



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: June 10, 2022

**SUBJECT: PARKING/TRANSPORTATION DEMAND MANAGEMENT (TDM)
ORDINANCE UPDATE POLICY DIRECTION**

RECOMMENDATION

The Planning Commission voted 5-2-3-0 (Bonilla and Garcia opposed, Casey, Caballero and Montanez, absent) to accept the staff report and provide comments to City staff and City Council on proposals to amend Title 20 (Zoning Code) that:

- (a) Removes mandatory minimum off-street parking requirements (except in areas where the City has defined contractual agreements regarding parking) and implements, a market-based parking approach; and
- (b) Revises the City's Transportation Demand Management (TDM) requirements for new developments (except for small projects); and
- (c) Develops a TDM program for ongoing monitoring and compliance of new developments citywide.

OUTCOME

Should Council accept staff's recommendations or select an alternative proposal, staff will return to the Planning Commission and Council with a comprehensive ordinance update to Title 20 based on Council direction by the end of 2022. Mandatory minimum parking requirements would be removed for either all or a part of the city. The development review process would be streamlined to provide development projects more clarity and certainty on the TDM and other transportation requirements.

BACKGROUND

Over the past three years, the City has been reevaluating its parking requirements and TDM measures strategy to improve consistency with Climate Smart San José and the Envision San José 2040 General Plan transportation and land use goals. This is a joint effort between the

Department of Planning, Building and Code Enforcement (PBCE) and the Department of Transportation (DOT) under the umbrella of the American Cities Climate Challenge (ACCC) and the multi-departmental Climate Smart San José team.

Staff has developed a proposal and two alternatives and is seeking direction from Council on how to amend the zoning ordinance as it pertains to parking and TDM. Staff's proposal would remove the City's minimum off-street parking requirements for new developments in all areas of the city (except in areas where the City has defined contractual agreements regarding parking). Two alternatives would remove the minimum parking requirements in specific areas or land use types within the city.

On June 8, 2022, the Planning Commission held a hearing on the proposed amendments to the parking and TDM zoning ordinance provisions. Staff from the Planning Division and Department of Transportation provided an overview of the proposed amendments and was available to respond to questions from the Commission. The Planning Commission's comments and questions are summarized within the "Commission Recommendation/Input" section below.

Public Testimony

A total of thirteen members of the public spoke on the item. Representatives from the Greenbelt Alliance, Urban Environmentalists, Catalyze SV, Housing Action Coalition, Natural Resources Defense Council, Save the Bay, Silicon Valley @ Home, Spur, as well as two individuals, spoke in favor of the staff recommendation. Representatives from the Winchester/Orchard Neighborhood Association, the Kooser Woods Coalition Neighborhood Association, and one individual expressed concerns with loss of parking and spoke in opposition to the proposal.

ANALYSIS

A complete analysis of the issues regarding the proposed Zoning Ordinance amendment is contained in the Planning Commission staff report dated June 8, 2022 (attached).

CONCLUSION

The Planning Commission accepted the staff presentation and provided comments for Council to consider when providing direction to staff on the proposal to removed mandatory minimum off-street parking requirements throughout the city, revise the City's TDM requirements, and develop a TDM program for ongoing monitoring and compliance.

EVALUATION AND FOLLOW-UP

Should Council accept the Commission's recommendations or select an alternative proposal, staff will complete the technical work to prepare a zoning ordinance update and return to the Planning Commission and Council in the fall of 2022 with a comprehensive ordinance update to

Title 20 based on Council direction. Staff will leverage the ongoing cost of development analysis being led by the Office of Economic Development to evaluate the cost of proposed TDM requirements to ensure that they are “right sized” and do not negatively impact project feasibility/economics.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals.

Eliminating mandatory minimum parking requirements would facilitate increasing the density of new development (persons/jobs/acre), reducing Vehicle Miles Traveled (VMT), and increasing mobility choices other than single-occupancy, gas-powered vehicles.

POLICY ALTERNATIVES

Staff recommends removal of mandatory minimum parking requirements throughout the city, except in areas where the City has defined contractual agreements regarding parking. Staff presented two alternative proposals for discussion: alternative one would exclude single family zones from removal of mandatory parking minimums and alternative two would only remove mandatory parking minimums from Growth Areas identified in the General Plan. A complete analysis of the policy alternatives is contained in the attached Planning Commission Staff Report.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the June 8, 2022 Council Meeting.

This project has undergone an extensive amount of community engagement over the past two and a half years, beginning with an Urban Land Use Institute Technical Assistance Panel presentation to the Planning Commission at a Special Study Session on January 29, 2020. Since that date, there have been over 30 separate events engaging over 1,300 attendees. These events have ranged from webinars put on by some of the City’s partners such as SPUR and Greenbelt Alliance, to engagement with local developers and neighborhood groups, and to multiple workshops hosted by City staff. A complete discussion of the public outreach is contained in the attached Planning Commission Staff Report.

COORDINATION

Preparation of this memorandum has been coordinated with the Department of Transportation and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

The Commission heard the staff presentation, asked questions, discussed the item, and provided the following input:

The Commission was generally supportive of the concept of removing mandatory minimum parking minimums and thought that the combined parking and TDM approach generally is the right approach for the City. Some concerns were raised. Commissioners Cantrell and Young explicitly expressed support for the staff recommendation to remove mandatory minimum requirements citywide. Commissioner Oliverio supported alternative one, commenting on the need to preserve and protect existing single-family neighborhoods. Commissioners Torrens and Garcia supported a more incremental approach provided by alternative two. Commissioner Ornelas-Wise expressed support for parking reform but suggested either alternative one or two to slowly progress toward reducing parking.

Several Commissioners mentioned that for a family with children it's challenging to move around without a car, therefore lack of parking could create a unique barrier to parents. Commissioner Torrens stated that alternative two to remove parking minimums in growth areas is a good incremental approach because those areas will have denser development where it is easier to move around without a car. Staff noted that the proposal would not mandate removal of parking but rather allow developers to determine the amount of parking that would meet the demands for their specific project. Therefore, projects where customers include families are anticipated to continue to provide parking to serve this customer base. Commissioner Ornelas-Wise suggested encouraging family parking or carpool spaces in new developments to help address concerns around families. She also said that large projects should be encouraged to utilize shared parking arrangements to make the best use of the excess parking that is already built. She suggested that there should be incentives for sites with excess parking to convert it to another use. Commissioner Cantrell commented that as part of this work we should ensure that accessible parking remains available.

Commissioners commented that there is room for improvement in the local transit system and in bicycle and pedestrian safety. Commissioner Ornelas-Wise stated that there should be a holistic approach to road safety, working at a regional level with the County and VTA. She mentioned that improvements like landscaping and lighting are necessary to increase the attractiveness of walking and biking. She also noted that with the current high gas prices this could be an opportunity to partner with VTA to incentivize transit.

Commissioner Young expressed strong support for the concept and highlighted that we are talking about a cultural change away from car transit as the default, which is hard but necessary. He stated that removing mandatory minimum parking requirements throughout the city would be

the best approach because it provides flexibility for developers to decide how much parking their market demands. He mentioned the Commission received public comments expressing concerns over overflow parking and that parking should not be eliminated until there is an adequate transit system. He stated that the only way to have better transit is to increase ridership, so it becomes feasible for the transit system to increase service. He also noted that there are technologies and methods available to address concerns raised by the public about overflow parking in neighborhoods.

Commissioner Lardinois expressed support for the concept and stated that he echoed his fellow commissioners' comments.

Commissioners Bonilla and Oliverio expressed that more outreach is needed, particularly with community members. Commissioner Bonilla commented that many community members have no option but to drive so this conversation needs to include their point of view. He noted that not everyone has the option to work from home, and that the working-class perspective was missing from the discussion. He specifically called out the East Side and the Spartan Keyes Neighborhood as areas where additional outreach should occur. He noted that the lack of this discussion is why he voted against accepting staff's report. Commissioner Garcia also expressed that San José is car-dependent and we simply do not currently have the infrastructure to not use cars, hence his recommendation of limited parking reform to planned Growth Areas should parking reform be adopted. Commissioner Oliverio noted that this is a bold and major change so we must make sure that the public is aware and understands the implications so that they can comment and be heard. He also noted that, in his opinion, removing minimum parking requirements will lose good will from the community around the General Plan growth strategies and will be impactful to residents and that must be acknowledged.

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/

Christopher Burton, Secretary
Planning Commission

For questions, please contact Michael Brilliot, Deputy Director at (408) 535-7831.

Attachment: Planning Commission Staff Report



Memorandum

TO: PLANNING COMMISSION
PBCE

FROM: Christopher Burton,

John Ristow, DOT

SUBJECT: SEE BELOW

DATE: June 8, 2022

SUBJECT: Parking and Transportation Demand Management

RECOMMENDATION

Staff recommends that the Planning Commission recommend the City Council direct staff to prepare an ordinance that:

1. Removes the City's mandatory minimum off-street parking requirements (except in areas where the City has defined contractual agreements regarding parking), moving instead to a market-based parking approach; and
2. Updates the City's Transportation Demand Management (TDM) requirements for new developments (except for small projects); and
3. Develops a citywide TDM program for ongoing monitoring and compliance of new developments.

OUTCOME

Should Council accept staff recommendations or select an alternative proposal, staff will return to the Planning Commission and Council with a comprehensive ordinance update to Title 20 based on Council direction by the end of 2022.

BACKGROUND

Over the past three years, the City has been reevaluating its parking requirements and TDM measures strategy to improve consistency with Climate Smart San José and the Envision San José 2040 General Plan transportation and land use goals. This is a joint effort between the Department of Planning, Building and Code Enforcement (PBCE) and the Department of Transportation (DOT) under the umbrella of the American Cities Climate Challenge (ACCC) and the multi-departmental Climate Smart San José team.

Staff has developed a proposal and two alternatives and is seeking direction from Council on how to amend the zoning ordinance as it pertains to parking and TDM. Staff's proposal

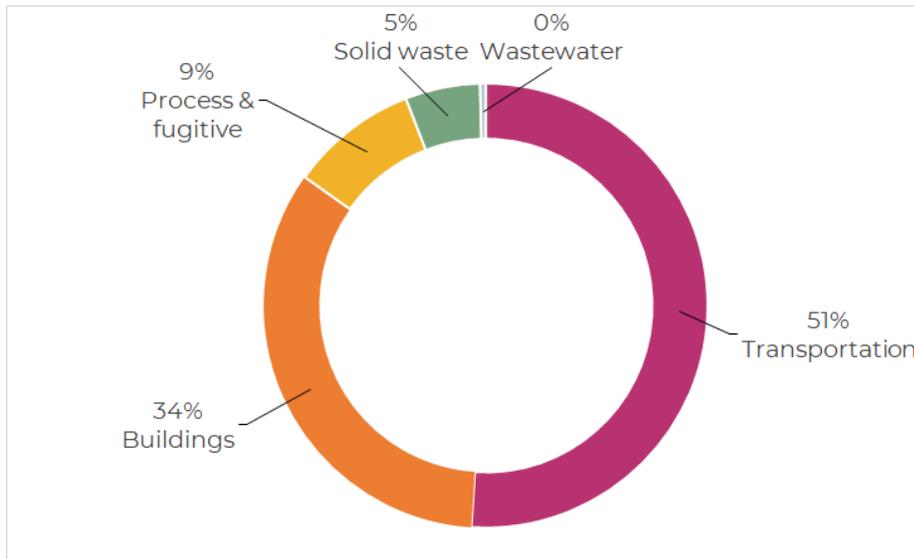
would remove the City’s minimum off-street parking requirements for new developments in all areas of the city (except in areas where the City has defined contractual agreements regarding parking). The two alternatives would remove the minimum parking requirements in specific areas or land use types within the city.

Transportation and Greenhouse Gas (GHG) emissions

Climate Smart San José, adopted by the City Council in 2018, is a community-wide initiative to reduce greenhouse gas emissions, air pollution, save water, and improve quality of life. Climate Smart is one of the first detailed City plans for reaching the targets of the international Paris Agreement. It sets ambitious goals for energy, water, transportation, and local jobs. Furthermore, at the end of 2018, San José was selected as one of 25 cities to participate in the American Cities Climate Challenge, which was sponsored by Bloomberg Philanthropies to provide resources and support to U.S. Cities as they accelerate climate action. Climate Challenge actions will collectively reduce CO2 emissions by 74 million metric tons from 2020 through 2030, using a holistic approach that focuses on clean buildings and transportation.¹

Achieving San José’s carbon reduction goals are in large part dependent on changing land use patterns that emphasize cars as the primary mode of transportation. The urban form and density of a city is inextricably linked to a city’s carbon output per capita because the urban form of a city dictates travel behavior. In San José, single-occupant trips are the most prevalent mode of transportation and, according to the Climate Action & Resilience Plan, **51% of San José’s emissions can be attributed to vehicle travel (see Figures 2 & 3).**

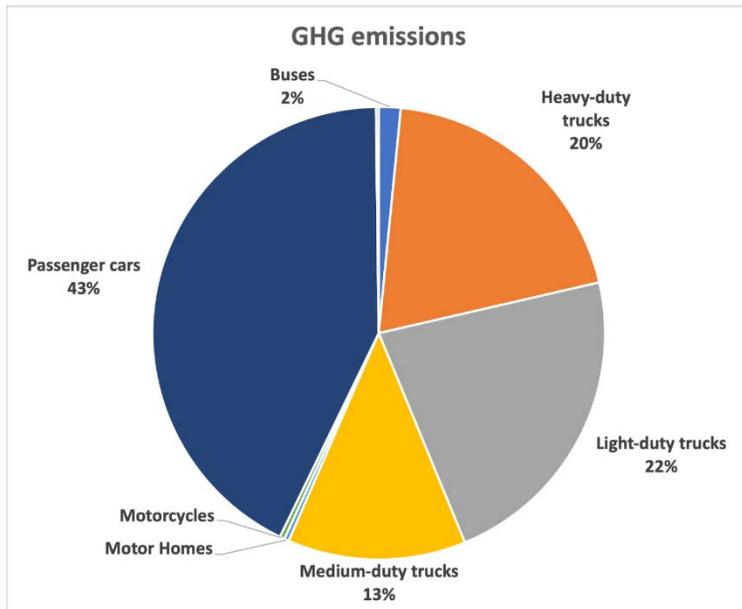
Figure 2: Breakdown of San José’s GHG Generation by Sector



¹ <https://www.bloomberg.org/environment/supporting-sustainable-cities/american-cities-climate-challenge/>
[add date or date range of data – as I think that metric was only as of a certain point in time within the ACCC, not all of it]

Source: City of San José 2019 Inventory of Communitywide Greenhouse Gas Emissions (2021)

Figure 3: Breakdown of San José’s GHG Generation in the Transportation Sector



Source: City of San José 2019 Inventory of Communitywide Greenhouse Gas Emissions (2021)

History of Parking and Transportation Policies

Between the 1940s and 1970s, cities around the country began introducing minimum parking requirements to their zoning codes. In that era, zoning was used to ensure an ample supply of (generally free) off-street parking at any destination. This was in order to manage the potential spillover of parking along surrounding public streets. In 1949, San José followed that paradigm and adopted the City’s first parking requirement, one space per residential unit. Through the 1950s and early 1960s these parking requirements were expanded to include more uses until November of 1965, when minimum parking requirements were developed and adopted for nearly every land use that could occur in San José.

Because an oversupply of free off-street parking was seen as preferable to an undersupply, minimum parking requirements were designed to accommodate potentially infrequent peak demands for off-street parking. Minimum parking requirements are blunt instruments that seldomly reflect the actual parking demands for a development and will often, by design, result in an oversupply of parking for a new development.

Problems with mandatory minimum parking requirements

As cities grapple with addressing climate change, increasing development costs, and lost potential tax revenues from under-utilized land, it has become clear that preventing an oversupply of parking is a key strategy. Cities are increasingly creating more flexible parking

requirements and, in some cases, instituting parking maximums to achieve numerous policy objectives.

Historically, the minimum off-street parking requirement for any given development is calculated based on one factor, such as the square footage of a commercial use or the number of residential units in a development. In reality, numerous factors affect the true parking demand for a given development. These factors include the surrounding density and mix of land uses, the price of parking, access to public transportation, the frequency and mode of public transportation, commercial trade areas, nearby infrastructure, income levels, vehicle ownership rates, flexible work schedules, telecommuting, sales volume, and many more.

Because of the complexity that it would add, zoning codes often do not have mechanisms to adjust minimum parking requirements to reflect the context of a particular development or external factors that may lower parking demand such as the factors described above.

Furthermore, because an oversupply of free off-street parking was historically preferable to an undersupply, ensuring that parking requirements were flexible enough to respond to the context of a particular development has not been a significant policy imperative.

When minimum parking requirements are applied , they tend to reduce density and increase the distance between land uses. This in turn makes walking, biking, and public transportation less viable modes of transportation, and ultimately increases the amount of driving and the demand for parking. In other words, the presence of off-street parking facilities – and associated density reductions and negative impacts to non-auto travel – actually further contributes to off-street parking demand. Furthermore, this reduction in density and resulting increased parking demand can be compounded if minimum parking requirements lead to an oversupply of off-street parking.

Minimum parking requirements also have a clear cost. Parking itself is expensive to build, with costs in the Bay Area ranging from approximately \$30,000 for a surface parking space to over \$75,000 for an underground parking space.² The construction of unneeded parking spaces solely to satisfy meeting the required minimums of a zoning code adds a substantial cost to a development and, in some cases, can make the project infeasible.

New world of parking and transportation policies

This change in how cities look at parking requirements has been going on for over a decade and is part of an overall shift of how planners are evaluating impacts from cars and to what extent cities should continue to be designed around the automobile.

² [Sheltering in Place Reveals How Much Parking Dominates Our Cities — and Lives | SPUR](#) (2020)

Figure 4: Map of Cities and Jurisdictions that have removed Parking Minimums



parkingreform.org

One major part of this shift in transportation policy is exemplified by California's change from measuring transportation impacts through Level of Service, which measured vehicular delay at intersections, to Vehicle Miles Traveled (VMT), which measures the average amount and distance people drive by personal vehicle in a day.

Level of Service measured transportation impacts through how much a development would delay car travel. Projects were required to mitigate their impact by building more infrastructure for cars, making car travel more attractive. This created a cycle that continually encourages solo vehicle travel. The new VMT metric turns this misguided approach on its head. It instead measures impacts based on an increase in the number of miles driven by car per capita created by a development. Projects must mitigate those impacts in a holistic manner that accounts for alternate means of transportation. As a jurisdiction that is deeply committed to doing our part to combat climate change, San José was the fourth city in California to adopt VMT as its transportation metric.

In order to reduce the amount of Single Occupancy Vehicle (SOV) trips, thereby reducing VMT, other forms of transportation need to be made more accessible and more attractive. This is where Transportation Demand Management (TDM) comes in. TDM requires that developers incorporate programs and public improvements into their development projects that will make non-SOV options more viable for tenants of the project.

TDM programs combined with reducing or removing mandatory minimum parking requirements are integral. One of the simplest forms of TDM and one of the most effective

ways of reducing SOV trips is a decreased supply of parking. Studies have shown that providing increased amounts of parking results in an increase in the amount of SOV trips³.

This concept is gaining traction throughout the country, as other cities in the US have already adopted very similar TDM requirements along with the removal of parking minimums, such as San Francisco and Buffalo, New York. Regionally, Mountain View, Sunnyvale, Fremont and Pleasanton all have mandated TDM requirements.

San José’s current parking and TDM framework

While the parking requirements in San José have been adjusted over the years, the overall framework has never been comprehensively studied and revised since adoption in the 1960’s. The current framework of requiring parking to accommodate peak demand for all uses in most parts of the city with little regard to other factors that could affect parking demand remains, resulting in inefficient supplies of parking in San José.

Over 70 years of auto-centric urban planning and minimum parking requirements have profoundly affected San José’s urban form by reducing density and promoting sprawl. Based on the 2022 Bay Area Parking Census⁴ extrapolating data for San José, there are an estimated 1,930,924 parking spaces in San José, approximately 920,815 of which are off-street parking spaces. This equates to nearly two spaces per every person in the city and almost six parking spaces per household (see Table 1 below).

Table 1: Number of Parking Spaces*

	Total	Parking spaces per
Population	1,013,240	1.91
Households	324,340 ⁵	5.95
Registered Vehicles	720,000	2.68

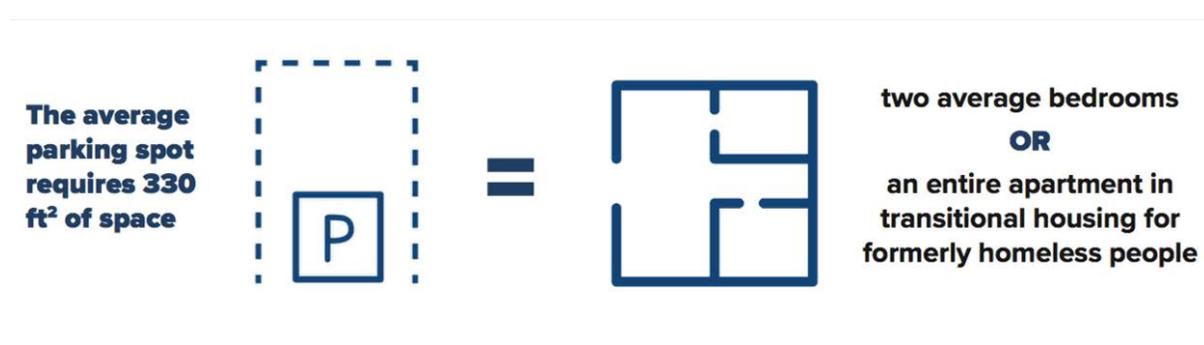
* The total land area of San José is roughly 102,400 acres.

³ [The strongest evidence yet that parking spaces cause more driving | by Eric Jaffe | Sidewalk Talk | Medium](#)
[Crediting Low-Traffic Developments: Adjusting Site-Level Vehicle Trip Generation Using URBEMIS](#)

⁴ [The Bay Area Parking Census | SPUR](#)

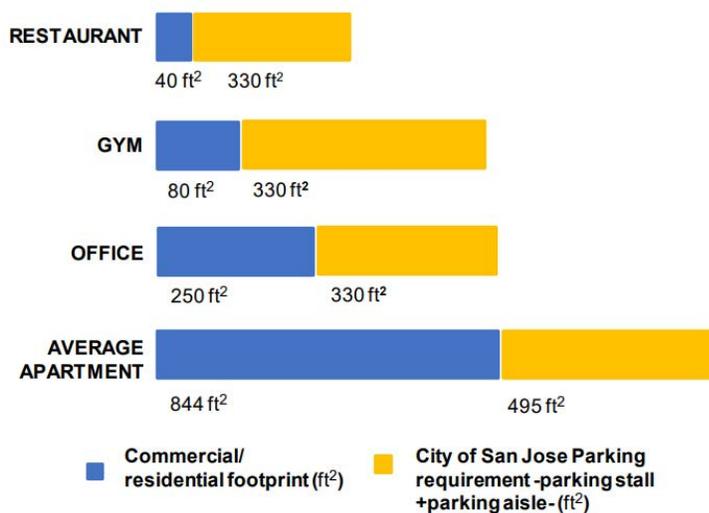
⁵ 2020 US Census Data (Population, Households)

Figure 5: Visual of Parking Spaces



A parking space and associated circulation area in San José requires an average of 330 square feet. If you were to fully lay out the estimated 920,815 off- street parking spaces on a single level these spaces would cover over half the city. In reality, this much land is not dedicated to parking because many parking spaces are contained within existing buildings (such as garages in single-family residences), are stacked on multiple levels or have other alternate configurations; however, there is still a significant portion of the city dedicated to parking and vehicles.

Figure 6: Comparison of Area devoted to specific uses versus area devoted to parking based on existing parking minimums



Minimum parking requirements often lower overall density and dictate the maximum allowable density of a new development regardless of the density allowed by the General Plan; in many cases the General Plan allows much greater densities than the parking requirements in the zoning code effectively allow. This is especially true for commercial uses. For example, a bar or restaurant in San José, with a minimum parking requirement of 1 space per 40 square feet of

dining area, would result in a situation where over eight times the amount of area would be dedicated to parking versus the primary use of the food establishment. The more standard commercial minimum parking requirement in San José’s zoning code of 1 space per 200 net

square feet would result in a development where approximately 1.65 times more of the development's area would be used for parking versus the retail building.

In the current Zoning Ordinance, TDM is used as a method to allow developments to reduce their parking requirements below the existing minimums. In order for a project to be approved with up to a 50% reduction below the minimum, it must provide two or more TDM measures. Because there is a somewhat limited number of TDM measures (a total of 14 listed in Title 20) that the project can choose and no clarity on what level of TDM implementation is needed for approval, the process often requires a lengthy negotiation process, prolonging the development approval timeline. Developers face uncertainty on how much TDM they will need to provide for their project to be approved with the amount of parking that they anticipate the project will require, and the process of identifying and selecting TDM measures is not transparent to the public.

In addition, TDM is sometimes required as part of the CEQA process as mitigation for projects that have higher VMT impacts. These CEQA-related TDM measures are separate from the ones required by the Zoning Ordinance and are comprised of a substantially different "menu" of choices. This results in a disjointed approach to transportation issues for projects. For the City and developers, this can make it difficult and confusing to monitor and implement the TDM measures. The effect of incentivizing driving above any other means of transportation for decades can be seen in the gridlock on many roads and freeways for four to five hours a day in pre-pandemic conditions. Though traffic congestion was reduced significantly in the early days of the pandemic, road traffic conditions are returning to their pre-pandemic state. This congestion has numerous negative effects including increased GHG generation and air pollution from vehicle tailpipes. It also affects the quality of life for commuters, who lose time they could be spending on more enriching activities such as more time with family and friends. Auto-centric planning ignores the many residents who would choose not to drive but are forced to because there aren't other options.

While some amount of GHG reduction may be seen by continued adoption of Electric Vehicles, this is only one piece of the complete puzzle, and Electric Vehicles still contribute to traffic congestion and its associated quality of life issues, as well as traffic safety problems. The more other transportation options exist, the fewer people will drive and thus generate less GHG (as well as less need for parking), and the safer our roadways will be.

The City has made strong commitments to combat climate change, including committing to the Paris Accords carbon reduction targets and the aspirational goal of being Carbon Neutral by 2030. This cannot happen if the status quo continues in the City's transportation sector.

ANALYSIS

Staff proposes to return to Council with an update to the Zoning Ordinance that would remove mandatory minimum parking requirements throughout the City. This will allow a developer, business, or homeowner to determine the parking needs of their site based on their specific conditions, rather than based on an arbitrary minimum number of spaces determined by the City. In addition, staff proposes to require TDM in the Zoning Ordinance for a broader category of projects and to consolidate those requirements with CEQA-based TDM measures

per City Council Policy 5-1. This consolidation will simplify the development review process.

Alternatively, Council could direct staff to exclude single-family residences from the removal of mandatory parking minimums or could direct staff to only remove mandatory minimum parking requirements within Planned Growth Areas identified in the General Plan.

Parking

Under the staff's proposal, mandatory minimum parking requirements would be eliminated throughout the city. While parking won't be mandated through arbitrary zoning standards, it is unlikely that many new major construction projects would be built without parking. Developers report that in nearly every case the market will demand that parking is built in San José. Furthermore, project financiers expect projects to have market-based parking ratios. Lastly, the absence of minimum parking requirements does not prohibit developing parking after a structure is built. The developer will still have the flexibility to determine the appropriate number of parking spaces based on the project and market conditions. In addition to helping achieve the City's carbon neutrality goals, this will provide benefits that are discussed in the following sections.

Housing Affordability

Eliminating minimum parking requirements for residential uses reduces housing costs by removing the expense of excess parking construction. Minimum parking requirements increase the cost of goods and services, including housing through the construction cost of required excess parking. In rental housing, for example, the cost of parking is often passed on to renters in the form of higher rents to service the debt from building required parking. If the cost of parking is not separated or "unbundled" from the cost of housing, renters or owners of units will have to pay for parking as a part of their housing costs, even if they do not use or need that parking.

This subsidizing of parking can especially hurt lower-income residents. In San José, the lower a person's income is, the higher the likelihood they will pay for parking they do not use as a part of their housing costs. When parking is included or "bundled" with the cost of housing, all residents must pay for the cost of minimum parking requirements regardless of whether they have a car and/or use this parking. For lower-income residents, the higher cost of housing due to this parking is akin to a regressive tax they must pay to service the debt for parking they do not use. Additionally, if minimum parking requirements lead to an oversupply of parking, the increased housing costs are more acutely felt by lower-income residents, because the cost of parking that is bundled with their housing costs is a larger proportion of their total income.

Economic Development and Business Diversity

Removing minimum parking requirements allows for greater flexibility for businesses. Businesses can "right-size" their parking, facilitating a broader variety of uses to move into existing buildings that current City's parking requirements do not allow. It is not possible for

a zoning ordinance to be able to address parking needs for all potential new development or reuse of existing buildings due to the level of complexity required. This is especially true for a large city like San José that has an incredible diversity of businesses and industries that all have their own unique characteristics and needs. It is in the interest of a business to ensure that their customers and employees can access their location, so if that means they need to provide parking they will provide it.

The City getting out of the way will allow for more creative ways to provide parking. Businesses can use shared arrangements such as leasing parking from a neighbor that has different peak parking demands, increased use of valet parking that allows for more efficient use of space in parking areas or using a tandem configuration in a single-family garage. Current code only allows these arrangements through Special Use Permits, which requires a lengthy entitlement process.

The majority of commercial uses in San José, in the current zoning code, have a minimum parking requirement of 1 space per 200 square feet of net building area⁶. Numerous factors may lower parking demands for commercial uses, and these are not accounted for by simply requiring parking based on the square footage. Because of the short duration of trips, the proximity of their customer base, and the high turn-over rate of customers, small retail establishments and corner store type retail uses can typically accommodate their parking demand with on-street parking adjacent to their property. By not taking these factors into account, minimum parking requirements increase commercial development costs and inhibit commercial growth by requiring parking which may not be needed to accommodate demand, particularly for small businesses.

There are numerous other factors which lower parking demand from commercial uses. In response to the 2020 coronavirus pandemic, the majority of San José's white-collar workforce began working from home. A lasting legacy of the coronavirus pandemic may be that a significant portion of our white-collar work force continues to work from home, which would lower parking demand for offices. Inflexible minimum parking requirements do not take factors like this into account and would require offices to build enough parking to accommodate the estimated demand of an entire office workforce commuting to work every day, driving alone.

The proliferation of online shopping, which has changed parking demand for large retail and commercial uses, is also not accounted for with parking minimums. Large retailers have historically built far more parking than would be required by code, to accommodate holiday shopping peak parking demand. Reducing or eliminating minimum parking requirements would enable incremental development on large retail sites in San José, that currently have excess parking that may have been required by a minimum parking requirement. As consumer preferences change, large retail sites – and expansive parking lots - have become infill opportunity sites for new development. Reducing or eliminating minimum parking requirements can help facilitate the redevelopment of these expansive potential infill sites in San José.

⁶ Net building area is defined in the Zoning Ordinance as 85% of the gross (total) building area.

San José's parking requirements for many industrial uses also do not account for the actual need for parking based on each business's unique operations. There is only one minimum parking requirement for a broad category of manufacturing and other industrial uses that in practice works best for types of industry that require high human touch and does not work for industries that rely on automated processes, for example. It is not uncommon for staff to field inquiries from industrial businesses that are looking to lease tenant space or buy a building that was developed initially for a use that required minimal parking, such as a warehouse. Even though these businesses report that the available parking will meet their needs, they cannot be approved to locate in the space or building because of the Zoning Ordinance's arbitrary parking requirement. Removal of mandatory parking minimums will remove an artificial barrier from industrial businesses locating or expanding in our city.

Community Character, Urban Design, Infill Development

Numerous policies in Envision San José 2040 call for new development that enables people to meet their daily needs within walking distance and improves equitable access to amenities, retail, and services. By requiring a significant portion of any development site to be used for parking and not active uses, minimum parking requirements detract from walkability of commercial nodes and corridors.

Much of San José's urban design includes large areas designated for parking which are inhospitable to other uses and can create significant separation between properties. Not requiring parking will allow developments that don't need as much parking to focus on designing for comfortable spaces for pedestrians, visitors, and residents instead of starting with accommodating parking and designing around that.

Figure 7: Auto Oriented Streetscape vs. Pedestrian Oriented Streetscape



Removing mandatory minimum parking requirements will facilitate infill development where property owners can offer unutilized parking areas for new uses, or to expand existing uses, furthering the City's goals for walkable, complete communities. For example, a restaurant could convert some of their parking into an outdoor dining area that is not only an attractive neighborhood amenity, but also increases the business's ability to generate revenue. This also furthers economic development, as compact dense development yields more property tax revenue and more jobs per square foot than low-density sprawling development, while simultaneously lowering the cost per capita to maintain city services, amenities, and infrastructure. Facilitating and encouraging denser infill development is the most efficient

way to grow the tax base in a manner that would allow the city to expand city services and amenities and removing parking minimums is a key part of that.

Not only is parking an inefficient use of land, but parking is also expensive to provide, especially in underground and structured garages. Both the land used and the costs of constructing this parking could better address the City's housing crisis or the City's jobs imbalance. Parking also has negative environmental effects such as creating water pollution from stormwater runoff and creating heat island effects from the sun being absorbed by asphalt.

Transportation Demand Management

Removing parking minimums is a key component in achieving the City's climate goals but alone is not enough; TDM is an important complementing component to the removal of parking minimums. TDM can provide or incentivize convenient amenities and viable, affordable transportation options.

Staff proposes to update the Zoning Ordinance TDM requirements to align with the Council Policy 5-1 (Transportation Analysis Policy). This update will change the current TDM requirements which require TDM for developments that seek parking reductions. Instead, it will unify the Zoning Ordinance TDM requirements and CEQA VMT mitigations. By unifying these two elements of the development process, this change will make the process more transparent for developers while helping the City achieve its transportation goals.

Eliminating minimum parking requirements will shift transportation modes over time. This transportation mode shift, however, will be gradual and a great deal more will be needed to successfully implement Envision San José 2040 goal TR-11. Goal TR-11 calls for reducing vehicle miles traveled (VMT) by 40% by 2040 by improving transportation options beyond single-occupant vehicles. Requiring TDM plans to be implemented with new developments compliments eliminating minimum parking requirements by reducing parking demand which enables and incentivizes mode shift. An effective TDM program will reduce VMT, and therefore carbon emissions, and parking demand, from every new development that the TDM ordinance is applied to.

What are TDM plans?

TDM is focused on moving people. It includes infrastructure improvements, policies and programs that facilitate the reduction and redistribution of travel demand and increases efficiencies in the transportation network. TDM ultimately facilitates shifts in behavior toward walking, biking, or taking transit, and reduces the number of drive-alone trips.

A TDM plan identifies specific measures that a development will implement to reduce drive-alone trips. An important aspect of TDM measures is that they are clearly quantifiable and backed by evidence of their effectiveness. Programmatic measures can include things like transit subsidies to employees, car and bike share programs, unbundling parking costs from rents, or subsidizing public transit service upgrades or extensions. Infrastructure improvements can include things such as making new street connections, bicycle and micro-mobility network improvements, trails or other walking network improvements,

improvements to bus or rail infrastructure, or providing enhanced bike parking facilities. Project characteristics can even be TDM measures themselves, such as providing affordable housing or building less parking.

Existing and Proposed TDM Program Framework

Under San José's current ordinance, developing TDM Plans is unclear, complicated, expensive, and requires the professional expertise of a traffic engineer. The amendments to the TDM ordinance proposed by staff would create a clear approach to standardizing TDM plans. The intent of the program is to simplify the TDM ordinance so that a developer could comply without needing the professional expertise of a traffic engineer or planner. In addition to the ordinance, staff would prepare a supplemental TDM chapter in the San José Transportation Analysis Handbook that contains technical guidance so that the complete set of requirements for transportation analysis in San José is in one document.

Simplifying the program will result in more predictable outcomes. The proposed ordinance and program create a clear system which developments would use to understand their TDM requirements. This starts with drive-alone trip reduction goals for every development, by assigning each development a point target. Not all projects would be subject to the TDM requirements; the criteria for requiring TDM plans under the proposed framework would be the same as the threshold for requiring a detailed VMT analysis under CEQA (Council Policy 5-1) (see attachment 2). Projects that meet the screening criteria would not be required to submit TDM plans; see Attachment 2 for screening criteria under existing Council Policy 5-1) This was done intentionally so as not to significantly increase the amount of staff and consultant time that is required to review TDM plans and to conduct follow-up inspections. In addition, the point requirements will be calibrated such that the required TDMs will not result in significant development cost increases based on current market conditions for parking. Importantly, TDM measures taken through the TDM requirements would count towards reducing a project's CEQA impacts. Over time, as a result of cost and/or time savings for developers from the simplicity of the new approach, the City may consider lowering the thresholds and require TDMs for more developments.

Alternatives

For the reasons articulated in this report, staff recommends removing mandatory minimum parking requirements for all uses throughout the city – other than where the City is contractually obligated to maintain certain amounts of parking. This would allow developers, businesses, and homeowners to “right-size” their parking for their needs. However, staff presents two alternative options that represent a more modest and incremental approach.

Alternative 1: Exclusions of Single-Family Residences

This alternative would modify the above staff recommendation, by excluding single-family residences from the removal of parking minimums. The parking requirement would remain at a base of two-covered parking spaces.

Rationale for this Alternative

Through prior community engagement done by the City on Opportunity Housing, as part of the Four-Year Review of the General Plan, and State Senate Bill 9 (SB9) we know single-family parking is a concern. For single-family houses, both developers and speculative custom builders still tend to build two-car garages no matter the requirements because it is the market standard and the belief that a two-car garage helps the resale value of houses. In addition, there are already existing codes in place to allow a single-family residence to reduce the requirement below two spaces, including construction of an Accessory Dwelling Unit (ADU), permitting the residence through SB 9 or meeting the requirements of the one parking space exception.

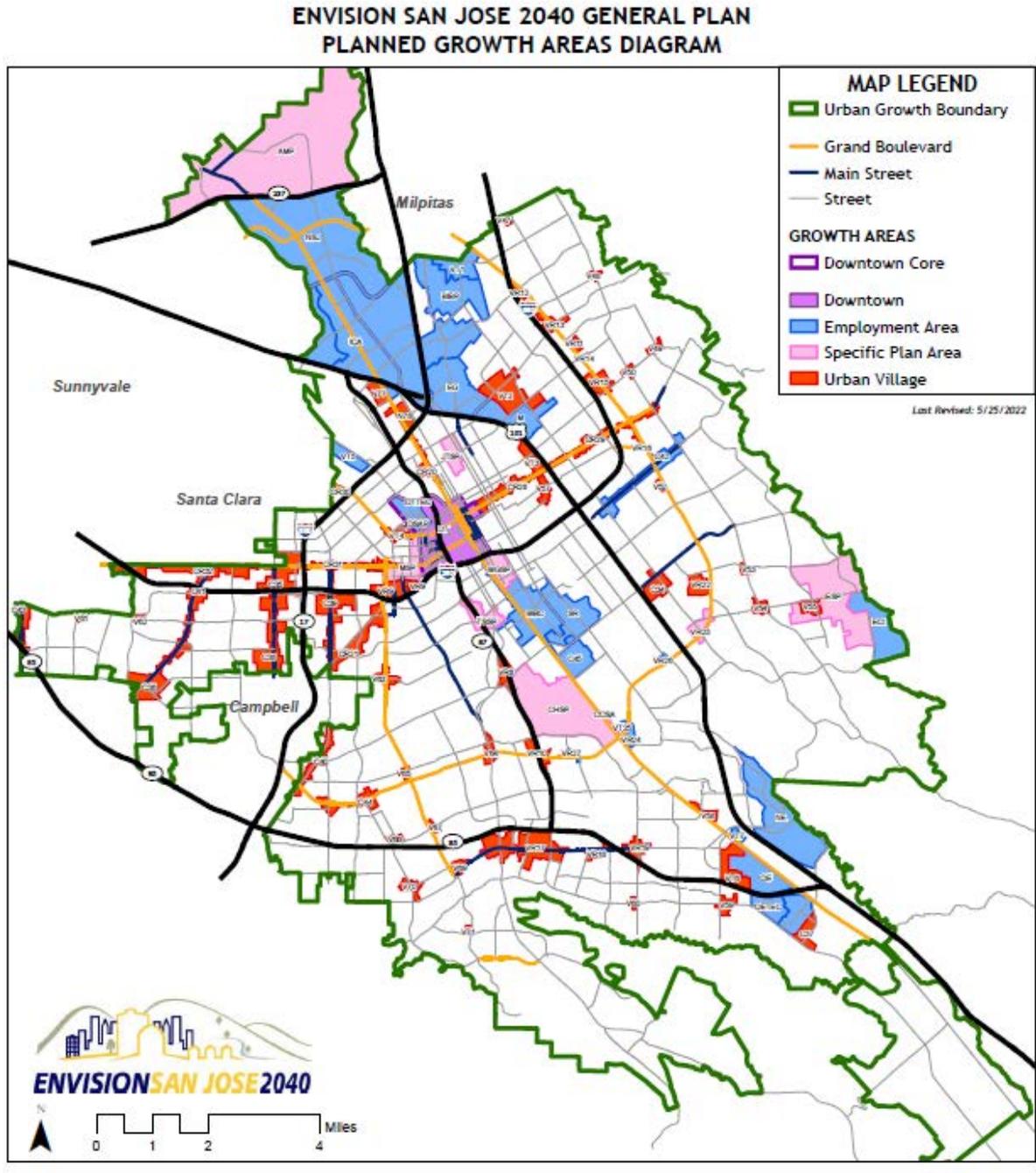
Rationale against this Alternative

There are certainly cases where a resident doesn't want a two-car garage and would rather use the space for living area purposes, especially if they don't have two cars. It doesn't make sense to require someone to build a garage for their car if they don't want to, especially considering San José's mild climate. Current trends see younger people less likely to own cars. Including Single Family Residences in the removal of mandatory minimum parking requirements provides more flexibility for people who have different lifestyles.

Alternative 2: Remove Parking Minimums only in defined Planned Growth Areas

This alternative would still propose the mandatory TDM requirements throughout the city but would only remove parking minimums in areas defined in Envision San José 2040 as planned growth areas. This would generally include the downtown, urban villages, employment areas, and areas that have a specific plan, such as Martha Gardens or Communications Hill.

Figure 8 – Map of Growth Areas in San José



Rationale for this Alternative

This alternative would be a more incremental approach for changing the City's parking requirements. Growth areas are where the majority of future development in the city is expected to take place, and this would allow it to proceed in those specific areas without the parking minimums.

Rationale against this Alternative

As shown in Figure 8 above, this would not cover a substantial portion of the city. Given the diversity of growth area in terms of their planned character and location, applying the elimination of parking to only growth areas would be somewhat arbitrary. For example, the Communications Hill Specific Plan would be included as a growth area. This would result in a much more complicated and less transparent approach to parking and TDM, as requirements and process for development review would be entirely different based solely on whether a project was located within a growth area.

This approach would also not result in some of the benefits that have been previously discussed in this memo. Most importantly, the environmental benefits of reduced parking would not be possible outside of growth areas. Additionally, businesses would no longer have flexibility to modify their sites based on their actual needs and businesses may be prevented from moving into existing buildings if their code required minimum parking spaces do not exist on the site, whether the business needs them or not. At the same time, current market conditions continue to mandate the construction of parking, so that likely the removal of parking minimums citywide (per the staff recommendation) will result in just a modest "right-sizing" of parking.

It is also important to note that this update to the ordinance is a substantial code change. With this incremental approach to removing parking minimums, a second code update would be necessary in the future to ultimately remove all parking minimums. Through the American Cities Climate Challenge, the City has the funding and staffing to complete this effort now. Because of the complexity of this effort, and the significant resources needed, there is a high likelihood that PBCE and DOT will not have the means to undertake another such effort in the future.

General Plan Conformance

Staff has identified approximately 80 General Plan policies that removal of mandatory parking minimums and expansion of the TDM program would advance. A complete list of these policies is included as an attachment (Attachment 1) to this memo, most prominent of which are Transportation Goals relating to a balanced transportation system, maximized public transit and reduction in vehicle miles travelled. Specifically, Transportation Policy TR 9.5 is to remove minimum parking requirements for new development citywide and Goal TR-9 is to reduce VMT by 45% by 2040 from the 2017 level. Other goals cited include improving the pedestrian and bicycle experience, promoting jobs and housing growth and densification, among others.

EVALUATION AND FOLLOW-UP

Based on the recommendation given by the City Council, staff will work to prepare a draft ordinance update to Title 20 on the San José Municipal Code (Zoning Ordinance) that will codify the City's new regulations on parking and TDM, per Council's direction. This ordinance language will be brought back before the Planning Commission and City Council in the November/December 2022 timeframe. This code update will run concurrently to an update to City Council Policy 5-1 (The Transportation Analysis Policy). Staff will also conduct further engagement with the community and developers on the changes proposed over the summer. Additionally, PBCE and DOT staff are working with the Housing Department on incorporating TDM costs into the updated cost of development analysis, as well as analyzing parking and TDM trends in recently approved projects.

PUBLIC OUTREACH/INTEREST

This project has undergone an extensive amount of community engagement over the past two and a half years, beginning with an Urban Land Use Institute Technical Assistance Panel presentation to the Planning Commission at a Special Study Session on January 29, 2020. Since that date, there have been over 30 separate events engaging over 1,300 attendees. These events have ranged from webinars put on by some of the City's partners such as SPUR and Greenbelt Alliance to engagement with local developers and neighborhood groups to a number of workshops hosted by City staff.

Some concerns were expressed by members of the community that the ordinance change would lead to additional spillover parking in their neighborhoods, especially in neighborhoods that are already impacted by parking shortages, largely due to overcrowding. Other residents cited concern that the region's existing transit service was inadequate to support the shift away from cars and that many residents had no alternatives other than car travel. In some disadvantaged communities, concern was expressed about specific TDM measures, such as parking pricing.

Residents who supported the proposal cited a number of different reasons, including the proposal's impact on climate change and the potential to create more (and specifically more affordable) housing. Residents were also hopeful that the ordinance change would provide an opportunity to expand the City's infrastructure for non-auto related means of travel, including improving bicycle travel and transit service. Other residents believed that it made more sense in general to allow the market to determine the amount of parking needed rather than the arbitrary City-established minimums.

In engagement done with developers, they were overwhelmingly in support of removing parking minimums, which is often a barrier to a project penciling out when more parking is required by the code than is deemed necessary for existing market conditions. Some developers expressed concerns over the potential cost of additional TDM measures, though developers that have done projects in the larger Bay Area region were familiar with the concept, as it is similar to San Francisco's model and more locally what Sunnyvale has done.

COORDINATION

This memo was coordinated with the City Attorney's Office.

CEQA

Not a Project, File No. PP17-007. Preliminary direction to staff and eventual action requires approval from decision-making body.

/s/

Michael Brilliot for
CHRISTOPHER BURTON, DIRECTOR
Planning, Building and Code Enforcement

/s/

Jessica Zenk for
JOHN RISTOW, DIRECTOR
Department of Transportation

Attachments:

- 1) Envision San José 2040 and Climate Smart San José Goals/Actions the Ordinance Update Support
- 2) Comparison of Existing TDM Ordinance to Proposed TDM Ordinance

Attachment 1: Envision San José 2040 and Climate Smart San José Goals/Actions the Ordinance Update Support

- **Policy IE-1.6.** Plan land uses, infrastructure development, and other initiatives to maximize utilization of the Mineta San José International Airport, existing and planned transit systems including fixed rail (e.g., High-Speed Rail, BART and Caltrain), Light-Rail and Bus Rapid Transit facilities, and the roadway network. Consistent with other General Plan policies, promote development potential proximate to these transit system investments compatible with their full utilization. Encourage public transit providers to serve employment areas.
- **Policy IE-1.13.** Achieve goals related to Quality Neighborhoods, including diverse housing options, a walkable/bikable public street and trail network and compact, mixed-use development where infrastructure exists to distinguish San José as a livable and attractive city, to promote interaction among community members, and to attract talented workers to the City.
- **Action IE-3.6.** Work with partners within the region to influence the development of regional policies and regulations that support a higher-density, clustered, transit-oriented development pattern consistent with the San José General Plan vision and policies.
- **Policy FS-4.7.** Encourage transit-oriented development as a means to reduce costs for expansion and maintenance of our City's street system, in addition to other benefits and consistent with the General Plan Transportation goals and policies.
- **Policy MS-10.3.** Promote the expansion and improvement of public transportation services and facilities, where appropriate, to both encourage energy conservation and reduce air pollution.
- **Policy MS-10.4.** Encourage effective regulation of mobile and stationary sources of air pollution, both inside and outside of San José. In particular, support Federal and State regulations to improve automobile emission controls.
- **Policy MS-10.5.** In order to reduce vehicle miles traveled and traffic congestion, require new development within 2,000 feet of an existing or planned transit station to encourage the use of public transit and minimize the dependence on the automobile through the application of site design guidelines and transit incentives.
- **Action MS-10.14.** Review and evaluate the effectiveness of site design measures, transit incentives, and new transportation technologies and encourage those that most successfully reduce air pollutant emissions.
- **Policy MS-14.2.** Enhance existing neighborhoods by adding a mix of uses that facilitate biking, walking, or transit ridership through improved access to shopping, employment, community services, and gathering places.
- **Policy VN-1.6.** Design new development to contribute to the positive identity of a neighborhood and to encourage pedestrian activity.

- **Policy VN-1.7.** Use new development within neighborhoods to enhance the public realm, provide for direct and convenient pedestrian access, and visually connect to the surrounding neighborhood. As opportunities arise, improve existing development to meet these objectives as well.
- **Policy VN-1.8.** Include site planning, landscaping and architectural design features within all new retail development, including both small-format and large-format retail uses, to promote expanded pedestrian and bicycle activity on site and greater connectivity for pedestrians and bicyclists between adjacent uses.
- **Policy VN-1.9.** Cluster parking, make use of shared parking facilities, and minimize the visual impact of surface parking lots to the degree possible to promote pedestrian and bicycle activity and to improve the City's aesthetic environment.
- **Policy CD-1.10.** Promote shared parking arrangements between private uses and the provision of commonly accessible commercial or public parking facilities which can serve multiple users in lieu of providing individual off-street parking on a property-by-property basis. Consider in-lieu parking fees or other policy actions to support this goal.
- **Policy CD-2.1.** Promote the Circulation Goals and Policies in this Plan. Create streets that promote pedestrian and bicycle transportation by following applicable goals and policies in the Circulation section of this Plan.
 1. Design the street network for its safe shared use by pedestrians, bicyclists, and vehicles. Include elements that increase driver awareness.
 2. Create a comfortable and safe pedestrian environment by implementing wider sidewalks, shade structures, attractive street furniture, street trees, reduced traffic speeds, pedestrian-oriented lighting, mid-block pedestrian crossings, pedestrian-activated crossing lights, bulb-outs and curb extensions at intersections, and on-street parking that buffers pedestrians from vehicles.
 3. Consider support for reduced parking requirements, alternative parking arrangements, and Transportation Demand Management strategies to reduce area dedicated to parking and increase area dedicated to employment, housing, parks, public art, or other amenities. Encourage de-coupled parking to ensure that the value and cost of parking are considered in real estate and business transactions.
- **Policy CD-3.2.** Prioritize pedestrian and bicycle connections to transit, community facilities (including schools), commercial areas, and other areas serving daily needs. Ensure that the design of new facilities can accommodate significant anticipated future increases in bicycle and pedestrian activity.
- **Policy CD-3.4.** Encourage pedestrian cross-access connections between adjacent properties and require pedestrian and bicycle connections to streets and other public spaces, with particular attention and priority given to providing convenient access to transit facilities. Provide pedestrian and vehicular connections with cross-access easements within and

between new and existing developments to encourage walking and minimize interruptions by parking areas and curb cuts.

- **Policy CD-3.5.** Encourage shared and alternative parking arrangements and allow parking reductions when warranted by parking demand.
- **Policy CD-5.1.** Design areas to promote pedestrian and bicycle movements, to facilitate interaction between community members, and to strengthen the sense of community.
- **Policy CD-5.2.** Foster a culture of walking by designing walkable urban spaces; strategically locating jobs, residences and commercial amenities; providing incentives for alternative commute modes; and partnering with community groups and health services organizations to promote healthful life-styles for San José residents.
- **Policy CD-6.9.** Recognize Downtown as the hub of the County's transportation system and design buildings and public spaces to connect and maximize use of all types of transit. Design Downtown pedestrian and transit facilities to the highest quality standards to enhance the aesthetic environment and to promote walking, bicycling, and transit use. Design buildings to enhance the pedestrian environment by creating visual interest, fostering active uses, and avoiding prominence of vehicular parking at the street level.
- **Policy H-3.2.** Design high density residential and mixed residential/commercial development, particularly development located in identified Growth Areas, to:
 1. Create and maintain safe and pleasant walking environments to encourage pedestrian activity, particularly to the nearest transit stop and to retail, services, and amenities.
 2. Maximize transit usage.
 3. Allow residents to conduct routine errands close to their residence, especially by walking, biking, or transit.
 4. Integrate with surrounding uses to become a part of the neighborhood rather than being an isolated project.
 5. Use architectural elements or themes from the surrounding neighborhood when appropriate.
 6. Provide residents with access to adequate on- or off-site open space.
 7. Create a building scale that does not overwhelm the neighborhood.
 8. Be usable by people of all ages, abilities, and needs to the greatest extent possible, without the need for adaptation or specialized design.
- **Policy H-4.2.** Minimize housing's contribution to greenhouse gas emissions, and locate housing, consistent with our City's land use and transportation goals and policies, to reduce vehicle miles traveled and auto dependency.

- **Policy H-4.3.** Encourage the development of higher residential densities in complete, mixed-use, walkable and bikeable communities to reduce energy use and green house gas emissions.
- **Policy PR-7.1.** Encourage non-vehicular transportation to and from parks, trails, and open spaces by developing trail and other pleasant walking and bicycle connections to existing and planned urban and suburban parks facilities.
- **Policy LU-1.2.** Encourage Walking. Create safe, attractive, and accessible pedestrian connections between developments and to adjacent public streets to minimize vehicular miles traveled.
- **Policy LU-1.3.** Create safe, attractive, and accessible pedestrian connections between developments and to adjacent public streets to minimize vehicular miles traveled.
- **Policy LU-1.7.** Locate employee-intensive commercial and industrial uses within walking distance of transit stops. Encourage public transit providers to provide or increase services to areas with high concentrations of residents, workers, or visitors.
- **Policy LU-3.5.** Balance the need for parking to support a thriving Downtown with the need to minimize the impacts of parking upon a vibrant pedestrian and transit oriented urban environment. Provide for the needs of bicyclists and pedestrians, including adequate bicycle parking areas and design measures to promote bicyclist and pedestrian safety.
- **Policy LU-5.4.** Require new commercial development to facilitate pedestrian and bicycle access through techniques such as minimizing building separation from public sidewalks; providing safe, accessible, convenient, and pleasant pedestrian connections; and including secure and convenient bike storage.
- **Policy LU-5.5.** Encourage pedestrian and vehicular connections between adjacent commercial properties with reciprocal-access easements to encourage safe, convenient, and direct pedestrian access and “one-stop” shopping. Encourage and facilitate shared parking arrangements through parking easements and cross-access between commercial properties to minimize parking areas and curb-cuts.
- **Policy LU-9.1.** Create a pedestrian-friendly environment by connecting new residential development with safe, convenient, accessible, and pleasant pedestrian facilities. Provide such connections between new development, its adjoining neighborhood, transit access points, schools, parks, and nearby commercial areas. Consistent with Transportation Policy TR-2.11, prohibit the development of new cul-de-sacs, unless it is the only feasible means of providing access to a property or properties, or gated communities, that do not provide through- and publicly-accessible bicycle and pedestrian connections.
- **Policy LU-9.3.** Integrate housing development with our City’s transportation system, including transit, roads, and bicycle and pedestrian facilities.

- **Policy LU-9.9.** In areas designated for residential use, allow parking facilities to serve adjacent nonresidential uses if such parking facilities are integrated with the non-residential use, adequately landscaped, and buffered.
- **Policy LU-10.3.** Develop residentially- and mixed-use-designated lands adjacent to major transit facilities at high densities to reduce motor vehicle travel by encouraging the use of public transit.
- **Policy TR-1.1.** Accommodate and encourage use of non-automobile transportation modes to achieve San José’s mobility goals and reduce vehicle trip generation and vehicle miles traveled (VMT).
- **Policy TR-1.2.** Consider impacts on overall mobility and all travel modes when evaluating transportation impacts of new developments or infrastructure projects.
- **Policy TR-1.3.** Increase substantially the proportion of travel using modes other than the single-occupant vehicle. The 2030 and 2040 mode split goals for all trips made by San José residents, workers, and visitors are presented in the following table:

Table TR-1: Mode Split Targets for 2030 and 2040

Mode	All Trips to and/or from San José		
	2019	2030 Goal	2040 Goal
Drive alone	80%	No more than 45%	No more than 25%
Shared Mobility/ Carpool	12%	At least 25%	At least 25%
Transit	5%	At least 10%	At least 20%
Bicycle	Less than 2%	At least 10%	At least 15%
Walk	Less than 2%	At least 10%	At least 15%

Source: The 2008 mode split were obtained from the American Community Survey (2008).

- **Policy TR-1.4.** Through the entitlement process for new development, projects shall be required to fund or construct needed transportation improvements for all transportation modes giving first consideration to improvement of bicycling, walking and transit facilities and services that encourage reduced vehicle travel demand.
 - Development proposals shall be reviewed for their impacts on all transportation modes through the study of Vehicle Miles Traveled (VMT), Envision San José 2040 General Plan policies, and other measures enumerated in the City Council Transportation Analysis Policy and its Local Transportation Analysis. Projects shall fund or construct proportional fair share mitigations and improvements to address their impacts on the transportation systems.
 - The City Council may consider adoption of a statement of overriding considerations, as part of an EIR, for projects unable to mitigate their VMT impacts to a less than significant level. At the discretion of the City Council, based on CEQA Guidelines Section 15021, projects that include overriding benefits, in accordance with Public Resources Code Section 21081 and are consistent with the General Plan and the Transportation Analysis Policy 5-1 may be considered for approval. The City Council will only consider a statement of overriding considerations for (i) market-rate housing located within

- General Plan Urban Villages; (ii) commercial or industrial projects; and (iii) 100% deed-restricted affordable housing as defined in General Plan Policy IP-5.12. Such projects shall fund or construct multimodal improvements, which may include improvements to transit, bicycle, or pedestrian facilities, consistent with the City Council Transportation Analysis Policy 5-1.
- Area Development Policy. An “area development policy” may be adopted by the City Council to establish special transportation standards that identifies development impacts and mitigation measures for a specific geographic area. These policies may take other names or forms to accomplish the same purpose.
 - **Policy TR-1.5.** Design, construct, operate, and maintain public streets to enable safe, comfortable, and attractive access and travel for motorists and for pedestrians, bicyclists, and transit users of all ages, abilities, and preferences.
 - **Policy TR-1.6.** Require that public street improvements provide safe access for motorists and pedestrians along development frontages per current City design standards.
 - **Policy TR-1.8.** Actively coordinate with regional transportation, land use planning, and transit agencies to develop a transportation network with complementary land uses that encourage travel by bicycling, walking and transit, and ensure that regional greenhouse gas emission standards are met.
 - **Policy TR-1.9.** Give priority to the funding of multimodal projects that provide the most benefit to all users. Evaluate new transportation projects to make the most efficient use of transportation resources and capacity.
 - **Policy TR-2.1.** Coordinate the planning and implementation of citywide bicycle and pedestrian facilities and supporting infrastructure. Give priority to bicycle and pedestrian safety and access improvements at street crossings (including proposed grade-separated crossings of freeways and other high vehicle volume roadways) and near areas with higher pedestrian concentrations (school, transit, shopping, hospital, and mixed-use areas).
 - **Policy TR-2.2.** Provide a continuous pedestrian and bicycle system to enhance connectivity throughout the City by completing missing segments. Eliminate or minimize physical obstacles and barriers that impede pedestrian and bicycle movement on City streets. Include consideration of grade-separated crossings at railroad tracks and freeways. Provide safe bicycle and pedestrian connections to all facilities regularly accessed by the public, including the Mineta San José International Airport.
 - **Policy TR-2.8.** Require new development where feasible to provide on-site facilities such as bicycle storage and showers, provide connections to existing and planned facilities, dedicate land to expand existing facilities or provide new facilities such as sidewalks and/or bicycle lanes/paths, or share in the cost of improvements.
 - **Policy TR-3.3.** As part of the development review process, require that new development along existing and planned transit facilities consist of land use and development types and

intensities that contribute toward transit ridership. In addition, require that new development is designed to accommodate and to provide direct access to transit facilities.

- **Policy TR-4.1.** Support the development of amenities and land use and development types and intensities that increase daily ridership on the VTA, BART, Caltrain, ACE and Amtrak California systems and provide positive fiscal, economic, and environmental benefits to the community.
- **Policy TR-5.3.** Development projects' effects on the transportation network will be evaluated during the entitlement process and will be required to fund or construct improvements in proportion to their impacts on the transportation system. Improvements will prioritize multimodal improvements that reduce VMT over automobile network improvements.
 - Downtown. Downtown San José exemplifies low-VMT with integrated land use and transportation development. In recognition of the unique position of the Downtown as the transit hub of Santa Clara County, and as the center for financial, business, institutional and cultural activities, Downtown projects shall support the long-term development of a world class urban transportation network.
- **Policy TR-7.1.** Require large developments and employers to develop and maintain TDM programs with TDM services provided for their residents, full-time and subcontracted workers, and visitors to promote use of non-automobile modes and reduce vehicle trips.
- **Policy TR-7.2.** Support establishment of transportation management associations made up of employers, developers, and property managers in transit-oriented areas working together to manage transportation through incentives, programs, events, and advocacy that help reduce the number of drive-alone trips, minimize vehicle emissions, and improve access to transportation options.
- **Policy TR-7.4.** Work together with large developments and employers to develop a system for tracking Transportation Demand Management (TDM) programs implemented by employers and property managers to allow ongoing assessment of results.
- **Policy TR-8.1.** Promote transit-oriented development with reduced parking requirements and promote amenities around appropriate transit hubs and stations to facilitate the use of available transit services.
- **Policy TR-8.2.** Balance business viability and land resources by maintaining an adequate supply of parking to serve demand while avoiding excessive parking supply that encourages automobile use.
- **Policy TR-8.3.** Support using parking supply limitations and pricing as strategies to encourage use of non-automobile modes.
- **Policy TR-8.4.** Discourage, as part of the entitlement process, oversupply of parking spaces in new development to yield more productive land use, more affordable housing, and more efficient transportation options.

- **Policy TR-8.5.** Promote participation in car share programs to minimize the need for parking spaces in new and existing development.
- **Policy TR-8.6.** Allow reduced parking requirements for mixed-use developments and for developments providing shared parking or a comprehensive TDM program, or developments located near major transit hubs or within Urban Villages and other Growth Areas.
- **Policy TR-8.7.** Encourage private property owners to share their underutilized parking supplies with the general public and/or other adjacent private developments.
- **Policy TR-8.8.** Promote use of unbundled private off-street parking associated with existing or new development, so that the sale or rental of a parking space is separated from the rental or sale price for a residential unit or for non-residential building square footage.
- **Policy TR-8.9.** Consider adjacent on-street and City-owned off-street parking spaces in assessing the provision of private off-street parking for a given land use or new development.
- **Action TR-8.10.** Eliminate minimum parking standards to reduce parking requirements for transit-oriented developments, mixed-use projects, and projects within the Urban Villages to take advantage of shared parking opportunities generated by mixed-use development. Update the TDM requirements to require amenities and programs that encourage use of non-automobile modes and reduce parking demand.
- **Action TR-8.11.** Establish a program and provide incentives for private property owners to share their underutilized parking with the general public and/or other adjacent private developments.
- **Action TR-8.12.** As part of the entitlement process, consider opportunities to reduce the number of parking spaces through shared parking, TDM actions, parking pricing or other measures which can reduce parking demand. Consider the use of reserve landscaped open space or recreational areas that can be used on a short-term basis to provide parking or converted to formal parking in the future if necessary.
- **Reduction of Vehicle Miles Traveled.** As a means to reduce energy consumption, to reduce greenhouse gas emissions and to create a healthier community, San José maintains the 2030 and 2040 goals to reduce the number of vehicle miles traveled per service population in the city, as presented in the following table:

Table TR-9:

Year	2030 Goal	2040 Goal
% Reduction in citywide VMT per service population	20% below 2017 level	45% below 2017 level

Achieving these goals will require a multi-pronged strategy that includes both land use and transportation. This section includes the transportation goals, policies and actions that are

intended to achieve VMT reduction of 20% by 2030 and 45% reduction by 2040. These reductions are measured from the 2017 base year.

- **Goal TR-9 – Reduction of Vehicle Miles Traveled by 2030.** Reduce Vehicle Miles Traveled (VMT) per service population by 20% (2030 goal) and by 45% (2040 goal), from the 2017 level.
- **Policy TR-9.1.** Enhance, expand and maintain facilities for walking and bicycling to provide neighborhoods with safe and direct access to transit and key destinations, a complete alternative transportation network that facilitates non-automobile trips, and enjoyable outdoor open space.
- **Policy TR-9.3.** Enhance the overall travel experience of transit riders, pedestrian, bicyclists, and shared micromobility users to encourage mode shift.
- **Policy TR-9.4.** Explore development of a program to require that parking spaces within new development in areas adjacent to transit and in all mixed-use projects be unbundled from rent or sale of the dwelling unit or building square footage.
- **Policy TR-9.5.** Eliminate minimum parking requirements citywide for new developments
- **Policy TR-9.6.** Update the citywide TDM requirements for new developments to ensure adequate investments in TDM services and multimodal transportation improvements for residents, full-time and subcontracted workers, and visitors.
- **Policy TR-9.7.** Encourage participation in car share programs for new and existing development in identified growth areas.
- **Policy TR-9.8.** Establish criteria that could allow a portion of adjacent on-street and City owned off-street parking spaces be counted toward meeting the zoning code’s parking and TDM requirements.
- **Policy TR-9.9.** Work with developers and employers to monitor developers’ and employers’ achievement of TDM program measures and explore incentives for successes and/or consider penalties for non-compliance.
- **Policy TR-9.10.** Work with members of the development and financial communities and neighborhood residents to establish maximum parking rates, or “parking caps” for new development where appropriate.
- **Policy TR-9.11.** Adjust the impact thresholds in the Council Policy Transportation Policy 5-1 as appropriate to advance the City’s land use goal of reducing job and housing imbalance as well as the VMT reduction goals. Analyze and monitor the City’s progress towards these goals.
- **Policy TR-9.12.** Explore development of transportation management associations (TMA) in transit-oriented developments, mixed-use developments, developments within Urban Villages, and across the City.

- **Policy TR-9.13.** Implement transportation focused actions identified in the Climate Smart San Jose Plan and the City's Greenhouse Gas Reduction Strategy.
- **Policy TR-9.14.** Develop, implement, and regularly update, as needed, a citywide pedestrian plan.
- **Policy TR-9.15.** Develop a citywide transportation plan that identifies, priorities, and monitors the City's transportation investment strategies.
- **Policy TR-9.16.** Develop area transportation plans that identify, prioritize, and monitor long-term transportation projects and programs in the City's planned growth areas in alignment with Goal TR-9.
- **Policy TR-9.18.** Develop and implement strategies to increase shared mobility options.
- **Policy TR-9.19.** Develop and implement strategies to rapidly improve the operations of and expand transit and shared mobility options throughout the City. Explore development of new routes services by rail, bus, and new transit technologies as well as the effect on VMT reduction.
- **Policy TR-9.23.** Implement Vision Zero strategies to eliminate all traffic fatalities, significantly reduce injury crashes, and create safe and comfortable walk and bike environments.
- **Policy TR-9.24.** Evaluate the changing patterns to employment and the effect on VMT reduction. Develop strategies to promote flexible work patterns for existing and new developments.
- **Policy TR-9.25.** Develop and implement strategies to ensure equitable community engagement process and fair distribution of transportation resources, benefits, costs, and services for everyone, including seniors, people with disabilities and low income, people of color, and individuals living in underserved areas.
- **Policy TN-2.2.** Provide direct, safe and convenient bicycle and pedestrian connections between the trail system and adjacent neighborhoods, schools, employment areas and shopping areas.
- **Policy TN-2.3.** Add and maintain necessary infrastructure to facilitate the use of trails as transportation.
- **Policy TN-2.4.** Acquire and develop facilities in a prioritized manner, as indicated by the City's adopted bicycle and trail plans and policies.
- **Policy TN-2.7.** Encourage all developers to install and maintain trails when new development occurs adjacent to a designated trail location, in accordance with Policy PR-8.5.

- **Policy IP-5.8.** Develop a transportation element for the Urban Village Plan, which addresses:
 1. The need for new roadways or paseos to provide additional capacity for internal vehicle and pedestrian circulation and to support intensification of the adjoining properties.
 2. Incorporate requirements for new infrastructure necessary to successful implementation of the Urban Village Plan, such as safe and convenient pedestrian connections to nearby transit facilities. Such new infrastructure should be planned and have secured financing prior to constructing new residential development within the Village area.

In addition, Climate Smart San José includes the following policies and actions:

- Pillar 2: A Vibrant City of Connected & Focused Growth
 - Strategy 2.3: Create clean, personalized mobility choices. New technology can enable clean, electric, and personalized mobility choices that make it convenient to move between any two points in the city. San José will work to develop clean, personalized, and shared mobility choices, reducing single-passenger, gasoline car use through a combination of bike- and ridesharing, passenger electric vehicles (EVs), and, in the future, autonomous vehicles (AVs). Achieve this strategy through the following goals:
 - 1,319 thousand tons of carbon reduced per year by 2050.
 - 82% of passenger vehicles are electric by 2050.
 - 114,400 equivalent number of cars taken off the street by 2050.
 - 12% of commute trips are single-occupancy vehicle trips by 2050.
 - Strategy 2.4: Develop integrated, accessible public transport infrastructure. Developing integrated, accessible public and active transport infrastructure reduces the dependency on the car to move within the city. San José will continue supporting public transit infrastructure as a means of getting around the city, particularly the integration of multiple transport modes and transit-oriented development (TOD) to reduce VMT. Achieve this strategy through the following goals:
 - 535 thousand tons of carbon reduced per year by 2050
 - Reduce VMT per capita per day by 57% by 2050
 - Have 35% of commute trips on public transit by 2050
 - Have 50% of households be located within ½ mile of high-frequency (less than 15 min) transit 7am to 10pm by 2050.

Comparison of Existing TDM Ordinance to Proposed TDM Ordinance

This Table below (Attachment 2) compares the City’s current TDM framework with the proposed framework.

	Existing Zoning TDM Requirements	Proposed Zoning TDM Requirements
<i>Applicability</i>	<p>Applies only for projects that are seeking a parking reduction. Projects must meet one of the following criteria:</p> <ul style="list-style-type: none"> • Within 2,000 feet of a proposed or an existing rail station or bus rapid transit station, • In an area designated as a neighborhood business district, urban village, or as an area subject to an area development policy in the city's general plan • One of 13 specific residential, commercial, or institutional uses listed in the Zoning Ordinance 	<p>TDM requirements would no longer be tied to a project seeking a parking reduction. Applicability will be aligned with Council Policy 5-1, meaning that projects that are subject to a detailed VMT analysis would be required to submit a TDM plan and implement TDM measures. As examples, the following types of projects would be subject to TDM requirements:</p> <ul style="list-style-type: none"> • Housing projects of more than 15 single family or 25 multi-family units • Office uses over 10,000 square feet • Hotel or motel uses of more than 150 rooms • Retail of over 100,000 square feet • Industrial uses of over 30,000 square feet
<i>TDM Measures</i>	<p>For projects seeking a parking reduction, the Zoning Ordinance contains a limited list of 14 programmatic measures that apply to all uses but were designed for commercial/employment uses.</p> <p>Separately, programmatic measures may be required through the CEQA process to reduce a project’s VMT impact. The City’s Transportation Analysis Handbook contains a separate list of 17 programmatic measures that apply for this purpose.</p>	<p>The City’s Transportation Analysis Handbook would be updated to contain a unified list of physical and programmatic measures. Staff’s working draft has approximately 30 measures from which to choose.</p> <p>The Transportation Analysis Handbook can be updated administratively to add new standards and reevaluate existing standards so that the City’s tools keep up with new ideas and innovations.</p>
<i>Process for selecting TDM requirements for a project</i>	<p>In most cases transportation engineer is hired by the developer to prepare a TDM Plan and show justification why the TDM plan will support the proposed parking reduction</p>	<p>The developer can simply choose the desired TDM strategies from the menu that will meet the point target.</p>

Parking Transportation Demand Management (TDM) Ordinance Update Policy Direction

Links to Attachments

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Correspondence received before June 1, 2022 posting