

**CITY COUNCIL MEETING
TUESDAY, MAY 17, 2016**

DOCUMENTS RECEIVED AFTER PUBLISHED AGENDA

PUBLIC COMMENTS

**Andrea Osgood
(Maps – Eden Housing Project)**



March 2015



PUBLIC COMMENTS

Heather Reyes

STUDENT AND PARENT SUPPORT PROGRAMS
ACADEMIC EXCELLENCE SERIES

GET CONNECTED

Join us for a Family
Technology Awareness
Day where you will:

- Hear from local tech experts
- See Robots and Drones in action
- Visit with leaders in the tech industry
- Participate in a texting contest (for students)

WHEN: Saturday, May 21, 2016
10:00 am – 2:00pm
Sign in begins at 9:30 am.

WHERE: Tennyson High School
27035 Whitman Street, Hayward, CA
Parking available. Refreshments & Spanish
interpretation will be provided.

Register by May 13, 2016 at: www.husd.us/parentuniversity

For more information:

Phone: 510-723-3857 extension 34183 Norma Dib
or 34187 Carol Rivera 34187 (Habla Español)

Email: ndib@husd.k12.ca.us or
criveragarcia@husd.k12.ca.us



Facebook: [HUSD Parent University](https://www.facebook.com/HUSDParentUniversity)
Twitter: [@husdparentU](https://twitter.com/husdparentU)

PROGRAMAS DE APOYO PARA ESTUDIANTES Y PADRES
SERIE DE EXCELENCIA ACADEMICA

CONECTESE

Únase a nosotros para
un Día Familiar del
Conocimiento de la
Tecnología donde podrá:

- Escuchar a expertos locales de la tecnología
- Ver Robots y Drones en acción
- Platicar con líderes en la industria de la tecnología
- Participar en un Concurso de Envíos de Mensaje de Texto (para estudiantes)

CUANDO:
Sábado 21 de mayo, 2016
10:00 am – 2:00pm
Registración comienza a las 9:30 am.

DONDE:
Escuela preparatoria Tennyson High
27035 Whitman Street, Hayward, CA
Estacionamiento disponible. Se proveerán
refrigerios y traducción al español.

Regístrate para el 13 de mayo, 2016 en: www.husd.us/parentuniversity

Para más información:

Phone: # de Tel: 510-723-3857 extensión 34183
Norma Dib o 34187 Carol Rivera 34187 (Habla Español)

Email: ndib@husd.k12.ca.us o
criveragarcia@husd.k12.ca.us



Facebook: [HUSD Parent University](https://www.facebook.com/HUSDParentUniversity)
Twitter: [@husdparentU](https://twitter.com/husdparentU)

PUBLIC COMMENTS

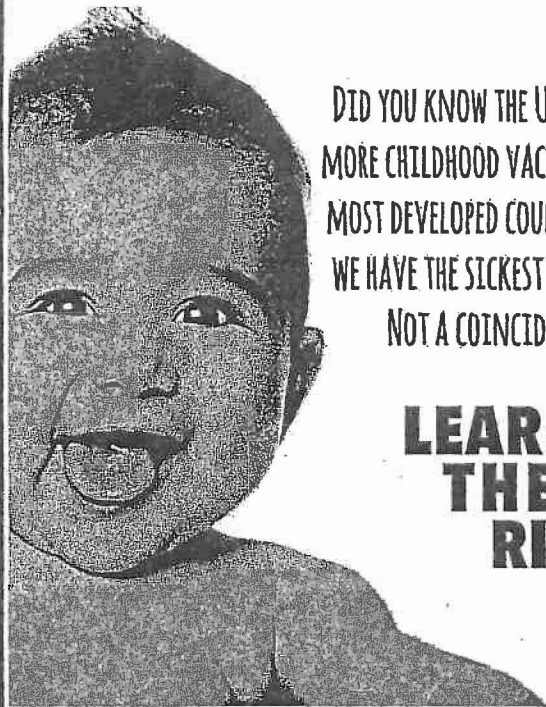
Wynn Grcich

LEARN THE RISK.^{ORG}

The US gives 3x more vaccines than most developed countries -- and has the sickest childhood population. Skyrocketing rates of neurological issues (autism, speech delays, developmental disabilities, epilepsy) and autoimmune issues (asthma, food allergies, eczema, childhood arthritis and diabetes, leukemia) are the new 'normal'. But these are anything but normal. They are linked to the toxic chemical additives in vaccines. Mandatory vaccine laws are here and more will come. Vaccines are very profitable and 271 are in development right now.

Please join us in raising awareness of vaccine risk and fighting mandatory vaccination laws:

If there is a **RISK**,
there must be a **CHOICE**.



DID YOU KNOW THE US GIVES 3X
MORE CHILDHOOD VACCINES THAN
MOST DEVELOPED COUNTRIES, YET
WE HAVE THE SICKEST CHILDREN?
NOT A COINCIDENCE!

**LEARN
THE
RISK**.ORG

There has NEVER been a
safety study of the combined
doses on the vaccine schedule!

Doses of Vaccines for U.S. Children Birth - 18 Years

1983

TOTAL DOSES: 24
DTP (2 months)
OPV (2 months)
DTP (4 months)
OPV (4 months)
DTP (6 months)
MMR (15 months)
DTP (18 months)
OPV (18 months)
DTP (4 years)
OPV (4 years)
Td (15 years)

2016

TOTAL DOSES: 72
Influenza (preg)
Dtap (preg)
Hep B (birth)
Hep B (2 mths)
Rotavirus (2 mths)
DTaP (2 mths)
HIB (2 mths)
PCV (2 mths)
IPV (2 mths)
Rotavirus (4 mths)
DTaP (4 mths)
HIB (4 mths)
PCV (4 mths)
IPV (4 mths)
Hep B (6 mths)
Rotavirus (6 mths)
DTaP (6 mths)

HIB (6 mths)
PCV (6 mths)
IPV (6 mths)
Influenza (6 mths)
Influenza (7 mths)
HIB (12 mths)
PCV (12 mths)
MMR (12 mths)
Varicella (12 mths)
Hep A (12 mths)
DTaP (18 mths)
Influenza (18 mths)
Hep A (18 mths)
Influenza (30 mths)
Influenza (42 mths)
DTaP (4 yrs)
IPV (4 yrs)
MMR (4 yrs)
Varicella (4 yrs)
Influenza (5 yrs)

Influenza (6 yrs)
Influenza (7 yrs)
Influenza (8 yrs)
Influenza (9 yrs)
HPV (9 yrs)
Influenza (10 yrs)
HPV (10 yrs)
Influenza (11 yrs)
HPV (11 yrs)
DTaP (12 yrs)
Influenza (12 yrs)
Meningococcal (12 yrs)
Influenza (13 yrs)
Influenza (14 yrs)
Influenza (15 yrs)
Influenza (16 yrs)
Meningococcal (16 yrs)
Influenza (17 yrs)
Influenza (18 yrs)

**LEARN
THE
RISK**.ORG



Please help raise awareness
by promoting and supporting
the campaign at:

LearnTheRisk.org/donate

The US gives 2-3x more vaccines to children than most developed countries, yet we have some of the highest rates of childhood issues that are NOT seen in other countries. Things like asthma, childhood diabetes, food allergies, childhood leukemia, developmental delays, tics, ADHD, autism, lupus, arthritis, eczema, epilepsy, Alzheimers, brain damage, etc... It's NOT a coincidence!

Vaccines contain toxic chemicals that do NOT belong in our bodies, such as aluminum (known to cause brain and developmental damage even in small doses) and formaldehyde (known to cause cancer in humans).

Your job is to PROTECT me

Sudden infant deaths (SIDs)
spike after **VACCINES**



www.LearnTheRisk.org

Item #12 CONS 16-239
Annual Mitigation Fee Act Report (AB 1600)

City of Hayward
Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement

Sewer System Connection Charges and Fees

Municipal Code, Chapter 11, Article 3, Section 11-3.255 authorizes the City to assess connection fees to any customer (new or existing) who installs new or additional fixtures, processes, or equipment, or otherwise causes an increase in wastewater discharge into the City sewer. Residential users shall be assessed for each unit. Commercial, Industrial, Institutional and Other Users will be calculated in accordance with the number of gallons of daily capacity required to serve the customers and the pounds per year of carbonaceous biochemical oxygen demand and suspended solids.

Beginning Balance, 7/1/2014	\$	12,055,336
REVENUES		
Fees		5,773,583
Interest income		52,264
Miscellaneous		2,248,652
Total revenues		<u>8,074,499</u>
EXPENDITURES		
Co-Generation System (07508)		1,134,266
WPCF Master Plan/Facilities Update (07503)		545
Solar Power Design and Construction (07505)		130
Recycle Water Feasibility (07509)		1,526
GIS Conversion/Migration (Sewer System Share) (07514)		18,009
WPCF Convert Gravity Thickener to New Primary Clarifier (07515)		127,880
Sewer Collection System Flow Monitoring & Master Plan Update (07522)		79,991
Project Predesign Services (07523)		17,371
WPCF Energy Management (07542)		16,099
WPCF Shrub Planting (07545)		120
Upgrade Four Grade Separation Station Stormwater and Pump Stations (07563)		145,956
WPCF Digester Sludge Mixing Tank (07566)		150,480
Recycle Water Treatment and Distribution Facilities (07507)		93,463
WPCF Digester Gas Flare (07564)		27,056
WPCF Digester Piping and Gas Metering Optimization (07565)		961
Transfer out		1,583,463
Total Expenditures		<u>3,397,316</u>
Excess of revenues over/(under) expenditures		4,677,183
Ending balance, 6/30/15	\$	<u><u>16,732,519</u></u>

City of Hayward
Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement

Sewer System Connection Charges and Fees

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Beginning Balance, 7/1/2013	\$	17,932,710
REVENUES		
Fees		5,353,652
Interest income		82,783
Miscellaneous		530,831
Total revenues		<u>5,967,266</u>
EXPENDITURES		
Co-Generation System (07508)		9,078,756
WPCF Master Plan/Facilities Update (07503)		481
WPCF Administration Building Renovation and Addition (07506)		113,386
Recycled Water Treatment and Distribution Facilities (07507)		8,264
GIS Conversion/Migration (Sewer System Share) (07514)		7,676
WPCF Convert Gravity Thickener to New Primary Clarifier (07515)		200,426
Sewer Collection System Flow Monitoring & Master Plan Update (07522)		104,056
Project Predesign Services (07523)		9,465
Project 07525		342
WPCF Energy Management (07542)		20,514
Transfer out		2,301,274
Total Expenditures		<u>11,844,640</u>
 Excess of revenues over/(under) expenditures		 (5,877,374)
 Ending balance, 6/30/14	 \$	 <u>12,055,336</u>

City of Hayward
Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement

Water System Facilities Fees

Municipal Code, Chapter 11, Article 2, Section 11-2.35 authorizes the City to impose a Water System Facilities Fee upon every applicant for a new water services. The facilities fee will be based on the water meter size.

Beginning Balance, 7/1/2014	\$	22,677,484
REVENUES		
Fees		2,211,347
Interest income		90,068
Miscellaneous		564,352
Total revenues		<u>2,865,767</u>
EXPENDITURES		
Mission Aqueduct Seismic Improvement (07122)		961,355
New 1.2 MG Reservoir (07184)		398,905
Line Stoppomg Valve Kit (07179)		92,963
New 8" Pipeline-BART Access Road near Maintenance Yard		63,669
Mission Aqueduct Condition Assessment & Cathodic Protection (07107)		49,918
GIS Data Development & Conversion (07177)		31,467
Reservoir and Wellsite Landscape Improvements (07024)		11,903
Radio Telemetry & Transducer Replacement (07119)		11,495
Project Predesign Services (07029)		11,015
Dead-End Water Main Improvements (07106)		10,007
Cross Connection Improvement (07101)		4,425
New 3 MG Reservoir at High School Reservoir Site (07172)		1,623
Second Water Supply source tp 330 Zone (07140)		961
Garin Reservoir Water Quality Upgrade (07104)		481
Transfer out		942,504
Total Expenditures		<u>2,592,691</u>
Excess of revenues over/(under) expenditures		273,076
Ending balance, 6/30/15	\$	<u><u>22,950,560</u></u>

City of Hayward
Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement

Water System Facilities Fees

Municipal Code, Chapter 11, Article 2, Section 11-2.35 authorizes the City to impose a Water System Facilities Fee upon

Beginning Balance, 7/1/2014	\$	21,945,656
REVENUES		
Fees		2,389,374
Interest income		130,196
Miscellaneous		325,518
Total revenues		<u>2,845,088</u>
EXPENDITURES		
Mission Aqueduct Condition Assessment & Cathodic Protection (07107)		19,680
GIS Data Development & Conversion (07177)		7,676
Reservoir and Wellsite Landscape Improvements (07024)		99,272
Radio Telemetry & Transducer Replacement (07119)		14,534
Project Predesign Services (07029)		13,826
Mission Aqueduct Seismic Improvement (07122)		56,065
Garin Reservoir Water Quality Upgrade (07104)		4,206
Water System Master Plan Update (07120)		124,801
Electrical & Mechanical Improvement to High School Reservoir (07137)		43,665
Transfer out		1,729,535
Total Expenditures		<u>2,113,260</u>
Excess of revenues over/(under) expenditures		731,828
Ending balance, 6/30/15	\$	<u><u>22,677,484</u></u>

Item #15 WS 16-034
Review and Discussion of Proposed Alameda County-Wide General
Obligation Bond Issuance

From: Sherman Lewis
Sent: Friday, May 13, 2016 5:36 PM
To: David Korth
Cc: List-Mayor-Council
Subject: Housing Bond Work Session, May 17 in Hayward

On Behalf Of Sherman Lewis

Thanks for your email. The attachment was bit mapped and thus unsearchable for information about bond money for parking instead of housing, parking subsidies, sustainable transportation, how bundled parking makes affordable housing more expensive, and preferences for locations in walkable and transit served areas. The seriousness of these concerns is discussed in HAPA's report to the TCAC, attached.

On 5/13/2016 4:41 PM, David Korth wrote:

Hello Mr. Lewis:

The staff report and attachments are available via the link below; I provided that same information as an attachment to this message for your convenience.

If your questions are not answered by the attached report and/or if you wish to convey questions/comments about this matter to the City Council, that you attend the Work Session noted below.

If this is not possible, you can always convey your questions and comments in writing – addressed to the Mayor and Council in care of the City Clerk. In that way your comments will be delivered to the Mayor and each Council member, and will be forwarded to the appropriate City staff.

If you need anything further, please feel free to contact me again.

Cordially,

David Korth

David Korth, Assistant to the City Manager
Hayward City Hall – Office of the City Manager – Neighborhood Services
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Hayward, CA. 94541-5007
Office: (510) 583-4227
Email: david.korth@hayward-ca.gov
www.hayward-ca.gov

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Sherman Lewis
Professor Emeritus, Cal. State Univ. EB Hayward
President, Hayward Area Planning Association

TCAC Mobility Initiative Report

Summary

Tax credit financing of affordable housing in California increases greenhouse gases (GHG) five ways:

1. subsidized parking,
2. too much parking,
3. high cost parking,
4. bundling the cost of parking into the rent, and
5. lack of incentives for alternative mobility

Modern mobility requires de-subsidizing parking, reducing the amount of parking, reducing the cost of parking, and promoting alternative modes. Mobility reform does not stop parking; it would reward projects with less parking, less expensive parking, unbundled parking, and alternative mobility. Mobility reform helps affordable housing.

The State of California wants to reduce greenhouse gases, but cultural biases can get in the way. The State has taken on major climate change policies, but smaller, less known issues, like how tax credit financing increases GHG, also need attention.

These problems can mostly be solved with better information and incentives. This report suggests ideas for new policy. The report covers several topics: powerful policy arguments for unbundling, other policy reforms by California Tax Credit Allocation Committee (the Committee or TCAC), changes in the TCAC Application, actions by Affordable Housing Owners, a pilot project, and misperceptions about alternative mobility. In writing this report, I reviewed 15 tax credit applications from 2014, the Tax Credit Application, and numerous publications.

The Policy Argument for Mobility Reform

1. Mobility reform is a matter of environmental justice, an issue that combines social equity with environmental sustainability.
2. Social equity requires not charging tenants for on-site parking they don't need.
3. Sustainability requires reducing and ending subsidies to parking.
4. Current practice reduces the amount of housing that can be built by the amount of subsidy for parking and subsidizes parking in the name of affordable housing. Living space, however, is more important than parking.
5. Mobility reform allows low income tenants to **pay less rent** if they do not want parking on site.
6. Mobility reform gives a **choice** to lower income residents about how they spend their money.
7. Mobility reform reduces **environmental costs**: auto dependency, fossil fuel use, subsidies to automobiles, accidents, greenhouse gases and other environmental externalities.
8. Mobility reform increases the efficiency and viability of **transit-oriented development**.
9. Mobility reform reduces **traffic** and VMT (vehicle miles traveled) and increases walking, bicycling, transit, car share/rental, taxis, etc.
10. Mobility reform encourages reduced car ownership, producing further **savings**.
11. Mobility reform builds more **affordable housing** with the same funds.
12. Mobility reform avoids forcing funders and renters to pay for **parking used by others**.

13. Mobility reform **frees up land** for living space housing.
14. Mobility reform reveals **hidden costs** of parking.
15. Mobility reform promotes more **responsible market-based consumer choice**, similar to how tenants already pay for utilities.

Todd Litman, a well-known authority in the field, stated, “Current development practices result in generous parking supply at most destinations, which reduces housing affordability, increases vehicle ownership and stimulates sprawl. This is regressive, since lower-income households tend to own fewer than average vehicles, and unfair, because it forces residents to pay for parking they don’t need. Alternative policies can increase housing affordability and help achieve other transportation and land use planning objectives.”¹

Parking is generally treated as a public good, free to the user, but parking is in fact very expensive.² Transportation pricing reform aims to make cars pay their own way in the whole economy, which includes environmental and social values not measured in money transactions. Pricing reform would charge separately for parking, either a market charge based on demand, or a charge based on the real costs of the parking. Reform would stop tax expenditures like those for tax credit financing from being used to cause greenhouse gases.

Strategic Growth Council

In December 2015, the SGC approved revised Guidelines for the Affordable Housing and Sustainable Communities Program. This program is funding many TCAC projects and will get over \$300 million to award next June, 2016. The SGC is proposing incentives to reduce parking for 2016 and ending parking as an eligible use of funds in 2017, capping spaces at one per unit, and other incentives.

In June 2015 the SGC funded three projects with parking structures costing about \$5 million for about 200 spaces: The 19th Street Senior Apartments, Hotel Fresno, and Riviera Family Apartments. (The SGC has not made public the details.) As a result, the 94th and International project in Oakland with 59 affordable housing units did not get funding.

TCAC Mobility Policy Reform

Committee policies should educate about, allow, and encourage mobility reform, which requires a change in regulations to end subsidies to structured parking, cap parking ratios, cap cost per space, and reward reduced parking costs, unbundling, and alternative modes. More funds would then go to building living space. The TCAC should not blame Owners and cities for problems it has the power to fix.

The attractiveness of tax credit funds gives the State considerable leverage for more social equity and less climate change. Affordable Housing Owners will follow the money. Getting enough good applications after mobility policy reform is implemented would show that bundling and parking subsidies are not needed.

¹ Todd Litman, *Parking Requirement Impacts on Housing Affordability*, Victoria Transportation Institute, 11 June 2014, 38 pages, http://vtpi.org_park-hou.pdf. Adam Millard-Ball, “Putting on Their Parking Caps,” *American Planning Association*, 6 pages, April 2002, http://www.geog.mcgill.ca/faculty/millard-ball/Millard-Ball_2002_Putting_on_Their_Parking_Caps.pdf. Richard Willson, “Parking Policy for Transit-Oriented Development: Lessons for Cities, Transit Agencies, and Developers,” 16 pages, *Journal of Public Transportation*, Vol. 8, No. 5, 2000, <http://reconnectingamerica.org/assets/Uploads/dallasbrief3.pdf>. A search for “unbundling parking and rent” on Google Scholar finds many additional citations of a similar nature.

² Donald Shoup, *The High Cost of Free Parking*, American Planning Association, paperback 2011.

The Committee seems to have the power to make most of the changes discussed below. The current 2015 application for 9 percent tax credit financing lacks consideration of many mobility issues. Specific revisions to the Application to implement the proposals are shown in a spreadsheet based on the TCAC application.³ Surprisingly few adjustments are needed to implement mobility reform and most should not be controversial.

The sections below correspond to those in the TCAC Mobility Reform Questionnaire.

1. End Subsidies for Parking Structures

The most egregious Committee subsidy is a 7 percent addition to basis for parking structures, “the basis boost.” Any kind of structured parking is much more expensive than surface parking, and is more difficult and more expensive to redevelop if not needed for parking. In the case of Mission Daly City in the San Francisco Bay Area, the TCAC awarded almost a million dollars for building structured parking. In my review of projects from 2014, I found that most did not have structured parking. Mercy Arc Housing, 1500 Page St., San Francisco, reported “N/A” for its required parking ratio, apparently meaning that all of the housing funds would be used for housing,

Virtually all parking structures in recent years have been built with taxes or have been forced by local regulations. The private market does not build parking structures. The extremely high cost per space (land, construction, maintenance, environmental) would require a parking charge so high that few would park there. People, especially lower income people in denser areas with transit and mixed uses, are unlikely to pay the economic cost of structured parking.

Some Affordable Housing Owners argue that without the basis boost, their housing project will not get built, ignoring the fact that some Owners not needing structures will therefore not get their projects funded. We need to know how much housing is lost because of funds going to structures. This information would educate about the trade-off between structured parking and housing, and could increase support for reform.

2. Cap cost per space and parking ratios

Cost per parking space is very important. Surface parking costs less than half as much as structured parking, which includes platform parking, parking underneath single units, above ground multi-level structure, and subterranean structured parking. (Carports are not structured parking.) Structured parking is especially expensive in central urban areas because of the combination of high land costs, small sites, and high parking requirements. Yet these areas have locational advantages of mixed use and transit that support alternative mobility.

Parking costs should be controlled. The Committee should cap parking ratios regardless of city requirements, perhaps at one space per unit, and cap the cost at that of a surface space. A city with a 1.1 requirement should find it easy to adjust. Affordable Housing Owners should ask cities to change their requirements, and seek out progressive localities.

Given the lack of enough information, the TCAC Application should be revised so applicants report the number of parking spaces, the ratio of spaces to units, the type of parking, and cost of each parking space.

3. Require or Reward Unbundling

The Committee should require or reward unbundling, so that a tenant pays rents for living space and parking which combined equal the rent cap defined by federal rules. Rent cap as used here means the allowable rent minus allowances such as for utilities. The pro forma needs to split the rent cap between living space and parking proportionate to the cost of each. The pro forma would be the

³ <https://www.dropbox.com/s/n84wly5nwhmmuo5/3%20TCAC%20Mobility%20Initiative%20Report.docx?dl=0>

same as now plus some figures for parking land and construction cost and related figures. Then the ratio, perhaps about 85 percent living space to 15 percent parking space, can be applied to the rent cap to estimate unbundled rents.

The application pro forma needs to show income from parking and maintenance costs of parking. The application should give points for projects that unbundle and that have parking financed from sources other than tax credit funds.

4. Make parking cost like utility cost

“Generally, residents of federally assisted housing must pay 30 percent of income for rent and utilities. Because most federally assisted residents pay utilities directly, the amount that they are required to pay for rent is adjusted by a “utility allowance.” Under all programs, the utility allowance is a reasonable estimate of the cost of utilities in the area, given the type of building, the size of the unit and household, and the unit’s appliances.” (<http://nhlp.org/node/107>)

A parking allowance would work like a utility allowance, further reducing the net rent charged like the utility allowance. The utility allowance plus the parking allowance plus the housing rent would equal the federal rent cap.

With a Utility Allowance, a tenant may end up spending more than the allowance by using a lot of water and electricity while neighbors may pay under the allowance through conservation. In the same way, with a Parking Allowance, a tenant may end up spending more or less than the allowance. Tenants would have an incentive to save on parking, which also favors shifting from cars to other modes.

For construction, current practice would continue. The Owner would build the utility infrastructure related to the utility allowance and build the parking infrastructure related to the parking allowance. Then the tenants would pay the utility for utilities and the Owner for parking.

There would be some vacancy rate for parking as there is for the housing, so the pro forma would have to have some estimate for both rates. For planning parking, a reasonable vacancy rate is 15 percent. (The actual vacancy rate for unbundled parking, which is free to the tenant, is already much higher than that - see the Parking! Parking Research Report).

Owners have two risks, one from too much, and other from too little, parking. Too little parking occurs when all spaces are rented and some units have no spaces available. A prospective tenant might not move in due to lack of parking. In that case, given long waiting lists, another prospective tenant, not needing to rent a parking space, would be able to move in. They may not have a car or be able to park off site somewhere. Too much parking occurs when more than 15 percent of parking is usually vacant. In that case, conversion to housing, discussed below, leads to more housing. These are not easy changes to make, but it is time to start thinking.

5. Budget a Pilot Unbundling Program

One problem is that lenders don’t know how to evaluate the demand for parking based on tenant willingness to pay, and thus they don’t know how many spaces to build. The risk is that a space won’t be rented even if the unbundled rents are kept low. (Since the parking rent plus the housing rent equal the rent cap, the project is financially identical to one that bundles costs and uses the same cap and the parking is subsidized comparable to the living space.) If parking is vacant, it could be built on, per item 11 below, with essentially free land costs, recovering cash flow lost from parking with new cash flow from living space.

How many spaces would be “enough”? Historically, “enough” is defined by American culture which overestimates the amount needed. The fear of not enough “free” parking leads regulators and planners to require more parking than will be used. Unbundling increases the chances that not all spaces will be rented.

This problem leads to the idea for a pilot program. HCD could get a small budget item for unbundling pilot projects in high transit areas. Tenants mostly have cars now; so many are likely to keep their parking. If a few opt not to park on-site, they would save money and the Owner would get less. The Owner within limits should be able to handle some reduction in cash flow as they do for vacancies, and the HCD pilot program fund would backfill the Owner greater revenue reductions. Pilot study funds may not, in the event, even be needed.

6. Promote Alternative Mobility

The Point System should promote on-site and off-site mobility strategies. On-site ideas include a parking ratio of one space per unit or less. Off-site mobility includes eco-pass (transit passes), carshare/rental, taxi/e-hail vouchers for health care, and guaranteed ride home if transit is not running. The application should give points for designing for bicycles and pedestrians. The TCAC Application should replace the 7 percent basis boost for structures with a 5 percent basis boost for mobility strategies that demonstrate reduction of VMT.

Seattle is restricting building of parking spaces in order to reduce housing costs and traffic, and may require Owners to offer alternative mobility to tenants, like transit passes, car share membership, and bike share membership. E-hail services are being regulated in support of expansion and shared parking is being expanded. (Eric Jaffe, "Seattle to Buildings: Give Tenants Transit Passes, Not Parking Spots," *The Atlantic*, May 2015.)

7. Pricing on-street parking

Market pricing nearby on-street parking is the most cost-effective policy for parking management to control spillover parking. See <http://parkingpolicy.com>. Market pricing is based on willingness to pay, easy ways to pay, adjustments to charges based on occupancy, and use of funds to improve the local area for non-auto modes. Pricing may be the most controversial policy for promoting alternative modes and should be given points. Neighborhood parking permits and time limits also work but are less efficient. Some programs do not work as well as they should, but this is not a reason to give up on alternative mobility.

8. Coordinate with local government

Cities may have ordinances compelling subsidies for autos, such as parking forced by zoning and forced bundling. Yet they also have Climate Action Plans that could be improved to reduce subsidies to driving. The Committee is not required to fund parking based on Owners claiming "the city made us do it."

TCAC unbundling and parking policies should be coordinated with local government parking management of spillover parking, with zoning reform to stop forced parking and bundling, and with support for non-auto modes. The Committee and Owners should go to cities and say, "Please reform your parking policies. We want to unbundle, have fewer parking spaces, and build more housing. We want parking only for what people are willing and able to pay for. To manage spillover parking, the city should support policies that are economically efficient, environmentally sound, and socially beneficial."

9. Coordinate with state government

The TCAC should coordinate with state cap-and-trade policies, which are providing a major new source of funding for tax credit housing through the Affordable Housing Sustainable Communities (AHSC) Program. The TCAC should give points for VMT reduction coordinated with ARB, HCD, and CARB.

The Committee should reward applicants who find other sources for parking that would make unbundling easier and free up more funds for living space. The tax credit and AHSC process should

be better integrated. In 2015 the SGC and HCD invited 42 projects to apply for AHSC funding, most of which seem to be tax credit projects, with AHSC being used to fill funding gaps.

Proposition 1C in 2006, administered by the Department of Housing and Community Development (HCD), funded the Transit-Oriented Development Housing Program (TOD). It had a goal of reducing GHGs and awarded points for elements of alternative mobility, i.e., free or discounted transit passes to residents; shared parking among different users and dedicated spaces for carshare vehicles.

There is already some coordination among state agencies, and it should continue to develop.

10. Improve state policy

The Committee should ask the Office of Planning and Research (OPR) to study bundling and parking issues. The web OPR web site at <http://www.opr.ca.gov/> has nothing I can find on this issue. The state has the big picture on climate change well in hand, but is lacking on some practical details. OPR could advise COGs and cities on a model ordinance to unbundle and manage spillover parking. TCAC has a role, but the problem is much bigger.

11. Plan for Conversion to Housing

An irony of mobility reform could be empty parking spaces. If these are on the surface (at grade, not structured), they can be converted from car storage to housing. Points should be awarded to plans that have the potential to convert parking into housing. The planning for parking spaces can include laying them out in the site plan next to buildings in a way that allows building housing on these spaces after they are not needed.

The idea could also work for an existing project where unbundling reveals unneeded parking. An Owner could build living space housing on the freed up pavement.

12. Actions by Housing Owners

In academia, unbundling is a recognized issue; in the affordable housing world, not so much. For example, the California Association of Housing Authorities website seems to have no references to unbundling. (Google search 3/9/2015; <http://www.cahahousing.org/>, http://www.cahahousing.org/pdf/CAHA_2015_Legislative_Focus.pdf)

However, it would be a mistake to conclude that housing Owners are necessarily against unbundling. They simply operate in an environment in which bundling is, well, bundled in. The Owners are trying to provide affordable housing in a difficult funding environment.

If Owners were to unbundle they would lose revenue to the extent of parking income when residents opt out of project parking. Nevertheless, there are a number of things housing Owners can do now. They could make some estimate of the parking rent and poll tenants to see if any want to unbundle. If only a few do, they could manage the loss out of current cash flow.

An Owner could offer a freed-up space to a tenant who needs an extra space, which the tenant would pay extra for so long as consistent with the rent limit on which the project is based, that is, the tenant still gets the old space within the rent cap. The tenant giving up the space would not have to pay the parking rent. Both tenants are better off.

13. Limited unbundling

TCAC Regulatory Agreements usually conflict with state GHG reduction goals by impeding unbundling. Also, many Regulatory Agreements require income from unneeded parking to meet revenue requirements. Project developers can, however, negotiate Regulatory Agreements with their cities to reduce GHG and lower tenant rents.

The issues of how much to charge for parking and number of spaces are more complicated. Unbundling could be achieved if TCAC and cities were to allow for a parking allowance in their

Regulatory Agreements similar to the existing utility allowance. Affordable housing developers now calculate the federal rent cap and subtract an allowance for utilities, resulting in the allowable rent for the project. They could also subtract an allowance for parking, resulting in a lower housing rent for the project. (More details remain to be worked out.)

The developer could also estimate some reduction in housing demand based on current experience with parking demand in the Bay Area applied to a local project. A developer could then reduce parking and build more housing to get revenue equal to less revenue from parking. Tenants would then be able to pay for parking only if they needed it, and be within the federal rules.

We appreciate that some developers have localities that want them to build expensive, possibly unneeded parking or risk having their project rejected, and the desire of TCAC to help all the developers they can, but TCAC does not have to go along if more housing can be built without building expensive parking. An Owner could limit the number of unbundled spaces to what the Owner can afford. The Owner may also use a waiting list of those who would like to unbundle, pending getting the funding needed.

14. Limit parking requirements if close to transit and shopping

In 2015 AB 744 (Chau) became law, mandating limits on what cities could require in central areas. Cities can now be prohibited from imposing over 0.5 spaces per bedroom, including handicapped and guest spaces on most affordable housing, senior housing, and special needs housing within a half mile of a major transit stop. The projects also have to have paratransit or bus service. It remains to be seen how this new law works, but on paper it seems to prevent a city from denying a project based on too little parking. The TCAC should make sure its policies reinforce AB 744.

15. Research Federal Law Issues

There is a belief that federal law somehow prevents mobility reform, but no provision has been identified as a problem. Federal issues should still be looked into, if only to clarify misperceptions and define more specifically exactly what needs to be changed. Federal law, could, in fact, support unbundled surface parking in the basis, require that the number of parking spaces be based on reduced demand due to unbundling, and allow alternative mobility like eco-pass to be in the basis. We assume, however, that reforming federal law is impossible.

Misperceptions of Mobility Reform

H: = HAPA's comment

1. "Federal law prohibits unbundling."

H: Nothing in federal law prohibits an Owner from charging separately for parking. State and federal tax credit law require only that rents, bundled or not, not exceed the rent cap.

2. "The tenant who chose not to own a car would not see a rent reduction."

Those who do own a car would see an increase in the combined cost of rent or of parking. And these are the folks least able to afford higher overall costs." "Under the separate parking fee scenario, a low-income resident with a car could pay the property owner a combined total that places an additional financial burden on an already disadvantaged household." "Charging tenants in tax credit properties separately for parking would not necessarily reduce rents but would likely increase a tenant's total outlay."

H: This is not true by definition of unbundling. Unbundling never increases rent. By definition, unbundling means the combination of living space rent and parking rent can be no more than the bundled rent. Unbundling places no extra burden on a resident with parking; it reduces the burden on a resident not renting parking.

3. “Owners generally only provide those parking spaces that a local government requires them to provide. As a result, if we don’t fund the parking, the project does not go forward.” “Most local jurisdictions require minimum on-site parking ratios when approving residential developments within their communities.” “Most local jurisdictions would not be willing to relax [sic] their standards below the one space per unit ratio.”

H: This is irrelevant for unbundling, which is not about the amount of parking. It is still an important issue, with two critical aspects. One, if the local government requires excessive parking relative to other projects, funding the parking necessarily lowers the funds available for projects with more housing. Two, state policy for GHG through the SGC Guidelines established for the first time in 2015 how much is enough: one per unit. (TCAC is part of the state.) Local parking policy does not justify using tax credits intended for living space to be used for parking instead.

The Committee can reject projects with bundled parking, too much parking, or structured parking, and tax credit funds will still be over-applied for. Cities will change over time. I made the case to the City of Hayward, and the Council created the SMU zoning which allows unbundling, limits parking spaces, and allows zero spaces per unit. There is a trend to reform standards due to increasing recognition of the harm done by parking forced by zoning and bundling.

We should not have a defeatist attitude about advocating for environmental justice, economic growth, and sustainability.

4. “On-site parking facilities can add significantly to project costs, especially if that parking must be constructed below the residential units or even below ground.”

H: Must be constructed? Really? The program is over applied with projects that don’t have structures. Everything adds to project costs; there should be no special treatment of structured parking.

Unbundling, in fact, can reduce costs if proposed parking is reduced, which can be based on anticipated lower demand due to unbundling. Owners can then build more housing with the same funds.

5. “The Low income Housing Tax Credits defrays parking costs by permitting the Owner to include those costs in the basis used for calculating the amount of tax credits a project receives.”

H: It is not the purpose of tax credits to defray parking costs. The need for more tax credits is created by the desire to build parking, not housing. Say an Owner increases costs by 20 percent to pay for parking in a 100 unit project. The tax credit basis goes up 20 percent and it can build 100 units. However, for the same basis funds without the parking, the Owner can build 120 units and get the same cash flow from the project. The Owner would not need to defray parking costs because there would be none; there would be more housing instead. The Owner also could find funds for parking from other sources. Parking not justified by market demand should probably not be built. Low parking costs, e.g., surface parking, can still be included in a basis and be competitive.

6. “Owners could elect to forgo including parking costs in their requested basis, thereby reducing the amount of Low Income Housing Tax Credits they receive.”

H: True, but why would they? Why reduce the size of a project from the potential of a site, which can actually have more housing if there is less space taken up by parking? Less structure for parking allows more structure for housing, presumably the purpose of the Owner.

7. “If an Owner leaves parking out of the basis, they could charge residents for an optional parking space in addition to the permissible rent charged, which would not get a rent break for residents who choose not to own a car.”

H: The residents do get a rent break because their rent is lower than renting both living and parking space. The comment is confused about what unbundling is.

An Owner could find non-basis funds, but would have to take a risk that some parking would not be rented, and be able to cover repayment of the funds. Some projects already have this problem. Even without bundled parking, tenants still get affordable housing, as in projects with little or no parking.

8. “Common industry practice for comparable market rate apartments is to have at least one parking space available with no additional charge beyond the apartment rent.”

H: This is not true because the apartment rent is bundled and therefore includes a charge for parking.

The parking space has to be paid for, and bundled rent helps pay for it. There is no additional charge because parking is already included in the rent. An additional charge would be double billing for the space. Along these lines, the One Santa Fe application on Nov. 11, 2011, said “The residential tenants will not be charged for parking...” but what it really meant was, “The residential tenants will not be charged for parking in addition to the charge within the rent...”

Common industry practice and local regulation need to change, if only for very simple reasons of how a better structured market would support more efficiency and greater productivity, quite aside from social and environmental considerations. The central urban market already offers some apartments without parking and they are as profitable as those with parking. In fact, locational advantages make central rents with no parking higher than suburban rents with parking.⁴

9. “With unbundling, Low Income Housing Tax Credits would not be helping the Owner defray parking costs that add substantially to a project’s overall cost.”

H: This misrepresents unbundling; which has no effect on tax credits being used for parking costs. The problem occurs only if parking income comes in below the expectations in the project pro forma. Credits can be used for parking; unbundling only affects how tenants pay rents. The Committee can build more housing by favoring projects with the less parking cost. Parking costs are best defrayed by not having the parking in the first place. If parking is really needed, buyers will be willing to pay the price.

10. “Rents are based on specific formulas set by the Low Income Housing Tax Credit program and other funders. A housing Owner is not allowed to make any charges beyond the specific rent formula for the units without concurrently lowering the rent for the units.”

H: Unbundling has no effect on the rent cap. The problem is that the rent is higher than it should be because it includes parking.

Unbundling lowers housing rent by the same amount as the parking rent is increased, so as to total the bundled rent allowed by the formula. The implicit claim that an Owner cannot lower the rent if a tenant does not want parking is false. The argument says “units” when it really means “units

⁴ Sherman Lewis, “Parking Fees at East Bay Apartments 2006,” 5 pages, July 3, 2006, unpublished paper. Based on proprietary data supplied by RealFacts, a rental apartment research firm.

plus parking,” and overlooks how unbundling can reduce housing rent. The real problem remains a potential loss in cash flow to the Owner.

11. “If a resident not leasing parking leaves,

a subsequent resident could be faced with either an additional charge or with having to find alternative parking if the project did not contain enough spaces.”

H: This is true but incomplete. There are other possibilities: 1. Even bundled projects may not have “enough” on-site parking and new residents would have to find alternative parking. 2. The “additional charge” would add up to the rent cap, which the new tenant would pay if there were no unbundling anyway. 3. The new resident needing parking would be paying the same living space rent as the departing resident. 4. A resident leasing parking could leave, or there could be empty spaces already, so the new tenant would not have to find alternative parking. 5. A subsequent resident actually might not need parking. 6. The new tenant could find parking elsewhere and possibly for a more affordable price, made possible by a living space rent well below the rent cap. 7. The new tenant could figure out how not to need parking. 8. A prospective tenant might decide not to move in, allowing another one, less car-dependent, to benefit. Neither the argument nor its permutations seem to go against unbundling.

12. “Onsite parking requirements generally attempt to mitigate

on-street parking impacts and assure adequate parking opportunities for the residents.”

H: This problem only occurs if on-street parking is free and unregulated. The unspoken assumption is that “adequate” means adequate when free to the user. The argument assumes that the way to mitigate spillover is “free” on-site parking by including the cost in the rent.

Parking management is a more effective policy. Opposing unbundling because a city doesn’t have parking management is not logical. It makes no sense to say, “Well, if we charge for parking here in our project, people will park on the street, so we can't charge here.” In fact, the spillover problem can occur whether Owners provide free parking or not.

Poor local parking policy should not be a reason for poor housing policy. The American culture of “free” parking has to change for sustainability, and it is changing. Market based parking fees with easy high-tech collection and no time limits works well where tried, and is increasing.

13. “If an otherwise free amenity like parking is taken out,

there is no requirement for an owner to reduce the rents below the limit.” “We do not charge for parking.”

H: Parking is not a free amenity. The Owners do charge for parking: it’s in the bundled rent. The tax credit also pays for parking. Somebody pays for parking, always. If an owner “takes out” parking that is paid for by tax credits, which raises the rent, they would be breaking the law, because the parking is part of the housing costs financed by the tax credit and therefore subject to the rent cap.

14. “Because these rents are below market,

there is no economic need for an owner to reduce rents.”

H: This idea truly must come from an Owner more concerned about project income than tenant poverty. Tenants mostly pay the bundled rent because they have to, not because they want to. For them, it’s still expensive. A below market rent is not the same as no economic need.

15. Penalizing projects with too much parking.

“...changing TCAC regulations penalizes projects and reduce credits/basis when traditional parking is required by localities. This would simply provide another tool for those who oppose the development of affordable housing in their communities to make projects infeasible.”

H: The first statement is true but misleading. The current regulations penalize projects with lower parking costs without being aware that it is happening because the TCAC application does not require relevant information. The problem is not necessarily “traditional” parking requirements because they may not, in fact, require too much parking. Opponents of affordables are unlikely to be influenced by reduced parking considering that they are not happy even with too much parking, and anti-social attitudes do not justify wasteful parking. There really is only one question to be answered: Would 9 percent funds go begging by rewarding projects that had more housing?

16. “The basis boost for structured parking is actually intended

to incentivize compact development and greater densities and not to ‘pay for parking garages.’ The basis boost is, in essence, for building typologies that exceed 3 stories, recognizing they are more expensive yet a more efficient use of smaller urban infill parcels. In many urban areas, surface parking would greatly limit the density and number of affordable housing units that could otherwise be achieved. In suburban and rural areas, two-story, stick-frame, walk-up buildings with surface parking are common but these locations are often much farther from high quality transit service and job centers.”

H: The reasoning assumes that building parking structures increases density. The opposite is true. Without a structure, more density can be built with the same funds, subsidy to cars is reduced, walking and transit is increased, and street traffic is reduced. The argument assumes that surface parking would limit the density, but the need for any parking at all is assumed, not demonstrated. It is assumed that all tenants have to park a car on site, that the locality must require spaces, and that the parking must be free to the user. Yet San Francisco is full of older taller buildings with little or no parking and some of the highest housing costs in the US. Even mid-rise housing in other urban areas lacks parking. Where higher densities are proposed are exactly the urban areas that are already denser and more transit-served. Simple economics would ask if tenants if they would rent units that did not have parking. It is probable that low-income people would jump at the chance to get a lower rent even if it lacked parking. They would, as they do already, find alternative modes.

17. “Unbundling parking without restricted permit parking

in the surrounding neighborhood that is enforced twenty-four hours a day is simply an invitation for residents of affordable housing to park on the streets. This causes significant backlash and neighborhood opposition for affordable housing developments. Parking management plans are the prerogative of local jurisdictions and under their purview.”

H: This is a complicated argument against unbundling. Would residents actually park in the surrounding neighborhood? We need to know how many. Some residents do not own a car. Some households have more cars than they can park on site and are already parking in the neighborhood. Residents who do park can afford to keep parking; they are already paying for it and may find outside parking less attractive—further away, more risk, less convenient. The neighborhood may already be too parked up to park there. If they did park in the neighborhood, there’s a good chance people would not notice, depending on the neighborhood. For existing projects, there may not be much of a problem. For proposed projects the neighbors may not, in fact, come out of the woodwork, or, if some do, they get overridden by supporting opinion, the Owner and the city. The local government may have, or be willing to implement, parking management. The housing Owner and the TCAC could persuade the city to implement parking management. The TCAC could still fund projects that were bundled, but only after it had funded the unbundled projects. When this argument is studied closely, it falls apart.

We need more information about neighborhood opposition to affordable housing projects. How many proposals face it? How many proposals successfully reduce opposition by revising the project? How many proposals are approved despite opposition? How many are withdrawn before an

application or a decision? How many are rejected because of opposition? Neighborhood opposition should not be assumed to be illegitimate. Most can be managed through education, discussion, project adjustments, and overriding a few diehards. The politics of a few proposals may cause them to fail, which may be unfortunate but is to be expected and not a reason to avoid mobility reform. Enough projects succeed to use the available funds.

18. "Requiring that parking be paid for from some other source

would simply cause less affordable housing to be built. In addition, revenue projections from unbundled parking would be a challenge for underwriting purposes and would decrease the amount of debt that lenders would be willing to provide."

H: This is not being proposed. What is proposed is to consider an application with outside funding for parking or other assets like offices or commercial in the point system, so that if it meets policy goals such as those of the SGC for climate change, it would rate higher than an application that did not, and such an application would have all of the tax credit going to housing, resulting in more housing than if some funds went for parking.

The challenge of underwriting is real, but not a fatal flaw. Underwriters want security, but they also make money from underwriting, not from not underwriting. They will want to know if the income flow proposed is secure or if there is some other backing.

It will require political will to reform. The system now oversupplies and overspends on parking paid by consumers who have no choice. The pilot unbundling program would provide some answers and some state funds to backfill a shortfall that would solve underwriting problems. Even with reform, parking rent will be subsidized just like the living space rent. It will be a good deal for renters who need to park a car on site. Mobility reform not only faces misperceptions; it also faces some real challenges, but they can be met and overcome.

Unanswered questions.

We at HAPA have done what we can, to some extent no doubt imperfectly, and need others to see value in moving forward on mobility reform. What would a hypothetical unbundled pro forma look like? What is the best way to estimate a reduction in spaces from unbundling? How well does parking management work? How do families not using their parking space get around? How would tenants and waiting list families think they would get around if they didn't have a parking space? How many tenants in a project could unbundle without causing spill over problems? If structured parking in a proposal is eliminated, how many more units could be built and would alternative transportation meet mobility needs? Can we find an Owner who thinks a project can afford to try some limited unbundling? How can we avoid building parking that does unused? How do successful projects with no parking or limited parking make it work?

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January 22, 2016