

Urban Growth and Carrying Capacity in the Morongo Basin

Position Paper, Part I

by Mark Wheeler

Over the last four to five years, no single subject of public discussion in the Morongo Basin has raised so many eyebrows and hackles as the one concerning growth. Town and city council meetings have filled to overflowing with residents when development items were included on the agenda. Planning commission meetings and open policy discussions have attracted large crowds when local growth activities were subject of review or possible legislation.

There's no denying that the subject has become a wedge issue in the community. On one side, there is strong support for pursuing an urban-expansion growth model in the Basin that is similar to the one being applied in communities all over Southern California. Proponents of this model maintain that increased population, more housing options and commercial enterprise will supply the needed revenue to build community infrastructure and a larger local economy.

The other side contends that an urban growth model is a poor fit for the Basin. This group argues that such a direction in planning will destroy the Basin's scenic assets and much of its quality-of-life appeal. It is a violation, they further assert, of terms in community and general plans which promise to uphold a rural lifestyle here, and is, moreover, a development model that requires support services and resources which are not available and which cannot be established in a necessarily timely fashion.

On the most superficial level, public debate on the matter has often appeared to be a simplistic disagreement over whether land here should be developed or should be preserved in its natural state. Indeed, much of the most contentious debate has argued from a trees vs. development script. However, to characterize the opposition to urbanization in the Basin as mere environmental obstructionism, fails to understand both the unifying motive behind the movement and the arguments its members make.

Certainly, a large number of those on the opposition side do endorse a more sincere and intelligent environmental ethos in America's way of doing business. Yet, not everyone in the group shares this perspective to the same degree. What they all do share in common, though, is a profound conviction that an urban expansion model — commonly called by the more generic term “sprawl” — is far more likely to fail in the Morongo Basin than succeed. And, they believe such an ill-conceived development plan could very well destroy the community in the process, as well as put the lifestyle security of many residents here at severe risk.

The opposition argument is as much economic as it is environmental. It is a disagreement with the idea that production housing developments, corporate retail and accelerated population increase will generate prosperity here. Although such a wholesale approach to creating community economy may work in some places, it doesn't work everywhere and the Basin is one of them.

To understand why it won't work here, it's necessary to recognize that every local environment — city, town, animal habitat, ecozone, etc. — is defined by conditions of its geographical location and the resources available. These conditions give an environment its form and shape and its particular mixture of living systems. They also define a local environment's limitations, and this is a crucial point. For, no environment can be understood, much less be “administered and managed,” without accounting for its conditions.

It is in the accounting for an environment's conditions that all considerations, and in particular environmental and economic considerations, unite. What binds them inextricably together is the fact that no local environment will prevail for long if its carrying capacity is overburdened.¹

The condition of remoteness

Remoteness is a condition of geographic location and, in matters of work and commerce, it is typically measured in time and distance a community is from neighboring towns and cities, and from major transportation facilities. The following examination focuses strictly on this condition, discussing in the process community development limitations and opportunities that are primarily derivative of the area's remoteness.

Although the introduction of the Internet into our affairs has somewhat reduced the traditional implications of what it means to be remote, so long as our commerce and productivity depend on the manufacture, distribution and sale of goods and on the physical performance of services, connectivity among us matters, and remoteness still counts.

Setting

By all modern standards of accessibility, the Morongo Basin is remote. State Routes 62 and 247 are the only roadways connecting directly with the outside world. Using the center of Yucca Valley as a point of origin, the next nearest commercial communities via SR-62 are 20 miles away in Desert Hot Springs and 30 miles away in Palm Springs.

¹ Although the principle of carrying capacity is a cornerstone in the life sciences, its calculus is strictly economic. Carrying capacity is most commonly defined as the number of individuals of any given species that a local environment — ecosystem, habitat — can support. It is a very flexible concept and applies equally well to larger scale units such as communities and their populations.

Distance to the next nearest commercial community via SR-247 is about 50 miles. The nearest Interstate 10 on-ramp is twenty miles away. There is no commercial airport in the Basin, nor is there a rail connection.

Since SR-62 doesn't carry through traffic to points east of Twentynine Palms — even though it does eventually make a connection — and since SR-247 actually dead-ends in Yucca Valley, the Basin has been spared through-highway usages. This plus the Basin's lack of other commercial transport facilities has knocked it off the location radar for just about any industrial or business interest that requires daily automobile travel and/or commercial transport services.

It is simply not a practical location for any company whose business requires daily travel to neighboring commercial districts, nor is it an appealing site for any manufacturer whose product requires transport services more ample than UPS or Fed-Ex. Similarly, the distance to I-10, which includes two long, steep grades, makes it an impractical location for trucking industry operations and without trucking, there is no warehousing. Absence of these industries and the many businesses that support them results in a distinct lack of employment opportunities in the Basin.

Employment and wages

According to the County of San Bernardino Economic Development Strategy 2007 Report prepared by John Husing, the Basin's jobs gain during the first five years of the millennium ranked fifth in the county's six economic zones. Only the Outlying Desert zone, which is very sparsely populated and includes the small towns of Trona and Needles, ranked lower.

Breaking the Basin's overall employment landscape down by sector and using California Employment Development Department statistics, Husing's report names government, and principally the Marine Corps Air-Ground Combat Center, as the Basin's employment leader, accounting for 64.8 percent of jobs in 2005.

Next in order of employment share is retail, but it trails government's 64.8 percent at a distant 12.3 percent. Education and health agencies take third and fourth place on the list at 5.5 percent and 4.6 percent respectively. Whereas construction accounted for 2.8 percent of Basin jobs in 2005 by Husing's reckoning, the building bubble-bust since then has reduced this industry's jobs share considerably all across the nation and in the Morongo Basin.

Husing concludes from his data that the Morongo Basin is “a net exporter of workers,” meaning that residents here are commuting to other towns for work. What percentage of the current employment population this applies to is not estimated in the report. However, the inverse relation between residents and jobs is noted again by LSA Associates, Inc. in their recently released final Environmental Impact Report on the Super Walmart store planned for Yucca Valley.

Citing the U.S. Census Bureau's Economic Census as its source, LSA states in Section 4.12 of the EIR that: "The increase in employment within the Town of Yucca Valley has not kept up with the increase in population. The growth trend in employment is decreasing as residents of the Town of Yucca Valley seek employment outside the area or become unemployed."

A weak job market is not peculiar to Yucca Valley or to the Morongo Basin. Many communities are similarly challenged and though some of them may identify different reasons for the lack of jobs within their town limits, all communities like the ones in the Morongo Basin can rank their geographical distance from other trade centers and from major transportation facilities as a leading cause.

Given the choice of all places for location, businesses understandably tend to prefer to locate in places that optimize their ability to make quick contact with market counterparts and that provide quick and easy access to at least an interstate highway. The Morongo Basin can't satisfy either of these demands and as a result, has always had difficulty attracting new commercial interest.

Businesses do locate here, but the vast majority of these are local market businesses only: retail, restaurant, and services such as home health care. Taken all together, these three employment sectors, according to the Husing report, represent less than 25 percent of the area's jobs, although they are by far the premiere sources of employment in the Basin next to government.

It's important to recognize that the wages provided by these local market businesses are typically ranked at the low end of the wage scale. Husing's report puts retail, which includes restaurant work, and employment agencies, which supply many of the home health care workers in the area, at the very bottom of the list. In the year 2005, these two employment sources paid annual average wages of \$21,392 and \$17,852 respectively. Government paid considerably better with an average annual wage of \$86,743 in 2005.²

Perhaps if the government's 64.8 percent share of the Basin's jobs market equaled more total jobs in number, the employment situation here might be different. Furthermore, despite the government's large share, and its higher average wage, the fact remains that Husing's report put the Basin's median household income in 2005 at \$35,338.³ This was lowest for the county's six economic zones, trailing even the Outlying Desert.

² An average — also called the "mean" — is calculated by dividing a total sum by the number of its contributing parts, and in many cases the result can be totally misleading. For instance, an employer might pay one employee \$110,000 per year while nine other employees only receive \$10,000 per year. Adding all wages equals \$200,000. Dividing by 10 employees yields an average wage of \$20,000 which, though it may be mathematically correct, does attribute rather more in earnings to nine employees than they are actually getting. Averages can be adjusted to improve accuracy, but in many cases they are simply not a useful way to represent data.

³ A median is another statistical method for factoring data. It chooses the midpoint in a data spread, and it yields a far more meaningful result for the purpose of analysis than does the average.

The commuter option?

During a 24-36 month period between 2003-2006, the Basin experienced a temporary surge of growth. A few new retail businesses set up shop in the area during that time, but the construction of single-family homes increased enormously by Basin standards. From July 2004-July 2005 the new single family residences built in Yucca Valley alone totaled 384, according to Yucca Valley statistics. This was two more single family homes than were built in that town over all the years from July 1991- July 2001.

Single family housing became the area's economic-engine-of-the-moment as development interests, both large and small, eagerly launched projects for everything from the single, owner-built in-fill home, to subdivisions that covered many acres with homes and new streets. Major league developers appeared on the scene and though none on them have as yet broken ground on a project, many of them have submitted applications and have begun preliminaries for projects consisting in thousands of dwelling units, more new streets, and enlargements to nearby arterial roadways necessary to handle the increased traffic load.

A superficial explanation for the local building boom here states simply that the lower land prices and the lower permitting and development fees have attracted builders to the area as the prices for land and municipal fees have increased wildly in more centralized SoCal communities.

Yet, for as important as these variables are in the decision for where to locate a housing project, there is another, even more basic reason why developers have moved into the Morongo Basin. They have determined that the customer base for their housing products will consider the distance to centers of more commercial activity — and therefore employment options — to be within an acceptable commuter margin.

Both the Husing and LSA reports stated as much when they assumed the working population in the Morongo Basin would include many if not a majority of commuters due to the Basin's weak jobs market. Developers are making the same assumption.

Since the cost of their housing products — in the range of \$275,000-\$325,000 — requires a proportionate income on the buyer side, and since the Basin is proven to lack such wage resources in sufficient quantity, developers and growth boosters alike can only realistically assume that the majority of working new home buyers will be earning their mortgage payments at better paying jobs elsewhere.⁴

⁴ Despite futuristic visions of “e-commuting,” universal public transport, and a carpool in everybody's life, the demographic reality in, especially, Southern California is and will remain tied for some time yet to automobile commuting. This will, of course, have to change for any number of different reasons, energy costs chief among them. However, to expect that the general public and especially the below-median-wage earners can or will take immediate action is unrealistic.

It is a disagreement with the validity of this assumption that fuels the argument against trying to force-fit an urban expansion model into the Morongo Basin's framework. With gas prices already exceeding \$4 per gallon and rising, the idea of basing this remote community's economic future on a foundation of commuter dependency strikes urban expansion opponents as not only short-sighted, but dangerously foolhardy.

Research and considerations

So far, surveys show that, with some exception in metropolitan areas especially, Americans have not changed their commuting habits appreciably despite the astronomical gas prices. This might perhaps suggest that Americans will continue to pursue their commuter lifestyle at any price, and that remote communities like the Morongo Basin might still develop as commuter communities.

However, the fact that commuter activity hasn't changed notably could also mean that many Americans are simply reluctant or afraid to change jobs and/or are unable to sell their homes in the current housing market.

In any or all events, it is also unrealistic to expect that the commuting public would or could change either place of residence or employment in the short amount of time — less than a year in California — it's taken gas prices to go from under \$3 to more than \$4. Moreover, even if commuters can manage to pay \$4-\$4.50 per gallon, recent economic surveys are revealing that it is only by cutting back on other expenditures that they can do so, and analysis of this trend further highlights a multitude of economic impacts that could very well affect more than just this nation's commuting practices.⁵

It's important to note as well that even though the current commuter public includes many long-distance travelers, the 2003 U.S. Census reports a national average commute time of 24.3 minutes and a median weekly distance traveled of about 70 miles. Media analysis and think-tank reports on commuter behavior often cite a 12 mile per day average.

Like any statistical measurement, these times and distances are only as dependable as the methods used to both collect and factor the data. However, more comprehensive research on the economics of commuting have demonstrated that there is an important budgetary

⁵ Every major news magazine, including *Time*, *Newsweek*, *The Economist*, et al. and every major newspaper, including the Los Angeles Times, has repeatedly run headline stories over the last 4-6 months featuring expert testimony to the effect that high gas prices are changing U.S. demographics. New homes are declining in value at a record rate, especially in the outlying areas, and new home sales have ground almost to a halt in distant locations as buyers choose accommodations closer to the commercial centers where they work. A July 17, Los Angeles Times front page story, quoting SoCal's largest real estate data bank, DataQuick, noted for example that whereas the median price for new homes has declined by 23 percent in Los Angeles over last year's prices, the decline in outlying areas such as Lancaster, Palmdale, and Victorville, has plunged to 38, 42 and 43 percent respectively. These areas, incidentally, have far more employment resources and transport access than does the Basin.

correlation, at least for working families earning below median wages, between housing and transportation.

Two such studies, performed in 2006 and 2008 respectively by the Center for Housing Policy and the Metropolitan Policy Program at the Brookings Institute show that for every dollar a working family saves on housing, seventy-seven cents more are spent on transportation. This is because people tend to find more affordable housing at distant locations from the main centers of trade and commerce, where most employment is. Hence, the cost for transportation goes up, but the twenty-three cent difference is still enough of a savings rationale to persuade many to buy homes in more outlying districts and commute to work.

Yet, every budget is subject to checks and balances and, as noted in the Brookings report, “once a commute has surpassed 12-15 miles, the increase in transport costs usually outweigh the savings on housing.” Incidentally, this calculation was based on a price per gallon variable for gas of \$2.89. In the Los Angeles Times story cited above, one real estate agent in the greater L.A. area stated: “It seems like the money they can save in housing is being absorbed by higher gas costs, so they are a little reticent to commit.” This agent’s conclusion: “Gas is definitely beginning to be a concern.”

The point is that average and median commuter times and distances do have a budgetary constraint, and communities like the Morongo Basin lie outside that constraint’s boundaries. Even allowing for reasonable deviations from statistical averages, the Morongo Basin is 60 miles round-trip from Palm Springs, 80 from Palm Desert, 100 from Apple Valley, and these are among the nearest districts with employment options.

At \$4 and counting per gallon, a daily commute from here amounts to significant costs, not to mention that there is only one roadway going west from here, and one going north. Increased commuter use on these two routes could quickly tie them up in gridlock, making them almost unusable during rush-hour periods and raising the cost of driving to and from the Basin even higher in economic, social and environmental terms.

Accounting for conditions

Perhaps these considerations don’t prove in any absolute way that the Basin cannot survive in the future as a commuter community. However, they are compelling enough to advise the utmost care and caution in the matter of directing the Basin’s future developmental course.

At the very least, both incorporated communities and the county should combine resources to contract for a comprehensive and data-based cost-benefit analysis of the Basin’s prospects as a location for housing development activity, franchise and big-box retail, and, especially, as a location for commuter home owners.

Husing's recent report on the Basin provided some information useful to such a study, but it was only a bare approximation of what truly needs to be done. For instance, his report assumed that Basin residents would be commuters, and that they would commute to the Coachella Valley, "just a few miles away." It didn't offer any data to support these assumptions and didn't account in any way for costs, either public or private.⁶

A more useful report would examine questions such as these, among many others.

- What would the estimated costs be to local municipalities to support large-scale tract housing and a corresponding increase in population?
- What will be the anticipated costs to local municipalities for heavier road wear due to increased commuter activity, and for the services necessary to regulate greater roadway use?
- What portion of the commuter shopping dollar is spent along the commuter route or nearby the place of employment, and how much of it is spent in the hometown?
- Considering the Basin communities' lack of extensive infrastructure, what would the estimated costs be to fast-track needed new facilities? Alternately, if fast-tracking is not practical, would there be any probable cost increases resulting from trying to serve a larger population with the infrastructure currently in place?
- Given the Basin's infrastructure needs and considering the common financing mechanisms available to municipalities, what portion of the costs for new infrastructure construction can be realistically derived from new growth and how much of these costs will be borne by current residents?

Of most importance in the Basin's case, a proper study would calculate the costs of vehicle commuting from here, both in the present and near future, accounting categorically for the wages most Basin commuters earn, and overlying this with credible projections for cost-of-living increases, recession impacts and, especially, increasing costs for gasoline.

There are numerous academic and professional agencies that perform these studies. Indeed, all the local governments have contracted with some of them in the past for such services. However, most if not all the studies done at least in the recent past were focused on one discrete project or community development plan. What is needed in this case is a large-scale community assessment that would demonstrate in terms of the data whether an urban expansion economic model can possibly work in the Basin or whether the communities should pursue alternative developmental options.

⁶ Considering the prominent influence commuting has on the nation's demographics, especially in the west, the activity should be a primary category of comprehensive analysis for any study that presumes to inform a community's economic planning strategy. Husing's report ignored commuting's costs, influence and impacts and did not support the claim that Basin commuters would be traveling no farther than the Coachella Valley. Not to mention the fact that, at any price per gallon of gas, the Coachella Valley is more than "just a few miles away."

Warning signs

Needless to say, a study of this magnitude would not be cheap. However, the cost might be negligible in comparison to the costs entailed if the urban expansion model currently in favor with decision-makers is further applied, and fails.

Already we are seeing the consequences of overbuilding. Yucca Valley alone has “1,160 vacant housing units,” according to Section 6.0 of the Final Old Town Yucca Valley Specific Plan Program EIR, released August 2007 and prepared by RBF Consulting.⁷

The expansion model optimist dismisses this vacancy outcome as a mere interlude in activity while the real estate market makes “necessary adjustments.” Whereas this is a true statement about the fact that the market here was driven out of balance and therefore needs time to adjust, it altogether avoids any accounting for why the imbalance occurred in the first place.

Was it merely a collateral consequence of the entire nation’s economy taking a dive? Perhaps. Or, perhaps it was the result of an incorrect assumption that the Basin can support a commuter market and a larger population. Perhaps it was the result of an underestimation of the geographic and resource constraints that prevail here.

In either event, there are many empty homes on the landscape that in their large number do nothing but make the community look impoverished and uninviting to both residents and visitors. Empty houses are magnets for vandalism, graffiti and theft, and they are potential sources for fire. Their vacancy does not make any but the most minimal property tax contribution to the municipal revenues needed to construct, for instance, drainage facilities to manage the storm water run-off now diverted from their properties because the natural absorption capacity of the land they’re on is overborne by concrete, blacktop and roofing tiles.

With grading removal of the plants and alterations to the topography, the landscape’s hydrology is altered. Greater magnitudes of storm water run-off — caused by paving and rooftops — will run in more unpredictable directions, sometimes finding its way into downstream neighbors’ yards and even houses. At the same time, the transformation of open lands to housing results in a net reduction to the Basin’s overall appeal as a scenic tourist destination, and herein is where environmental and economic considerations in the opposition argument actually become one and the same.

Fitting an economic model to conditions

The scenic viewshed in this area is the one asset the Basin has upon which an economic model might be based that both fits the conditions of the location and is reasonably

⁷ Another source for national housing information, National Relocation. com, puts the 2007 vacancy rate in Yucca Valley at 1,003.

independent of the vicissitudes, demands and impacts of urban expansion. This model is one of tourism.

As the gateway to Joshua Tree National Park, the Morongo Basin is in a perfect position to profit from the park's current visitorship of about 1.3+ million people per year. With cooperation among the communities and with the park, the Morongo Basin could be developed as the hospitality center for all park visitors, national and international. Even more significantly, though, it could become the weekend and vacation Mecca for the millions of SoCal residents who seek, from time to time, to escape the urban settings they live in. Although a proper discussion of tourism as a viable economic engine for the Basin is a subject requiring its own analysis, two details are relevant to this particular discussion.

An advantage of tourism is that tourists don't put permanent demands on municipal services and, therefore, their presence doesn't entail the costs necessary for supporting a resident population. They arrive, spend their money and leave.

A disadvantage, on the other hand, is that it is highly unlikely a tourist economy could support the population build-out currently recorded in community and general plans. With some exception, tourism provides a smaller economy than one based on urban expansion, but the smaller size doesn't also mean it can't be a vigorous and prosperous economy for those it does support.

Of course, there's no way of really knowing how a tourist economy might work here without the kind of study suggested above.⁸ However, one thing is certain. For every property in the Basin that is bladed for housing purposes, the scenic appeal of the area is reduced and, therefore, the potential for a tourist economy is reduced.

No one will care to visit or vacation in an urban setting that looks just like what they have back home. And if, in addition to losing the tourist economy potential, the urban expansion model fails, the result will be a Basin of communities that are blighted with signs of abandonment.

Conclusion

Growth proponents claim the urban expansion model will bring jobs and prosperity. Yet, they have no proof of this other than the fact that it has worked in other places. However, they have failed to account for conditional differences between places like the Basin and those places where location makes for more accessibility.

⁸ Gas prices will almost certainly affect tourism as well as commuting practices. It is still, however, reasonable to assume that international tourism will continue, and that nearby urban residents — Coachella Valley, Riverside County, etc. — might be happy to vacation somewhere like the Basin, that is closer to home. A solid analysis of this prospect is needed, and would ideally be part of Basin-wide community assessment.

“Build it and they will come,” say the proponents in their confidence that large-scale housing speculation here is appropriate. Opponents are not convinced and want something more in the way of evidence that the carrying capacity here can support such developments before rushing to welcome them.

The opposition argument is not just about protecting trees, nor is it about sealing off the Basin’s borders and defending it against all new-comers. It is about preserving the investment of people who moved here to live in rural surroundings, and it is about trying to prevent the destruction of community and landscape for the sake of short-term, urban expansion gains that could very well dwindle and disappear in the long run.

It is urban expansion growth the opposition is against: speculative building, oversized and programmatic subdivisions, franchise and big-box retail, and a population increase dependent on commuting and based more on real estate investment motives than on a genuine desire to live and raise a family here.

Limited growth is what the opposition supports, starting with a local housing market that isn’t artificially lifted on the profit motives of speculation, and a population of residents who are here to be neighbors and not just real estate investors.

In addition, the opposition is keenly aware of the fact that an urban expansion model powerfully and artificially inflates land and real estate values. Proof of this can be currently seen nationwide as the economy struggles to restabilize after the sub-prime meltdown. Rents and home prices in the Basin have escalated far beyond the means of many long-term residents to pay them, and the opposition argument is as much about protecting these neighbors as it is about protecting trees.

Some have said the urban expansion opponents prefer trees over people. What is far more accurate to say is that the opponent side prefers both trees and people over private profits. When it comes to deciding between an exploitative gain for one or a few people, and the character and economic stability of the community-at-large, the opponent side comes out squarely in favor of the latter.

The opposition argument does not call for a “no growth” policy. On the contrary, it desires the kind of growth that will be productive of new neighbors, local entrepreneurship and that will be sustainable. It desires the kind of growth that starts with an understanding that this area of modest means simply cannot support an immoderate demand.

Sources:

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