
SENATE COMMITTEE ON HOUSING
Senator Scott Wiener, Chair
2021 - 2022 Regular

Bill No: AB 2097 **Hearing Date:** 6/21/2022
Author: Friedman
Version: 6/9/2022 Amended
Urgency: No **Fiscal:** Yes
Consultant: Alison Hughes

SUBJECT: Residential, commercial, or other development types: parking requirements

DIGEST: This bill prohibits public agencies from imposing parking minimums on developments near public transit, as specified.

ANALYSIS:

- 1) SB 375 (Steinberg), Chapter 728, Statutes of 2008, requires the California Air Resources Board (CARB), to set regional targets for greenhouse gas (GHG) reductions and requires each metropolitan planning organization (MPO) to prepare a sustainable communities strategy (SCS) as part of its regional transportation plans (RTP). The SCS demonstrates how the region will meet its GHG targets through land use, housing, and transportation strategies.
- 2) Requires each city or county to adopt a general plan for the physical development of the city or county and authorizes the adoption and administration of zoning laws, ordinances, rules, and regulations by cities and counties.
- 3) Defines “Major transit stop” as a site containing any of the following:
 - a) An existing rail or bus rapid transit station;
 - b) A ferry terminal served by either a bus or rail transit service; and,
 - c) The intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

This bill:

- 1) Prohibits local governments from imposing or enforcing a minimum automobile parking requirement on any of the following residential, commercial and other development types if the parcel is located within one-half mile of public transit:

- a) A residential development with 40 or fewer units of housing.
 - b) A mixed use development with 40 units or fewer units of housing
 - c) A residential or mixed-use development of any size in which 11% of the units are affordable to very low income households, 20% of the units will be affordable to lower income households, or 40% will be affordable to moderate-income households for at least 55 years.
 - d) Commercial or other development.
- 2) Provides that when a project provides parking voluntarily, a public agency may impose requirements on that voluntary parking to require spaces for car share vehicles, requires spaces to be shared with the public, or require parking owners to charge for parking.
 - 3) Provides that the prohibition on local governments enforcing minimum parking standards does not reduce, eliminate, or preclude the enforcement of any requirement imposed on a new multifamily residential or nonresidential development to provide electric vehicle parking spaces or parking spaces that are accessible to persons with disabilities that would have otherwise applied to the development.
 - 4) Provides that the parking prohibitions in (1) and (2) to not apply to commercial parking if it conflicts with an existing contractual agreement of the public agency that was executed before January 1, 2023, provided that all the required commercial parking is shared with the public.
 - 5) Authorizes a project to build additional parking that is not shared with the public.
 - 6) Provides that a development shall provide parking, as required by a local ordinance, for employees and other workers of either of the following:
 - a) A hotel, motel, bed and breakfast in, or other transient lodging use.
 - b) An event center, as specified.
 - 7) Defines “public agency” as any state or state agency, board or commission, any city, county, city and county, or commission of the city, county, city and county, special district, joint powers authority, or other political subdivision.
 - 8) Defines “public transit” as any major transit stop.

COMMENTS:

- 1) *Author's statement.* According to the author: “California is experiencing a housing crisis and we need to consider all options to reduce the overall cost of housing. There are plenty of communities that have access to high-quality transit, or where cars are underutilized, that need housing far more than they need parking. Yet, many cities require residential or commercial developments to provide on-site parking. Apartments must include one or two parking spots per unit, and commercial properties must provide one space for every 100-200 square feet (frequently causing more space to be provided for parking than for the business itself). Mandatory parking requirements have led to an oversupply of parking spaces; Los Angeles County has 18.6 million parking spaces, or almost two for every resident. These requirements raise the cost of housing. AB 2097 doesn't prohibit property owners from building on-site parking. Rather, it would give them the flexibility to decide how much parking to provide, instead of requiring them to comply with a one-size-fits-all mandate. AB 2097 does not prohibit property owners from building on-site parking. Rather, it would give them the flexibility to decide on their own how much on-site parking to provide, instead of requiring them to comply with a one-size-fits-all mandate.”
- 2) *Parking standards.* Cities and counties generally establish requirements for a minimum amount of parking that developers must provide for a given facility or use, known as parking minimums or parking ratios. Local governments commonly index parking minimums to conditions related to the building or facility with which they are associated. For example, shopping centers may have parking requirements linked to total floor space, restaurants may be linked to the total number of seats, and hotels may have parking spaces linked to the number of beds or rooms.

In 2019, the California Air Resources Board (CARB) reviewed over 200 municipal codes and found that for nonresidential construction, an average of at least one parking space is installed for every 275 square feet of nonresidential building floor space. Accounting for the fact that approximately 60% of reviewed municipal codes already allow developers to reduce parking by an average of 30%, CARB staff estimated that between 1.4 million and 1.7 million new nonresidential parking spaces may be constructed from 2021-2024.

CARB also conducted a limited review of minimum parking requirements and found that parking requirements often result in an over-supply of parking. In reviewing 10 developments in Southern California, CARB noted that while most sites built exactly the minimum parking required by the local agency, the peak parking utilization at these sites ranged from 56% to 72 % at each

development, suggesting that the minimum requirements established by the local agency created an oversupply of parking.

3) *Sustainability goals and transit-oriented development.* AB 32 (Núñez, Chapter 488, Statutes of 2006) requires California to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020. SB 375 (Steinberg, Chapter 728, Statutes 2008) supports the state's climate action goals to reduce GHG emissions through coordinated transportation and land-use planning with the goal of more sustainable communities by requiring cities and counties to adopt sustainable communities strategies to show how development will support reduction in GHG emissions. A key component of reducing GHG is to move people out of their cars and into public transit. To encourage use of transit, some cities and counties have adopted policies like eliminating minimum parking requirements for projects that are close to transit where demand for parking spaces is low. Parking requirements often prevent infill redevelopment on small lots where it is difficult and costly to fit both a new building and the required parking. In addition, parking requirements prevent new uses for older buildings that lack the required parking spaces.

4) *Cost of parking spaces.* Parking requirements can increase the cost of housing production and render some projects infeasible, whether financially due to the cost of constructing parking or physically due to capacity limitations of some sites. The average construction cost per space, excluding land cost, for a parking structure in the United States is \$24,000 for aboveground parking and \$34,000 for underground parking. Certain types of parking — podium or subterranean — can increase parking costs by 6% or more relative to other types of parking. The City and County of San Francisco eliminated parking minimums in 2018. According to the San Francisco Planning Department, at the time parking minimums were eliminated, minimum parking rules added as much as \$50,000 to the cost per housing unit. A recent study by Santa Clara University found that the cost of garage parking to renter households is approximately \$1,700 per year, or an additional 17% of a housing unit's rent.

Others note that parking requirements can reduce the number of buildable units on a site by taking up space that could be devoted to housing. TransForm's GreenTrip program analyzed parking utilization at 68 affordable-housing developments throughout the Bay Area and found substantial overdevelopment of residential parking, at an extremely high cost. Surveying the buildings' parking lots at night when residents would be expected to be sleeping (with their cars in the on-site spaces), the study found that 31% of the 9,387 spaces were empty. This is valuable space that could arguably be better served for housing.

- 4) *Eliminating Local Parking Requirements*. There is a significant body of academic research regarding the potential impact of minimum parking ratios on car ownership, vehicle miles traveled (VMT), use of public transit, and transportation trends generally. While significant research exists, however, the impacts of parking ratios on VMT and car ownership are difficult to quantify due to the potential for residents to self-select and move to developments based on their existing circumstances or preferences. For example, a person that cannot afford, or wishes to forego, car ownership may choose to live in a development that does not include parking and is adjacent to transit. Conversely, an individual with little interest in transit may choose a development with ample parking spaces. This reality has made it difficult to prove whether increased parking standards induce more driving.

In a recent journal article (*What do Residential Lotteries Show us About Transportation Choices?*), researchers from the University of California found that data from affordable housing lotteries in San Francisco provided a unique setting that effectively randomized housing assignments for housing lottery applicants. The research found that lottery applicants applied indiscriminately for available affordable units without respect to attributes such as the amount of off-street parking available for any particular unit. This created a setting that allowed researchers to analyze whether individuals essentially “assigned” a home with more or less parking influenced their propensity for car ownership and their driving frequency. The study found “that a building’s parking ratio not only influences car ownership, vehicle travel and public transport use, but has a stronger effect than public transport accessibility. Buildings with at least one parking space per unit (as required by zoning codes in most US cities, and in San Francisco until circa 2010) have more than twice the car ownership rate of buildings that have no parking.” Specifically, the study found, “In buildings with no on-site parking, only 38% of households own a car. In buildings with at least one parking space per unit, more than 81% of households own automobiles.”

This bill would prohibit a state or local public agency from imposing minimum parking requirements on residential, commercial or other developments if the development is within ½ mile of public transit, so long as those projects have fewer than 40 units, contain a specified percentage of units affordable to very low-, lower-, or moderate-income households, or are commercial developments.

- 5) *AB 1401 (Friedman, 2021)*. This bill is substantially similar to AB 1401, which this committee heard last year, and held on the Senate Appropriations Suspense File. That bill, however, provided that in a city with fewer than 600,000 and a city with 75,000 or more, a minimum parking requirement would be prohibited

within ¼ mile of transit, and did not limit the projects by size or include specified inclusionary requirements.

6) *G&F Committee Amendments.* The author agreed to accept the following amendments in the prior committee, which include the following amendments that were also contained in AB 1401:

- a) In a county with a population of 600,000 or more: no parking minimum if the parcel is located within one-half mile of major transit stop, as specified.
- b) In a city with a population of 75,000 or more that is located in a county of less than 600,000 residents: no parking minimum if the parcel is located within one-quarter mile of public transit, as specified.
- c) Authorize a city with a population of less than 75,000 or a county with a population of 600,000 to adopt an ordinance or resolution that applies the prohibition noted above, in addition to any other authority provided by law to reduce parking requirements.

7) *Opposition.* Local governments writing in opposition are concerned about the loss of local control and negative impacts to density bonus law. Unite Here Local 11 wants to exempt hotels, motels, transient lodging, and event centers.

8) *Incoming!* This bill passed out of the Governance and Finance Committee on June 15th on a 5-0 vote.

RELATED LEGISLATION:

AB 1401 (Friedman, 2021) – would have prohibited public agencies from imposing parking minimums on developments near public transit, as specified. *This bill was held in the Senate Appropriations Committee.*

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, June 15, 2022.)

SUPPORT:

- Abundant Housing LA (Co-Sponsor)
- California Yimby (Co-Sponsor)
- Council of Infill Builders (Co-Sponsor)
- San Francisco Bay Area Planning and Urban Research Association (SPUR) (Co-Sponsor)

Mayor Rick Bonilla, City of San Mateo
Vice Mayor Jen Wolosin, City of Menlo Park
Councilmember Alex Fisch, City of Culver City
Councilmember Brian Barnacle, City of Petaluma
Councilmember Dennis Pocekay, Petaluma
Councilmember Gleam Davis, City of Santa Monica
Councilmember John Bauters, City of Emeryville
Councilmember John Erickson, City of West Hollywood
Councilmember Jon Wizard, City of Seaside
Councilmember Kevin McDonnell, City of Petaluma
Councilmember Lori Droste, City of Berkeley
Councilmember Rashi Kesarwani, City of Berkeley
Councilmember Zach Hilton, City of Gilroy
350 Bay Area Action
Activesgv
Alameda County Transportation Commission
Alameda-contra Costa Transit District
Asian Business Association
Bay Area Council
CA Coalition for Clean Air
California Building Industry Association
California Community Builders
California Downtown Association
California Hispanic Chamber of Commerce
California Interfaith Power and Light
California Native Plant Society
Central City Association of Los Angeles
Circulate San Diego
CivicWell
Climate Resolve
Defenders of Wildlife
East Bay YIMBY
Eden Housing
Endangered Habitats League
Fieldstead and Company, INC.
Fremont for Everyone
Generation Housing
Getaround, Inc., a Delaware Corporation
Greenbelt Alliance
Grow the Richmond
Habitat for Humanity California
Housing Action Coalition

Humboldt County Supervisor Mike Wilson
LA Mesa Councilmember Colin Parent
League of Women Voters of California
Lisc San Diego
Los Angeles Area Chamber of Commerce
Midpen Housing
Monterey Bay Economic Partnership
Mountain View YIMBY
Napa County Transportation and Planning Agency/Napa Valley Transportation
Authority
New Way Homes
Northern Neighbors
Peninsula for Everyone
People for Housing - Orange County
Progress Noe Valley
Safe Routes Partnership
San Diego Climate Action Campaign
San Diego Regional Chamber of Commerce
San Francisco Bay Area Rapid Transit District (BART)
San Francisco YIMBY
San Luis Obispo YIMBY
Sand Hill Property Company
Santa Cruz Climate Action Network
Santa Cruz YIMBY
Santa Monica Chamber of Commerce
Sequoia Riverlands Trust
Sierra Business Council
Silicon Valley Leadership Group
Solano County Supervisor Jim Spering
Southside Forward
Streets for People Bay Area
Sunnyvale City Council Member Alysa Cisneros
Sunrise Silicon Valley
The Los Angeles Coalition for The Economy & Jobs
The Trust for Public Land
The Two Hundred
Tmg Partners
Urban Environmentalists
Urban League of San Diego County
Ventura County Supervisor Carmen Ramirez
Vice Mayor Lucas Ramirez, City of Mountain View
Westside for Everyone

Wildlands Network
YIMBYAction
YIMBY Democrats of San Diego County

OPPOSITION

California Contract Cities Association
City of Beverly Hills
City of Rancho Palos Verdes
City of San Marcos
City of Santa Clarita
City of Torrance
Marin County Council of Mayors and Council Members (MCCMC)
Unite Here Local 11

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