



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 6b

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Memorandum

TO: Legislation Committee

DATE: June 5, 2009

FR: Executive Director

RE: AB 1186 (Blumenfield)/SB 728 (Lowenthal): Parking Cash-Out

Description

The state's parking cash-out law requires certain employers who provide subsidized parking for their employees to offer a cash allowance in lieu of a parking space as a way to level the playing field between driving and alternate modes. The law applies to a very limited number of employers that meet all of the following conditions: 1) they have 50 or more employees; 2) their work site is in an air basin designated as non-attainment for any air quality standard; 3) they subsidize employee parking that they do not own; 4) they can calculate the out-of-pocket expense of the parking subsidy they provide; and 5) they can reduce the number of parking spaces in their lease without penalty.

While current law allows the Air Resources Board to impose a civil penalty of \$500 per vehicle, it has not issued any citations since the law's enactment in 1992. SB 728 (Lowenthal) seeks to improve enforcement of the law by allowing cities, counties and local air districts to establish, by ordinance or resolution, a penalty or other mechanism to ensure compliance with the law. AB 1186 (Blumenfield) seeks to broaden the law's applicability by requiring that the lessor of a nonresidential property that enters into a lease for space with an occupancy of 50 or more to list parking costs associated with the lease as a separate line item in all lease agreements entered into or renewed after January 1, 2011.

Recommendation: Support

Discussion

Research has firmly established the linkage between the availability of free parking at work sites and the decision to drive to work. A survey of Bay Area commuters conducted in 2000 by RIDES for Bay Area Commuters, Inc. found that while 77 percent of commuters drive alone when free parking is available, only 39 percent drive alone when they had to pay for parking. Case studies have also demonstrated a significant shift in travel behavior when employees are offered cash in lieu of a parking space. For instance, a study of the impact of parking cash-out at eight Southern California firms conducted in 1997 found that, on average, solo driving dropped 17 percent, vehicle miles traveled dropped 12 percent, transit use rose 50 percent and carpooling rose 64 percent. Because of these substantial benefits, several local entities, including the City of Los Angeles and the Bay Area Air Quality Management District, have expressed interest in enforcing the state's parking cash-out law, but lack the authority to do so under current law. SB 728 would remedy this.

It is widely acknowledged that one of the shortcomings of the state's parking cash-out law is that it applies to such a limited number of the free parking spaces made available to California workers

each day. According to a study conducted by the Legislative Analyst's Office in 2002, only about 3 percent of an estimated 11 million free parking spaces provided by employers are in fact subject to the law. This is largely due to the fact that the vast majority of free parking spaces are owned, rather than leased; and therefore, they are exempt from the law. AB 1186 would incrementally expand the law's reach by increasing the number of employers that are able to calculate their out-of-pocket parking expenses separately from their cost of the building lease – one of the five conditions to determine whether an employer is subject to the law. In addition, AB 1186 could lead more employers to forego or reduce the number of parking spaces they rent – to the extent that such an option is available to them – resulting in fewer free or subsidized parking spaces made available to employees in the first place.

In summary, because SB 728 and AB 1186 would reform parking policies statewide, resulting in significant mobility and environmental benefits, we recommend a “support” position on both bills.

Known Positions

SB 728 (Lowenthal)

Support

- Environmental Defense Fund (co-sponsor)
- Natural Resources Defense Council (co-sponsor)
- Bay Area Air Quality Management District

Oppose

- California Council for Environmental and Economic Balance

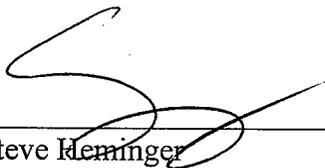
AB 1186 (Blumenfield)

Support

- City of Los Angeles
- Breathe California
- Coalition for Clean Air
- Environmental Defense Fund
- Natural Resources Defense Council
- Planning and Conservation League

Oppose

- None on file



Steve Heminger