

April 6, 2022

The Honorable Alex Lee
Member of the California State Assembly
California State Capitol
Sacramento, CA 95814

Re: AB 2206 (Lee) – Parking Cash-Out and Commercial Leases – Support

Dear Assemblymember Lee:

I am writing on behalf of SPUR in support of AB 2206 (Lee). This bill requires lessors to separately list parking costs for employers that are subject to California’s parking cash-out law. This requirement would make it easier for employers to comply with the parking cash-out law and would help jurisdictions enforce the law appropriately.

The parking cash-out program was enacted three decades ago in 1992 (AB 2109, Katz). It requires certain employers who provide subsidized parking for their employees to offer a cash allowance in lieu of a parking space. This law increased employee choice by allowing employees wishing to travel to work by means other than solo-driving to give up their parking spaces and receive their parking subsidy in cash.

Eight case studies of employers who implemented parking cash-out demonstrate that this policy can deliver great results. This research found the following: “After cashing out, solo driving to work fell by 17 percent. Carpooling increased by 64 percent. Transit ridership increased by 50 percent. Walking and bicycling increased by 33 percent. Commuter parking demand fell by 11 percent.”¹ In addition to these positive case studies, a 2002 Legislative Analyst Office (LAO) report indicated that parking cash-out is inexpensive to administer and offers many benefits, including easing traffic congestion, improving air quality, reducing greenhouse gas emissions, promoting social equity, and supporting investments in other modes of travel.²

Despite the evidence that parking cash-out programs reduce emissions, reduce congestion, and improve commuter choice, there is widespread agreement that employers are not complying with the existing parking cash-out law. In part, this is due to the difficult nature of calculating the value of employee parking when it is included with the total cost of office rental space. This practice makes it difficult for employers to separate the cost of parking spaces associated with the commercial space that is being leased. Without that information, employers may be unable to confidently determine the amount of cash to offer in lieu of parking subsidies.

¹ Shoup, Donald C., 1997. "Evaluating the Effects of Parking Cash Out: Eight Case Studies," University of California Transportation Center, Working Papers qt5nc6w2dj, University of California Transportation Center.

² https://lao.ca.gov/2002/parking/031802_cash_or_parking.pdf

By requiring parking owners to provide employers subject to the parking cash-out law with unbundled parking costs, AB 2206 facilitates compliance with existing law so the state can realize the traffic congestion relief and air pollution benefits that the parking cash-out program has shown it can deliver.

For these reasons, we are in strong support of AB 2206. Please contact me at jkass@spur.org for any questions about our position.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathon Kass". The signature is written in a cursive, flowing style.

Jonathon Kass
Transportation Policy Manager, SPUR