

Background on Prop 1C IIG South Hayward issues

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January 16, 2011

I appreciate the efforts BART staff have made to allow me to contribute to this process.

Chronology

September 2005.

BART started planning for South Hayward station area development. The City of Hayward and BART plan to promote “transit-oriented” development at South Hayward BART based on big increases in auto-oriented development using subsidized parking. I started advocating for transit-oriented development that is actually transit-oriented. Most of this chronology is omitted below.

November 2006.

Voters approved Prop 1C Infill Infrastructure Grant (IIG) program, including use for “transit linkages.” See Prop 1C at Health and Safety Code Section 53545 (b)(1)(C) “**Transportation improvements related to infill development projects.**” Infill Infrastructure Grant Program Guidelines (Rev. 11/24/08 and 1/30/09) p. 2 “Specific eligible improvements include: ... **transit linkages.....**” p. 10 “(6) Transit linkages and facilities, including, **but not limited to**, related access plazas or pathways, or bus and transit shelters.”

http://www.hcd.ca.gov/fa/iig/Full_IIG_Guidelines_013009.pdf

It is not clear if “transit linkage” means some linkage presumed because of a short distance from a project to transit, or a fixed physical structure, or actual transit to create a linkage. The examples above—plaza, pathway, shelter—reflect a land-use orientation for infrastructure as things that don’t move, yet the “not limited to” suggests some wider use is possible, limited mainly by the definition of capital spending.

Using funds for actual transit was not included in guidelines for application, and so no agency applied. Parking structures were included, and awards were given. There was no evident concern for how parking structures subsidize driving and increase traffic in a transit-oriented area, nor for analysis investigating some alternative like shuttle access or unbundled and shared parking might be more cost-effective, as well as more sustainable.

Detour from Chronology: Adding a transit linkage to the Prop 1C project

My current proposal for South Hayward is all capital spending. It includes \$1.7 million for the Industrial shuttle, consisting of two buses, bus guidance controls, traffic signal controls, a shelter,

raised sidewalk stops, ticket machines, garage, parts, and signage. In fact, purchasing land for a Park and Ride lot (which is already paved for parking) would cost more, about \$3.6 million for 641 spaces, or \$5,600 per space. Structured parking spaces, however, cost over \$26,000 per space.

The total capital cost, bus and Park and Ride, would be about \$5,240,000. The yearly amortized cost of capital plus \$550,000 for bus, ride home, and Park and Ride operations totals \$1,383 per space per year and \$3.79 per space per day. The comparable structure cost is \$2,485 per space per year and \$6.81 per day. Detail and documentation are in my spreadsheet, available on request. Park and Ride on a short shuttle is considerably less expensive per space than structured parking.

In September 2010, Nelson/Nygaard (NN) said, p. 2, “It is estimated that even including the Prop1C \$21M grant (i.e. the estimated cost of the replacement garage, as a part of the HCD IIG \$30M grant), the shuttle scenario will cost roughly \$500,000 more than if the parking structure in Scenario A would get built (based on a revised NN analysis to be included in the final report).”

Unfortunately, NN looked at my earlier proposal and used a cost analysis which I have not seen, which was much higher than my estimates for a previous plan. I dropped that proposal because it provided far too much shuttle capacity. My revised shuttle proposal, as described above, could cost about \$5,240,000.

In December 2010, as I got into rethinking an alternative, I added some ideas not part of my original ideas (which themselves kept changing in response to comments). I realized I had to improve my proposal and also its PowerPoint presentation. I finally organized around eight major policies: 1) Build for people instead of cars; 2) Unbundle parking to reward sustainable life-styles; 3) Share parking among all users; 4) Paid, managed parking; 5) Fast, frequent, free, modern shuttles; 6) Easy access to shuttles; 7) Integrated parking and shuttles; 8) Support for car-free lifestyles. I managed to reduce the PowerPoint to only 50 slides. I wrote short papers on wait time and on models, and revised the spreadsheet (which has been redone again this month).

Detour to SFpark.

“4) Paid, managed parking” would work smoothly with high tech parking management, as being implemented now by the SF Municipal Transportation Agency program, SFpark <http://sfpark.org/>. The site has a video at the top. Other web resources include <http://www.nytimes.com/2007/03/29/opinion/29shoup.html?ex=1332820800&en=cdabf3ece6c4a862&ei=5088&partner=rssnyt&emc=rss>
<http://shoup.bol.ucla.edu/CruisingForParkingAccess.pdf>
<http://shoup.bol.ucla.edu/Cruising.pdf>

SFpark: 1. Meters: Meters allow drivers to pay with coins, credit/debit cards, and SFMTA parking cards, and often have no time limits. (They also should someday accommodate cell phones and cards like FasTrak or Clipper.)

2. Sensors: Wireless parking sensors in each space detect availability space-by-space, and parking

garage entrances and exits track the number of cars in the garage. The meters detect payments.

3. Data: Sensor and meter data go wirelessly to the SFpark data hub, tracking how often each space is used. Parking managers see where and when parking is available.

4. Pricing Policy: Parking managers adjust meter rates based on willingness to pay so each block and each garage has, on average, 20 percent availability. [I think 15% would be better.] This demand-responsive pricing evens out demand over a large area. Hourly rates range from \$.25 to \$6.00. During special events, such as baseball games, rates may increase beyond the ceiling. Many garages are underutilized, so their rates will decrease, attracting more efficient use. Rates at meters may fluctuate by time of day and day of week. Prices will be adjusted by increments of no more than 50 cents an hour, up or down, no more frequently than once a month. Meter rates are then updated electronically. The system has no (or long) time limits, no red flags and few parking tickets, minimal enforcement costs, optimal revenue and parking availability, no time left on a meter, no runs to feed a meter, and easy pay, no coins to carry, and you can always find a spot.

5. Information: Current rate information and maps with parking availability information are sent to the web at SFpark.org, to the 511 system, to drivers by cell phone and text messages, and to electronic display signs at high-traffic locations in the City. Signs also guide drivers to City garages.

I estimated South Hayward would need about \$2 million in Prop 1C funds for a high tech, easy-pay system for 2,861 spaces.

More on adding a transit linkage to the Prop 1C project

Since the shuttle and paid parking were so cheap, I had the problem that I was supplying a lot more access than a parking structure for a fraction of the cost, and I needed to spend more. Two related problems were how many spaces would be available because of unbundling and how the parking cost of buildings would be financed, given the lack of any substantial track records that lenders could rely upon.

For discussion purposes, and based on two large, unbundled project in similar land use settings, I looked at what would happen if owners and renters leased half the spaces, leaving the rest for sharing among BART day users, BART leasers, shoppers, and other users. Because of integration and balancing with the shuttle, the exact number does not matter. The shuttle picks up any slack.

Lenders will have no problem lending on the housing portion of a building; the rent or price will be so low that the absorption will be high. Also, adding a parking lease produces a total price competitive with other, bundled, units. What lenders do not know, nor does anyone, is how many renters and buyers will not want to lease parking, with the danger of no revenue stream from unleased space to help pay for the building loan.

My solution is to have the Access Authority finance the building of half the unleased spaces, 613 spaces. If more are leased by residents, the cost goes down and the slack is picked up by the

shuttle. If fewer are leased by residents, the unbundling is successful, but could have to be terminated if necessary to assure loan repayments.

I assumed these spaces would cost about the same as those in the structure, requiring about \$16.1 million from Prop 1C. Finally, I'm spending almost enough money, and actually on the purpose of the grant—parking. The differences are that the parking is in several buildings in the station area, rather than one big structure, station area development is no longer auto-oriented, parking is less subsidized, parking is used more efficiently, there is a shuttle system capable of delivery of riders up to any number needed, and the whole system makes more sense economically and environmentally. There are still subsidies, but for efficient use and the environment.

The total of the above costs left unspent only \$.6 million of the Prop 1C grant. The “transit linkage” part of the proposal (the shuttle only) turned out to be only 7% of the restructured Prop 1C grant.

Before we forget, there is another question besides Prop 1C infrastructure, which is how to pay for operating. If BART builds the 910 space structure, it will have to spend \$720,720 per year to operate it. The shuttle, Park and Ride lot, and ride home operating cost is about \$550,000.

Another source of operating funds could be parking revenues. An estimate I made for 613 spaces was \$158,000 per year. The comparable NN estimate was \$188,000.

BART may hope to offset structure operating with parking revenues, but will still come up \$441,000 short. In the Alternative, parking revenues are lower, but operating is much lower, with a lower loss, \$362,000.

There are many more potential operating sources discussed in my spreadsheet: ecopasses, fixed charges, ticket sales, MTC grants for CAPs, and funds from redundant AC Transit routes.

Yet another consideration is the income BART gets from sale of land. Obviously, BART gets more by having parcel 4 to sell for development.

Back to the Chronology

Jan. 30, 2009

HCD issued guidelines, as discussed above, for Round 2 IIG. Deadline for disbursement is Feb. 1, 2013. According to Brian Johnston, HCD has recent discretion to extend to 2016 but would want to see specific, unavoidable reasons for delay. Intent is for shovel ready projects, but recession has made some projects dead in the water. Generally, a substantial change in the nature of a project could lead to loss of funds. As of Jan. 2011, state has money in the bank from bonds already issues to fund IIG projects.

June 30, 2009

City of Hayward won an IIG grant for \$30m

February 18, 2010

I emailed a query to Russ Schmunk about shifting Prop 1C grant funds to alternative access, and there were some additional phone calls and emails.

July 16, 2010

Email:

From: "Russ Schmunk" <RSchmunk@hcd.ca.gov>

To: "Sherman" <sherman@quarryvillage.org>, "Jeff Ordway" <jordway@bart.gov>

CC: "Bruno Peguese" <bpegues@bart.gov>, "Val Menotti" <vmenott@bart.gov>,
"Richard Patenaude" <Richard.Patenaude@hayward-ca.gov>

Date: Thu, 16 Jul 2009 09:36:41 -0700

Subject: RE: Access Study for South Hayward

Thanks, Sherman. We would seriously request a request from our grantees to reallocate Prop 1 funds in the manner you have suggested, if it met the needs of all concerned.

Russ Schmunk
Assistant Deputy Director
California Department of Housing and Community Development

So far, there is every reason to think the state would be eager to shift funds from subsidizing cars to helping transit. That's what AB13 and SB375 are all about. The funds can be repurposed consistent with bond purposes to support alternative access and transit linkages.

July 19, 2010

I complained to interested parties about many things wrong with the access planning. Actually, I've been doing this off and on for some time now.

July 30, 2010

Tim Chan, BART access planner, emailed me a link at Eden Housing to NN Draft Access Report of July 2010. It is so bad I decide to quit.

Aug. 20, 2010- Sept. 3, 2010

I complained to Tim Chan about the NN July 2010 report. Evidently, I have decided not to quit. Tim Chan defended the report.

Sept. 10, 2010

Tim Chan sent attachments on modeling so I could figure out what happened. Basically, the models never looked at the specifics of shuttle access to the station, and field work on travel times was never done, or was not reported, so elasticities could not be estimated. NN says they determined that the Industrial shuttle access time I used was too optimistic. The time used was, nevertheless, my conclusion from actually timing the route by two drivers making several runs. NN did not do the "micro-analysis" needed for elasticity information, nor did they check out my micro-analysis based on my driving, parking, and walking around parking structures and taking elevators. I have no problem with modeling; I do have problem with using the wrong models or

failing to generate relevant facts when appropriate models do not exist.

Sept. 14, 2010

In the afternoon, I sent Hayward City Council two emails on the NN July 2010 draft report prefaced with “I have not had time to make these comments shorter, and have not finished my analysis. ...” I attached Comments on NN SH BART Access Study.pdf, Comments NN shuttle analysis.pdf, Comments wait time.pdf, and Comments model.pdf.

At 7 pm Hayward City Council had a work session on access study, with a report by staff and a PowerPoint. I did not attend.

NN emailed to Hayward City Council comments on my comments from earlier the same day, which they must have done in a hurry. The comments, quoting my comments and adding NN’s, run to 42 pages, about 18 of which seem to be by NN. I have not had time to study them all. Mainly, my proposal is now substantially different. In some cases NN did not understand my points or questions. In some cases they did not do the comparative, detailed time and cost analysis for elasticity which I did and I think is necessary. Some comments were not responsive. I discuss some issues in reports I sent later. Some comments helped me improve my proposal. It gets pretty tedious looking at so many trees, but they do make up the forest, and most of it is a serious effort to deal with the issues.

The NN comments are not on the city’s website and I did not find out about them until December 2010, about a month ago. Selected NN comments are discussed below, but the discussion may be hard to follow, as it consists of the NN July 2010 draft report, my comments on that, NN comments of Sept. 14, and my comments on both NN documents. The Sept. 14 comments should show up in red. The topic of shuttle cost has already been presented above.

City and BART Staff accept NN Conclusions

p. 2 **The Access Study is satisfactorily conclusive to BART and City staff that Scenario C does not need further investigation/study.**

SL: News to me. This concurrence took place without my knowledge; I don’t know who the staff were from NN, the City, or BART or what their reasoning was. I agree with the conclusion, not because Scenario A is acceptable, but because I found a way to make Scenario C better. I had been hoping that NN would help make it better rather than advocate for a parking structure. The staff decision, if unchallenged, will prevent any policy decision from reaching elected officials, preempting their policy authority. Elected officials will never see a good discussion of alternative access as an actionable choice on their agendas. NN is pushing for the parking structure (p. 6: **Scenario A, the preferred alternative**) (i.e., preferred by NN) rather than trying to figure out a workable alternative and allowing a policy decision.

Prop 1C grant issues

p. 2: **Lewis agrees that it will likely be difficult to use the Prop 1C grant to fund operating costs associated with the shuttle, which makes this scenario even harder to realize (and he acknowledges that modification of SHMU might jeopardize the grant award made by HCD).**

Since operating funds have been removed from the Prop 1C proposal, this objection no longer obtains, and the new scenario is easier to obtain. Modification indeed might jeopardize the grant, but then again it might not. In July, Russ Schmunk said it would not. Sometime later, Brian Johnston said it might. Both things can be true. NN's discussion of this issue is one-sided and they never talked to Russ Schmunk. As discussed elsewhere, I think the state would be happy to endorse a revised SHMU that promotes state policies rather than a parking structure which undermines them.

p. 11: Although Brian Johnston/HCD indicated earlier in the year that HCD would consider converting the funds if the applicants requested it; in a subsequent conversation, he indicated that HCD does not recommend modifying the application at this point in time, as such a design change would likely necessitate an entire project review and would be looked upon unfavorably inasmuch as the Prop 1C applications were intended to be received from "shovel-ready" projects applicants. A project redesign at this point in time would be problematic.

I talked a few days ago with Johnston and he did not recall any conversation with NN or with Schmunk. He did, however, express to me the views reported by NN above. NN needs to come up with a telephone log to verify the alleged first conversation, which seems unlikely based on what Johnston told me.

The SHMU has never been ready for a shovel—witness the need for a special grant for more engineering studies demanded by BART, not requested until March 2010. The ability to spend money fast on a bad idea is not a good reason to do so.

An "entire" project review is not needed; the open space, utility relocation, site preparation, soft costs, and residential parking structure components of the SHMU do not need to change. Litigation would slow things down more than shifting some of the funds out of the structure. The alternative spends 67% of the BART structure funds on structured parking, 15% more on surface parking, and 8% on parking management. When you think about it, such a review is not all that hard; I think I've already done it. Alternative access must have been acceptable, or BART and the City would have opposed looking at it.

p. 12: To modify this station from the planned and approved Scenario A to Scenario C is a major redefinition of the HCD proposal. This would trigger additional planning, analysis, CEQA clearance and approval from the BART Board and City Council. Furthermore, it is unclear whether the new shuttle proposal would even be accepted and approved by the respective boards. The time necessary to accomplish these things would jeopardize HCD funding. To briefly compare the non-monetary benefits, (a) more growth of one component (residential) does not encourage "mixed use," (b) more transportation improvements is a matter of time (i.e. non-parking improvements will be implemented over time - the benefit of later-rather-than-sooner is to facilitate the launch of the Project, and (c) the incremental difference in sales between shoppers who live in the more-units-area vs. the shoppers who are BART suburban-garage-parking-commuters is a micro analysis beyond the scope of this study and would likely have marginal impacts.

More importantly, there is significant concern as to whether Scenario C would even work, as there are no examples of this type of arrangement.

So, does any of the above constitute a good reason not to do a better plan? Is it analysis or rhetoric? Should the alternative access of Scenario C be killed, or should it be improved because subsidized parking structures are environmentally damaging and economically inefficient?

Here is what NN could say about the new, improved plan: Restructuring the parking structure portion of the HCD grant would require some additional analysis and approvals by BART, Hayward, and HCD, which can be accomplished in the available time and, given the great improvement in economic and environmental performance, agencies are likely to approve the plan. HCD, in fact, has already indicated an interest in a more sustainable plan, if supported by the City. The benefits include (a) more needed TOD housing is built, (b) transit access comes on line sooner and more surely, with an increase in BART ridership and less auto-access, (c) the project launches sooner because the parking structure does not need to be built first, (d) the increment in sales to shoppers from the added housing helps local business, making mixed use work better, and (e) there is abundant evidence from other TODs, the plethora of shuttle services in the Bay Area alone, and the success of market mechanisms in transportation, not to mention the logic of the plan, to show that alternative access would work.

We have a chance to do this right, and not rush into subsidizing auto dependency. NN has their rhetoric, and you just read mine. Problematic? pure rhetoric. Project review? I've done it. Aggravating? Troublesome? More paper-work? Indeed, but let's pay attention to policy merits.

p. 19: In regards to Prop 1C money, NN's analysis shows that there will not be enough money to fund both capital and operating expenses associated with the shuttle system, thereby limiting the potential to fund an SFpark level of technology. And again, the theoretical availability of HCD funds for this Scenario C and other uses is speculative.

SL: The basis for NN's estimate is not given and, in any event, is no longer relevant. I disagree with "theoretical" and "speculative" based on my information and understanding of HCD policy, i.e., what Johnston said does not contradict what Schmunk said.

p. 29: NN Response 77: The \$21 million estimate included in the Prop 1C application was first developed by Bromel Construction and then updated by Overra Construction. It assumed a parking structure with 910 spaces at a cost of approximately \$23,000 per space.

NN is not pro-rating site preparation, utility relocation, and soft costs to the parking structure. My analysis is substantiated in detail and shows an adjusted cost of \$23,916,000, including RDA bonds. The original unadjusted structure cost was \$21,321 per space, so the new Overra estimate indicates a problematic cost over-run that could jeopardize the grant. Maybe.

Sept. 15, 2010

Councilman Quirk emailed me "I got City Staff to agree to set up a meeting where the public could ask all the questions about the model and report that they wanted of NN." This meeting has not been held yet.

Dec. 6, 2010

Fairway Park leader Mimi Bauer sent her concerns about the structure to the City Council.

Dec. 2 to 12, 2010

I worked on improving my initial comments and sent them to interested parties, as mentioned above.

Dec. 16, 2010

I emailed my concerns to BART Directors Bob Franklin and Robert Raburn, Councilman Quirk, and Fairway Park neighbors.

Dec. 17 to 20, 2010

I discussed access issues by email with Bill Quirk with copies to City staff, Franklin, and Raburn.

December 21, 2010

Tim Chan of BART sent me the NN comments of Sept. 14 given to the Hayward Council; the attachment was named "Dr Lewis Comments NN Responses 12.21.2010 Clean.docx"

2011

I met with Directors Raburn and Franklin to try to figure out what to do. I let Fairway Park leader Mimi Bauer know about the link between BART yard expansion and access to the South Hayward BART station.

I talked to Brian Johnston, Transit-Oriented Development, Division of Financial Assistance, HCD (916) 324-1437 BJohnston@HCD.CA.gov). As reported above, he confirmed what he had told NN about Prop 1C. He was unaware of the "transit linkage" issue or of comments by Russ Schmunk, Assistant Deputy Director, HCD.

I decided to write this report to let the various parties, particularly the City Council, the BART Board, and HCD know about events that are allowing staff decisions to preclude a policy choice between a parking structure and Alternative Access. The Alternative Access is best described in a PowerPoint and a spreadsheet and it is new and complex. I really don't have a good label for it or a short way to explain it.

I'm willing to talk some more about the trees if HCD is willing to look at the forest.