



THE CITY OF SAN DIEGO

Report to the Planning Commission

DATE ISSUED: January 24, 2019

REPORT NO. PC-19-03

HEARING DATE: January 31, 2019

SUBJECT: TRANSIT PRIORITY AREA PARKING REGULATIONS FOR MULTIFAMILY
RESIDENTIAL DEVELOPMENT

SUMMARY

Action: Recommendation of the Planning Commission to the City Council for approval of an amendment to the City's Municipal Code, Land Development Manual and Local Coastal Program to reduce parking requirements and provide for transportation amenities for multifamily residential development within Transit Priority Areas (Proposed Regulations).

Staff Recommendation: Recommend approval of the Proposed Regulations to the City Council.

City Strategic Plan Goal and Objectives:

Goal #3: Create and sustain a resilient and economically prosperous City.

Objective #1: Create dynamic neighborhoods that incorporate mobility, connectivity, and sustainability.

Environmental Review: The Proposed Regulations are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) (General Rule), as the City's reduced parking requirements would not cause a significant effect on the environment. See Attachment 4.

Housing Impact Statement: The Proposed Regulations would apply Citywide. The Proposed Regulations would reduce the parking requirements and could increase the number of housing units due to reduction in land area necessary for parking. Further, the proposed regulations would also increase the affordability of residential units through the reduction in cost associated with required parking above demand, as well as the requirement for the cost parking to be unbundled from rental/purchase cost of a unit.

Technical Advisory Committee (TAC): On January 9, 2019 the Technical Advisory Committee took the following action:

The motion was to recommend approval of the TPA Parking Regulations for Multifamily Residential developments with minor changes to Land Development Manual Appendix Q. The motion passed by a vote of 7-3-0 in support of the TPA Parking Regulations

Code Monitoring Team (CMT): On January 9, 2019 the Code Monitoring Team took the following action:

The motion was to recommend approval of the TPA Parking Regulation for Multifamily Residential developments. The motion passed by a vote of 8-1 in support of the TPA Parking Regulations.

Community Planners Committee (CPC) Recommendation: CPC is scheduled to hear the Proposed Regulations on January 22, 2019. The Planning Department will send a separate memo to the Planning Commission with the CPC recommendation prior to the Planning Commission hearing date.

Downtown Community Planning Council: The Downtown Community Planning Council is scheduled to hear the Proposed Regulations on January 23, 2019. The Planning Department will send a separate memo to the Planning Commission with the Downtown Community Planning Council recommendation prior to on the Planning Commission hearing date.

BACKGROUND

To implement the Mayor's *Housing SD* Initiative and Climate Action Plan, the Planning Department initiated an amendment to the City's parking requirements with the following goals in mind: increasing housing affordability and supply, creating communities as places to live and work, and reducing an individual's reliance on cars, which not only reduces the vehicle-generating greenhouse gas emissions, but also further reduces vehicular congestion on the surrounding roadways for all residents. A study was conducted to update parking data, conduct benchmarking of other City's approach to reducing parking regulations, and existing parking demand of multifamily residential development within the City (See Attachment 3). This analysis not only showed an oversupply of parking within multifamily residential development, but also the importance of removing regulatory barriers associated with parking to both increase housing production and reduce housing costs. This is a consistent theme as reflected by a number of bills recently passed into law by the California legislature, including California Senate Bill 743 (SB 743), which suggests reductions in parking requirements in Transit Priority Areas (TPA) as a means to reduce vehicle miles travelled (VMT).

The key objectives of the study were to review best practices of implemented parking reduction strategies for comparable United States cities, identify factors that influence vehicle ownership, evaluate parking demand at local multifamily residential developments, and develop parking requirements recommendations for future multifamily residential projects within TPAs. With funding contributions from the Planning Department and the Downtown Community Parking District, the consultant services of Chen Ryan Associates, Inc. were retained to prepare a parking study to

reevaluate multifamily residential parking requirements within TPAs and consider adopting zero minimum parking space requirements. "Transit Priority Areas" are defined in California Senate Bill 743 as areas located within one-half mile of a *major transit stop* that is existing or planned. Within the City, a planned major transit stop must be scheduled to be completed within the planning horizon included in a SANDAG Regional Transportation Improvement Program, which at this time would be the year 2020. A *major transit stop* is defined in California Public Resources Code 21064.3, as "a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods." The TPA map for the proposed regulations that shows the existing (2018) and RTIP planning horizon (2020) TPAs is provided as Attachment 5.

The proposed amendment would result in a market-based approach to parking. Market-based parking refers to the removal of any minimum parking space requirements for a multifamily development, and allows developers the flexibility to provide on-site parking based on the market demand for a specific development in a specific location. Through the benchmarking and informational follow up interviews with other cities in California, Washington, and Oregon, the zero minimum parking regulations have not resulted in immediate implementation of projects with no parking, but rather a reduced level of parking per units that allows for a greater yield in residential units at a more affordable price.

DISCUSSION

The study conducted at the onset of this initiative was focused on multifamily residential uses within TPAs. The study entailed a review of best practices in similar cities to inform the analysis of vehicle ownership and parking demand. A statistical analysis was then conducted to determine what economic, social, and lifestyle factors had the greatest influence on vehicle ownership. Four factors were identified through this analysis: percent of households which are family, median household income, jobs within a mile, and jobs within a 30-minute transit trip

With respect to Downtown, a focused analysis was conducted to verify the current patterns of occupancy and utilization of parking spaces for residential development. This was compared to prior studies that also focused on temporal vacancy for residential development during the daytime when residents are at work, and for commercial office buildings during the evening. The observations and data revealed that this vacancy presented opportunities to reduce the minimum parking regulations to a zero minimum, while creating a maximum that can also utilize offsite parking resources through shared parking.

Peer City Review

The purpose of the peer city review was to identify U.S. cities similar to San Diego that have successfully implemented market-based parking policies or parking reduction programs and have experienced a decrease in vehicle ownership since implementation. Three factors informed the initial choice of peer cities and their overall similarity to San Diego: the size (metropolitan area) and

location of the potential peer city; a comparison of vehicle ownership rates to San Diego (vehicle ownership was used as an equivalent of parking demand); and whether cities have implemented similar multifamily residential parking reduction requirements within transit areas, as defined by each peer city. A handful of cities were investigated in detail, with Seattle and Portland rising to the level of example cities that have made further progress than San Diego and for which we can strive toward. A detailed report, which includes the peer city selection methodology, a summary of their multifamily residential parking reduction programs, and interviews with those peer city staff are included in Attachment 3.

Summarizing the background of the City of Seattle parking regulatory reform, in 2004, parking minimums were removed for both residential and commercial uses in Urban Centers and Light Rail Station Areas. In 2010, Seattle expanded the geographic area in which no parking minimums were required to include Urban Villages and areas outside of Urban Villages that had frequent transit service. In 2018, Seattle reaffirmed the previously mentioned areas, defined frequent transit service (at least four trips per hour between 6 a.m. and 7 p.m., twice hourly in other timeframes on weekdays and weekends), and mandated “unbundled parking” in multifamily residential lease agreements. “Unbundled parking” refers to a strategy in which the cost of parking spaces is separated from the rent or purchase price of a residential unit. Over the last approximately 20 years, households without vehicles have increased, and vehicles per household have decreased. These trends correspond with the City of Seattle’s changes in parking requirements.

With respect to the City of Portland, starting in 2002, multifamily residential development sites that were within 500 feet of frequent transit service (defined as bus service every 20 minutes) were exempted from minimum parking requirements. In 2013, Portland adjusted its code requirements, exempting only the first 30 units, with the subsequent units requiring minimal parking. In 2000, 14% of households in Portland did not own a vehicle, which increased to 14.8% in 2010, which is more than twice the average of the City of San Diego.

In addition to Portland’s reduced parking requirements, the City of Portland requires mixed-use buildings with more than 10 residential units in a major corridor or commercial centers within 1,500 feet of a transit station or 500 feet from a transit street with 20-minute peak hour service, to develop a Transportation Demand Management (TDM) plan. The TDM plan is required to be approved prior to building permit issuance. Portland is also in the process of developing a multifamily residential development TDM program which is anticipated to be completed by mid-2019.

Recent State Legislation

In the last two years, the State of California legislature has proposed many housing-related bills that include policy to significantly reduce parking regulations for all types of housing to incentivize the production of housing and reduce the cost per unit. Among those adopted are SB 35 (Weiner) which waives minimum parking requirements for developments with 50% of units below 80% AMI and within one-half mile of public transit. For AB 2372 (Gloria), also referred to as the CASA bill, allows for cities that opt-in and adopt regulations consistent with the bill to not allow parking requirements in excess of 0.1 ratio for a development with 20% affordable units within one-half mile from a major

transit stop, and 0.5 ratio for market rate housing. AB 2162 (Chiu) specifically addressing permanent supportive housing (PSH) allows for no parking minimums for such developments within one-half mile from a public transit stop.

Parking Demand Analysis and Data Collection

A statistical analysis was conducted using inputs from over 10,000 census blocks from Seattle, Washington and Portland, Oregon. From the analysis, four factors were determined to be most influential on vehicle ownership: percent of households that consist of families, median household income, jobs within a mile, and jobs within a 30-minute transit trip. As part of the study, a model was developed to determine the potential for decreased parking demand and overall vehicles per household using these four factors. The model was validated using the peer cities of Seattle and Portland to refine the accuracy of the vehicles per household projections.

Data collection sites were identified throughout the city, within TPAs, using the model and focused on spreading the sites throughout the city in TPAs within differing communities and districts and varying levels of propensity for vehicle ownership. Parking occupancy data was collected at 41 market-rate, multifamily residential developments throughout the City; no affordable housing or senior housing data was included. Data was collected from the selected housing sites including parking demand, and surrounding areas parking occupancy between the hours of 10PM and 7AM once during a weekday and once during the weekend.

The data analysis revealed the following key findings:
For the study areas outside of Downtown,

- 89% of the study sites had an observed parking demand below what the model projected.
- Sites with higher demand than projected exceeded demand in excess of an average of 10%.
- Parking demand is less in areas with many walkable destinations and high transit availability.

For the study areas within Downtown,

- All study sites had an observed parking demand below 1 space per unit
- Off-street parking demand is less during weekend than weekday

Input from Focus Groups

As part of the public outreach effort, meetings with focus groups were held to better understand effects of parking regulations on development, environmental concerns, and constraints related to parking supply for different users. The focus groups included business groups, project area committees and planning group chairs, developers, and environment, housing, and mobility advocates. Feedback from these focus groups indicated that parking constraints and needs vary across San Diego neighborhoods and types of households, there are environmental and health benefits to reducing vehicle use and reliance, concerns of parking spillover into neighborhoods, and

the potential for an increase in project financial feasibility and housing supply with a reduction in the parking requirements.

Recommendations

As a result of the analysis and peer city review, multifamily residential developments within a TPA is recommended to have zero minimum parking space requirements. Removing this regulation does not require that zero parking spaces per unit be provided, but rather allows for the provision of parking commensurate with a given parking demand for that area or residential development type. Multifamily residential development within Downtown would also have a zero-minimum parking space requirements, with the current minimum parking requirement of one parking space per unit be the maximum allowed parking requirement. Therefore, development downtown would not be required to provide any parking, but also would not be permitted to provide greater than 1.0 space per unit. To incentivize affordable housing, multifamily residential development within a TPA that includes at least 20% affordable housing is also recommended to have zero minimum parking space requirements.

In addition, multifamily residential developments outside of downtown would be required to provide Transportation Amenities. Transportation Amenities are features provided by a development to decrease reliance on vehicles and reduce vehicle trips, as well as inform, educate, and incentivize transit use, biking, walking, and ridesharing that not only provide a direct benefit to a resident of a development but may also provide a community benefit. Multifamily residential development within Downtown would not be required to provide transportation amenities. Similarly, affordable housing that includes at least 20% affordable housing would not be required to provide Transportation Amenities.

When parking is provided, unbundled parking would be required for all development within TPAs citywide, including Downtown. This requirement would separate the rental or purchase cost for parking space(s) from the cost of the residential unit, thereby allowing the resident to evaluate the costs and make a decision for one or no parking spaces, and instead utilizing transit, bike and/or walking for their commute and daily activities. Unbundled parking would not be required for development projects that meet the 20% affordable housing requirement.

Proposed Amendments

The proposed regulatory amendments, included in Attachment 1, have been developed to closely follow the findings and recommendations of the study.

The Proposed Regulations propose a zero-minimum automobile parking space requirement for all multifamily residential development within a TPA. Within the TPAs, multifamily residential development would be required to provide transportation amenities, which are determined based on a Transportation Amenity Score. The Transportation Amenity Score is determined by the development project's location and context, more specifically, the Transportation Amenity Score is determined by four factors: average number of bedrooms, jobs within a mile, jobs within a 30-

minute transit ride, and an environmental priority index. A transportation amenity is a feature provided by a development that reduces vehicle trips and inform, educate, and incentivize transit use, biking, walking, and ridesharing. Transportation Amenities provide a direct benefit to a resident of a development but may also provide a community benefit.

A step by step process to determine the Transportation Amenity Score is provided in the proposed Appendix Q of the Land Development Manual, included as Attachment 2. Developments with less access to jobs and with higher number of bedrooms per unit would have a greater transportation amenity requirement than a development with access to more jobs and fewer bedrooms per unit.

Transportation Amenity Score (Section 142.0528(c)(1))	Transportation Amenity Requirements
1-3	6 points
4-7	4 points
8-9	2 points
10+	0 points

Based on the Transportation Amenity Score, a development’s Transportation Amenity requirements are determined in accordance with the table to the left. The Transportation Amenity requirement would be satisfied by providing specific Transportation Amenities specified in Land Development Manual Appendix Q and as described below.

Transportation Amenities are similar to TDM measures aimed at encouraging the use of alternative modes of transportation. Requiring developments to include TDM measures is becoming a common practice in California cities. This also aligns with the vision of numerous City plans (such as Climate Action Plan and General Plan) as well as state law.

The list of Transportation Amenities included in Land Development Manual Appendix Q are included as an attachment to this report (See Attachment 2). Each Transportation Amenities has an assigned point value based on general cost to implement and benefit to the residents and surrounding community. The range of Transportation Amenities is intended to allow flexibility for a developer to determine a combination of Transportation Amenities appropriate for each individual development and the surrounding neighborhood.

For any parking that is provided over the zero-minimum requirement, that parking would be required to be provided as unbundled parking, meaning that the off-street parking spaces would be required to be leased or sold separately from the rental or purchase fees for the development.

Transportation Amenities and Unbundled Parking would not be required for the following:

- Development that provides 20% on-site affordable dwelling units
- Development with four or fewer dwelling units

If the development premise is within any portion of a TPA and within any portion of the Transit Area Overlay Zone or the Beach or Campus Parking Impact Overlay Zones, the Proposed Regulations would supersede both overlay zones.

CONCLUSION

The proposed regulatory amendments are consistent with the Mayor's Housing SD initiative and Climate Action Plan and would increase housing supply and affordability as well as reduce reliance on cars. Parking reduction in TPAs aligns with recent bills passed into law, including SB 743, which focuses on reducing vehicle miles travelled in transit priority areas. The TPA Multifamily Residential proposed regulatory amendments reflect best practices of parking reduction strategies adopted in comparable US cities, moving the City of San Diego forward in providing housing and reducing greenhouse gas emissions.

Respectfully submitted,



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AM/CB

Attachments:

1. Draft Code language (Strikeout/Underline)
2. Draft Land Development Manual, Appendix Q - Determining Transportation Amenities Required by The TPA Parking Regulations
3. City of San Diego Parking Transit Priority Area Multifamily Residential Parking Standards report prepared by Chen Ryan, January 10, 2019
4. Environmental Support for the CEQA Exemption for the Transit Priority Area Parking Standards, December 17, 2018.
5. TPA Map for Proposed Multifamily Parking Regulations: Existing Transit Connections Plus Regional Transportation Improvement Program 5-Year Funding Allocation