

## **Proposed Voluntary Parking In-lieu Fee for the Broadway Valdez District**

Chapter 17.116 Off-Street Parking and Loading Requirements of the Oakland Planning Code establishes requirements for the number of parking spaces that must be provided based on the type of activity proposed. In addition to the new Zoning Chapter for the Broadway Valdez Specific Plan, there are also changes proposed to Chapter 17.116 Off-Street Parking and Loading Requirements, as part of the Broadway Valdez District Specific Plan. Among other changes mainly related to reductions in required parking for residential and commercial uses, and for reusing historic resources, a **voluntary** parking in-lieu fee is also proposed. Staff received many comments from the public workshops and meetings with stakeholders supporting the creation of a parking in-lieu fee.

The proposed new BVD Zoning Regulations (Chapter 17.101C) allow for the parking space requirements for both residential and commercial activities to be reduced or waived with a conditional use permit (CUP) and with the payment of an in-lieu fee to be used for increasing parking supply or decreasing the demand for parking in the BVDSP Area. As a result, no variances will be allowed for reduced parking.

### **A. Purpose**

The purpose of the in-lieu fee is to provide a mechanism that will allow for flexibility to increase parking supply and decrease parking demand in multiple ways in the BVDSP Area. Developers may elect to provide on-site parking (or not) as dictated by the market/financial feasibility and/or site constraints, and pay into the fee for some portion or all of the required spaces. This could facilitate some smaller infill projects to occur that would otherwise not go forward due to site constraints to provide required parking. The in-lieu fee option would also help avoid having decentralized parking (and multiple curb-cuts for entrances/exits to garages) spread across multiple sites by encouraging shared parking (since the in-lieu fee could be used to pay/lease spaces in existing garage facilities) and/or concentrating resources in a centralized parking facility.

The in-lieu fee would provide funding to support the transportation policies, projects, and programs called for in the LUTE of the Oakland General Plan to improve public health, economic and community development, equity of access, and environmental sustainability; this is discussed in further detail in the proposed in-lieu fee components below. It is important to emphasize that the purpose of the new in-lieu fee is **not** to generate all of the revenue required to replace parking on a “one-to-one” basis. Cities that set their fee in this manner have had little success in generating revenue, as it offers no financial incentive to developers to participate in the program and pay the in-lieu fee.

### **B. Proposed In-Lieu Fee Components**

1. Voluntary Parking In-Lieu Fee - The proposed in-lieu fee would be a voluntary fee for those developments that choose not to provide code-required parking onsite (because of site constraints, financial feasibility, or both)
2. Fee Structure Based on Parking Spaces - The new parking in-lieu fee would be calculated on the number of code-required parking spaces that are not provided onsite. The number of required parking spaces would be based on the proposed new zoning regulations for the Broadway Valdez District.

3. Fee Amount – Based on a review of typical parking structure costs, staff is recommending that the initial fee level be set at \$20,000 per space for all land uses or projects within the proposed BVDSP Area. Cost to construct either above- or below-grade structured parking ranges from \$30,000 to \$50,000 (see examples of costs to construct a parking space provided at the end of this Attachment). The fee would automatically adjust annually based on a construction cost index so that the fee would not decline in value over time.
  - The fee of \$20,000 per space is recommended because it would be an amount that is less than a private developer's cost to construct either above- or below-grade structured parking (which ranges from \$30,000 to \$50,000), and thus would be an inducement for a developer to participate.
  - A lower fee would encourage developers to opt to pay the in-lieu fee and result in less new parking being built; however it would also raise less revenue for new parking/leasing existing spaces/TDM programs; a higher fee could have the potential to raise more revenue but that could be also influence developers to choose to provide their own parking instead of paying the fee.
  - Another option could be to set a lower fee initially and then increase it over time.
4. Payment Options - Payment options could be a one-time upfront payment or an equal installment plan over a short duration (e.g. equal installment basis over 4 years with the first payment due prior to the first certificate of occupancy being issued; subsequent payments could be secured via a financial guarantee acceptable to the City (including bonds, certificates of deposit, a letter of credit and/or a deed of trust). Payment shall be deposited with the City of Oakland prior to issuance of a building permit. A parking in-lieu fee may be refunded, without interest, to the person who made such payment, or his assignee or designee, if additional off-street parking spaces are provided for such building or use, by others than the City so as to satisfy the parking requirement for which the in-lieu payment was made. To obtain a refund, the required off-street parking spaces must be in place prior to issuance of a certificate of occupancy and before funds are spent or committed by the City.
5. Applicable Area – Broadway Valdez District Specific Plan Area.
6. Change of Use – all uses (e.g. retail, commercial or residential) and changes of use (including additions or renovations) would be eligible for the parking in-lieu fee.
7. Percent of Required Parking – Within the applicable geography, up to 100% of the parking requirement for new development, additional renovations or change of use may be satisfied by the payment of in-lieu fees.
8. Use of Proposed Parking In-Lieu Fee Program Revenue – Fees would be allocated for improvements in the BVDSP Area that increase the supply or reduce the demand for public parking, which could cover a range of items such as funding additional parking facilities (very costly) as well as the (lower cost, more cost effective) transit, bike and pedestrian infrastructure improvements and transportation demand management (TDM) programs; leasing of available private spaces; and improved parking management of existing supply, as discussed in policies in the BVDSP in Chapter 6: Circulation, under Goals C-2, C-3, C-5, C-6 and C-7.

9. Payers Rights and Obligations –

- In combination with the spaces provided on-site, payment of the fee shall be considered full satisfaction of the off-street parking requirement, as determined by Chapter 17.116.
- Payment of the fee does not represent an obligation of the City to provide parking spaces through the construction of a new garage or any other particular means.
- Payment of the fee does not represent an obligation of the City to make available parking spaces within any particular amount of time.
- Payment of the fee does not entitle the applicant, his/her tenants, or his/her clients to free use of any public parking spaces.
- Payment of the fee does not entitle the applicant, his/her tenants, or his/her clients to exclusive or private use of any public parking spaces.

10. Administration

- A dedicated fund, separate from the General Fund would be created that would be managed by the Planning and Building Department (in the longer-term, we could consider that the fund would be managed by *(a newly created)* Transportation Parking Management Agency).
- As a best practice, staff proposes to provide regular public reporting on the program, including but not limited to information such as program goals, expenditure plan, utilization rate, amounts collected and expended and documentation of how program goals have been achieved.

11. To Establish In-Lieu Fee

- Amendments to Planning Code and Master Fee Schedule are proposed.