

RESPONSE TO COUNCIL QUESTIONS RE: 3/19/2024 CITY COUNCIL AGENDA

Agenda Item #: 1E

Title: Approve Budget Modification No. 16 to Appropriate \$460,000 in 2010 Measure B Vehicle Registration Fee Countywide Program Funds - Cycle 4, for Traffic Signal Improvements from the Santa Clara Valley Transportation Authority and Authorize the City Manager to Execute Any Related Grant Documents

Council Question: VTA awarded the funds in Nov-2023, and we are approving now. What is the timeframe for spending the funds (any deadline?), and when would the infrastructure improvements be complete?

Staff Response: VTA provided the draft funding agreement in December 2023. The deadline for the grant per the funding agreement is December 31, 2025. There is language and process in the funding agreement for requesting extensions if needed. Staff is anticipating using an existing consultant on our CIP design on-call list to expedite the design preparation and estimating completing construction by the December 31, 2025 deadline. During the design process, the consultant will prepare an estimated construction duration and after bidding the contractor will prepare a construction schedule which will be used for preparation of a funding extension request if needed.

Agenda Item #: 1H

Title: Award of Contract to Guerra Construction Group in the Amount of \$284,527 for Construction of a Preschool Outdoor Play Area at Serra Park, Finding of California Environmental Quality Act (CEQA) Exemption Pursuant to CEQA Guidelines Section 15303 and Approval of Budget Modification No. 13 in the Amount of \$27,939 (PW24-08)

Council Question: Is the Serra Pre-School Play Area open to children NOT attending pre-School during non-school hours/days and weekends?

Staff Response: Yes. Similar to the Murphy pre-school play area constructed in 2021, the Serra pre-school play area will also be opened to children not attending the pre-school during non-school hours/days and weekends.

Council Question: Is this design considered a park amenity for Serra Park? Is there a reason the design didn't go to Parks Commission for review?

Staff Response: The project provides a dedicated outdoor programming space for the existing pre-school program as the primary user. Given the existing constrained outdoor space adjacent to the preschool building since it was separated from the other existing play areas at Serra Park, staff and the design team maximized the play value within the constrained space with a limited budget. Council is the awarding authority for construction but as a minor park improvement, design approval did not come to City Council so staff did not seek a recommendation from PRC.

Agenda Item #: 2

Title: Evaluate the Minimum Automobile Off-Street Parking Requirements for Residential Uses
(Study Issue CDD 19-07)

Council Question: I didn't see any evaluation of stackable parking. Is that viable as part of the proposed amendments to be studied, or is it already inclusive in the ordinances?

Staff Response: An evaluation of tandem parking is included in the proposed study. Stackable/mechanized parking is considered a form of tandem parking and is currently allowed for up to 50% of the required multifamily parking. Stackable/mechanized parking is currently only allowable with a discretionary permit reviewed by the Planning Commission. The proposed study intends to explore allowing tandem for up to 100% of required multifamily parking and allowable without a discretionary permit.

Council Question: Assuming that Council approves Alternative 1, what is the timing of the next steps?

Staff Response: Staff anticipates that the parking study would begin in fall 2024, after a few of the Housing Element Programs have been completed. It would take approximately one year for staff to return to City Council with recommendations.

Council Question: What is considered "special housing" in the Single-Room Occupancy and Special Housing Developments?

Staff Response: Chapter 19.46 of the Sunnyvale Municipal Code includes affordable housing developments, senior citizen housing, assisted living, and housing for persons with disabilities as special housing developments. Single-room occupancy developments are not considered special housing, but have distinct parking requirements depending on the square footage of living units.

Council Question: Are there any cities or towns that have allowed unbundled parking for existing tenants?

Staff Response: Staff did not readily find cities that have specifically allowed unbundled parking for existing tenants. Cities have a limited ability to impose new requirements on existing development without the backing of state law. There are also additional staff enforcement demands to ensure such a requirement is applied to existing development. Requiring unbundled parking is easier to do for new development, as cities have the ability to specify this in project conditions of approval which can trickle down into tenant lease agreements. AB 1317, signed into law last year, requires new residential rental properties in specified counties (including Santa Clara County) with 16 or more units that are completed after January 1, 2025 to unbundle parking from rent. Unbundling for existing development was not included in the law. Some cities have already *required* unbundled parking for new multifamily developments, including San Diego (in transit priority areas), San Francisco, Oakland, Albany, Richmond, Belmont, and Menlo Park (only in mixed-use districts). Some other cities allow the option of unbundling. Staff notes that many of these cities exempt new affordable housing developments (typically with at least 20% affordable units) from the unbundling requirement (which is consistent with the provisions of AB 1317).

Council Question: What would be some benefits and disadvantages of allowing unbundled parking for existing tenants from the perspective of residents adjacent to these existing multi-family dwelling units and tenants including those that are more economically challenged?

Staff Response: For residents adjacent to these existing multifamily properties, the disadvantages could include potentially more demand for on-street parking. The benefits to neighboring tenants could potentially include less turnover of neighboring tenants (meaning fewer moving events along the street). For the tenants of these existing multifamily properties, the benefits could be lesser rents for those who do not own a car and the disadvantages could be higher costs for those who intend to park onsite.

Council Question: Could there be a feasible waiver program for those that are economically challenged?

Staff Response: There could be, but this would increase the complexity of such a requirement to unbundle parking costs for existing tenants. Staff would need to define economically challenged and administer a framework to verify their incomes for qualification. There would also likely be significant concerns from rental housing owners on loss of rents and enforcement of such a program.

Council Question: Is there evidence that unbundled parking for existing tenants would increase people using street parking or could this reduce the use of single occupancy vehicles and thereby reduce traffic congestion?

Staff Response: Allowing unbundled parking for existing tenants could increase on-street parking demand and reduce the use of single-occupancy vehicles, but staff was not readily able to find evidence from other cities given that they allow unbundled parking for new development only.

Council Question: Since allowing unbundled parking for existing development is not in the alternative 1, Is studying unbundled parking for new development part of alternative 1 and/or is there already an existing policy for this in the state laws?

Staff Response: As part of Alternative 1, staff intends to incorporate the provisions of recently-approved AB 1317 into the Municipal Code, which requires unbundled parking for new rental housing of 16 or more units completed after January 1, 2025. If Council were interested in evaluating unbundled parking for existing tenants, that would be Alternative 2 (which also included eliminating minimum parking) or Alternative 3 (and Council would specify what additional items to study).

Council Question: Are there any cities or towns that have eliminated minimum parking requirements for residential uses altogether for either existing and/or new developments and instead require Transportation Demand Management (TDM) plans for all new multi-family projects? If yes, is there data on how eliminated minimum parking requirements for residential uses altogether for either existing and/or new developments and instead require Transportation Demand Management (TDM) plans for all new multi-family projects is doing?

Staff Response: Some cities have eliminated parking minimums altogether and instead implemented parking maximums (e.g. San Francisco, Alameda, Berkeley, Emeryville and San Diego). San Jose is an example of eliminating parking minimums and instead relying on TDM plans. This was adopted in late 2022, and to staff's knowledge, there is no data yet available. If the Council directs this to be studied, staff would consult with staff from other cities, including San Jose planners, on the results of its implementation.

Council Question: Is there evidence that eliminating minimum parking requirements for residential uses altogether for either existing and/or new developments and instead requiring Transportation Demand Management (TDM) plans for all new multi-family projects would increase people using street parking or could this reduce the use of single occupancy vehicles and thereby reduce traffic congestion?

Staff Response: While such as measure could increase demand for on-street parking, there is more evidence that eliminating minimum parking requirements decreases the costs of building housing and decreases the use of single-occupancy vehicles, as providing extensive amounts of parking incentivizes car ownership. There are also examples of parking surveys that show many parking spaces in residential development are unused. In 2015, TransForm conducted a survey of 68 multifamily residential sites in the Bay Area and found an average of 30% of parking spaces were unoccupied.

Council Question: If eliminating minimum parking requirements for residential uses altogether for either existing and/or new developments and instead require Transportation Demand Management (TDM) plans for all new multi-family projects, could Transportation Demand Management (TDM) plans have options to help fund investments into micro-transit or shuttle programs?

Staff Response: TDM plans typically have a menu of options that developers can choose to reduce trip generation and parking demand. Funding for micro-transit or shuttle programs is not currently an option in the City's [Multi-Family Residential TDM Program](#), and would have to be updated if the Council specifies this as an option. This approach would also require creating new accounting and administration methods for such programs, which requires further analysis.

Council Question: How would eliminating minimum parking requirements for residential uses altogether for either existing and/or new developments and instead require Transportation Demand Management (TDM) plans for all new multi-family projects impact the cost and staff's delivery time of completing this study?

Staff Response: If the Council directs including study of eliminating minimum parking, it would increase the timeline of the study as staff would need to consult best practices from other cities that allow this, conduct additional public outreach with residents and the development community, and enhance the existing multifamily TDM program. Depending on complexity, staff may request a budget supplement to hire a consultant to assist with the proposed amendments.

Council Question: If council supports studying eliminating minimum parking requirements for residential uses altogether for either existing and/or new developments and instead require Transportation Demand Management (TDM) plans for all new multi-family projects, does it make sense for this to be included in this study issue or a separate study issue so as to not delay the alternative 1 study issue components from completion?

Staff Response: If the Council directs this, it would be sensible to include in this study as it pertains to residential parking requirements. As noted above, this would increase the timeline of the study due to extensive research and outreach efforts involved.

Council Question: How would allowing unbundled parking for existing tenants impact the cost and staff's delivery time of completing this study?

Staff Response: Allowing unbundled parking for existing tenants would require extensive analysis, public outreach, and a new framework to administer such a program. A budget modification would likely be needed to hire a consultant to research and develop potential options.

Council Question: If council supports studying allowing unbundled parking for existing tenants, does it make sense for this to be included in this study issue or a separate study issue so as to not delay the alternative 1 study issue components from completion?

Staff Response: If the Council supports allowing unbundling parking for existing tenants, staff recommends this is a separate study issue so as to not delay the rest of the study efforts in Alternative 1.

Council Question: Based on my reading of [AB 1317](#), it appears that the State will be *requiring* all multifamily rental complexes with more than 16 units completed after Jan 1, 2025 in Santa Clara County to unbundle parking. Is this in agreement with Staff's reading of the law?

Staff Response: Yes (see response above for additional details).

Council Question: Do affordable units constructed as part of the City's inclusionary zoning program count toward the State density bonus? If so, is there a rough estimate of what sort of parking reductions a developer building in, say, R-5, might hope to claim under the state density bonus if they did not exceed our density bonus?

Staff Response: Yes, affordable units in accordance with the City's inclusionary requirements count toward the total unit count for which a density bonus is enabled. State density bonus law includes automatic parking reductions specified in the law. The minimum parking would be the state density bonus law or the City's regulations, whichever is less. For projects that do not qualify for a state density bonus, the City's ratios would apply.

Council Question: Does staff have current cost estimates for the construction of an above-ground structured parking space? an underground parking space?

Staff Response: According to TransForm's [Green Trip Parking Database](#), based on surveyed developments in the Bay Area, it costs approximately \$50,000 to build an above-ground structured parking space and \$80,000 to build an underground parking space. These costs are likely higher since the data was collected ten years ago.