



# Memorandum

**TO:** PLANNING COMMISSION

**FROM:** Joseph Horwedel

**SUBJECT:** SEE BELOW

**DATE:** November 8, 2006

**COUNCIL DISTRICT:** Citywide  
**SNI AREAS:** All

**SUBJECT: AN ORDINANCE OF THE CITY OF SAN JOSÉ AMENDING CHAPTER 20.90 OF TITLE 20 OF THE SAN JOSE MUNICIPAL CODE TO REDUCE PARKING REQUIREMENTS FOR SPECIFIC GROUND FLOOR COMMERCIAL USES WITHIN THE NEIGHBORHOOD BUSINESS DISTRICTS AND TO REDUCE PARKING REQUIREMENTS FOR MINIWAREHOUSE/MINISTORAGE USES CITYWIDE**

## **RECOMMENDATION**

Planning staff recommends that the Planning Commission recommend that the City Council approve the proposed ordinance amending Section 20.90.060 and Section 20.90.220 of Chapter 20.90 of Title 20 of the San Jose Municipal Code to reduce parking requirements for specific ground floor commercial uses within the Neighborhood Business Districts and to reduce parking requirements for miniwarehouse/ministorage uses citywide.

## **BACKGROUND**

### **Neighborhood Business Districts**

The San Jose 2020 General Plan designates nine Neighborhood Business Districts (NBDs) in recognition of the importance of these commercial districts as focal points of neighborhood identity and as vital economic resources: Alum Rock Avenue, East Santa Clara Street, Thirteenth Street, Japantown, The Alameda, West San Carlos Street, Lincoln Avenue, Willow Street and Story Road (see attached Figures 1 through 10). These districts provide goods and services to their respective neighborhoods and serve as focal points of community activity. Redevelopment Project Areas have been created that encompass each of these NBDs, with the exception of Lincoln Avenue, and the Redevelopment Agency has invested millions of dollars in streetscape and façade projects to improve the appearance of these commercial districts. Prior changes to the Zoning Code supporting the NBDs include creation of the CP Commercial Pedestrian Zoning District to more closely reflect the development pattern of the older “main

street/sidewalk strip” districts and a parking exception that allows up to a 10 percent reduction in required parking through a development permit. This has all been done with the goal of making the NBDs increasingly vital and attractive pedestrian-oriented shopping districts serving adjacent neighborhoods and the greater San Jose area.

As revitalization has occurred within the Neighborhood Business Districts, limited parking supplies, coupled with high Zoning Code parking requirements for certain uses, have restricted the ability of the districts to achieve their economic potential and fully respond to the existing market demand for goods and services. Although available parking within the NBDs is generally adequate to meet current demand, existing overall parking levels do not conform to current Zoning Code parking requirements. Small, irregularly shaped sites; historic development patterns that include older buildings with little room for on-site parking; and fragmented ownership that inhibits integrated circulation, make it difficult to increase on-site parking supplies within the NBDs in many instances. Restaurants and food uses, desirable because they attract ground floor customers, face the highest parking ratios, making it very difficult for them to locate in the NBDs. As a consequence, such businesses end up opting for suburban shopping center locations or business districts in nearby cities, to the detriment of the Neighborhood Business Districts.

New commercial and mixed-use development is also negatively affected by existing parking ratios, requiring that large portions of development sites be devoted to surface parking, limiting the amount of building area, and resulting in site design that emphasizes vehicles, often to the detriment of pedestrian access and the attractiveness of the Business Districts. Reluctant to deal with the high parking requirements for public eating establishments, developers often opt not to provide the parking necessary to accommodate these uses. The 10 percent reduction in parking allowed under the current Zoning Code provides some relief, but has been insufficient to facilitate new restaurant uses in Neighborhood Business Districts.

The proposed amendment to the parking requirements for specific ground-floor uses within the Neighborhood Business Districts is intended to further reduce Zoning Code parking requirements so that they are not an impediment to establishing the types of ground-floor uses that contribute to the vitality of these commercial districts by attracting customers and generating the foot traffic that drives sales for existing businesses. Towards this end, a parking ratio of 1 space per 400 square feet of floor area is proposed for the following uses located in these Districts: retail sales, goods and merchandise; retail sales of furniture; food, beverages and groceries; public eating establishment; caterer with eating facility; entertainment; take-out only establishment; alcohol, off-site sales; personal service; and drinking establishment. Table 1 shows the existing and proposed parking requirements for these uses.

### **Miniwarehouse/Ministorage Uses**

The parking requirement for miniwarehouse/ministorage (one space per 2,000 square feet of floor area, plus one space per resident manager) was incorporated into the Zoning Code as part of the 2001 Zoning Code Update. Staff’s experience with ministorage uses over the past 5 years

indicates that the required parking is considerably higher than the actual parking demand generated by these uses. Applicants for ministorage facilities have conducted parking surveys of existing ministorage facilities to identify the actual demand and have pursued Planned Development Rezoning as a means of establishing a parking requirement that more closely reflects what is needed to serve their customers and employees. In order to simplify the approval process for this relatively straightforward use and more accurately reflect the actual parking demand as reflected in these parking surveys, staff is proposing a parking requirement for ministorage/miniwarehouse uses of one space per 5,000 square feet and one space per resident manager. Staff is also proposing a parking exception that would allow a further parking reduction to be approved through a development permit for single-story, ministorage buildings that have loading spaces adjacent to the storage units, since customers tend to park in the loading spaces further reducing the parking demand.

**Table 1. Current and Proposed Parking Requirements**

Land Use	Current Parking Requirement	Proposed Parking Requirement
<b>Neighborhood Business Ground Floor Retail</b>		
Retail sales, goods and merchandise	1 per 200 square feet of floor area	1 per 400 square feet of floor area
Retail sales of furniture	1 per 250 square feet of floor area	
Food, beverages and groceries	1 per 200 square feet of floor area	
Public eating establishment	1 per 2.5 seats or 1 per 40 square feet of dinning area, whichever is greater	
Caterer with eating facility	1 per 2.5 seats or 1 per 40 square feet of dining area, whichever is greater	
Entertainment	1 per 40 square feet of area open to the public	
Take-out only establishment	1 per 75 square feet of area open to the public, minimum of 5 spaces, plus 1 per delivery vehicle	
Alcohol, off-site sales	1 per 200 square feet of floor area	
Personal Service	1 per 200 square feet of floor area	
Drinking Establishment	1 per 2.5 seats or 1 per 40 square feet of drinking area	
<b>Ministorage/Miniwarehouse - Citywide</b>		
Miniwarehouse/Ministorage	1 per 2,000 square feet of floor area; plus 1 per resident manager	1 per 5,000 square feet of floor area

**Clarifying Changes to Table 20-190; Parking Spaces Required by Land Use**

Staff is also proposing minor changes to Table 20-190 of the Zoning Code intended to clarify current parking requirements. These changes are twofold. The first clarifies which parking ratios in the table are based on “net” floor area through the use of consistent terminology. For purposes of the *Parking and Loading Chapter 20.90*, the Zoning Code, defines *floor area* as “eighty-five percent of the total gross floor area of the building”. Currently, Table 20-190 does not use the term *floor area* consistently for those parking ratios based on the net floor area (85% of the gross) as defined in this chapter. The proposed amendment would more clearly distinguish parking ratios based on the “net” by using the term *floor area* for such ratios consistently throughout the table. The second clarifying amendment involves the requirement for two covered parking spaces for a single-family residence. Staff is proposing to add a footnote clarifying that covered spaces may be in the form of a garage or a carport, consistent with long-term interpretation of this requirement.

### **PUBLIC OUTREACH**

Twenty community meetings were held over the past year to discuss the proposed Neighborhood Business District parking reductions with residents, business owners and property owners. In the process, staff outreached to 30 resident, business and neighborhood (NAC) associations. Subsequent to the community meetings, the public hearing notice (including both the Planning Commission and City Council hearing dates) and a notice of the Negative Declaration were published in the Post Record and the Mercury News, and notice of the Negative Declaration was emailed to a citywide list of individuals, business representatives and neighborhood associations. Staff also posted the staff report, Draft Negative Declaration, Initial Study and hearing dates on the Department’s website.

Overall, response at the community meetings to the proposal to change existing parking requirements within the Neighborhood Business Districts was very positive. Residents and members of the business community expressed a common concern for the vitality of their local business districts, a desire to see active retail and restaurant uses replace vacant store fronts and underutilized tenant spaces, and a concern that parking requirements not discourage desirable businesses from choosing a Neighborhood Business District location. Operators of existing businesses stated that filling empty or underutilized store fronts in the NBDs was crucial in generating the foot traffic that supports their businesses. Property owners spoke of the difficulty of attracting strong tenants and the constraints that existing parking requirements place on the ability to market available tenant spaces in these existing, older commercial areas. Residents and patrons of the business districts indicated a desire for more restaurant and retail uses and indicated that they did not want parking requirements to drive these uses to other cities or other commercial areas. Residents also expressed concern regarding potential parking and traffic overflow into adjacent residential neighborhoods; they supported the goal of attracting and retaining vital retail uses, but did not want this to happen at the expense of adjacent neighborhoods. One group also indicated a concern that reduced parking requirements not facilitate the implementation of alcohol off-sale uses at gas stations.

The Willow Glen Neighborhood Association, in a letter dated August 9, 2006, calls for a comprehensive solution that balances the needs of the business district and local residents (see attached). The letter identifies concerns regarding pedestrian and bicycle safety, the need for NBD patrons to park multiple times to visit more than one establishment, the fact that inadequate parking could force patrons to take their business elsewhere and concern that nearby residents not suffer as result of overflow parking and associated traffic. Additional written correspondence regarding the proposal indicates both support and opposition from nearby residents and business interests (see attached).

### **CEQA**

A Draft Negative Declaration for the proposed ordinance was circulated for public review on October 27, 2006. Based on an Initial Study of the potential environmental effects of the proposal, the Negative Declaration concludes that the reduced parking requirements would not result in any significant environmental impact. A traffic generation study undertaken by the Department of Public Works concluded that the proposed change in parking requirements for specific ground floor uses within the Neighborhood Business Districts would not result in significant traffic impacts on nearby intersections. The Initial Study concludes that while some overflow parking may occur in localized areas, the proposed amendment is not expected to result in a significant environmental impact on adjacent residential neighborhoods.

### **ANALYSIS**

#### **NEIGHBORHOOD BUSINESS DISTRICT PARKING**

The following analysis examines existing parking conditions within the Neighborhood Business Districts, discusses development of the proposed ordinance and its relationship to existing parking requirements, explores the anticipated results of the ordinance and identifies available tools for preventing potential parking overflow onto residential streets.

#### ***Existing Parking Conditions with the Neighborhood Business Districts***

Existing off-street parking on private property within the Neighborhood Business Districts (NBDs) already is subject to exceptions or exemptions under the current Zoning Code parking requirements because much of the development within these areas occurred prior to adoption of the current parking requirements. Off-street parking is supplemented by on-street parking, and, in most of the NBDs, by public parking lots (see attached Table 2). In most of the Districts, the off-street parking on private property, together with available public parking, still does not achieve the equivalent of current Zoning Code parking requirements for the existing uses under current standards. Despite these conditions, recent parking studies conducted for NBDs with the most constrained parking conditions (including The Alameda, Alum Rock, Japantown, East Santa Clara, and Lincoln Avenue) indicate that although hot spots exist where parking is

insufficient, overall, parking within these business districts is adequate to meet current demand. Staff observation indicates that this is the case for all of the NBDs.

### ***Proposed Ordinance***

In response to the existing parking situation and the need to encourage new businesses to invest in the Neighborhood Business Districts, staff originally considered a proposal to completely eliminate parking requirements for all ground-floor uses within the NBDs. This option was attractive because it was simple to administer and sure to eliminate parking as a constraint on the vitality of the NBDs. Feedback on this proposal from the initial round of community meetings was generally positive regarding the objective, but neighborhood residents expressed concern that the proposal was too drastic, that a more modest reduction was needed. As result, the proposal was modified to the current proposal of one space per 400 square feet of net floor area. Staff also realized that an across-the-board reduction in parking would greatly increase the risk of spill-over parking. As result, the range of uses to which the proposed parking reduction applies was reduced and such parking-intensive uses as churches, theaters, other similar assembly uses, private clubs, banquet facilities, dance halls and indoor recreation (health clubs) were excluded. Under the current proposal, these uses, when located within a Neighborhood Business District, would continue to be eligible to apply for a 10 percent parking reduction through a development permit process.

Staff also explored a provision that allowed reduced parking ratios only for those properties that eliminated all restrictions reserving on-site parking for specific groups or individuals. This provision offered the advantage of encouraging a more efficient use of existing parking by eliminating parking restrictions and making it easier for patrons to park once and walk to several businesses. The alternative was ultimately rejected due to concerns raised by property owners that the high cost of liability insurance and maintenance would make shared parking so onerous that it would be infeasible for property owners to take advantage of the reduced parking provisions and concern that a prohibition on reserving parking spaces for on-site tenants would hinder property owners' success in marketing tenant spaces.

Under the current proposal, the specific ground floor uses proposed to be subject to the parking exception fall roughly into three categories: retail, food and beverage related uses, and personal service. Most of the uses are allowed by right and where no new development is proposed, these uses would be able to take advantage of the parking ratios without a discretionary permit process. Those uses not allowed by right, include the sale of alcohol for off-site consumption, drinking establishments, and entertainment. These uses would be eligible to take advantage of the reduced parking requirement only if approved through a Conditional Use Permit, a process intended to assess whether the uses are appropriate at a given location. Any expansion of an existing use seeking to take advantage of the reduced parking requirement would also require a Conditional Use Permit or a Conditional Use Permit Amendment.

The proposed parking exception clarifies that uses subject to the proposed parking reductions are not also eligible for the general 10 percent discretionary parking reduction available for uses

within Neighborhood Business Districts pursuant to Zoning Code Section 20.90.220. This provision would continue to be an option for uses that are not eligible for the current proposed parking exception.

The proposed parking exception is not applicable to residential uses, but would apply to ground floor commercial uses in a vertical mixed-use project, if the project were approved through a Conditional Use Permit within a conventional Commercial Zoning District. The vast majority of mixed-use projects are approved through Planned Development Zoning and would not be subject to this provision.

### ***Relationship to Existing Parking Exceptions***

The proposed changes to parking ratios for specific ground floor would affect other parking provisions applicable to uses within the Neighborhood Business Districts. Following is a brief discussion of the effect of the proposed exception on these existing parking provisions.

- 1) *Buildings Construction Prior to 1965 (Section 20.90.210)*. This exception applies to buildings constructed prior to November 10, 1965 when comprehensive parking requirements were incorporated into the Zoning Code. Such buildings need not meet current parking requirements unless there is a substantial change in use that would result in an increase in required parking of more than 40 percent (based on current parking requirements). This exception applies to many older buildings within the NBDs. Recently increased from 15 to 40 percent, it has allowed limited flexibility for changes of use within existing buildings that predate current parking requirements. Under this provision, a pre-1965 building could be converted from office (requirement of 1 parking space per 250 net square feet) to retail (requirement of 1 space per 200 net square feet) without exceeding the 40 percent limit, but conversion of the same building area to restaurant would not be possible. Due to its high parking requirement, (3 to 4 times that of office) such a conversion under the current Zoning Code parking provisions would exceed the allowable 40 percent increase. The current proposal to lower the parking requirements for specific uses would mean that a greater change in use could occur without reaching the 40 percent limit, making it possible to convert such tenant spaces to restaurant and other parking-intensive uses.
- 2) *Discretionary Parking Reduction for Neighborhood Business Districts (Section 20.90.220)*. This provision allows up to a 10 percent reduction in parking requirements to be approved through a development permit or development exception based on the neighborhood serving, pedestrian orientation of the NBDs. This modest parking reduction will continue to be an option for uses that are not subject to the proposed parking exception; however, ground floor uses subject to the proposed parking reduction will not be eligible for the additional, existing 10 percent reduction available through a development permit.

- 3) *Off-Street Parking Assessment District 20.90.230 and 20.90.800*). This provision allows the City Council to create a Parking Assessment District which is exempt from the off-street parking requirements of this chapter of the Zoning Code. Pursuant to this provision, the City Council has established the Alum Rock Village Parking Management Zone within the Alum Rock Neighborhood Business District (See Figure 3). Changes of ground-floor use within this District are exempted from the parking requirements of Table 20-190 if the parking requirement of the new use does not exceed twice the retail parking requirement in Table 20-190 (1 space per 200 square feet). Under this exception, a restaurant use would exceed twice the retail requirement and would not be subject to this provision. The proposed exception would add a second option for reduced parking within this Parking Management Zone for specific uses, including restaurants, that exceed the provisions of the current exception.

### ***Anticipated Results-Case Studies***

The primary result of the proposed ordinance is expected and intended to be an increase in restaurant and other food and beverage uses in existing buildings within the Neighborhood Business Districts (NBDs). Some increase in retail uses may also occur. Even though parking for retail business can be accommodated on most sites under current parking requirements, many retailers will only locate when strong food and beverage uses are in the immediate area. The reduced parking requirements will allow restaurant, food and beverage uses to lease space in existing buildings and allow new buildings to be constructed with less parking without limiting future uses. Following are two case studies showing the effect of the ordinance change on two specific properties. The first, the Campisi site, is located at the corner of The Alameda and North Morrison Avenue, and the second is located at 605 North 6<sup>th</sup> Street within the Japantown NBD.

*Campisi Site- 955 The Alameda.* A 9,753 square-foot, single-story retail building currently under construction at this site is designed to accommodate eight tenants. The applicant provided parking sufficient for retail uses but chose not to provide the level of parking necessary for restaurants. The parking requirement for retail uses, with a ten percent reduction, resulted in a requirement of 38 spaces; the project provided 39 spaces. Even without restaurant parking, the parking lot covers approximately one half of the site. Use of one of the eight tenant spaces for a restaurant would not be possible under current parking requirements. One restaurant with a dining area of 609 square feet and use of the remaining tenant spaces for retail, would require 10 more parking spaces than are available on the site. Under the proposed ordinance, the requirement for retail and restaurant uses would be the same (one per 400 square feet) and would result in no limitation on the implementation of restaurant uses at this site. The commercial broker for the site has indicated interest in leasing tenant spaces to a maximum of three food uses. He explained that this limit is intended to ensure that other tenants have access to adequate parking.

*605 North 6<sup>th</sup> Street.* This site is developed with a 3,300 square foot un-reinforced masonry building (built prior to 1915) that covers the entire site and has no parking. Neighborhood

residents and surrounding businesses have long desired that older buildings like this one be preserved and used for active retail, restaurant, food and beverage uses. Instead, this building has been used for storage for some years because other occupancies cannot be implemented until the building is upgraded to meet minimum seismic standards of the Building Code. In addition, restaurant, food and beverage uses cannot be implemented under current parking requirements because a dining area as small as one third the size of the building would exceed the maximum 40 percent increase in parking allowed for a building constructed prior to November 10, 1965. The proposed parking ordinance would allow a change in use to restaurant, food and beverage uses to occur without exceeding the 40 percent limit. It would allow a mix of retail and food tenants for this building, and significantly improve the chances of rehabilitating and tenancing the building.

Implementation of new restaurants is expected to be incremental and limited due to the many other constraints on these uses. Costly improvements, compatibility with existing tenants, and suitability of the tenant space are considerations that often steer property owners away from restaurant or other food tenants. The leasing strategy for the Campisi building is indicative of the market-based considerations likely to continue to limit restaurant uses even if Zoning Code parking requirements are no longer a constraint.

### ***Spill-Over Parking***

The potential for NBD parking to spill over into residential neighborhoods continues to be a concern of residents of adjacent neighborhoods. Staff does not anticipate that this ordinance will result in widespread parking shortages or significant parking intrusion into the residential neighborhoods because the proposed parking reduction has been scaled back considerably as discussed above; however, a number of tools are available to reduce the likelihood of such problems and to address them if they occur. The Redevelopment Agency and the Office of Economic Development will continue their efforts to increase the amount and efficiency of public parking. Prior efforts in this regard have included purchase and construction of City parking lots, restriping of parking to increase the number of spaces, monitoring of restrictions to ensure that parking is used efficiently, partnerships with property owners to open private parking lots to the public, and improved signage to assist patrons in locating available parking. Staff is also working with the leadership of the NBDs to install bicycle racks and to develop employee parking locations that leave prime parking available for customers. If greater parking overflow occurs than is anticipated on residential streets, the option exists for exploring residential permit parking with the affected residents. Staff is confident that with these tools and the support of the respective Business Associations, available parking can continue to adequately serve the needs of employees and patrons as the economic vitality of San Jose's Neighborhood Business Districts continues to grow.

### ***Conclusion***

Staff believes that the proposed parking reduction for specific ground-floor uses within the Neighborhood Business Districts (NBDs) provides an important tool for achieving vibrant

business districts that support the City's economic development goals and provide services and amenities that effectively meet the needs of the surrounding neighborhoods and the City as a whole. In the context of the broader range of tools the City has at its disposal for addressing NBD parking needs, staff believes that these parking requirements can be implemented without detrimental effects on adjacent residential neighborhoods.

### **MINIWAREHOUSE/ MINISTORAGE PARKING**

The proposed ordinance also provides a reduced parking requirement for miniwarehouse/ministorage uses. This change would affect ministorage uses citywide and is not a part of the Neighborhood Business District parking proposal.

Ministorage development in San Jose can be divided into two basic categories that have different parking needs. The newer multi-story facilities, include elevators and interior corridors and are not configured so that loading spaces can be provided at each unit. Customers using these storage facilities generally must park in a parking lot and use dollies to move storage from their vehicles to their storage units. The older single-story facilities typically include loading spaces directly adjacent to the roll-up door for each storage unit, allowing customers to load directly from their vehicle to the storage unit. As a result, the multi-story buildings need significantly more parking than the single-story units. Parking for these multi-story accommodates customers loading and unloading storage material, customers conducting business at the management office and parking for any resident managers. Parking for single-story units with loading areas adjacent to each unit need not include additional parking for customer loading. Parking is needed only for office transactions and for resident managers.

In order to effectively accommodate the two development types, staff is proposing revised parking requirements that include a standard parking ratio of one space per 5,000 square feet of net floor area and one space per resident manager, and a new parking exception that allows a reduction in the parking for single-story ministorage buildings that have adjacent loading spaces. The 1 per 5,000 ratio is consistent with the results of recent surveys of the number of customer trips and the duration of their stays at existing local facilities during peak use periods. The ratio is also consistent with parking surveys of ministorage facilities included in the *Institute of Transportation Planner's 2004 Parking Generation Manual*. Staff believes that the proposed parking requirement will provide parking sufficient to meet the needs of employees and customers.

The proposed exception is intended to allow a reduced parking requirement that more closely reflects the operational characteristics of single-story ministorage buildings and to allow greater flexibility in developing hybrid parking requirements for those sites that include a mixture of the older single-story format and newer multi-story buildings. In general, a facility that is entirely single-story with loading adjacent to the storage units and a small management office with one resident manager would need approximately 4 to 5 spaces located near the office. In the case of a large facility that includes both single and multi-story buildings, no additional parking may be needed for the single-story facilities; required parking for the multi-story units would already

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**SUBJECT: Amendment to Title 20 to modify parking requirements for specific ground-floor uses within the Neighborhood Business Districts and for miniwarehouse/ministorage uses.**

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provide parking for any resident managers and would likely be sufficient to ensure that parking is available for the office and no parking would be needed for loading purposes.

Staff believes that the proposed parking requirements will ensure that parking for future ministorage proposals is adequate to meet the operational needs of these facilities, avoid needlessly large parking fields and eliminate Planned Development Rezonings proposed solely for the purpose of establishing parking requirements.

### **COORDINATION**

Preparation of the proposed ordinance and this memorandum have been coordinated with the City Attorney's Office, the Redevelopment Agency, the Office of Economic Development and the Departments of Public Works and Transportation.

JOSEPH HORWEDEL, ACTING DIRECTOR  
Planning, Building, and Code Enforcement

### Attachments

Maps of the NBDs (Figures 1-10)

Public Correspondence

Draft Negative Declaration

Table 2; NBD Public Lots and On-Street Parking