



Parking and Transportation Demand Management (TDM) Ordinance Update

City Council Study Session, August 27, 2021

American Cities
Climate Challenge



Agenda

- 1 Introduction & context
- 2 Coordinated policy update efforts
- 3 Overview of proposed ordinance changes
- 4 Programmatic details
- 5 Engagement process and feedback
- 6 Initial Mayor and City Council Q&A
- 7 Stakeholder panel
- 8 Mayor and City Council Q&A
- 9 Public comment



Introduction



“Rightsize” the amount of parking constructed in new development

Update the City of San Jose’s minimum parking requirements



Increase opportunities for sustainable travel choices in new development

Update the City of San Jose’s transportation demand management (TDM) requirements

Context



2-year ordinance update and engagement effort supported by the **American Cities Climate Challenge**:

- Over **60 percent of GHG emissions** come from transportation in San Jose
- Studies show that **too much parking** leads to **increased driving and greenhouse gas emissions**
- **Too much parking pushes destinations further apart**, making transit, walking and biking less effective and unappealing
- Studies show that **minimum parking requirements significantly increase construction costs and limit the number of units produced**
- Transportation demand management is a rapidly evolving field; research shows that **TDM is effective in encouraging sustainable travel**

Context

- **Envision San Jose General Plan VMT Tier I & II Reduction (Goals TR-9 & 10)**
 - Reduce minimum parking requirements citywide
 - Require TDM amenities and programs to support reduced parking
 - Promote use of unbundled private off-street parking
- **Climate Smart San Jose – Action Item 2.1-M**
 - Evaluate options to incentivize new development to include a GreenTrip score (a scoring system to promote low-traffic development) in their submittal.
 - Evaluate changes to minimum and maximum parking requirements
- **Downtown Zoning Code Update – City Council priority**
- **VTA BART Phase II Transit Oriented Communities Strategy**
 - Encourage use of sustainable modes through transportation demand management
 - Rightsize parking requirements for residential, office and retail development
- **Cost of construction is an increasing barrier to housing development**

Context

2018

Shift from LOS to VMT; Policy 5-1 adopted by City Council

Under CEQA, Vehicle Miles Traveled (VMT) becomes new metric for evaluating transportation impacts, reflected in updated Local Transportation Analysis policy (Council Policy 5-1).

2021-2022

Ordinance update to modernize parking and TDM requirements

Rightsize parking and require investment in sustainable travel options in new development.

2022-2023

Adopt Access & Mobility Plan and update City Council Policy 5-1

Identify the transportation projects and policies that help the City achieve its goals. Update City Council Policy 5-1.

Building a sustainable transportation system

Land Use & Design



Infrastructure Investment



Parking & Transportation Demand Management



Coordinated but separate policy update efforts

1. Residential parking permit modernization
2. Public permit – agreements with private entities

Residential Permit Parking (RPP) modernization



- The City's residential parking permit program is at odds with many of the goals expressed in Envision San Jose General Plan and Climate Smart.
- Better understanding is needed regarding the impact of San Jose's RPP system on parking and TDM policies aimed at reducing vehicle ownership and single occupancy driving in densifying neighborhoods

Potential Program Changes – slated for EOY 2022:

- Reduction in number of permits issued per household or business
- Introduction of a permit limit per property
- Elimination of free permits

Downtown Shared Parking Agreements



Public parking garages may provide additional parking above and beyond what developers elect to built onsite.

Proposed Conceptual Framework & Goals:

- Align with the City of San Jose's adopted mode shift goals and maintain business development flexibility
- Cap number of permits provided per development
- Cap number of permits systemwide
- Create global access permits

Scope of ordinance changes under consideration

Within Title 20:

1. Eliminate minimum parking requirements in citywide except for areas with existing contractual parking requirements
2. Establish updated transportation demand management requirements for all new development citywide

Goals of ordinance changes

Rightsize Parking to Unlock Opportunity

Ensure that parking constructed in new development is adequate but not oversupplied in order to facilitate greater affordability and reduce impacts to the transportation system and environment.

Enhance Mobility as San Jose Grows

Ensure sustainable travel choices are provided in new development to minimize the impacts of new development as San Jose grows.

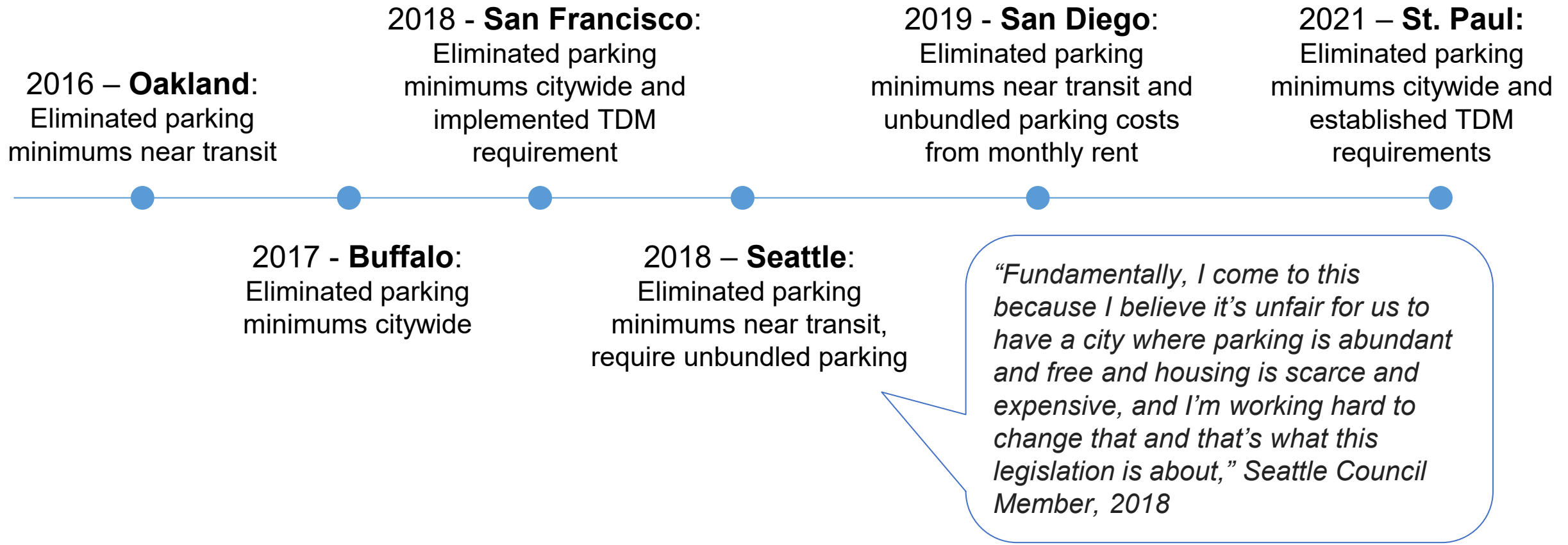
Data-Driven Program Evaluation

Require new development to submit annual TDM monitoring and compliance reports to enable the City to track and demonstrate performance over time.

Streamline Project Review Process

Provide the development community with a transparent set of requirements that are easily incorporated into the City's development process.

Peer cities move to eliminate parking requirements and institute TDM

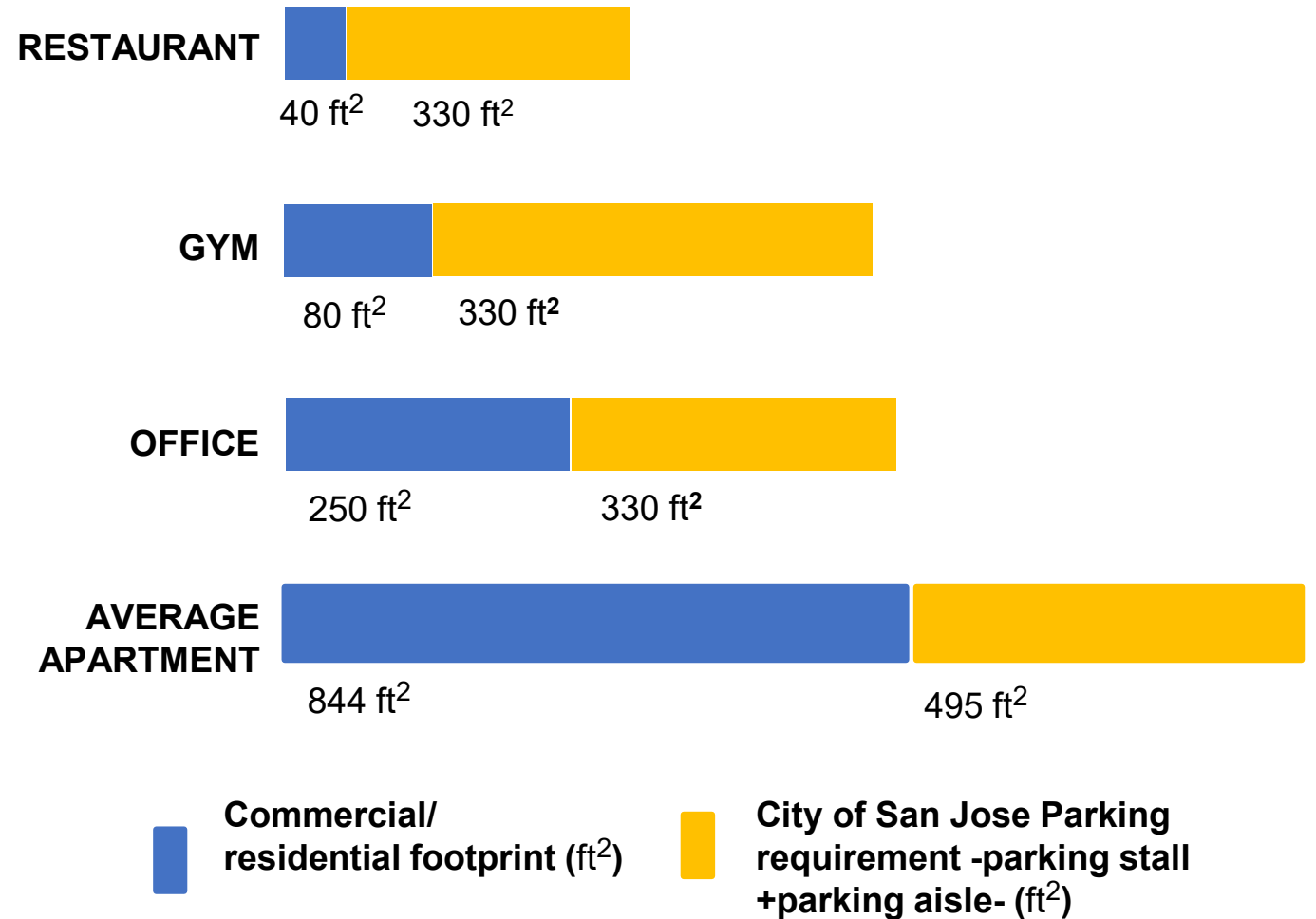


Proposed Ordinance Change

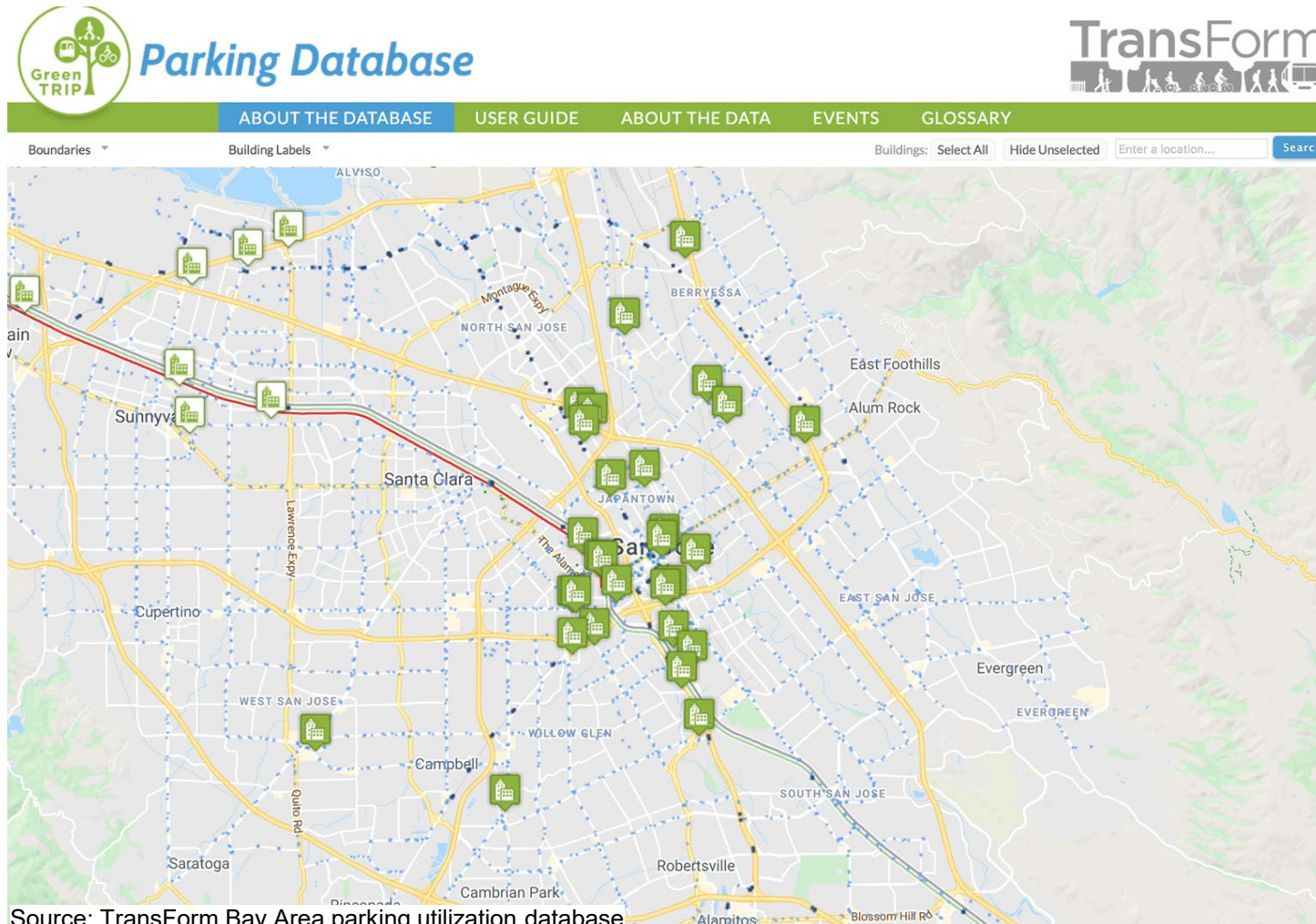
Eliminate minimum parking requirements citywide except for areas with existing contractual parking requirements

The cost of minimum parking requirements

Per San Jose's existing zoning code minimum parking requirements often **result in more space dedicated to parking than the building itself.**



The cost of minimum parking requirements



Source: TransForm Bay Area parking utilization database

25% unused
Empty parking spaces
during peak hours at
multifamily apartments
in San Jose.

The cost of minimum parking requirements

Minimum parking requirements
increase construction costs

Parking is expensive to build

~\$34,000-\$75,000/parking space

Minimum parking requirements
decrease housing affordability

Cost is passed onto end users

Accounts for ~17% of monthly rent

Minimum parking requirements
reduce number of units constructed

Suppresses housing production

13% fewer units constructed

Sources:

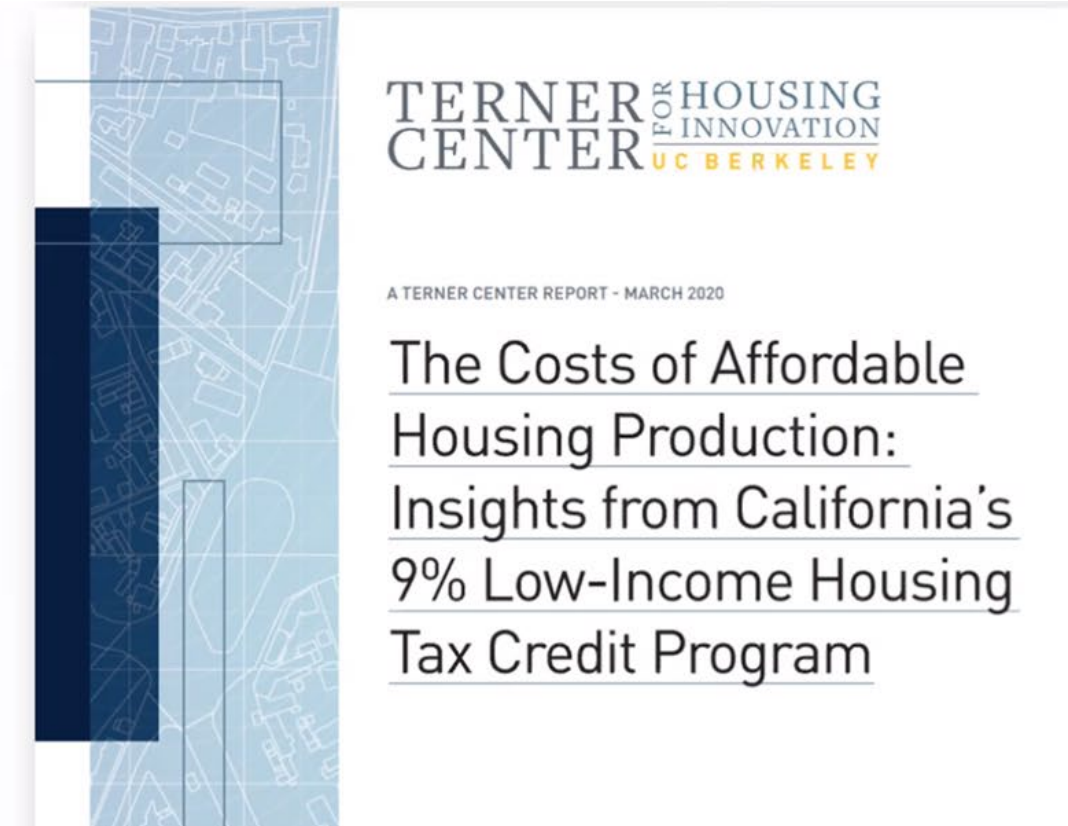
The Hidden Cost of Bundled Parking (Pierce, Gabbe, UCLA & Santa Clara University)

The High Cost of Minimum Parking Requirements (Shoup, UCLA)

The cost of minimum parking requirements

Parking limits the number of units constructed in affordable housing

- 2020 Turner Report: Parking costs an additional \$36,000 per new unit of affordable housing
- On a 100-unit project, that's a extra \$3.6 million needed in subsidy



Source: UC Berkeley Turner Center for Housing Innovation

The cost of minimum parking requirements

Land use



Parking versus other uses

Air quality, climate change



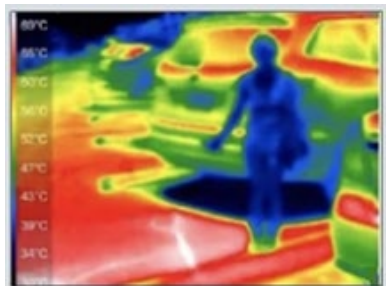
Induced demand and cruising

Water quality



Pollutant accumulation and runoff

Increasing temperatures



Thermal radiation caused by parking surfaces warms ambient temperatures

Habitat loss



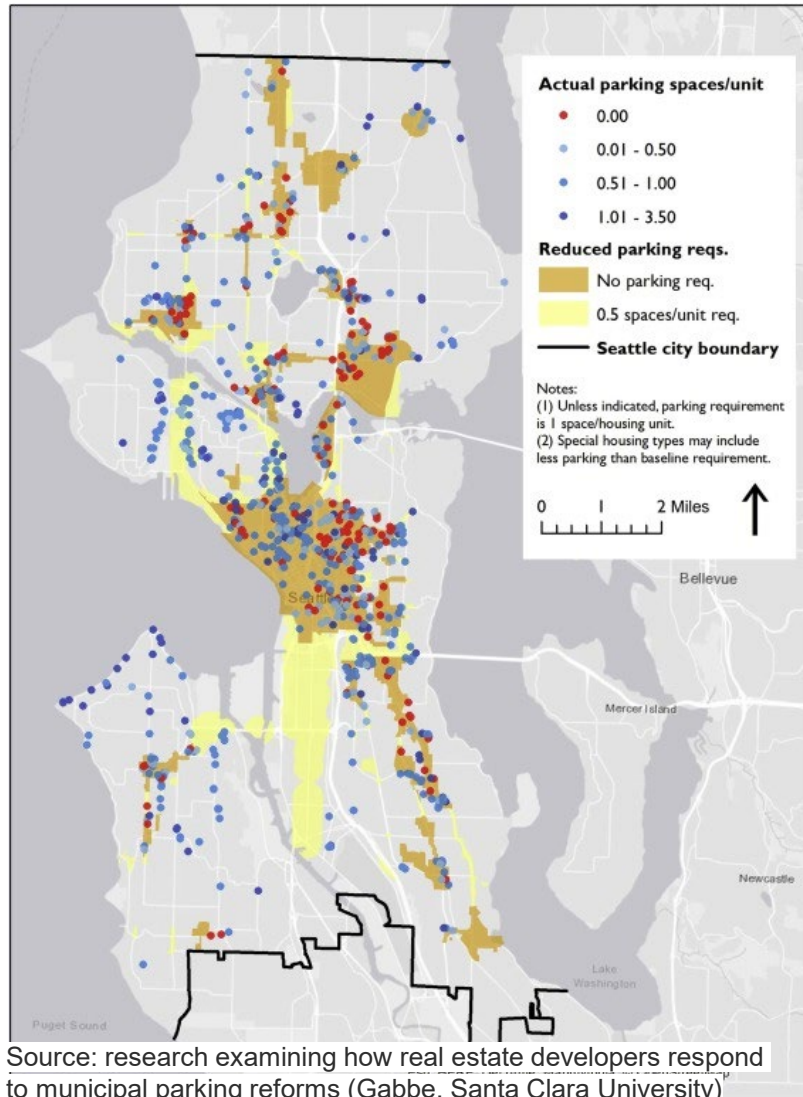
Destruction of natural habitats and systems

Quality of life



Urban design and aesthetic

What happens when minimum parking requirements are eliminated?



Source: research examining how real estate developers respond to municipal parking reforms (Gabbe, Santa Clara University)

- Research shows that eliminating minimum parking requirements do lower prices for tenants/buyers

Case study from Seattle

- Developers generally continued to construct parking, especially outside of downtown areas
- However, developers provided less parking than they would have otherwise

Goal: Rightsize parking requirements

Eliminating minimum parking requirements allows developers to:

Assess the specific parking needs based on their tenants, project location, and financing considerations to **ensure that an adequate, not excess, amount of parking is supplied**



Impacts on existing uses, including small businesses

Elimination of minimum parking requirements will apply to existing uses.

Benefits of this include:

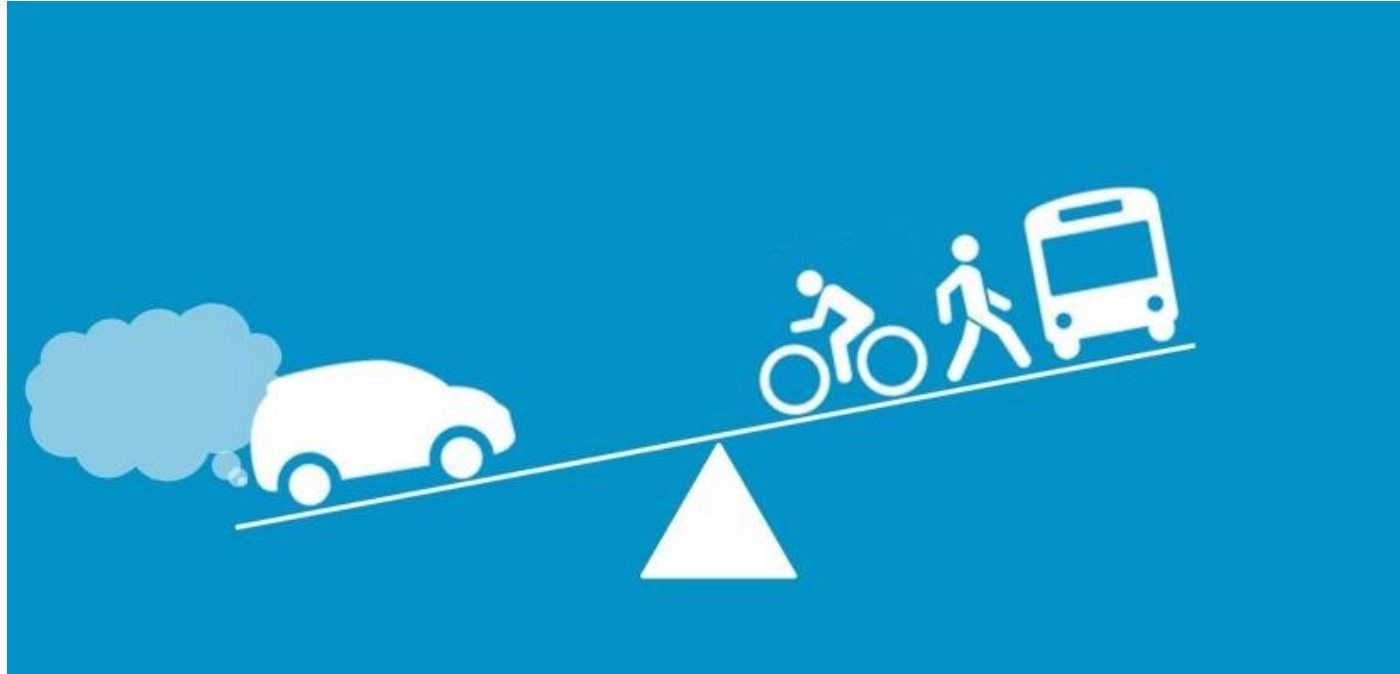
- ✓ Small businesses (specifically restaurants) can move into older commercial buildings that may not meet current parking minimums
- ✓ Ability to convert parking into outdoor dining/landscaped areas on a more permanent basis



Proposed Ordinance Update

Establish transportation demand management requirement in new development that scales with the amount of parking proposed

What is transportation demand management (TDM)?



Transportation demand management or “**TDM**” encompasses physical and programmatic investments that **increase the affordability, convenience and effectiveness of sustainable travel modes** like public transit, walking, and biking.

Transportation demand management examples

Build **infrastructure** that take cars off the road and reduce greenhouse gas emissions



Purchase of two electric buses (SJ)



Contribute to San Jose Better Bikeways (Adobe, downtown SJ)

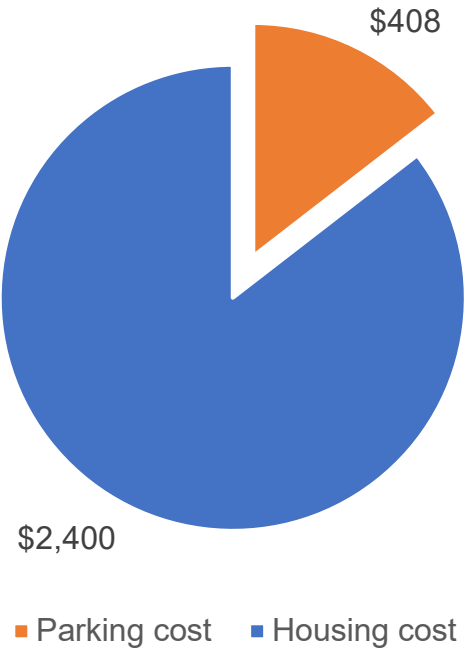
Transportation demand management examples

Invest in **services and amenities** that take cars off the road and reduce greenhouse gas emissions



Transportation demand management examples

Establish **policies** that take cars off the road and reduce greenhouse gas emissions



“Unbundle” or separate parking from the cost of rent



Provide parking “cashout” or credit at workplaces for those who don’t drive

Transportation demand management examples

Establish **policies** that take cars off the road and reduce greenhouse gas emissions



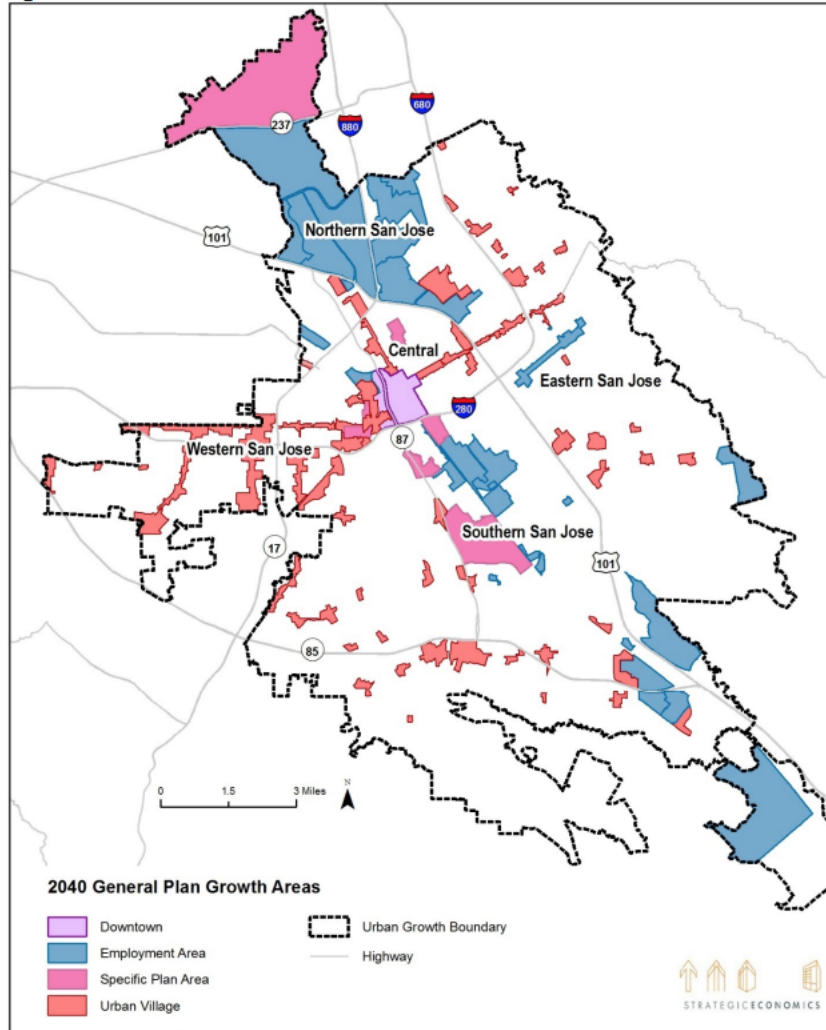
Source: Brookings Institute (2020) and Institute of Transportation Studies (UC Davis, 2005)

Telecommuting

- Grew to nearly 50% of all U.S. workers during COVID
- Especially impactful when combined with electric residential building standards

Minimizing impacts of new growth in San Jose

Figure I-1. General Plan Growth Areas



By 2040:

120,000 new housing units
382,000 new jobs

- TDM program aims to make it easy for people traveling to new development (residents, employees, visitors) to do so sustainably
- Objective is to minimize parking, congestion, and other impacts to transportation network

Source: GP 4-Year Review Transportation Analysis

What's New

Current TDM Ordinance

Proposed TDM Ordinance

Applicability

New development requesting 20% or greater parking reduction

New non-residential and residential development consistent with Policy 5-1

TDM Strategies

15 strategies

Menu of 40+ TDM Strategies

Monitoring & compliance

Complaint-based monitoring and compliance

Annual compliance and monitoring reporting, penalty fees for non-compliance

TDM ordinance change components



Point Target

TDM “point target” baseline is based on the amount of parking provided. Additional TDM is required to offset vehicle trips associated with proposed parking above established threshold.



Menu of Options

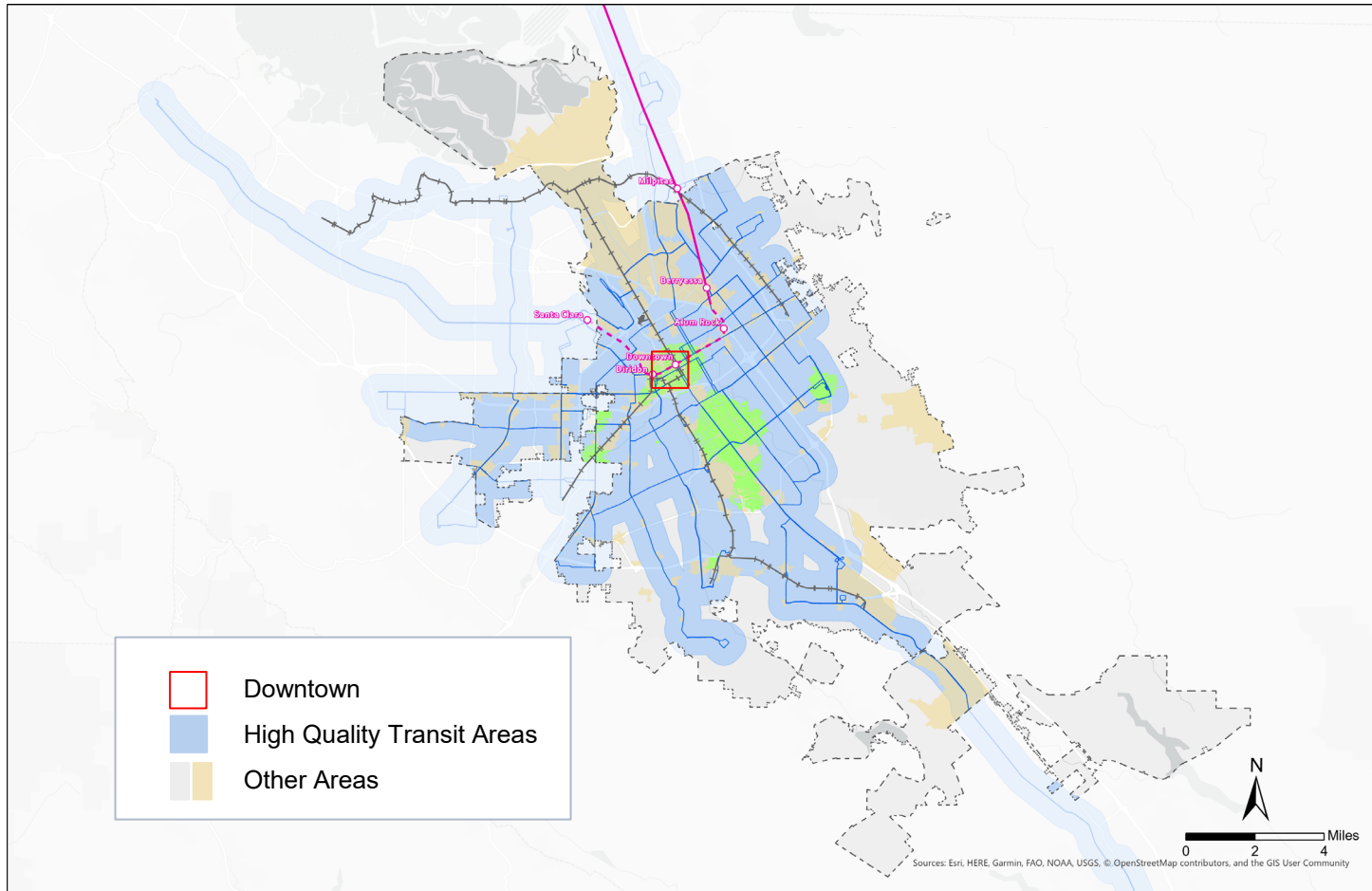
Project applicant chooses the best physical and/or programmatic TDM strategies to reach their point target.



Implementation Strategy

Measure and enforce progress to ensure compliance and track performance. Level of monitoring and compliance requirement is based on size of project.

TDM point target



1. All projects have baseline TDM target; additional TDM is based on parking supply above established threshold
2. Established threshold based on VMT reduction potential of downtown, high quality transit areas, and other areas

Menu of Options

Menu of 40+ strategies available to projects based on type of development

Each strategy is worth a range of points based on the level of implementation. 1 point is roughly equivalent to 1% reduction in VMT (based on empirical research).

PROGRAMMATIC STRATEGIES

- Carshare memberships
- Subsidized Transit passes
- Telecommuting
- Parking cashout
- Unbundled parking
- Join a transportation management organization

PHYSICAL STRATEGIES

- Reduced parking supply
- Bicycle parking
- Install a bike share station
- Mid block crossing
- Public transit improvements
- Wayfinding signage

Implementation strategy: monitoring & compliance



Level 1

1. TDM Plan required
1. Annual compliance documentation and review fee*



Level 2

1. TDM Plan required
1. Annual compliance documentation and review fee *
1. Annual TDM monitoring (including trip counts & survey) *

*Applies only to programmatic TDM measures

TDM Process



TDM strategies support parking strategies and vice versa



RIGHTSIZE PARKING

Ensure an adequate amount of parking while achieving greater affordability and flexibility



TDM STRATEGIES

Promote high quality alternatives to driving, such as walking, biking, and transit

The proposed ordinance update is the culmination of engagement work with SPUR, Greenbelt Alliance, Veggielution and Urban Land Institute

Over 30 virtual and in-person meetings, over 1,000 stakeholders engaged

January 2020

Initial engagement: meet with neighborhood associations and forums, bring engagement partners on **SPUR** and **Greenbelt Alliance**

SCU students conduct capstone project looking at equity impacts of proposed ordinance changes in Roosevelt Park and Spartan Keyes

January 2022

January 2021

Project kick off: Technical Assistance Panel with real estate experts, developers, small business and residents - Partnership with the **Urban Land Institute**

Partner with Veggielution to host focus group with underserved communities, assess existing conditions and provide guidance on draft recommendations

SPUR and Greenbelt Alliance virtual forums and workshops; in person events with **Veggielution**

Bring proposed ordinance changes to City Council

Engagement feedback and questions

Feedback

- Generally supportive
- Housing affordability
- Robust TDM monitoring and enforcement
- Make it easier to bike, walk, and take transit
- Smart land use policy
- TDM is a fast-evolving field; TDM program needs to be flexible
- Developers need transparent requirements

Questions

- Would these changes affect affordable housing? If so, how?
- Would these changes affect small businesses? If so, how?
- Would these changes affect existing neighborhoods? If so, how?
- How has equity been considered as part of this process?
- What are the cost implications of TDM versus parking on development proforma?

Addressing community questions

Would these changes affect affordable housing? If so, how?	Yes, proposal would remove a significant cost element that today makes housing more expensive to build and rent/own.
Would these changes affect small businesses? If so, how?	Proposal would benefit many small businesses – <ul style="list-style-type: none">• Greater flexibility when developing on smaller lots• Opening up more options for businesses looking to move into existing buildings
Would these changes affect existing neighborhoods? If so, how?	<ul style="list-style-type: none">• By facilitating more affordable housing, the proposal address some of the drivers of overcrowding and associated on-street parking impacts.• New development is anticipated to provide adequate off-street parking. However, as San Jose continues to grow and urbanize, on-street parking spaces will likely become more limited. Proposal complements the elimination of minimum parking requirements with TDM to make it easier to travel by alternative, non-auto modes.
How has equity been considered as part of this process?	<ul style="list-style-type: none">• Established partnership with Veggielution to review and provide recommendations, engage with underserved populations, and understand existing conditions in low-income neighborhoods through a series of focus groups.• By facilitating affordable housing, proposal will help to overcome racial and socio-economic disparities.
What are the cost implications of TDM versus parking on development proforma?	TDM measures on a per-unit basis over a 40-year period are 3-10 times more cost effective than building parking and have significant co-benefits.

What we're aiming to achieve



Lower the cost of construction and facilitate housing production



Create more flexibility, including for small businesses



Make it easy to bike, walk, use public transit, or shared mobility services in densifying areas



Minimize impacts of new development on the transportation system

Initial Mayor and Council Member Q&A

Clarifying Questions and Answers



Stakeholder Panel



Elma Arredondo
Administrator at San
Jose State University,
Co-Chair of ARUVA,
Mayfair neighborhood
resident



Rick Dishnica
CEO, Dishnica
Companies, Chair of
San Jose's Urban Land
Institute Technical
Assistance Panel



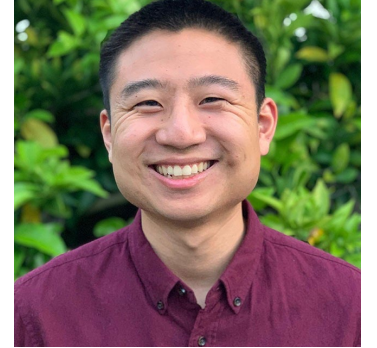
Amanda Eaken
Director of
Transportation, NRDC,
American Cities Climate
Challenge



Chris Neale
Executive Vice
President, The Core
Companies



Rob Swierk
Principal Transportation
Planner, Valley
Transportation Authority
(VTA)



Justin Wang
Advocacy Manager
at Greenbelt Alliance