



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Minority Citizens Advisory Committee

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W. I. 1114

RE: Regional Parking Strategy

Background

Market-based pricing of parking and other parking reforms are key for influencing travel mode choice, vehicle miles traveled (VMT), and consequent Greenhouse Gases (GHG). However, local jurisdictions are unlikely to reform parking policies sufficiently to reduce greenhouse gas emissions without coordinated action at the regional level.

At their July 2009 meeting the Joint Policy Committee (JPC) provided direction to pursue parking reform at a regional scale as an essential part of the Bay Area's approach to support smart growth and climate protection. The following strategies are under discussion to be pursued by the regional agencies, in consultation with the JPC and in concert, where appropriate, with the Sustainable Community Strategy.

Regional Parking Strategy

The regional parking strategy establishes a regional leadership role of JPC through monitoring and evaluation, funding of education, technical assistance and capital investments, policies in concert with regional funding, intergovernmental activities and support for legislative changes.

- 1. Lead by example (JPC)**
Implement best practices in employer parking and transportation demand management, including market-based parking pricing, parking cashout, and transportation demand management (TDM) programs for regional agency employees.
- 2. Regional Green Parking Certification Program**
Evaluate parking policies of local jurisdictions through a Green Parking Certification Program. Highlight best practices. Evaluate the potential for regional discretionary transportation funding to support jurisdictions with or moving toward Green Parking Certification.

- 3. Conduct workshops and provide technical assistance for local jurisdictions**
Conduct regional and sub-regional workshops/ training sessions to support local development and implementation of parking policies that complement infill land use plans, such as parking cashout, unbundling of parking, TDM programs, and enforcement of state parking cashout law. Provide technical assistance in the form of on-call consultant services to local jurisdictions to develop and implement local parking policies. Priority would be given to Priority Development Areas (PDAs). Support multi-jurisdictional / corridor approaches, potentially a role for Congestion Management Agencies.
- 4. Define and fund effective capital projects for the Climate Change Program**
Define specific capital projects that are highly effective in reducing greenhouse gases, including new “smart” parking meters, monitoring and customer information and payment systems, as a sub-element of the Climate Change Program. Develop grant / loan program for local implementation of effective new technologies. Priority will be given to Priority Development Areas (PDAs).
- 5. Support the Air District’s Indirect Source Rule as applied to parking**
Support the Air District in developing and implementing an Indirect Source Rule that applies to parking. This could include analytical assistance such as establishing vehicle trip generation and consequent GHG impacts of developments by type, location, mix of uses, and accessibility by modes.
- 6. Smart parking strategies for regionally funded parking structures**
Define an approach for ensuring appropriate smart parking policies are incorporated into MTC funding agreements for parking structures for TOD, station area plans, and transit intermodal stations.
- 7. Intergovernmental activities**
Develop and support bills to reform federal and state laws pertaining to parking, including the elimination of federal tax subsidy for employee parking. Support CMAA activities to improve parking policies of local jurisdictions through climate action plans and other measures. Work with transit agencies to develop effective parking policies in coordination with local jurisdictions.
- 8. Report back on progress toward better parking policies**
Evaluate and report on progress on regional approach and strategies and local policies, define future activities.

Additional information is included in:

Attachment A: Issues of current parking policies.

Attachment B: Rationale for regional action

Attachment A

Issues of current parking policies

Market based pricing of parking and other parking reforms are widely regarded as key strategies for reducing greenhouse emissions. Parking price and availability are key factors influencing travel mode choice, vehicle miles traveled (VMT), and consequent Greenhouse Gas Emissions (GHGe). Local government parking policies such as minimum off-street parking requirements on residential and commercial developments, the provision of free on-street parking, employer-paid, and retailer-paid parking create hidden subsidies for driving are the standard practice throughout the United States, and are common in the Bay Area. Such policies— particularly minimum off-street parking requirements – also favor development in suburban areas, where requirements can be fulfilled with less expensive surface parking, rather than in urban centers and the FOCUS priority development areas (PDAs), where the total cost of building structured or underground parking can reach \$50,000 to \$70,000 per space.

These hidden parking subsidies also tend to favor higher income households. Higher income households own more cars, drive their cars more often, and drive to work more frequently. Such subsidies, whether hidden in housing or retail costs or employee benefits, cost lower income households more on average than they receive.

Benefits of Parking Reform

Reforming parking policies offers the potential to reduce VMT and consequent GHG, to level the playing field for development in urban centers and PDAs, and to reduce the inequity of subsidized higher use of automobiles by higher income households. Studies of pricing parking consistently demonstrate the strong impact on rates of driving. One major study of Southern California employers found that employees who receive employer paid parking as a tax-free fringe benefit drive 33% more miles per year than those who pay the cost of parking on their own. Other parking policies such as off-street parking requirements also influence the cost of housing and the feasibility of development – especially in infill locations.

Local jurisdictions' parking policies

Why aren't local jurisdictions reforming their own local parking policies? A number of communities, such as Redwood City, San Francisco, Berkeley, Portland and Santa Monica, have demonstrated the efficacy of parking management and innovation.

However, widespread local adoption of such reforms are unlikely to occur sufficiently to provide substantially reduce greenhouse gas emissions without coordinated action at the regional level. Key reasons include professional inertia due to comfort with established practices, lack of experience with alternative practices, lack of coordination between city public works and city planners, cities' concerns regarding competition for retail customers through free parking, neighborhood concerns about "spillover" impacts, and the absence of local constituencies in favor of pricing parking and parking reform due to the largely hidden nature of existing parking subsidies.

There is also limited political initiative for pricing parking largely due to long standing traditions of subsidizing parking through housing costs, employee benefits, employer and retail overhead. For the most part, renters and condo buyers do not request rebates for not parking, employees do not ask for cash instead of free parking, and shoppers do not ask for price breaks instead of free parking—they are unaware of the hidden costs. However, the reduction of costs due to a reduction in unnecessary parking could be passed on to each of these groups.

Attachment B Rationale for Regional Action

Such local barriers can begin to be addressed with a regional approach to parking management that coordinates policies within the region, levels the playing field across city and county boundaries, supports and incentivizes local reforms, and facilitates coordination with other regional strategies to support climate friendly land use and transportation.

Reforming parking policies offers the potential to reduce VMT and consequent GHGe, to level the playing field for development in urban centers and PDAs, and to reduce the inequity of subsidized higher use of automobiles by higher income households. Reforming parking policies offers significant opportunities for immediate and longer-term reductions in transportation-related GHGe for the following reasons:

- **Large impact.** Parking pricing can significantly reduce drive alone auto commute rates, and consequent rates of VMT, and GHG (see Figure 1).
- **Quick results and long-term impacts.** Parking reform can help reduce vehicle trips immediately by influencing mode choice, and over the longer-term by facilitating smart growth and transit oriented development.
- **Low cost and revenue producing.** Reforms such as pricing of on-street parking and elimination of minimum off-street parking requirements are low-cost and/or free to implement and may earn significant revenue.
- **Pro-market and pro-smart growth.** Most cities require that developers build more parking than the market warrants; parking reforms can improve the efficiency of the regional economy in general by allowing the market to determine the parking supply, and in particular reduce the cost to build new housing and commercial buildings, especially in walkable, transit-served locations.
- **Region-wide applicability.** Reforms to parking policies can deliver results throughout the region, using different specific strategies to match different conditions.
- **Socially equitable.** Reforming parking policies can especially benefit low-income households. Auto ownership rates are positively correlated with higher income. Lower income households with significantly fewer automobiles benefit from the option of foregoing expenditure on unnecessary parking supply. Lower income individuals would additionally benefit if some of the revenue generated by pricing parking is used for transit passes, service and/or bicycle or pedestrian facilities.

Figure 1 Employee Parking Pricing Effect on Auto Commute Rates

Case Study and Type	Autos Driven per 100 Employees		Decrease in Auto Trips
	Employer Paid Parking	Driver Paid Parking	
Mid Wilshire, Los Angeles (before/after)	48	30	-38%
Warner Center, Los Angeles (before/after)	92	64	-30%
Century City, Los Angeles (with/without)	94	80	-15%
Civic Center, Los Angeles (with/without)	78	50	-36%
Downtown Ottawa (before/after)	39	32	-18%
Average of Case Studies	70	51	-27%