


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: June 5, 2019

To: Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds,  General Manager
Department of Transportation

Subject: **TRANSPORTATION DEMAND MANAGEMENT ORDINANCE UPDATE**

SUMMARY

This report outlines progress made to date in response to Council File (CF) 15-0719-S19, directing the Los Angeles Department of Transportation (LADOT) to work with the Department of City Planning (DCP) and the City Attorney's Office to prepare an ordinance that updates the City of Los Angeles' (City) Transportation Demand Management (TDM) requirements on new development.

RECOMMENDATION

RECEIVE and FILE this report.

BACKGROUND

Transportation Demand Management (TDM) is the application of strategies that improve the efficiency of the transportation network by providing incentives, information, and measures that shift travel behavior away from driving alone and reduce vehicular travel demands. TDM strategies, when applied and supported broadly, can have a cumulative benefit on streets and freeways and effectively increase the availability of, and access to transportation supply for all users.

In 1993, the City adopted its first TDM Ordinance (LAMC Section 12.26 J.) to comply with the California State Legislature's directive for local jurisdictions to connect regional transportation planning efforts to community growth, land use, and air quality decisions. This ordinance mandates that new non-residential development that exceeds 25,000 square feet implement certain TDM measures. Additionally, at a regional level, the South Coast Air Quality Management District's (SCAQMD) Rule 2202 requires employers within the SCAQMD boundaries with more than 250 employees at a worksite to implement an emissions-reduction program designed to reduce Vehicle Miles Traveled (VMT) and/or increase Average Vehicle Ridership (AVR).

On September 27, 2013, Governor Jerry Brown signed Senate Bill (SB) 743 directing the California Office of Planning and Research (OPR) to revise CEQA Guidelines to establish a transportation impact metric that "promotes the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses." OPR determined that VMT is the most appropriate criteria, replacing vehicle delay or Level of Service (LOS), for CEQA transportation analysis. An update to the TDM Ordinance would complement the City's efforts to implement SB 743 (CF 14-1169) by expanding responsibilities of managing travel demand performance for a broader range of development projects than just those required to mitigate project-related VMT in order to satisfy CEQA requirements.

CF 15-0719-S1 directs LADOT and DCP to update the City's TDM ordinance, which will expand available TDM strategies to include advancements in technology and on-demand mobility, offer and incentivize sustainable mobility choices to residents, employees, and visitors, and leverage ongoing investments to expand the region's transportation system. By further reducing SOV trips, the updated ordinance will advance City policy objectives related to sustainability, health, safety, energy efficiency, equity, and mobility, including those in the Mayor's Green New Deal Plan, and Policy 4.8 of the Mobility Plan 2035.

DISCUSSION

RESEARCH AND OUTREACH

The proposed updates to the TDM Ordinance are informed by national best practices and guidance from TDM professionals. The Transit Center awarded the Mayor's Innovation Project / State Smart Transportation Initiative (SSTI) a grant to provide the City with technical assistance on TDM policy, practice, implementation, and monitoring. The Shared Use Mobility Center (SUMC) provided the City with feedback on how to integrate shared mobility into TDM plans and sponsored a TDM Forum to solicit feedback from industry experts. In addition, LADOT and DCP formed a technical advisory committee (TAC) of local practitioners with experience implementing TDM and mobility programs.

State Smart Transportation Initiative - Transit Center Grant

The Transit Center funded research and coordination with municipal governments to develop, implement, and enforce effective TDM strategies. The main objectives included: 1) provide additional technical support to quantify the effectiveness of TDM measures; 2) inform City staff of new, emerging, and innovative measures; 3) explore best practices from other public agencies for setting thresholds and performance standards to use in imposing requirements on new developments; 4) provide best practices for monitoring and enforcing TDM requirements; and 5) provide examples of policies and programs the City can use to encourage TDM in Los Angeles.

Shared-Use Mobility Center Research Partnership with LADOT

LADOT partnered with SUMC to research how shared mobility can be integrated into the TDM policies of the City of Los Angeles. SUMC determined that shared mobility can play a critical role in achieving TDM objectives. Using public transit as a foundation, shared mobility can provide necessary first and last mile connections to encourage multi-modal travel and accomplish the intended benefits of TDM. The key recommendations from this research effort included: 1) create more options in the TDM Ordinance that serve as alternatives to drive-alone trips; 2) expand shared mobility options for large trip generators; 3) set clear performance goals and evaluation metrics; and 4) establish and empower Transportation Management Organizations to monitor these evaluation metrics, and to create clear and sustainable funding sources to support TDM programs.

Public Outreach and Engagement

City staff led the engagement of a diverse array of citywide stakeholders over the last two years, which included forming a TDM technical advisory committee (TAC). City staff paired this effort with stakeholder outreach on the complementary process of adopting VMT as the City's CEQA transportation impact criteria. With the support of SUMC, City staff initiated engagement with TDM practitioners at the 'Managing the New Mobility' workshop held at the La Kretz Innovation Campus. City staff subsequently formed and convened the TAC, which provided a forum for staff to introduce initial concepts for a TDM Ordinance update for discussion. Staff presented at nearly 40 meetings that included neighborhood

council alliances (including PlanCheckNC), interest groups, non-profit organizations, practitioners, and other public agencies.

PROPOSED TDM ORDINANCE UPDATE

In addition to advancing City mobility and sustainability objectives, updating the TDM Ordinance will accomplish the following:

- Expand the reach and application of TDM measures to more land uses
- Rely on a broader range of strategies that can be updated to keep pace with technology
- Enhance overall transparency and accountability by requiring monitoring and evaluation of site performance
- Provide a data feedback loop to regularly measure the effectiveness of TDM strategies
- Ensure that more projects implement TDM programs than just those subject to CEQA/VMT analysis
- Provide flexibility for developers and communities to choose the strategies that work best for their use and neighborhood context
- Rely on best practices and leverage innovation to achieve the most efficient use of the transportation system by new development

Projects required to comply with the updated ordinance will select from a menu of programmatic and physical strategies that can improve mobility options for residents and/or employees of the project. City staff selected strategies based on peer-reviewed research, local practitioner expertise, and best practices from across the country.

The proposed thresholds of applicability in the updated TDM ordinance include a graduated scale of compliance and monitoring requirements based on the intensity of new development. This provision recognizes that larger developments generate more travel demand than smaller scale projects, and thereby scales up the TDM requirements and monitoring for larger projects. These thresholds allow the City to capture and evaluate by-right projects that are not considered discretionary under CEQA. Attachment 1 (TDM Program Levels) summarizes the proposed size and land use screening criteria for the three TDM Program Levels. Each program level will have a point target that the project development will need to fulfill in order to demonstrate compliance.

The ordinance will assign point targets to developments based on project size and program level. The ordinance will provide guidance on the number of TDM strategies a development must implement to comply with the ordinance. Each TDM measure listed in the menu of options (Attachment 2) is assigned a point value that corresponds to the approximate VMT reduction that the strategy can achieve. Enforcement under the proposed ordinance would apply to new developments that meet the thresholds of applicability. LADOT will regularly evaluate the program point structure, monitor new TDM strategies, collect relevant trip-making data, and ensure the program reflects the latest research and best practices.

TDM REQUIREMENTS FOR EXISTING EMPLOYERS

In 2018, LADOT initiated Transportation Management Organizations (TMO) in Downtown Los Angeles and Warner Center. TMOs are non-profit membership organizations of employers, property owners, residents, and other stakeholders that work with the City to help achieve SOV trip reduction targets; support non-SOV travel choices; such as carpooling, bicycling, walking, and transit; and track performance and progress. TMOs implement marketing and engagement activities to promote non-SOV transportation options for employees and administer incentive programs aimed at increasing the use of

transit, carpooling, vanpooling, bicycling, and walking by all travelers within the areas they serve.

TDM measures have the greatest effect in influencing VMT outcomes of employment sites and new development alike, since they encourage site occupants to rely on other means of travel as opposed to driving alone. Therefore, as more developments are subject to TDM requirements and ongoing monitoring, the role of TMOs throughout the City will grow as developers can opt to join a full-service TMO instead of managing their own TDM performance goals and annual monitoring requirements.

In addition to the expanding role of TMOs in the region, City staff is exploring other solutions to engage existing employers including the establishment of a coordinated countywide TDM program with commuter incentives led by Metro (Metro Board File #2017-0715). While enforcement under the proposed TDM Ordinance would solely apply to new development, SCAQMD is responsible for monitoring existing employers with over 250 employees through their Rule 2202 program. City staff will continue to engage SCAQMD to better understand the Rule 2202 program and assess the viability of SCAQMD potentially relinquishing the Rule 2202 enforcement role to the City.

NEXT STEPS

1. **Finalize TDM Program & Program Implementation:** DCP and LADOT will continue to collaborate on outreach efforts, to draft a proposed TDM Program, and to coordinate with the City Attorney's Office to update the TDM ordinance. LADOT will integrate the TDM program into its Development Review process.
2. **Environmental Clearance:** The TDM Ordinance, as an implementation item of the Mobility Plan 2035, will require an Addendum to the Mobility Plan 2035 Environmental Impact Report (EIR), which is underway.
3. **Additional Outreach and Engagement:** Further outreach and engagement with stakeholders and the Technical Advisory Committee will continue to inform program design and development. Coordination efforts between City agencies and regional partners, such as Metro and SCAQMD, will continue to ensure the ordinance update is consistent with regional best practices.
4. **Ordinance Release and Adoption:** The ordinance adoption process is expected to begin in summer 2019 with the release of the draft TDM Ordinance, initiating a 60-day comment period that will include an open house and public hearing.

FISCAL IMPACT

No impact to the General Fund is anticipated with this action. However, as currently proposed, the revised TDM Ordinance may require additional staffing for the review and annual monitoring of development activity that is not currently captured in LADOT's review process. LADOT will conduct a resource needs assessment to determine if these additional review functions can be wholly or partially recovered by TDM monitoring fees included in the updated ordinance.

SJR:tc/ds

Attachment 1: Proposed TDM Program Levels

Attachment 2: Recommended Applicable TDM Strategies

Attachment 1

Proposed TDM Program Levels

| | Level 1 | Level 2 | Level 3 |
|----------------------------|--|---|--|
| <i>Housing</i> | 16-49 housing units | 50-249 housing units (except as noted in affordable housing section) | 250 or more housing units (except as noted in affordable housing section) |
| <i>Affordable Housing</i> | 16 or more housing units, all of which are affordable housing | N/A | N/A |
| <i>Employment / Office</i> | 25,000-49,999 sf of total non-warehouse employment or office space | 50,000-99,999 sf in total non-warehouse employment or office space | 100,000 sf or more in total non-warehouse employment or office space |
| <i>Retail</i> | 50,000 - 99,999 sf or more in total retail space | 100,000 - 249,999 sf or more in retail space | 250,000 sf or more in retail space |
| <i>Warehouse Space</i> | N/A | N/A | 250,000 sf or more in warehouse space |
| <i>Special Uses</i> | hotel with 25-49 guest rooms | hotel with 50-149 guest rooms | hotel with 150 or more guest rooms |
| | arena, stadium, or theater 150-349 or more seats | arena, stadium, or theater with 350-649 seats | arena, stadium, or theater with 650 or more seats |
| | charter or private school with 100-249 students | charter or private school with 250-399 students | charter or private school with 400 or more students |
| <i>Other</i> | N/A | N/A | Major Development Projects |

Attachment 2

Proposed Applicable TDM Strategies

| Programmatic Measures | Physical Measures |
|---|---|
| <ul style="list-style-type: none">• Carshare membership• Bikeshare membership• Transit subsidies• Education and marketing• Child care• Carpool incentives• Shared or public parking• Parking pricing and cash out• Telecommuting• Mixed use & affordable housing• Neighborhood shuttle• TMO membership | <ul style="list-style-type: none">• Mobility Hub• Bicycle parking• Changing/Shower facilities• Carshare kiosk• Bike share kiosk• Transit information displays• Wayfinding signage• Accessibility improvements (mid-block crossings, curb extensions)• User-suggested TDM strategy <i>(requires approval by LADOT)</i> |