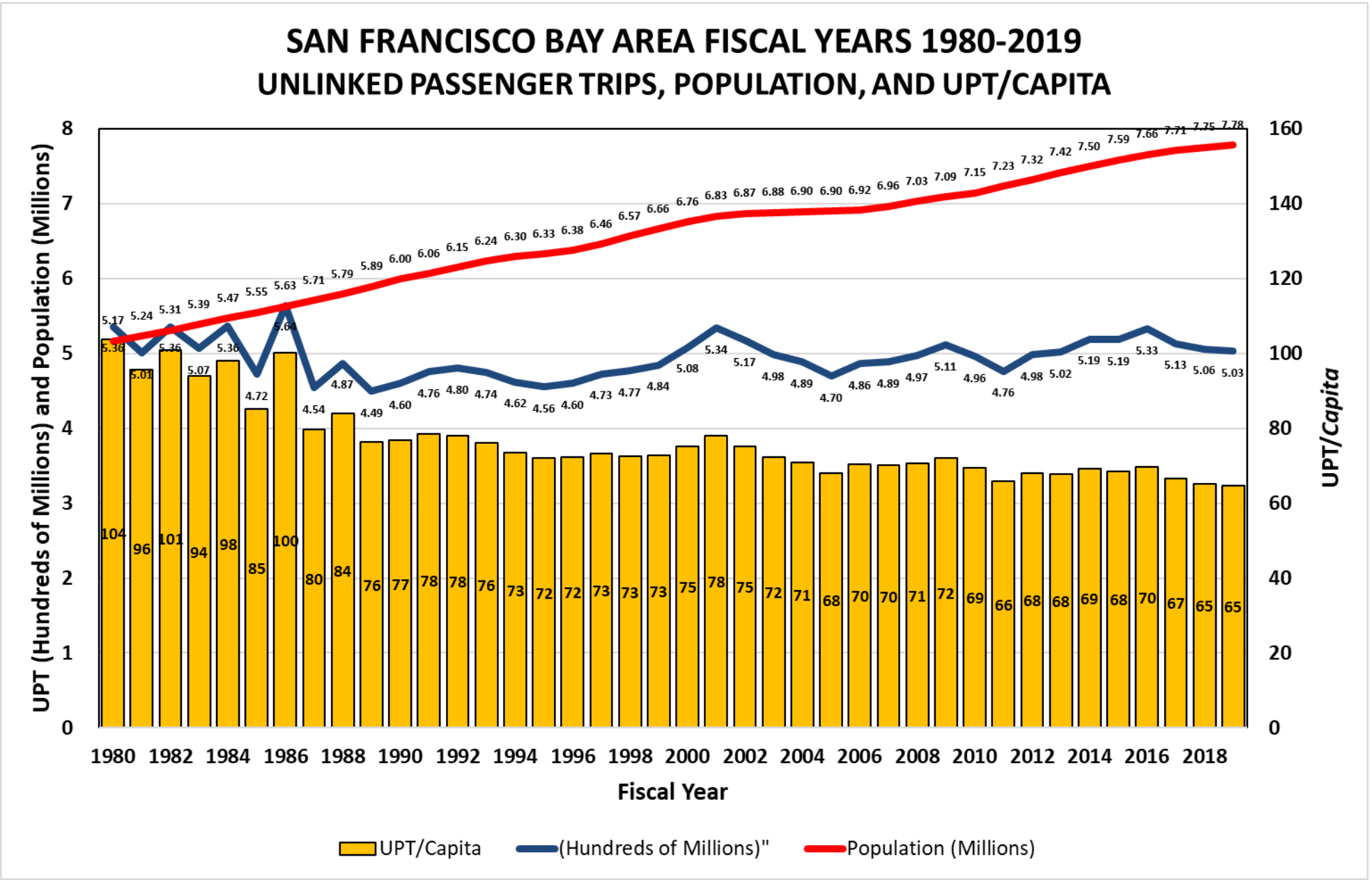
# How COVID Has Changed Transportation

- Hugely accelerated shift to remote work *et al*
- Driving has recovered to close to pre-COVID levels, but the slight reduction in peak travel means reduced congestion for automobility
- Transit – in economic terms, an "inferior good" – has suffered greatly:
  - Ridership hugely reduced
  - Long-haul commutes by higher-income "choice riders" (BART, Caltrain) hit the hardest
  - Public safety (COVID health risk) and security (social breakdown very evident on transit) keeping many far away from transit
  - While ridership and fare revenue have tanked, costs have remained high
  - Federal government allocated almost $80 billion extra for COVID, over 6½ times the "normal" 2019 allocation, more than ***total*** 2019 transit expenditures for 2019
  - These funds are one-time, and will be used up within a few more years at most, and additional Federal – or State – funds are very questionable
- THE TRANSIT INDUSTRY HAS REFUSED TO ADJUST TO THE NEW REALITY

# Driving Has Pretty Much Recovered from COVID

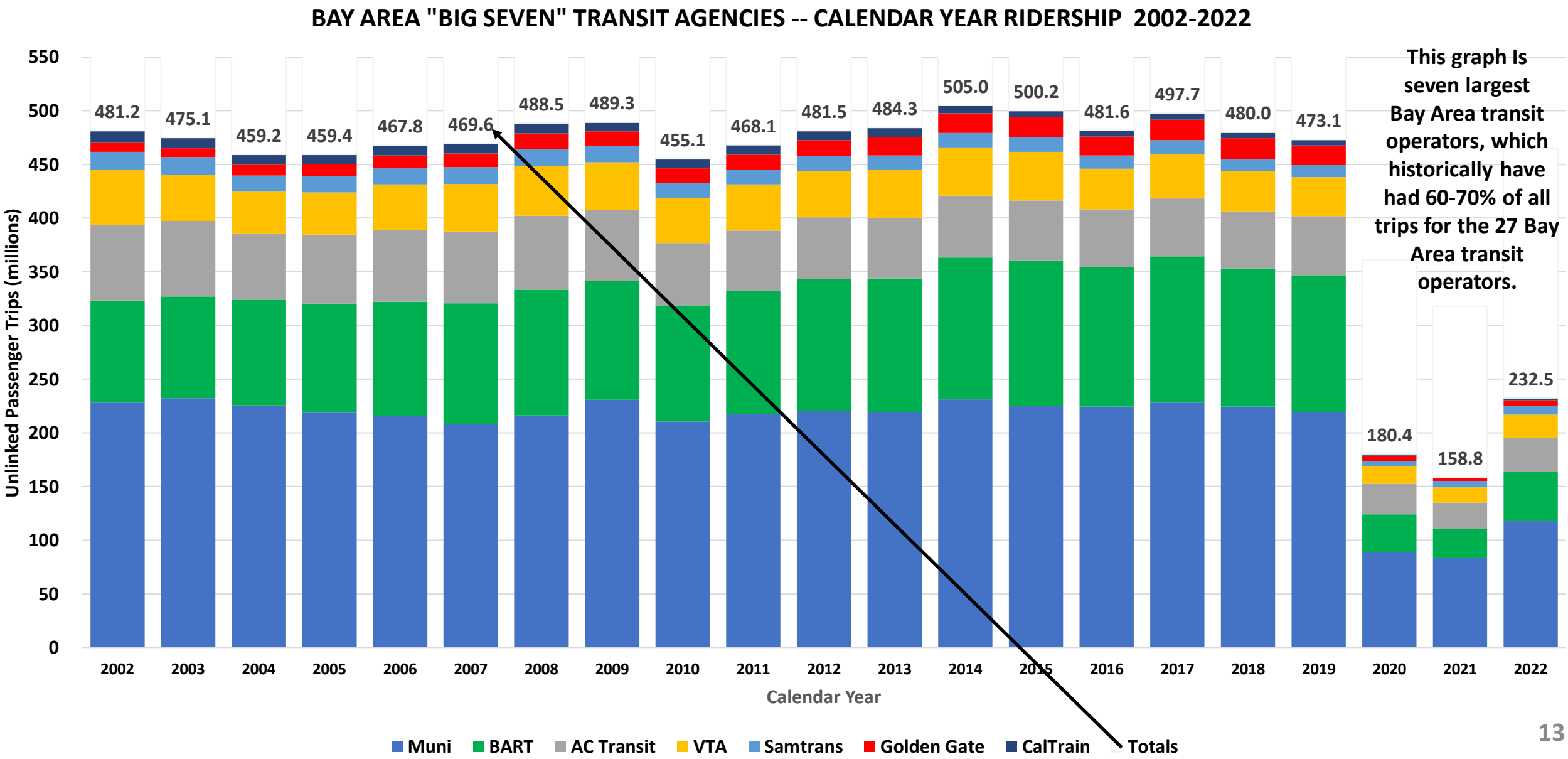


# Pre-COVID, Transit Utilization Had Been Shrinking

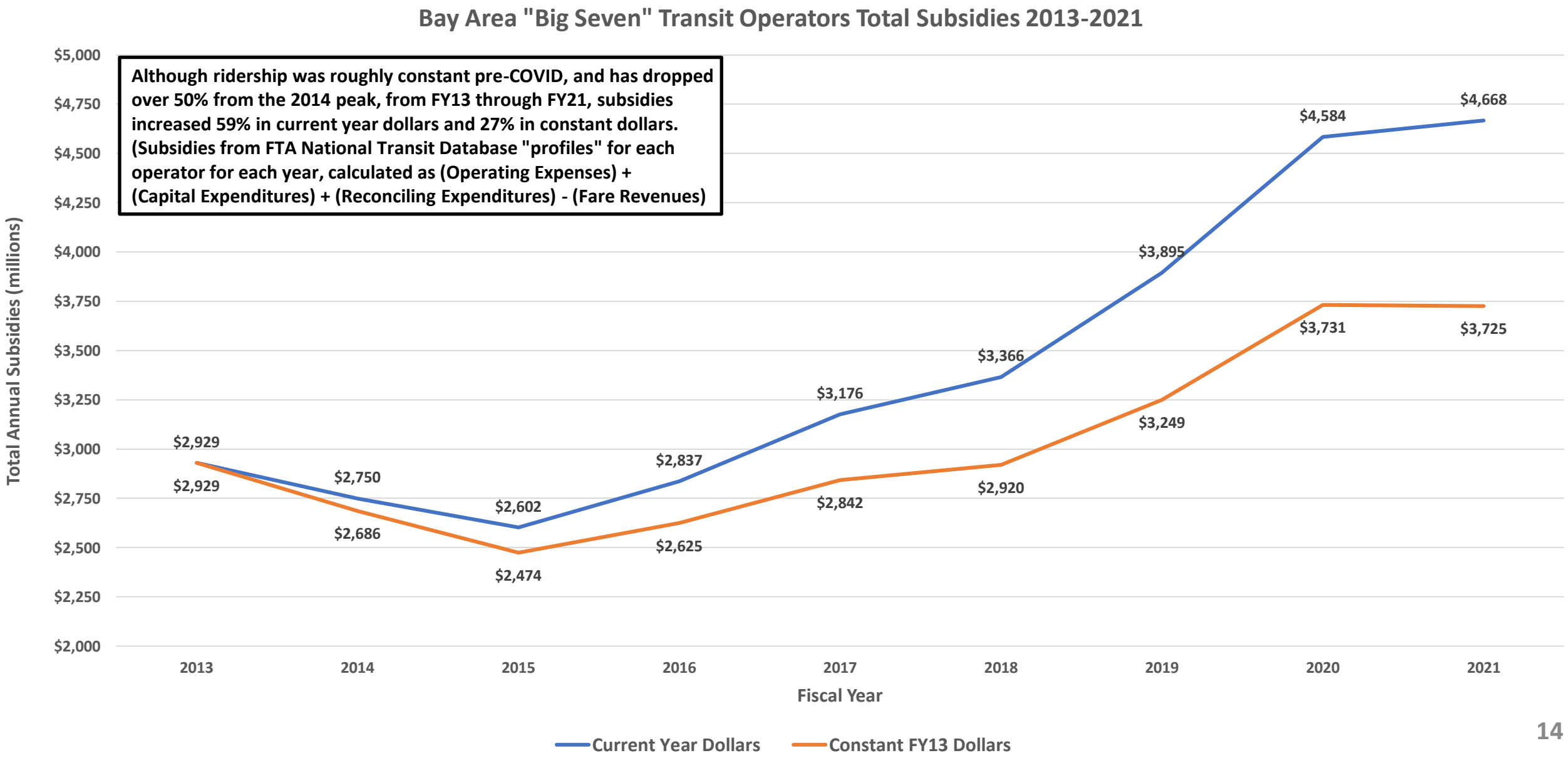



**From FY80 to FY19, Unlinked Passenger Trips *per capita* decreased 37%.**

# Bay Area Transit Ridership Down >50% from 2014 Peak

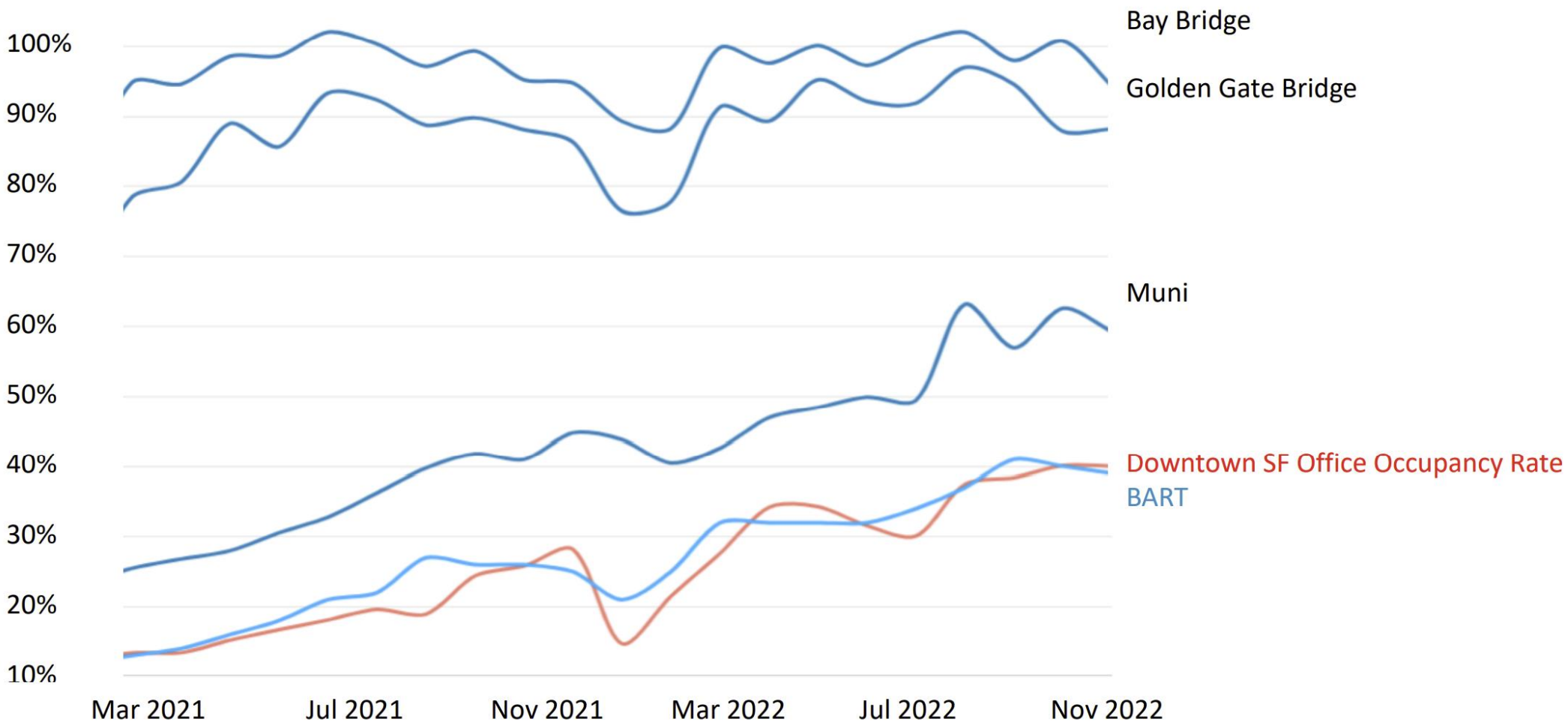


# Ridership Down, But Spending Increasing



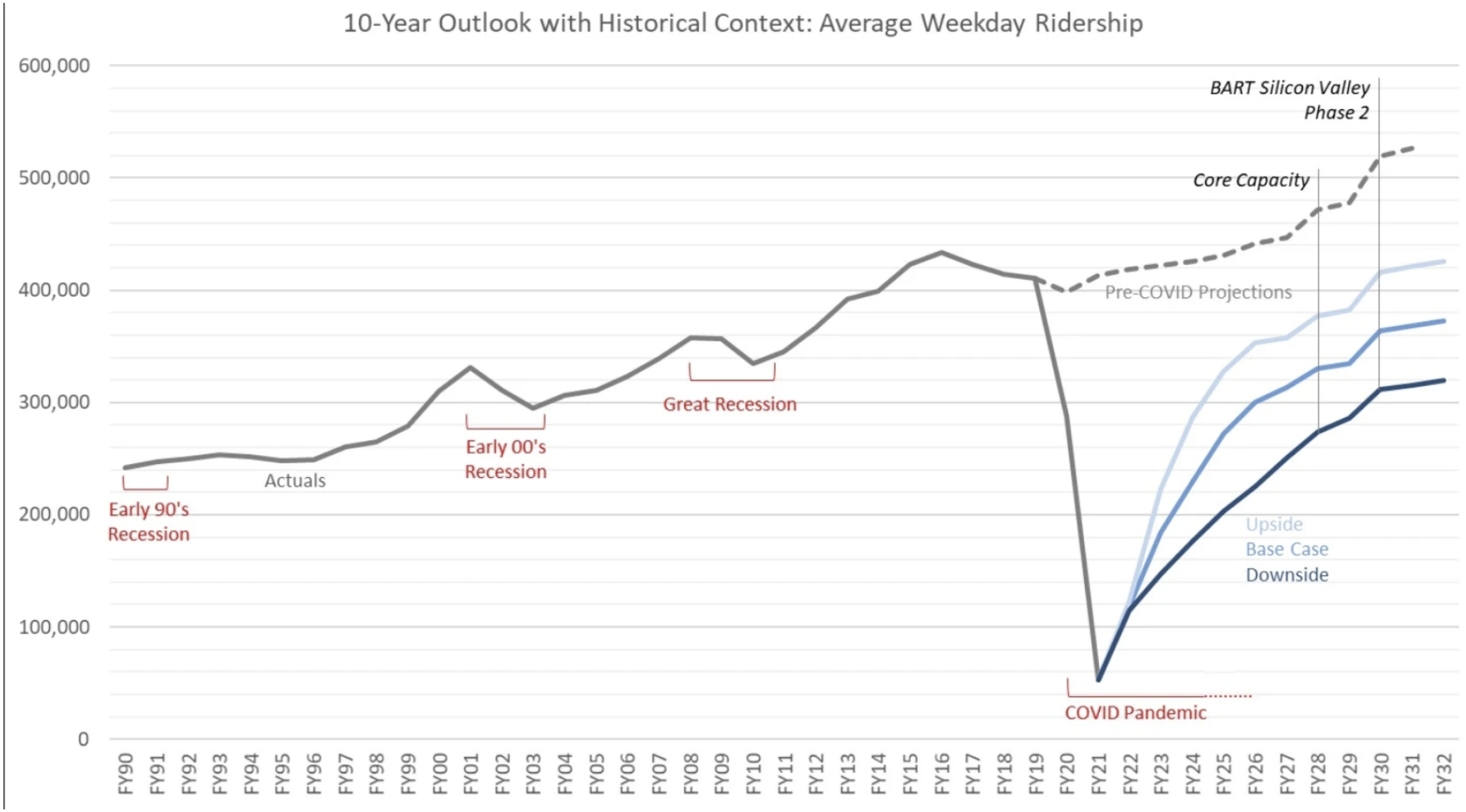
# SF CBD Occupancy ➔ BART Ridership

*Traffic Volumes by Mode Compared to Equivalent Month in 2019*




*Source: San Francisco Chamber of Commerce:- Downtown Economic Indicators Data Dashboard*

# BART Ridership Projection Alternatives




BART's ridership — past, present and future projections. (BART)

# Transit Funding Crisis is EXTREME

- With Republicans taking control of House of Representatives, another major Federal transit bail-out this year or next is unlikely
- With the extreme shortfall in funding, and ridership hugely down, the main response from major transit agencies has been to push major capital projects to approval and funding as soon as possible:
  - BART to San Jose
  - Caltrain Electrification
  - Valley Link
  - LINK21 – second BART tube and/or Caltrain/Capital Corridor/Amtrack tube under Bay
  - Caltrain Electrification
  - SMART to Cloverdale
  - SF Central Subway Extension
- Reality appears to be – let's get everything we can funded and approved before people realize what is going on
- Although the State budget shortfall has caused the Governor to propose major ***reductions*** in State transit funding, we do have heroes racing to the rescue

# Senator Weiner is Proposing the Solution

## Senator forming new transit committee

Senate Select Committee to examine Bay Area transit problems

Curtis Driscoll Daily Journal staff Feb 18, 2023 1

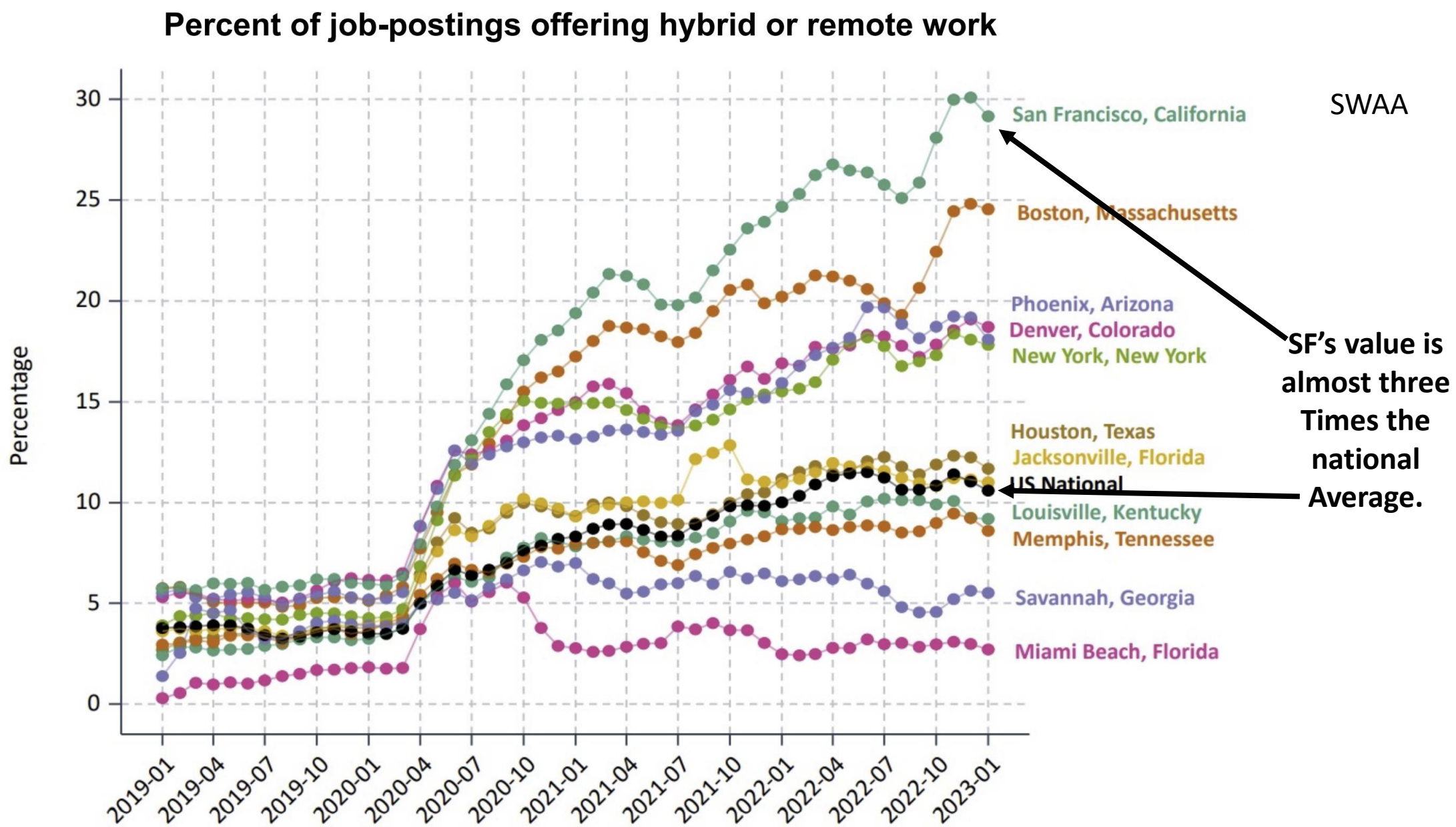
# Most Likely "Solution" is Higher Bridge Tolls

- MTC/ABAG have been very successful in getting the Bay Area electorate to pass bridge toll increases:
  - RM1: 1988 – uniform $1 toll on all seven Bay Area State-owned/operated bridges for bridge and roadway improvements
  - RM2: 2004 – raised tolls $1 primarily for transit capital improvements and operations
  - RM3: 2018 – has/will raise tolls $1 each in 2019, 2022, and 2025, followed by inflation increases, funds going mainly for transit capital improvements
- Lawsuit claimed that use of bridge tolls for transit was a tax, not a user charge, and required two-thirds majority – but California Supreme Court refused to review First Appellate decision that 50%+1 was all that was needed
- Since almost all other financing options would require a two-thirds majority, this looks like what we will be seeing – coming soon to a ballot near you?
- Questionable how high required; $1 toll ➔ ~$127 million annual revenues (2019); $235 million shortfall projected in FY28 for MUNI ***alone***

# How COVID Has Changed the San Francisco Bay Area

- San Francisco leads the US in remote work – and will likely go higher over time
- Many major employers downsizing, reducing – or totally abandoning – office space, or leaving San Francisco, the Bay Area, and California
- Economic recovery seen as slow and uncertain
- San Jose doing better than San Francisco, but also far behind prior performance
- California, and Bay Area in particular, seen as high cost, going higher, anti-business – and just plain nuts
- BART is becoming a social services agency, desperately trying to find homes for the homeless and moving drug sellers and users off-site, or at least out of sight – and starting “Ambassador Corps” to have soft-uniform, unarmed personnel helping those on BART trains and in BART stations who need help
- But, riders are staying away in droves; many people just do not feel safe

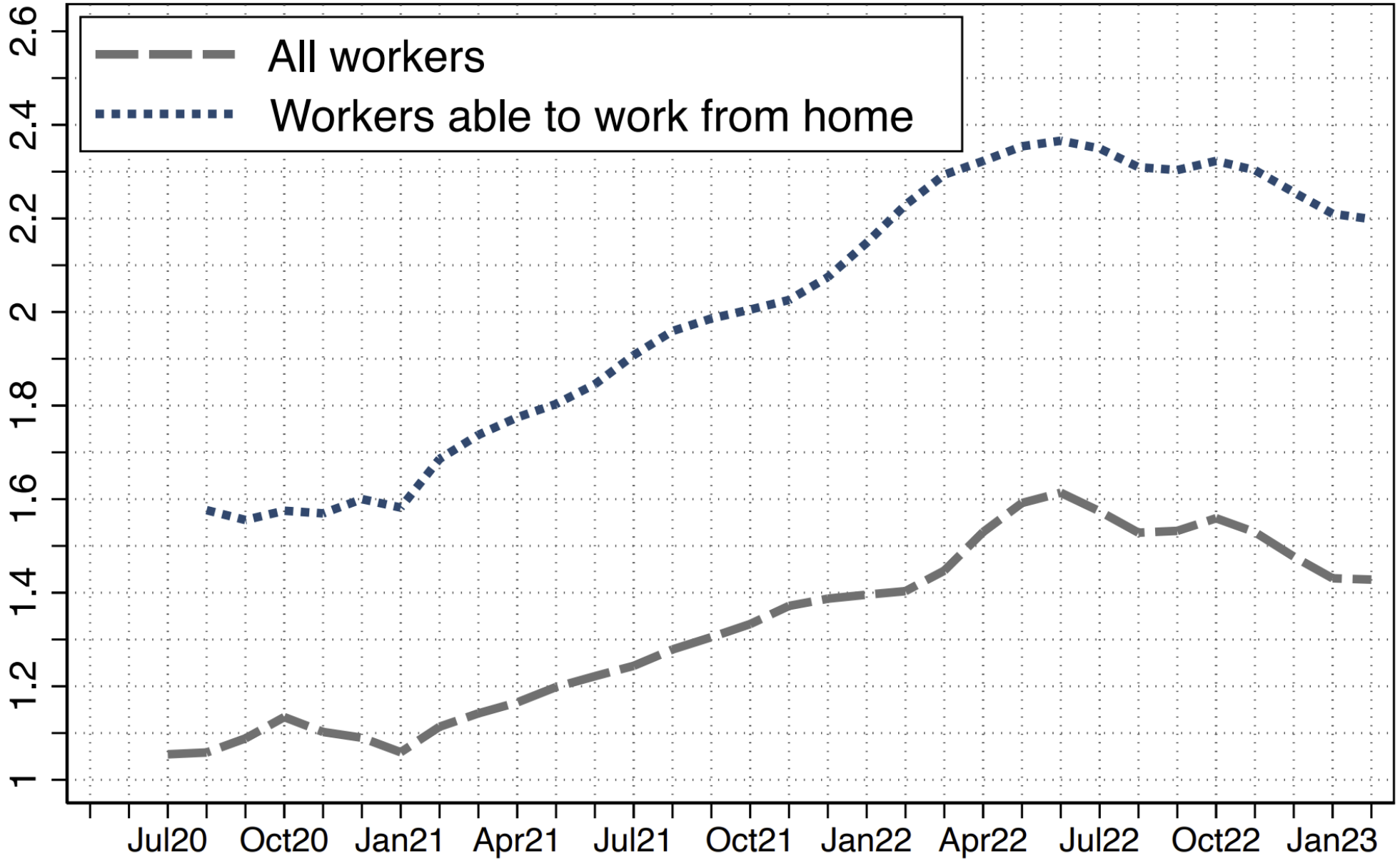
# WFH Job-Posting Levels are Highest in Large Cities




SWAA

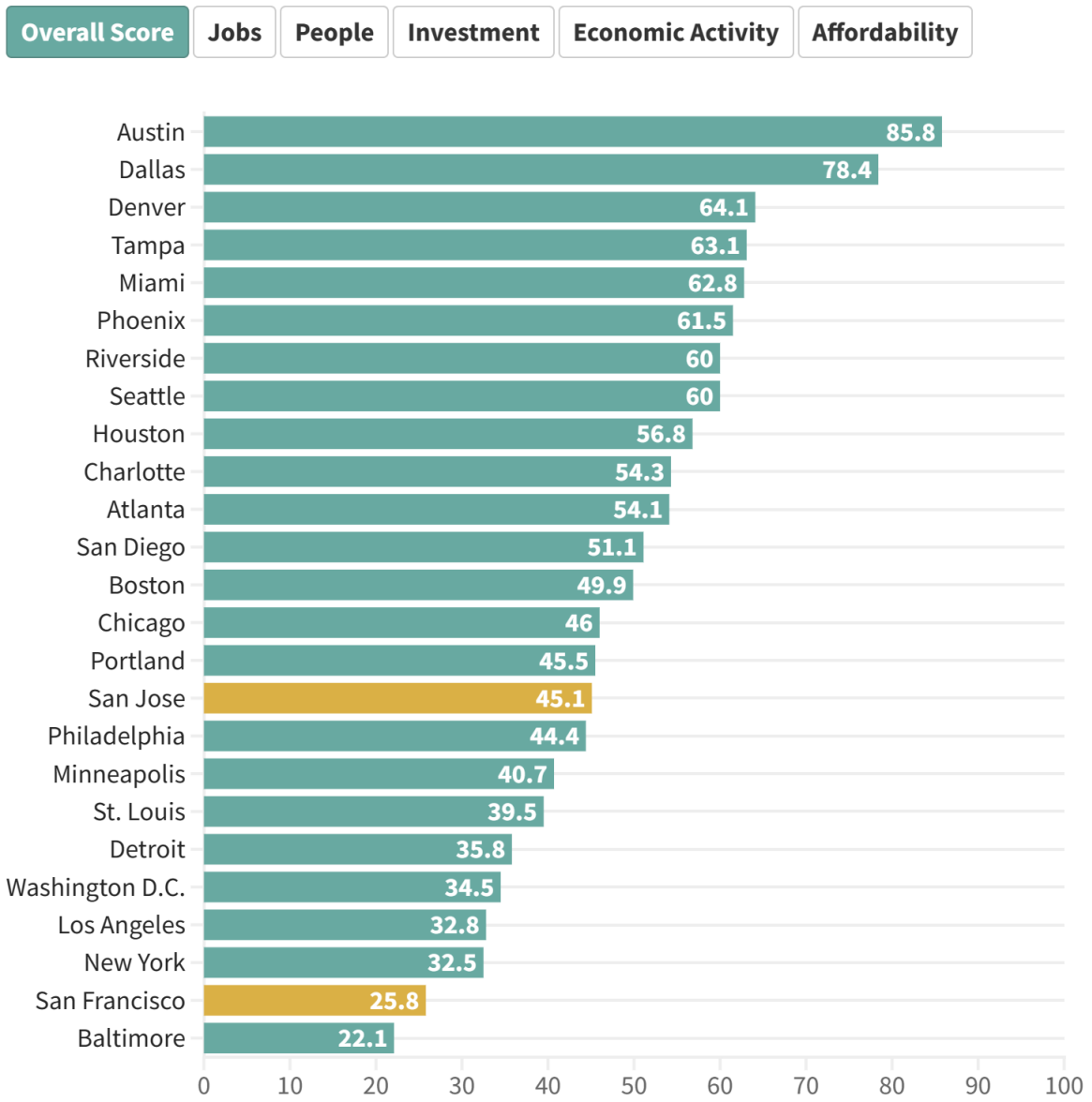
**SF's value is almost three Times the national Average.**

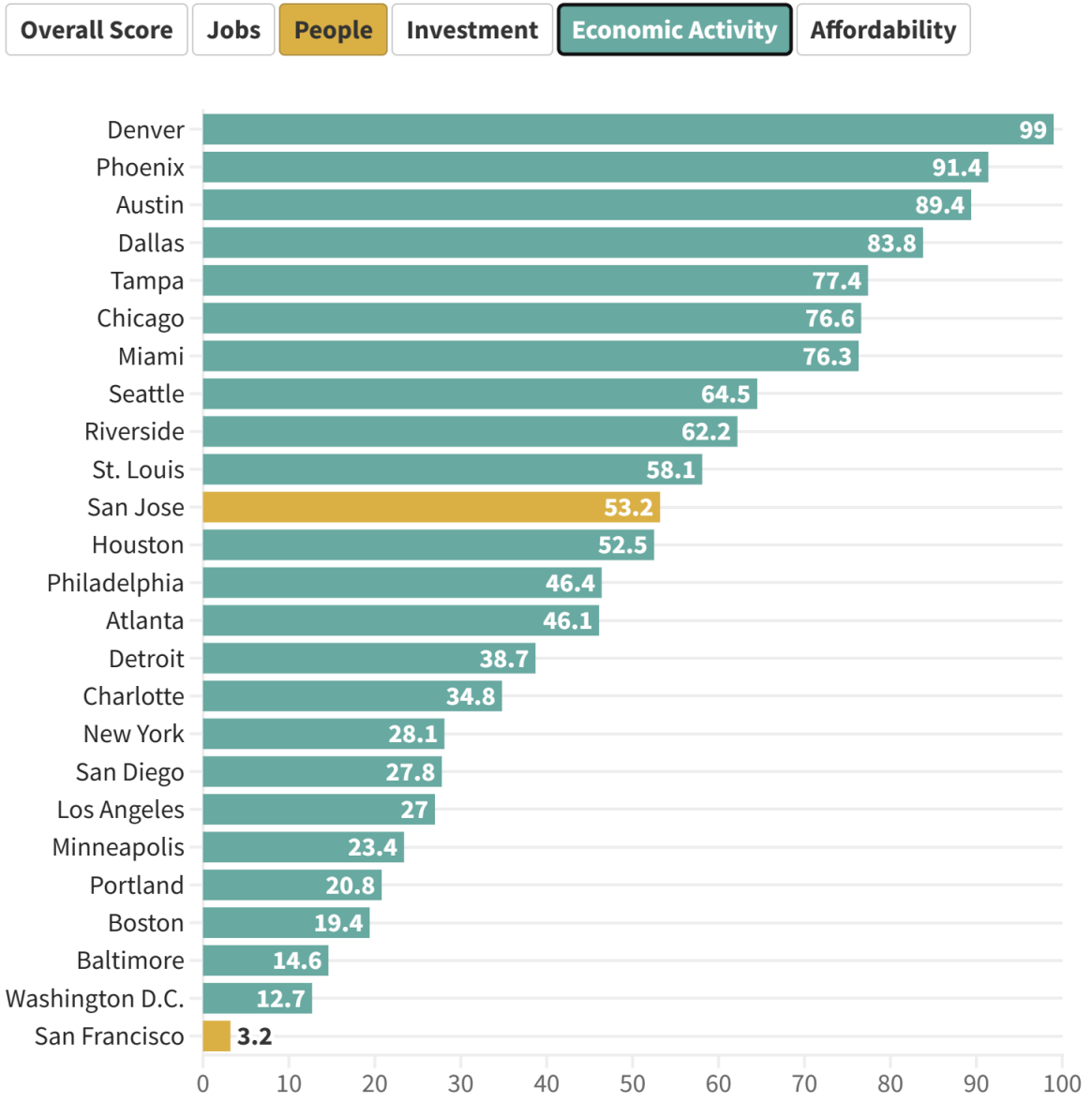
# Average Days per Week Working From Home
# As the Pandemic Ends: Employer plans




Survey of Working Arrangements and Attitudes (SWAA), Jose Maria Barrero, Nicholas Bloom, and Steven J. Davis, SWAA March 2023 Updates, 6 March 2023

# Regional Economic Recovery Indices

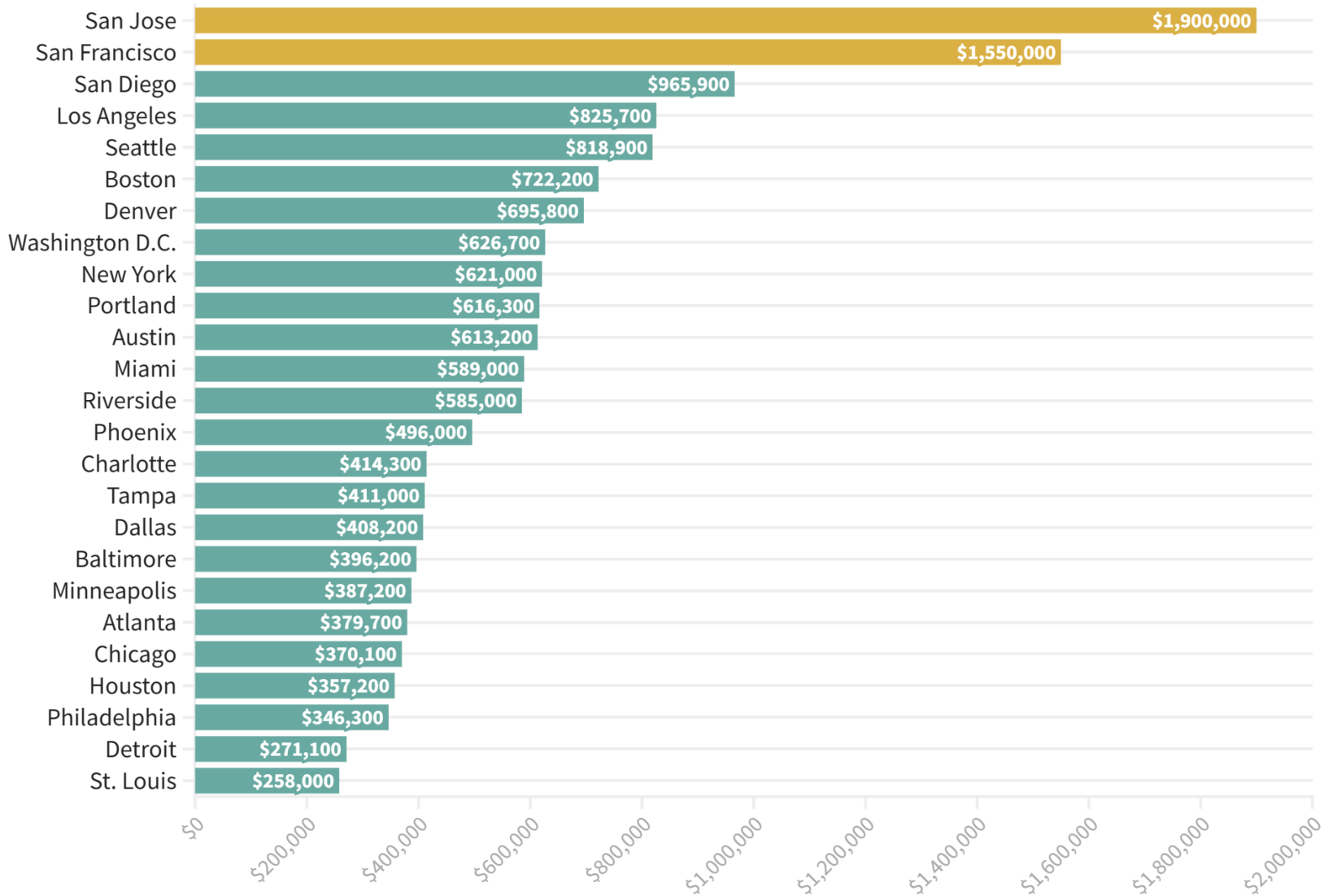


**Still, median home sales prices in San Jose and San Francisco are $1m+ higher than hot markets like Austin, Denver, and Miami**

2/2

Median sales price for single-family homes only, Q2 2022




Source: National Association of Realtors • Analysis: Bay Area Council Economic Institute

# Hot Road Topics

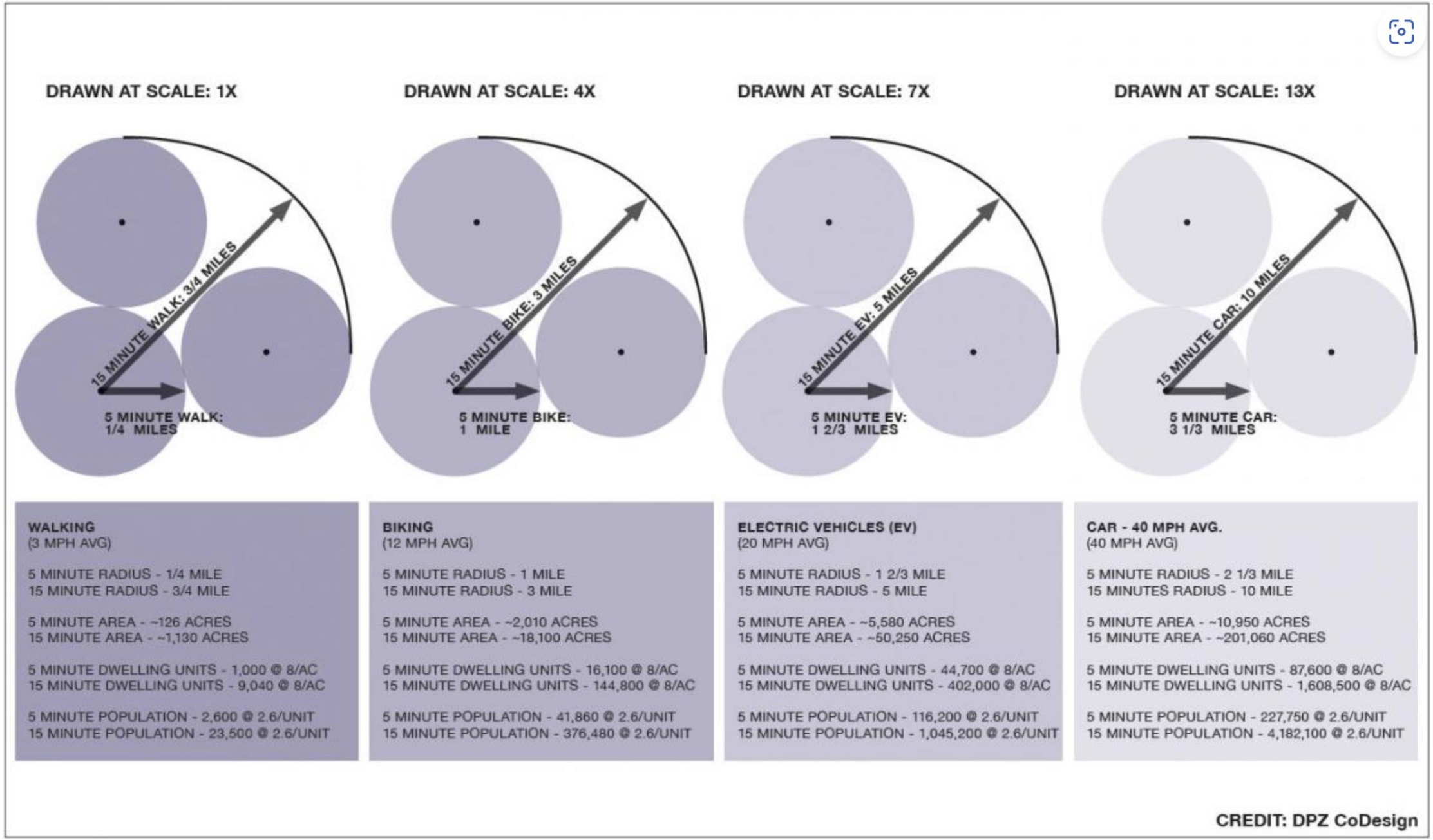
- The 15-minute city
- Road diets
- Complete streets
- Induced transportation
- All of these exist individually, but are often connected by those arguing against road expenditures, seeking to reduce/eliminate driving, and/or for transit expansion

# The 15-Minute City

- Definition is key; here is one from a prominent “smart cities” organization:

  Congress of the New Urbanism: The “15-minute city” may be defined as an ideal geography where most human needs and many desires are located within a travel distance of 15 minutes. While automobiles may be accommodated in the 15-minute city, *they cannot determine its scale or urban form (emphasis* in the original). Based on automotive travel, most metropolitan areas may be 15-minute cities.

- There are other definitions and variations, including some that call for fifteen-minute travel for the most residents solely by non-fossil fuel/non-motorized means, chiefly walking and bicycling, and would increase the fifteen-minute destination share beyond “most”
- This has often produced extreme backlashes against the concept by those who use the more extreme definitions against 15-minute city proponents, including those who prefer more moderate definitions




15-minute radii compared, from walking to driving. The 15-minute car ride of 10 miles makes every metro area a 15-minute city, if automobiles are the defining mode.

# How to Address the 15-Minute City Question

1. Start with the definition – suggest a more moderate one and cite a well-known "modern" urban planning source
2. The key is home-work job travel – and the problem is "Marchetti's constant" – that the average travel time to work, there-and-back, is one hour – and has been the same in all areas of Earth since approximately the beginning of human history; the 30-minute one-way trip would be double the 15-minutes allowed

| US Home-Work Commute Data, 2016-2020 | | |
|---|---|---|
| **MODE** | **TRAVEL TIME (minutes)** | **PERCENTAGE** |
| Work-at-Home | 0.0 | 7.3% |
| Walk | 11.2 | 2.6% |
| Bicycle | (not reported) | .5% |
| Drive-Alone | 25.8 | 74.9% |
| Public Transportation | 50.3 | 4.6% |
| Total (carpool, taxicab, motorcycle excluded from above) | 26.9 | 100.0% |

# The 15-Minute City

- The problem:  Since transit is, by far, the slowest, it would appear that relying on transit expansion to work towards the 15-Minute City objective would not work
- The real issue is, how much are urban residents willing to accept greater density – not necessarily of population, but of trip origins and destinations?
- Increasing remote work – which is going to occur if this is supported by governments or not – appears to be one obvious “solution” (but not all the data is in yet)
- Rather than supermarkets and superstores, small neighborhood shops within walking distance of most residents?
- Remaking the entire urban fabric of American cities appears to be impractical, particularly in a relatively short period of time, and would create massive GHG and other emissions that would take decades to be recovered – if ever
- Recommend trying to work ***with*** the ***reasonable*** 15-Minute City advocates

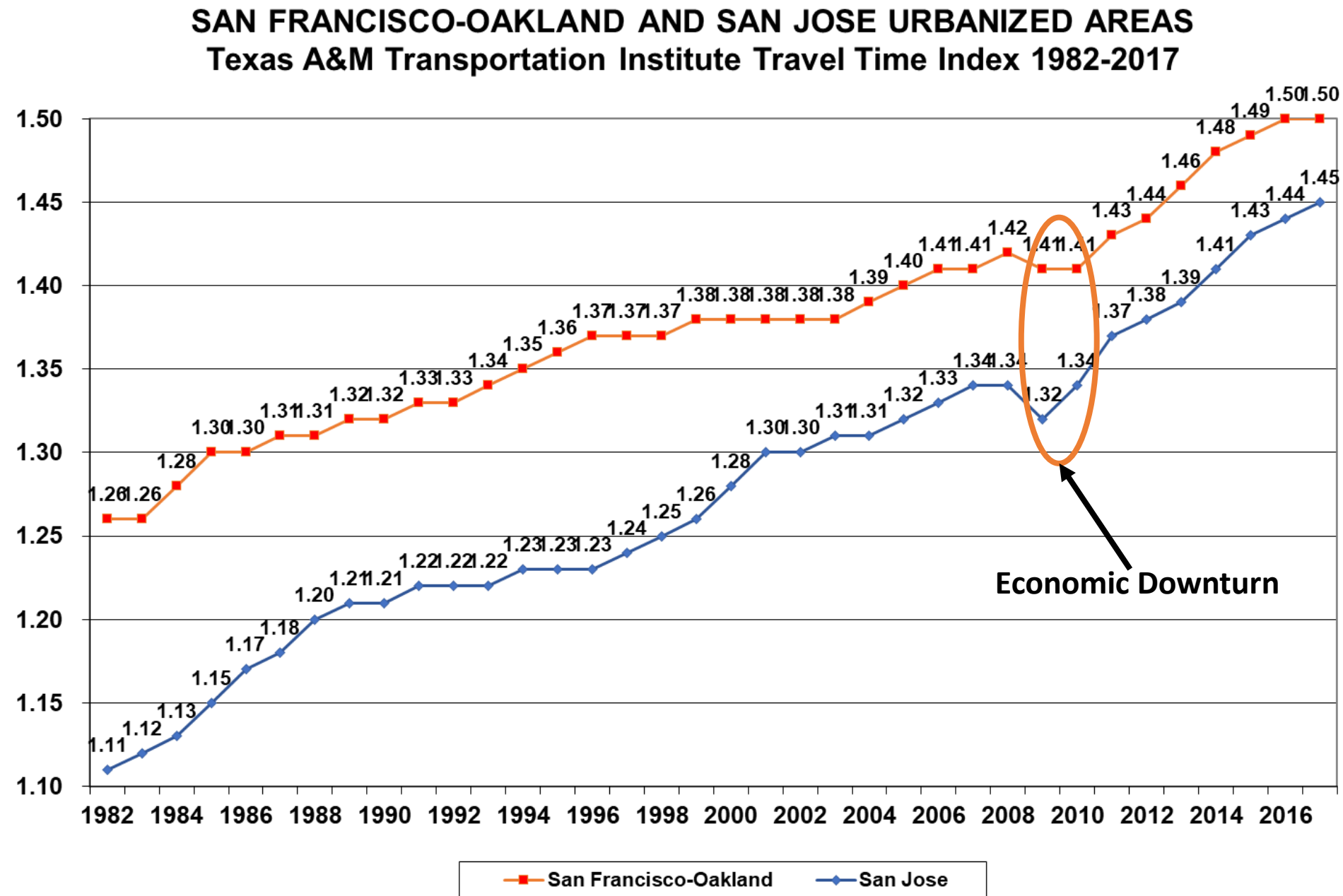
# Induced (Transportation) Demand

- FHWA: "'Induced travel' is a term that has been widely used to describe the observed increase in traffic volume that occurs soon after a new highway is opened or a previously congested highway is widened. The term often appears in the popular press, and has been used by some advocacy groups to support their argument that 'we can't build our way out of traffic congestion,' because any increase in highway capacity is quickly filled up with additional traffic."
- Like most complex situations, after you have heard both sides of the story, you haven't heard the half of it
- Induced Demard is based – in part – on the *Field of Dreams* mystic voice to corn field farmer Ray Kinsella, "If you build it, they will come" (actually, the line was, "… ***he*** will come," referring to Ray's late father, not the entire Black Sox era all-stars) – for transportation purposes, if you add capacity, it will get used
- There is a lot of truth in this position – but achieving a deeper understanding of what is going on would be worthwhile

# Induced (Transportation) Demand II

- For several decades from the 1950's to the 2000's, U.S. vehicle miles traveled expanded far faster than road capacity – which led to increased congestion
- Since there was so much latent demand, when more road capacity was opened up, it was often utilized very quickly
- However, since the core problem was a shortage of ***network*** capacity; adding capacity to individual components rarely had major positive impact on the entire metro area
- In fact, according to Braess' Paradox, adding a new road to an overtaxed network could actually ***reduce*** throughput – and removing a road could increase it (again, this can be proven in many networks, but it very dependent on the specifics)
- A common observation is, "they added the freeway lane, but, within a few months, the congestion was just as bad as before" – and, therefore, it is useless to add road capacity; ∴, "we cannot build out way out of congestion," Q.E.D.

# The Bay Area Has Not Been Effective in Addressing Traffic Congestion

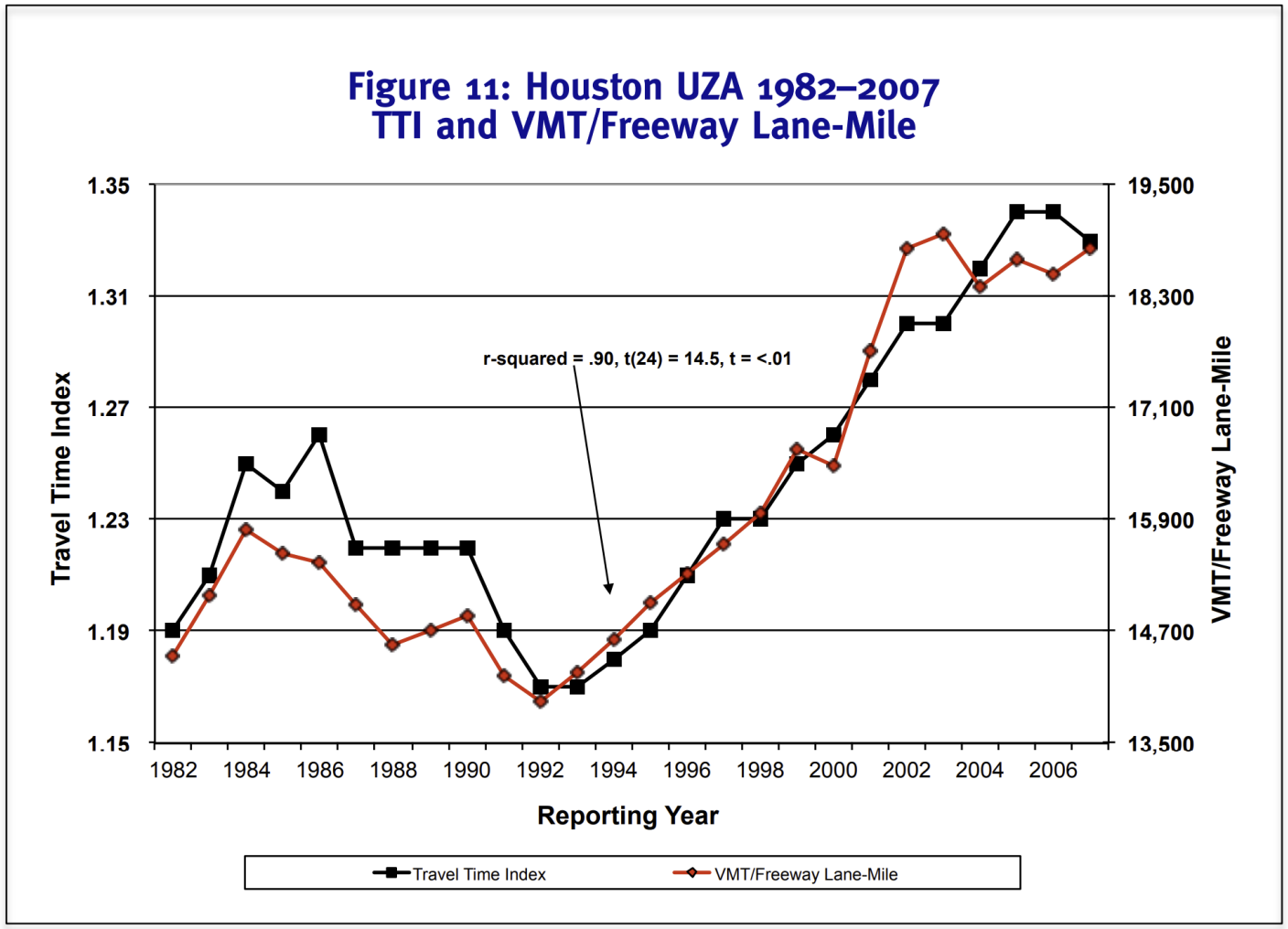


# Induced (Transportation) Demand III

- There is another element of the story; According to Tony Down's "triple convergence" hypothesis, what happens when you add freeway capacity is:
  - Some drivers that were formerly driving off-peak change to driving during the peak
  - Some drivers formerly driving non-freeway routes switch to using the freeway
  - Some travelers using transit shift to driving
- All of these happen because, ***for those individuals***, the added freeway capacity makes their travel faster and/or better in other ways
- Modern research tends to show that, for the transportation system as a whole (measuring more than just the freeway at the peak load point), adding capacity reduces travel time
- Also, it means more travelers can do their commute when they want to commute on the route they prefer; the transit network capacity increases – ***and is used***
- The "problem" of taxpayer-funded infrastructure being highly utilized upon opening is one that many transit projects don't have to deal with (SMART, SF Central Subway, Oakland Airport Connector, BART to SFO, etc.)

# You Actually *CAN* Build Your Way Out of Congestion

- There ***is*** a case of a U.S. urban area successfully "building its way out of congestion" – well, not totally, but significantly reducing it area-wide




**What we are doing here is correlating vehicle miles traveled (VMT) per lane-mile to Travel Time Index – and the $R^2$ of .90 indicates that the change in VMT explains about 90% of the change in TTI. This is what is known as a pretty good "eyeball" fit, so logic, appearance, and statistics all combine to support a conclusion that there is validity to the hypothesis that change in VMT/ lane-mile changes TTI.**

# You Actually *CAN* Build Your Way Out of Congestion II

- **Phase I** – 1982–1986, freeway VMT grew by 23.4%, outpacing the growth of freeway lane-miles of 15.5%, leading to growth of VMT/freeway lane-mile of 6.8%, and TTI increased from 1.19 to 1.26 (37% increase in congestion). Houston's TTI in 1984 was 1.25, making Houston's TTI for that year the worst of any UZA, the only year that Los Angeles was ***not*** number one.
- **Phase II** – 1986–1993, when freeway VMT grew by 25.6%, ***but freeway lane-miles grew 35.9%***, leading to a reduction in VMT/freeway lane-mile of 5.3%. During this time TTI decreased from 1.26 to 1.17 (35% decrease in congestion). At the end of this period, Houston's TTI ranking was 22$^{nd}$ (of 87).
- **Phase III** – 1993–2007, when freeway VMT grew by 54.8%, outpacing the growth in freeway lane-miles of 17.2%, with VMT/freeway-mile growing by 30.0%. During this time TTI increased from 1.17 to 1.33 (94% increase in congestion). At the end of the period, overall, Houston's TTI was the 11th worst in the nation.
- Considering that Houston started as third worst in 1982, and was the absolute worst in 1984, moving eight to ten places down the listing should be regarded as a significant positive accomplishment.

# You Actually *CAN* Build Your Way Out of Congestion III

- How did Houston do what no other U.S. urbanized area has ever done?
  - First, at the start of this period, Houston was strongly building/expanding freeways
  - However, this wasn't enough, so Houston tried transit expansion
  - In 1979, Harris County Metro (the Houston area transit agency) began implementing a series of freeway lanes designed for long-haul commuter express bus service which were also HOV lanes, with most going into service in the early- to mid-1980's
  - The combination of freeway lane expansion, diversion of auto commuters to buses, and encouragement of HOV were the main causes of this unique significant reduction in traffic congestion
- Upon seeing the overwhelming success of this method of actually reducing congestion and decreasing travel times while handling a significant expansion in travel, the Houston decision-makers, of course, decided to abandon it and, instead, began to shift spending to build a network of light rail lines
- The Houston congestion reduction success was never duplicated, or even considered, elsewhere, and is unlikely to ever be seen or heard anywhere again

# Complete Streets

- U.S. Department of Transportation:

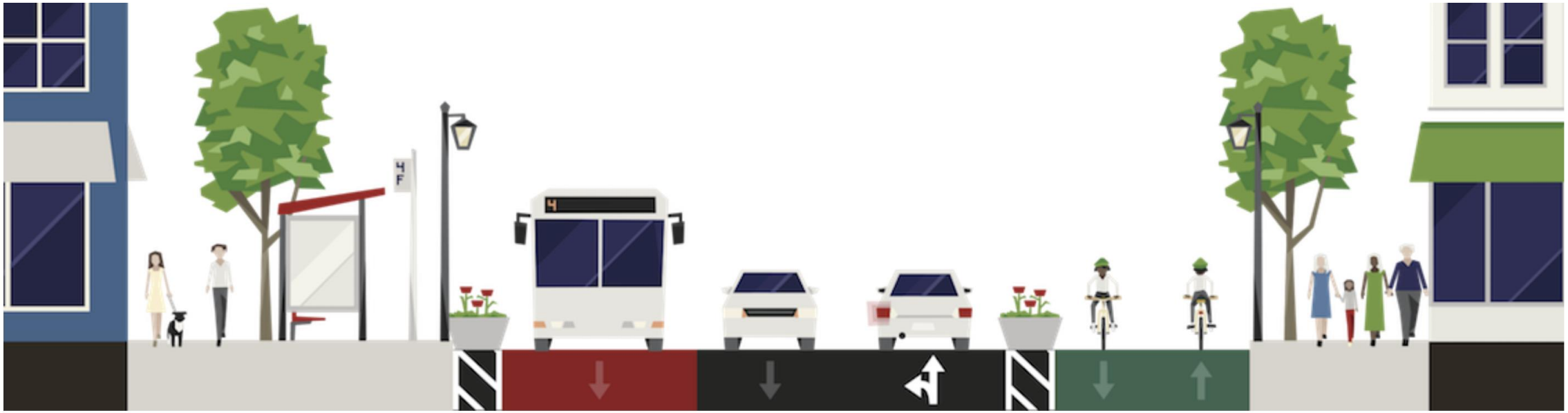
  "Complete Streets are streets designed and operated to enable safe use and support mobility for all users. Those include people of all ages and abilities, regardless of whether they are travelling as drivers, pedestrians, bicyclists, or public transportation riders. The concept of Complete Streets encompasses many approaches to planning, designing, and operating roadways and rights of way with all users in mind to make the transportation network safer and more efficient. Complete Street policies are set at the state, regional, and local levels and are frequently supported by roadway design guidelines."

- This can also be expressed as a cure for the "stroad" problem:

  "'Stroad' is a word we coined in 2013 to explain those dangerous, multi-laned thoroughfares you encounter in nearly every city, town, and suburb in America. They're what happens when a street (a place where people interact with businesses and residences, and where wealth is produced) gets combined with a road (a high-speed route between productive places). "

- The stroad configuration frequently causes multiple serious problems – but many "complete street" solutions have caused their own problems

# A Complete Street Example



Changes from a four-lane road with left-turn lanes (or two parking lanes): (1) one general-use traffic lane in each direction, (2) no dedicated left turn lanes (3) no parking lanes, (4) widened (or new) sidewalks, (5) two-way protected bike path, (6) shade trees, (7) planters protecting pedestrians and cyclists, (8) dedicated bus lane with passenger shelter, (9) attractive street furniture, (10) narrowed vehicle lanes , (11) (possible) speed bumps/tables

Impacts: (a) significantly reduced vehicle traffic, (b) reduced vehicle speeds, (c) increased foot, bicycle, and transit traffic, (d) significantly improved safety

Questions: (i) where park (access to businesses)? (ii) people and goods drop-off and pick-up?, (iii) Buses in other direction where? – similar complete street redo one street over? (iv) where does the diverted traffic from the former stroad go? (v) right turn across bus lane need to watch for bus coming from behind, (vi) left turns stop all traffic behind, (vii) emergency response access?

# Complete Streets Require Careful Analysis

- One huge problem is the built environment – stroads were not originally designed that way, but came into being as driving grew – and the *de facto* national emphasis on cars moving at speed not only overrode other considerations, there were often ***no*** other considerations, such as pedestrians
- Recovering from the prior overemphasis on automobility can be very difficult:
  - Where will the traffic on the former stroad go? In most cases, there isn't any obvious arterial, so this frequently results in traffic diverting to residential streets – often at speed
  - Without at least two traffic lanes in each direction, or a traffic lane and a parking lane/loading zones, drop-offs/pick-ups and goods delivery and pickup can be problematic
  - Without street parking, many merchants will be concerned about losing business. Drop-and-goes, such as dry cleaners, will be particularly concerned, as will "big box" stores (difficult to bring home that 75" flat screen on a streetcar). The big question should be, are there any reasonably close/convenient parking alternatives?
  - Complete streets frequently includes lane narrowing, weaving lanes, protective barriers, and only a single lane in each direction, sometimes only a single lane – this can be a major safety concern for first responders, particularly fire departments and paramedics

# Safety is the Main Objective of Complete Streets

- "Vision Zero" is an approach and a family of tools, originated in Sweden three decades ago, to swiftly move towards zero automotive fatalities
- A major emphasis is to reduce pedestrian fatalities and injuries by making shared use of road space, and the pedestrian's right to use the roads, self-evident to all
- Speed reduction and elimination of conflicts between modes of travel are major tools
- While Vision Zero has been very effective in Scandinavia and other EU nations, success in the U.S. has been mixed – with some U.S. adapter cities actually ***showing*** increases in fatalities since Vision Zero start-up
- The biggest problems are:
  - Decades of designing U.S. roads for the primacy of vehicles and speed of vehicle travel
  - Difficulty in re-educating ill-trained U.S. drivers on how to share the road – and to give a s***

# Other Problems

- Different transportation modes simply do not play together well
- A classic problem is poorly conceived, designed, and operated recreational dual use lanes for ***both*** hikers and off-road cyclists in parks:
  - Experienced Park Rangers have no end of stories for conflicts between hikers and cyclists
  - Fatalities caused by cyclists striking pedestrians in NYC's Central Park are not infrequent
- The basic rule is, "Never Blame the Victim"
- In other words, the vehicle driver is ***ALWAYS*** responsible for a vehicle-pedestrian or vehicle-cyclist collision, regardless of what the pedestrian/cyclists was doing
- While there is a lot of justification for the basic rule, there are times …
  - Clearly intoxicated/impaired victims who wander onto dark streets between parked cars
  - Distracted persons – such as the one who was very engaged in texting while "look-ma-no-hands" cycling all over the road in front of cars coming from both directions
  - Pedestrians and cyclists in the middle of traffic lanes on the Bay Bridge

# Parking

- Understand that there are two basic, generally overriding themes in current progressive parking management thinking:
  - Parking is ***very*** expensive to build and operate and generally does not pay for itself through parking fees because no one likes to pay for parking; therefore, most developers and cities want to avoid providing parking to both save money and avoid taking up space
  - Many modern urbanists use reverse *Field of Dreams* logic – if we ***don't*** build it, they ***won't*** come; ergo, less driving – since driving is bad, getting rid of parking must be good
- The problem with this thinking is that, without parking, modern American life as we know it would cease to exist (a bit extreme, but only a bit)
- While the Bill of Rights to the U.S. Constitution does not contain any guarantee of free parking, many Americans appear to believe it does, and behave accordingly – and innovatively to, somehow, find a way and a place to park, even when great steps and actions have been made to restrict parking …
- … which has not stopped U.S. electeds from behaving like they can reduce parking demand and requirements by fiat

# Parking II

- Many urban residential areas, particularly in older areas largely built out before the “two-car family” era of ~1960, have significant parking shortages (I’ll hazard a guess that many people here have gone to a San Francisco weekend gathering at a home in Richmond or the Sunset and spent 15 minutes finding a parking space two blocks from their destination – and will not need any further explanation)
- “Progress” in Sacramento and San Francisco City Hall to reduce parking requirements for new construction and existing structure expansion:
  - Will generally reduce the asking price, or monthly rent, of the residence
  - Given the shortage of ***all*** housing, until very recently, anything that came on the market would generate a lot of interest ***even though prospects are advised there is no parking provided***
  - While some of these consumers may not need a car (good for them), more commonly, these prospects have at least one car and many have daily requirements for auto use
  - In most cases, these auto owner/user residents would sign on – and then do whatever they had to do to find a place to park their car(s)

# Parking III

- As we have previously discussed, while the remote work movement is large and growing, even many work-at-home jobs require some time in the office – and transit just plain is not workable to access the vast majority of jobs
- The recent legislative requirements that, for example, exempt placing any parking requirements on residences within a half-mile walk to a 15-minute peak headway bus line, not to mention the very common illegal conversion of parking garages to ADUs, means more people per block – and more demand for parking
- Residential parking permit programs have good intentions, but require enforcement, and frequently cause major problems
- Many of the parking-needly will do whatever they need to find a place for their vehicles, including illegal and improper parking
- Since California car break-ins, and cat converter thefts, have been effectively decriminalized in California, there is a huge demand for protected parking

# “Unbundling” Can Be Useful – Or Not

- Unbundling is the process of separating the cost elements of a package and offering the buyer the options of which to select:
  - Instead of offering an apartment rental that includes one or more parking spots, price the parking separately
  - Offering employees the options of:
    - Employer-paid (or discounted) parking
    - Employer-paid (or subsidized) transit pass
    - Cash (such as if they walk, bike, or carpool to work)
- While this is a often a good tool for many reasons, it can lead to problems:
  - Renters that do not opt for parking, but park in a fire lane, in a nearby older single-family home development with limited street parking, or illegally/improperly
  - Renters/employees/visitors that park illegally or improperly on other people’s property (such as shopping centers, office, or church building flat lots)

# Extreme Unbundling Can Approach Quixotic – or Idiotic

- I once debated a ***very*** green advocate who insisted that ***all*** parking ***must*** be unbundled – including supermarkets
- In addition to wanting to reduce driving by any/all means, he argued, "Why should I have to pay for ***others'*** parking through higher prices if I walk/bike to do my shopping?"
- He also wanted to encourage "corner markets" within walking distance from all homes to encourage people to shop regularly for fresh produce, etc. – and not drive
- I tried – unsuccessfully – to point out:
  - The costs of supermarket parking lot redesign, parking fee collection, and enforcement would be so large as to require an ***increase*** in grocery prices to cover the added expenditures
  - Supermarkets:
    - Require a catchment area of approximately one square mile of single-family homes to pencil out
    - Most people, even those who can walk to a supermarket, do not shop daily because they don't have the time or the desire – and they can't walk home and carry all they buy in even weekly trips
    - "Corner markets," with some exceptions (NYC bodegas), are a concept that has seen its time come – and go. Larger supermarkets can offer far more types of products with far more selections with frequent delivery of fresh produce, meats, eggs, and other goods – at reduced prices to the consumers
    - Even those who walk/bike to a supermarket have a net benefit from the supermarket "free" parking, even if they don't use it themselves, through lower prices, greater selection, and fresher goods
    - Supermarkets have far fewer delivery trucks visits than independent "corner markets"

# Failure to Provide Adequate Parking Can Cause Problems

- When the Los Angeles Subway (Red/B-D-Line) opened, the system ridership was under a third of the projection and only the last two stations exceeded theirs:
  - The last two stations were the only ones with “free” parking – which had to be greatly expanded and now is pay-to-park, plus many nearby private pay-to-park lots added
  - Most other stations had little or no nearby parking and no “free” parking nearby
- For many passenger rail lines, particularly commuter rail (like ACE and Caltrain), parking is an absolute necessity – because, otherwise, most riders would not be able to access the stations
- Suburban real estate developments without parking can be very risky. When Portland Tri-Met demanded that a mid-rise apartment complex near a light rail station include ground-floor retail with no parking, no lender would finance – so, to proceed, it had to be taxpayer-financed. Without parking, there were few takers and all but one tenant (a beauty shop catering to the apartment residents) quickly folded and no realtor would even take the listing. Eventually, all the retail shops were converted to apartments – with parking.

# Developer Will Ask for Government Help/Dollars

- Developers will frequently ask governments – taxpayers – to pay for government requirements
- Portland, Oregon is one of the "greenest" metro areas in the U.S. and is very proud of the "Pearl" district near downtown, which includes many multi-use developments with little parking. While the Pearl is served by what was this nation's first modern streetcar, the City operates five mid-rise garages with almost 4,000 spaces in or near the Pearl and the streetcar line – which means that the taxpayers are paying to provide parking, letting businesses and homeowners off the hook. The City also provided huge *ad valorem* tax abatements for condos.
- While the City of Portland is very proud that the streetcar has "generated" billions of dollars of development (a most questionable claim) and reduced parking requirements, they neglect to mention that their claimed "streetcar" developments include almost 12,000 identifiable parking spaces.

# Automobility Is Vital To Most Lower-Income Residents

- Contrary to what most people might believe, the personal auto for home-work commuting is ***more*** important for poverty-level workers for than other commuters – and the spread is wider in the Bay Area

| Auto Commuting by U.S. Poverty- and Non-Poverty-Level Workers – 2021 | | | |
|---|---|---|---|
| **Category** | **Poverty-Level** | **Non-Poverty-Level** | **Ratio as %** |
| **United States** | **71.8%** | **70.0%** | **102.6%** |
| **San Francisco-Oakland Metro Area** | **64.5%** | **53.6%** | **120.3%** |
| **San Jose Metro Area** | **72.9%** | **59.4%** | **122.8%** |

- There are several reasons for these results, including:
  - Many lower-paying jobs require longer travel, making walk and bicycling not practical
  - Transit agencies primarily serve central business districts, which tend to have a lower portion of lower-paying jobs
  - Many poverty-level individuals have multiple jobs at different locations, which makes using transit even more difficult because the work-to-work trip must be quick – if transit would even work at all
  - Many lower-paying jobs are at least partly in evening or late hours, where there are fewer workable alternatives to driving alone
  - Some lower-income jobs, such as construction and gardening, require moving tools and materials to work sites

# Related Issues

- Obviously, for lower-income residents to be able to drive, they must be able to park their vehicles
- There is a growing concensus that auto availability can be one of the most important factors in helping lower-income and disadvantaged residents improve both their incomes and their housing quality; I particularly recommend the work of Evelyn Blumenberg, Director of the Lewis Center for Regional Policy Studies and Professor Or Urban Planning with the Luskin School of Public Affairs at UCLA, who has been studying and publishing on this theme for decades
- To put it simply, there are far more upwardly mobility jobs in the suburbs – where transit simply doesn't serve very well, if at all

# Conclusion

- Feel free to contact me if you have any questions, concerns, or need help:
  - e-mail: tarubin@earthlink.net
  - Phone: 213/447-6601
  - This PowerPoint™ will be available on the Livable California web site. Feel free to use and share it, but – please, please, please, do not make and changes, or do cut-and-pastes, without getting my approval first
- Whenever you hear something from a government official or contractor that doesn't sound right – you are probably right to be concerned

# Propane's New Mission? Mobile EV Charging

March 2, 2023 • From News/Media Release •


**The dual-purpose standalone fueling system from Propane Fueling Solutions will be on display in PERC's booth at the 2023 NTEA Work Truck Show.**

*Photo: Propane Fueling Solutions*

Propane Fueling Solutions announced its new portable dual-purpose standalone fueling system allows fleets with various alternative fuel vehicles to refuel with propane autogas or recharge with DC level 3 fast chargers independent of the grid.