

AMENDED IN SENATE APRIL 22, 2009

AMENDED IN SENATE APRIL 13, 2009

SENATE BILL

No. 518

Introduced by Senator Lowenthal

February 26, 2009

An act to amend Section 76360 of the Education Code, to add Section 2117.5 to the Streets and Highways Code, and to amend Section 22508 of, and to add Division 19 (commencing with Section 43000) to, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 518, as amended, Lowenthal. Vehicles: parking services and fees.

(1) Existing law regulates the amount of fees that a community college district may charge for parking and authorizes the governing board of a community college district to require payment of a parking fee at a campus in excess of established limits for the purpose of funding the construction of oncampus parking facilities if certain conditions are met.

This bill would delete these provisions and instead require that state funds not be used, directly or indirectly, to subsidize parking services, except as specified, for students, employees, or other persons on and after January 1, 2011. The bill also would authorize the governing board of a community college district to exempt specified students who receive financial assistance or who rideshare or carpool from paying parking fees that exceed \$20 per semester.

(2) Under existing law, the State Building Construction Act, state funds may be used to fund the construction or operations of parking facilities in California. Under existing law, a city or county is authorized to provide for the parking of motor vehicles, including the construction

and operation of parking facilities, and the acquisition of land, property, and rights-of-way necessary or convenient for use as public parking places.

This bill would prohibit, notwithstanding any other provision of law on and after January 1, 2011, the use of state funds to, directly or indirectly, subsidize the construction or operations of parking, except as specified, and for this purpose, the bill would define both the construction and operating costs of parking, the current cost of a monthly transit pass, the full cost of a parking space, transit intensive areas, and specify the exceptions to this requirement. A violation of the Vehicle Code is a crime.

The bill would require, on or before January 1, 2012, a city or county within a region covered by a metropolitan planning organization, except as specified, to adopt and implement, or have adopted and implemented, measures from a specified menu that achieve a total score of at least 20 points, based on the points associated with that menu to ensure that a city or county manages its parking so that the actual cost of a parking space equals its full cost, as specified. By increasing the duties of local public officials, the bill would impose a state-mandated local program.

The bill also would authorize a city or county, to request the State Air Resources Board to approve and award points for other alternate measures to reduce or eliminate subsidies that fail to charge users for the full cost of a parking space, as specified. The bill also would provide that if a city or county adopts and implements measures to achieve a total score of at least 20 points from the specified menu, the city or county would be eligible to receive carbon reduction credits through the cap-and-trade program administered by the State Air Resources Board, as specified, and if at least 50 points from the specified menu, the city or county, with respect to any application for competitive loan or grant programs funded by a general obligation bond approved by the voters on or after January 1, 2010, would receive bonus points equal to 5% of the total available points.

(3) This bill would also authorize the expenditure of any moneys apportioned to cities or counties from the Highway Users Tax Account in the Transportation Tax Fund for the adoption or implementation of transportation demand management measures, including measures adopted pursuant to these provisions.

(4) Existing law prohibits a local authority from establishing parking meter zones or fixing the rate for those zones except by ordinance.

This bill would permit a local authority to specify by ordinance a performance target and allow the rate of fees to be set administratively to achieve the performance target.

This bill would authorize a local authority to dedicate any portion of revenues collected from parking meter zones to benefit parking benefit districts or to fund programs that reduce parking demand, including, but not limited to, public transit, transportation demand management, or bicycle and pedestrian infrastructure improvements and promotion.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The transportation sector contributes over 40 percent of the
4 greenhouse gas emissions in the State of California; automobiles
5 and light trucks alone contribute almost 30 percent. The
6 transportation sector is the state’s single largest contributor of
7 greenhouse gases.

8 (b) In 2006, the Legislature passed and the Governor signed
9 Assembly Bill 32 (Chapter 488 of the Statutes of 2006; hereafter
10 AB 32), which requires the State of California to reduce its
11 greenhouse gas emissions to 1990 levels no later than 2020.
12 According to the State Air Resources Board, in 1990 greenhouse
13 gas emissions from automobiles and light trucks were 108 million
14 metric tons, but by 2004 these emissions had increased to 135
15 million metric tons.

16 (c) Greenhouse gas emissions from automobiles and light trucks
17 can be substantially reduced by new vehicle technology and by
18 the increased use of low carbon fuel. However, even taking these

1 measures into account, it will be necessary to achieve significant
2 additional greenhouse gas reductions by reducing vehicle miles
3 traveled. Without those reductions, California will not be able to
4 achieve the goals of AB 32.

5 (d) In addition, automobiles and light trucks account for 50
6 percent of air pollution in California and 70 percent of the state's
7 consumption of petroleum. Reducing vehicle trips will also help
8 reduce criteria pollutant emissions that are regulated by the state
9 and federal Clean Air Acts and reduce the state's dependence on
10 petroleum.

11 (e) California has five of the top 13 most traffic congested
12 metropolitan areas in the United States. Pricing strategies, such as
13 parking pricing, are the most effective way to achieve lasting
14 reductions in traffic congestion by permanently reducing roadway
15 demand. On a congested street, eliminating just 10 percent of
16 vehicles can result in free-flowing traffic.

17 (f) The existence of "free" parking is a significant factor that
18 encourages vehicle trips. At employment sites, employer-paid
19 parking increases rates of driving by as much as 22 percent.
20 Conversely, employee-paid parking reduces rates of driving by
21 the same amount.

22 (g) Excessive governmental parking requirements greatly expand
23 the built footprint and increase travel distances, thereby increasing
24 vehicle miles traveled and reducing the viability of alternate
25 transportation modes that help to achieve the state's greenhouse
26 gas reduction targets, including walking, bicycling, and public
27 transportation.

28 (h) Parking is costly to build and maintain. Building a structured
29 parking space in 2008 costs between \$17,000 and \$30,000, with
30 underground spaces costing significantly more. Annual operations
31 and maintenance costs vary from \$100 and \$500 per space per
32 year. The high cost of land, construction, and maintenance to
33 provide free parking adds significantly to the cost of economic
34 development, making many housing and commercial developments,
35 especially those on infill or transit-oriented sites, financially
36 infeasible and hindering economic development strategies.
37 Moreover, when parking is provided free to the user, these costs
38 are hidden elsewhere in the cost of doing business. Free parking
39 at stores is paid for by all customers in higher prices for goods,
40 including those customers who do not drive. Free parking in

1 housing developments is paid for by all residents, even those who
2 do not drive. Free employer-provided parking is paid for by lower
3 wages for all workers, including those who do not drive. Free
4 onstreet parking is paid for by the entire community in the form
5 of taxes.

6 (i) Eliminating subsidies for parking has enormous potential to
7 reduce traffic congestion and greenhouse gas and other vehicle
8 emissions by reducing vehicle miles traveled. If drivers must pay
9 the true cost of parking, it will affect their choices on whether or
10 not to drive. In the short term, changes to parking policy can reduce
11 traffic congestion and greenhouse gas emissions more than all
12 other strategies combined, and they are usually the most
13 cost-effective approach. Eliminating parking subsidies can also
14 improve social equity by lowering prices for those who do not
15 drive, that are often lower-income households.

16 SEC. 2. Section 76360 of the Education Code is amended to
17 read:

18 76360. (a) Except as provided in subdivision (b), a community
19 college district shall not use state funds, directly or indirectly, to
20 subsidize the construction or operations of parking for students,
21 district employees, or other persons on and after January 1, 2011.
22 The construction and operations of parking are not subsidized if
23 parking user fees cover land and construction costs within no less
24 than 15 years, and operation and maintenance costs on an annual
25 basis.

26 (b) (1) The governing board of a community college district
27 may exempt students who receive financial assistance pursuant to
28 any programs described in subdivision (g) of Section 76300 from
29 parking fees that exceed twenty dollars (\$20) per semester.

30 (2) To encourage ridesharing and carpooling, the governing
31 board of a community college district may exempt a student who
32 certifies, in accordance with procedures established by the board,
33 that he or she regularly has two or more passengers commuting to
34 the community college with him or her in the vehicle parked at
35 the community college, from parking fees that exceed thirty dollars
36 (\$30) per semester and ten dollars (\$10) per intersession.

37 (c) All parking fees collected shall be deposited in the designated
38 fund of the district in accordance with the California Community
39 Colleges Budget and Accounting Manual, and shall be expended
40 only for parking services or for purposes of reducing the costs to

1 students and employees of the college of using public transportation
2 to and from the college.

3 (d) Fees collected for use of parking services provided for by
4 investment of student body funds under the authority of Section
5 76064 shall be deposited in a designated fund in accordance with
6 the California Community Colleges Budget and Accounting
7 Manual for repayment to the student organization.

8 (e) “Parking services,” as used in this section, means the
9 purchase, construction, and operation and maintenance of parking
10 facilities for vehicles and motor vehicles as defined by Sections
11 415 and 670 of the Vehicle Code.

12 SEC. 3. Division 19 (commencing with Section 43000) is added
13 to the Vehicle Code, to read:

14
15 DIVISION 19. PARKING REQUIREMENTS

16
17 43000. For the purposes of this division, the following terms
18 have the following meaning:

19 (a) “Current cost of a monthly transit pass” means the most
20 recent adopted rate of a monthly transit pass for an adult by the
21 local transit operator serving the jurisdiction in which the residence
22 or employer is located. If no monthly pass exists, the amount shall
23 be the sum of a return fare for a 20-day period. In a jurisdiction in
24 which there are multiple transit operators, the amount shall be the
25 average of the monthly pass of two or more of the largest operators
26 serving the jurisdiction, but no more than four operators. This
27 amount shall be calculated by the regional transportation planning
28 agency by June 31 of each year and shall be made available to the
29 public on the agency’s Internet Web site. If no transit operator
30 serves the jurisdiction, the amount shall be \$40.

31 (b) “Full cost of a parking space” means the sum of all of the
32 following:

33 ~~(1) Annualized land cost. For above-ground structured parking~~
34 ~~within a larger building, assume a fractional land cost based upon~~
35 ~~above-ground volume of the parking facility compared to other~~
36 ~~occupiable space. For entirely underground parking, assume no~~
37 ~~land value. To annualize the cost, divide actual or fractional land~~
38 ~~cost by 10. For leased land, use the annual lease rate.~~

39 *(1) Annualized land cost. For surface parking or for structured*
40 *parking uncovered by occupiable space, the land cost shall be*

1 *equal to the full value of the land area of the parking facility. For*
2 *entirely underground parking, the land cost shall be zero. For*
3 *above-ground parking wholly or partially covered by occupiable*
4 *space, assume a fractional land cost based upon the above-ground*
5 *volume of the parking facility compared to the volume of the*
6 *parking facility and other occupiable building space combined.*
7 *To annualize the cost, divide actual or fractional land cost by 10.*
8 *For leased land, use the annual lease rate.*

9 (2) Annualized construction cost. Include full project cost
10 divided by the useful life of the facility. If actual costs are not
11 available, use a per-space cost from a *current* relevant parking
12 construction cost index, *published by the parking, transportation,*
13 *or construction industries* and assume a 40-year useful life.

14 (3) Annualized operations and maintenance costs. Include
15 lighting, landscape, irrigation, security, insurance, equipment,
16 pavement maintenance, collections, enforcement, and related costs.
17 *If actual costs are not available, use current applicable estimates*
18 *published by the parking, transportation, or construction industries.*

19 (c) “Transit intensive area” means central business districts,
20 areas within one-half mile of a major transit stop, as defined in
21 subdivision (b) of Section 21155 of the Public Resources Code,
22 and areas within one-quarter mile of a high-quality transit corridor,
23 as defined in subdivision (b) of Section 21155 of the Public
24 Resources Code.

25 43001. (a) Notwithstanding any other provision of law, state
26 funds shall not be used, directly or indirectly, except as provided
27 in subdivision (b), to subsidize the construction or operations of
28 parking on and after January 1, 2011. For the purposes of this
29 section, the construction costs of parking include the land, design,
30 environmental review, permitting, project management, mitigation,
31 and actual construction costs. Operating costs include debt service,
32 maintenance, insurance, enforcement, collections, utilities,
33 equipment operation, security, and other ancillary costs necessary
34 to the operations of the parking facility. The construction or
35 operation of parking is not subsidized if parking user fees cover
36 construction costs within no less than 15 years and operating costs
37 on an annual basis.

38 (b) All of the following are exceptions to subdivision (a):

39 (1) Locations where the cost of collecting payment for parking
40 would exceed 75 percent of total revenue collected.

1 (2) Existing parking facilities at state parks where parking
2 demand does not exceed capacity on more than 10 percent of days.

3 (3) Existing parking facilities at state-owned or leased
4 employment facilities that employ 25 or fewer state employees or
5 contractors where parking demand does not exceed capacity on
6 more than 10 percent of days during peak hours.

7 (4) Locations where existing employee collective bargaining
8 agreements forbid payment of parking, until the time that those
9 agreements expire.

10 (5) Locations where federal rules, prior contracts, or prior
11 funding agreements restrict payment for parking.

12 (6) Park and ride facilities serving public transit riders and
13 carpoolers.

14 (7) Parking spaces reserved for persons with disabilities.

15 43002. (a) On or before January 1, 2012, a city or county
16 within a region covered by a metropolitan planning organization
17 shall adopt and implement, or have adopted and implemented,
18 measures from the following menu that achieve a total score of at
19 least 20 points, based on the points associated with each menu
20 item:

21

MEASURE	POINTS
PARKING REQUIREMENTS AND ZONING	
Eliminate minimum parking requirements citywide or within the unincorporated county.	20
Reduce average minimum parking requirements for all general office, general retail, general commercial, and similar development citywide or within the unincorporated county to:	
Less than 3 spaces per 1,000 square feet	2
Less than 2 spaces per 1,000 square feet	5
Less than 1 space per 1,000 square feet	10
Reduce minimum parking requirements for residential uses to:	
1 uncovered space per zero- or one-bedroom unit	
1.5 uncovered spaces per two-bedroom unit	
2 uncovered spaces per three-bedroom or larger unit	5
Reduce minimum parking requirements for all sizes of residential units below 1 uncovered space per unit.	10
Eliminate minimum parking requirements for projects in transit intensive areas.	10

39

1	Establish maximum parking restrictions for all general office,	
2	general retail, general commercial, and similar development at or	
3	below the following:	
4	3 spaces per 1,000 square feet	10
5	2 spaces per 1,000 square feet	15
6	1 space per 1,000 square feet	20
7	Establish commercial parking maximums of 2 or fewer spaces per	
8	1,000 sq. feet citywide or within the unincorporated county.	10
9	Establish commercial parking maximums of 2 or fewer spaces per	
10	1,000 sq. feet in transit intensive areas.	5
11	Establish residential parking maximums of 1 or fewer spaces per	
12	unit in transit intensive areas.	5
13		
14	Remove restrictions against residential tandem parking, including	
15	eliminating requirements that parking must be independently	
16	accessible to count toward minimum residential parking	
17	requirement, if any.	2
18	Remove restrictions against mechanized and mechanical “lift”	
19	parking, including counting mechanized spaces toward minimum	
20	requirement, if any.	2
21	Establish a shared parking ordinance and requirements for	
22	interconnection of parking in all commercial areas.	2
23	Remove or increase 50% of <i>by 50%</i> allowable density limits and	
24	floor area ratios (FAR), allowing infill development on existing	
25	parking lots.	10
26	PARKING AND TRANSPORTATION DEMAND	
27	MANAGEMENT	
28	Adopt an ordinance to require that any lease for a residential	
29	dwelling unit within a housing development of five or more units,	
30	if a parking space or spaces are provided in connection with the	
31	lease, include a separate unbundled charge for the parking space	
32	or spaces that reflects the full cost of the parking space or spaces	
33	but is not less than the number of parking spaces associated with	
34	each unit multiplied by the current cost of a monthly transit pass	
35	within the city or county and grant the lessee the ability to opt out	
36	of the parking charge by foregoing use of the parking space or	
37	spaces.	5
38	Adopt an ordinance to require, with respect to the initial sale of a	
39	separate interest within a common interest development of five or	5

1	more units, that access to parking be sold separately at a price that	
2	reflects the full cost of the parking space or spaces.	
3	Adopt an ordinance to require that any lease for commercial space	
4	in a complex of five or more commercial tenants include a separate	
5	unbundled charge for the parking space or spaces that reflects the	
6	full cost of the parking space or spaces but is not less than the	
7	number of leased parking spaces multiplied by the current cost of	
8	a monthly transit pass within the city or county and grant the lessee	
9	the ability to opt out of the parking charge by foregoing use of the	
10	parking space or spaces.	5
11	Adopt an ordinance to require that any new employment contract	
12	under which the employer provides a parking space within the	
13	city, county, or city and county include a nonreimbursable charge	
14	to the employee that reflects the full cost of the parking space but	
15	is not less than the cost of a monthly transit pass within the city,	
16	county, or city and county and that the employee may opt out of	
17	by foregoing use of the parking space.	5
18	Adopt an ordinance to require employers to offer transit passes to	
19	all employees, including full-time, part-time, and seasonal	
20	employees, on a pretax basis and certify compliance upon	
21	application for a new or renewal business license.	2
22	PARKING MANAGEMENT	
23	Adopt an ordinance to set on-street parking meter and public	
24	parking lot and garage rates to achieve an 85% target occupancy	
25	rate during hours when adjacent businesses are open or employ	
26	demand-responsive rates that vary throughout the day to achieve	
27	an 85% target occupancy rate.	10
28	Establish a Parking Benefit District, whereby all or a portion of	
29	new public parking revenues are directed toward improvements	
30	within the district where the revenue was raised.	5
31	Establish a Residential Parking Benefit District, whereby a limited	
32	number of parkers may pay to park in an otherwise restricted	
33	Residential Parking Permit area, with the net revenue directed	
34	toward improvements within the district where the revenue was	
35	raised.	5
36	Install parking meters in areas with parking occupancy rates of	
37	greater than 85% and establish meter rates such that parking	
38	availability improves to 85% or better.	2
39	PARKING REVENUE	

1 2 3 4 5 6	Adopt an ordinance to direct some portion of net public parking revenues to programs that reduce parking demand, including, but not limited to, public transit, transportation demand management, or bicycle and pedestrian infrastructure improvements and promotion.	6 multiplied by the % of net revenue directed
7 8 9 10 11 12	Adopt a parking sales tax , a property assessment upon parking owners, or a use fee upon parkers, with some portion of resulting net revenue directed at programs that reduce parking demand, including, but not limited to, public transit, transportation demand management, or bicycle and pedestrian infrastructure improvements and promotion.	6 multiplied by the % of net revenue directed
13		

14
15 (b) Upon request by a city or county, the State Air Resources
16 Board may approve and award points for other alternate measures
17 to reduce or eliminate subsidies that fail to charge users for the
18 full cost of a parking space, if points are awarded in a manner that
19 assigns points to the measures in proportion to their estimated
20 impact on vehicle miles traveled, consistent with the weighting
21 for measures described in subdivision (a).

22 (c) If a city or county adopts and implements measures that
23 exceed a total score of 20 points from the menu described in
24 subdivision (a), the city or county shall be eligible to receive carbon
25 reduction credits through the cap-and-trade program administered
26 by the State Air Resources Board for those measures that exceed
27 the 20-point threshold.

28 (d) If a city or county adopts and implements measures to
29 achieve a total score of at least 50 points from the menu described
30 in subdivision (a), with respect to any application submitted by
31 the city or county for competitive state loan or grant programs
32 related to housing, transportation, or economic development *or*
33 funded by a general obligation bond approved by the voters on or
34 after January 1, 2010, the city, county, or city and county shall
35 receive bonus points equal to 5 percent of the total available points.

36 (e) Cities and counties are encouraged to address any parking
37 spillover from new development through the use of residential
38 parking permits or other parking management strategies and to

1 provide residents who resided in the parking permit zone prior to
2 adoption of the parking permit zone a parking permit for free.

3 (f) This section shall not apply to a city or county within a region
4 covered by a metropolitan planning organization if the metropolitan
5 transportation organization and the jurisdiction have adopted a
6 binding compact in which the jurisdiction commits to implementing
7 parking reforms by January 1, 2013, that achieve a total score of
8 at least 20 points from the menu described in subdivision (a) and
9 the jurisdiction fulfills the obligations of the compact.

10 SEC. 4. Section 2117.5 is added to the Streets and Highways
11 Code, to read:

12 2117.5. Any of the moneys apportioned to cities or counties
13 from the Highway Users Tax Account in the Transportation Tax
14 Fund may be expended for the adoption or implementation of
15 transportation demand management measures, including measures
16 adopted pursuant to Section 43002 of the Vehicle Code.

17 SEC. 5. Section 22508 of the Vehicle Code is amended to read:

18 22508. (a) A local authority shall not establish parking meter
19 zones except by ordinance. An ordinance establishing a parking
20 meter zone shall describe the area that would be included within
21 the zone.

22 (b) A local authority shall either fix the rate of fees for parking
23 meter zones by ordinance or specify by ordinance a performance
24 target and allow the rate of the fees to be set administratively to
25 achieve the performance target.

26 (c) A local authority may by ordinance cause streets and
27 highways to be marked with white lines designating parking spaces
28 and require vehicles to park within the parking spaces.

29 (d) An ordinance adopted by a local authority pursuant to this
30 section with respect to any state highway shall not become effective
31 until the proposed ordinance has been submitted to and approved
32 in writing by the Department of Transportation. The proposed
33 ordinance shall be submitted to the department only by action of
34 the local legislative body and the proposed ordinance shall be
35 submitted in complete draft form.

36 (e) An ordinance adopted pursuant to this section establishing
37 a parking meter zone or fixing rates of fees for that zone shall be
38 subject to local referendum processes in the same manner as if the
39 ordinance dealt with a matter of purely local concern.

1 (f) A local authority may dedicate any portion of revenues
2 collected from parking meter zones to benefit parking benefit
3 districts or to fund programs that reduce parking demand,
4 including, but not limited to, public transit, transportation demand
5 management, or bicycle and pedestrian infrastructure improvements
6 and promotion.

7 SEC. 6. The changes to Section 22508 of the Vehicle Code
8 enacted by this act are declaratory of existing law.

9 SEC. 7. No reimbursement is required by this act pursuant to
10 Section 6 of Article XIII B of the California Constitution for certain
11 costs that may be incurred by a local agency or school district
12 because, in that regard, this act creates a new crime or infraction,
13 eliminates a crime or infraction, or changes the penalty for a crime
14 or infraction, within the meaning of Section 17556 of the
15 Government Code, or changes the definition of a crime within the
16 meaning of Section 6 of Article XIII B of the California
17 Constitution.

18 However, if the Commission on State Mandates determines that
19 this act contains other costs mandated by the state, reimbursement
20 to local agencies and school districts for those costs shall be made
21 pursuant to Part 7 (commencing with Section 17500) of Division
22 4 of Title 2 of the Government Code.