Aging underpinnings can't keep up with growth
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Author: RAY HUARD

When a huge water main burst on Reo Drive in August and flooded homes in the Paradise Hills neighborhood, city officials could hardly say they were surprised.

The 28-inch main was on a list of aging pipes that need to be replaced, said Deputy City Manager Roger Frauenfelder. But the city put it off to save money.

That story probably sounds familiar to City Heights residents, who have complained for years that their neighborhood is crumbling.

"We're supposed to have some 72 acres of parks; we have 32 acres. We're supposed to have two swimming pools and a recreation center; we have one recreation center and no pool. We're supposed to have three libraries; we have one, and that one's substandard," said John Stump, a board member of the City Heights Community Development Corp., a quasi-public agency formed to revitalize City Heights. "You go down Poplar Street, I don't know what's going on, but they have sinkholes down there, the potholes are so big."

San Diego, like many other cities in California and the nation, is neglecting the bricks and mortar that hold it together -- the infrastructure, in the jargon of urban planners, said James Banks, a professor of engineering at San Diego State University.

Spending on city capital projects has dropped from $98.37 per capita in 1972 to $74.28 in 1992 (in 1972 dollars), not counting money the city spent last year on a court-ordered Clean Water Program.

In 1972, San Diego had a capital improvement budget of $72.3 million. That's the money spent on streets, traffic lights, parks, libraries, police and fire stations, water and sewer lines -- the physical things that make up a city.

In 1982, the city's capital budget was $91.6 million. By 1992, it was $472.9 million.

That looks like a substantial increase in spending. But much of it was eaten up by inflation, particularly in the 1970s and early 1980s.

A rapidly rising population put further strain on city services. San Diego's population jumped from 735,000 in 1972 to 1.1 million in 1992.

Far from keeping pace, per-capita spending on capital projects after adjusting for inflation and population growth actually dropped from $98.37 in 1972 to $39.09 in 1982.
Capital spending rose to an inflation-adjusted $106.49 per capita in 1992 (in 1972 dollars). But a large chunk -- $143 million -- of the 1992 capital budget was for a court-ordered Clean Water Program.

Because the Clean Water Program didn't exist in 1972 or 1982, a fair comparison of 1992 capital spending with spending in previous years would have to exclude the Clean Water Program, Frauenfelder said.

Without the clean-water money, San Diego spent an inflation-adjusted $74.28 per capita in 1992 on capital projects (1972 dollars).

And it's not likely that capital spending will rise significantly soon.

If anything, the pressure is to spend less because of cutbacks in the amount of money the city gets from the state and shortfalls in sales-tax and property-tax money caused by the recession, Frauenfelder said.

But, he added, "You can defer maintenance for a number of years, but sooner or later, that catches up with you."

Fair weather has helped San Diego delay its day of reckoning. The city also is younger than many of the East Coast municipalities where deteriorating streets and water and sewer lines are more obvious, said Steven Erie, a University of California San Diego political science professor.

"It's easier for us to defer because our infrastructure and our capital improvements are newer," Erie said. "We're lucky, but we're going to be New York in 20 or 30 years."

San Diego's generally conservative political philosophy also contributes to its tendency to keep capital spending to a minimum, Erie said.

"It's a read-my-lips, don't-tax, don't-spend culture," Erie said. "San Diego is going to have to realize that capital budgets and capital improvements are a key lever in this city to manage and control growth, and you're going to have to be willing to spend."

Partly because it was a Navy town and partly because the federal government had more money to give for capital projects, San Diego, for much of its history, was also able to rely on others to help pay for much of its infrastructure needs, Erie said.

For example, in 1972, nearly 60 percent of the money the city spent on capital projects came from somewhere else -- primarily the state or federal government.

In 1992, 79.6 percent of the capital budget was city money.

Just how far San Diego is from meeting its needs was outlined in a 1989 Citizens' Finance Committee report, which said the city was $1.5 billion short of raising what it
needed.

But the chairman of that committee, former Assistant City Manager John Fowler, today is skeptical of his committee’s report, which used an abstract formula for determining what capital projects were needed without accounting for a neighborhood’s individual character or residents' wishes, Fowler said. Nevertheless, he is concerned over the decline in capital spending.

Like others, Fowler said Proposition 13, which severely limited cities' property-tax increases, was responsible for the downturn in capital spending. Before Proposition 13, cities used the sales-tax money they got for capital projects.

After Proposition 13 passed, cities had to use sales-tax money for operating expenses to make up for what they lost in property taxes.

A law that requires voters to approve the sale of general-obligation bonds by a two-thirds majority has further sapped cities' ability to raise cash, Fowler said.

The result is that the cities often spend money on capital projects only where they would lose matching federal or state money if they didn't.

If the city needed further proof that it hasn't kept pace, critics have said, it need look no further than the court-ordered Clean Water Program.

U.S. District Judge Rudi Brewster, in a March 1991 order, said, "The sewage-treatment program in this city has been victimized by a failure of political leadership, dating back at least three decades.

"The city has maintained a policy of inaction except when action was literally forced upon it by state and federal orders, directives, sanctions and threats of more severe enforcement measures," Brewster wrote. "While the city grew, minimal capital was invested to replace and upgrade antiquated and obsolete (sewer) collection lines and pump stations."

The result, wrote Brewster, was an "outrageous record of spills, closures and distress to residents over sewer backups in their homes, churches and businesses."

Ultimately, the city could be forced to spend between $1.4 billion and $2.5 billion on court-ordered clean-water projects.

In the 1992 budget alone, clean-water projects accounted for 30 percent of city spending on capital projects.

Ironically, San Diego's early efforts at growth management are also responsible for some of the city's problems in meeting its needs, said Nico Calavita, an associate professor of urban studies at San Diego State University.
A growth plan developed in the 1970s encouraged development in older neighborhoods by exempting inner-city projects from the impact fees charged for projects in suburban neighborhoods, Calavita said. The theory was that it was easier for the city to provide services in the older neighborhoods because the water and sewer lines, the libraries and police stations were already in place.

The plan worked for a time, Calavita said, but in the mid-to late 1980s, growth went wild to the point that there was so much new development in older neighborhoods that city services were stretched beyond their limits.

Caption: 1 PIC
ROGER FRAUENFELDER, deputy city manager

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