

August 24, 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 & Sponsorship

Dear Assemblymember Lee:

I am writing on behalf of SPUR to reaffirm our support of AB 2206 (Lee) and our commitment to sponsor this bill. As amended, AB2206 would more precisely define a parking subsidy for the purpose of calculating what payment qualifying employees may receive under the 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. Ambiguity about the value of parking subsidies is one reason that implementation of the parking cash-out program has been limited.

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 defining how to calculate commuter parking subsidies, and by requiring that employers inform eligible employees about their rights to receive a parking cash-out, 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 and pleased to be listed as a sponsor. 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 style with a horizontal line extending to the right.

Jonathon Kass
Transportation Policy Manager, SPUR