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

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<b>Bill No:</b>	SB 1067	<b>Hearing Date:</b>	4/27/2022
<b>Author:</b>	Portantino		
<b>Version:</b>	4/4/2022		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Alison Hughes		

**SUBJECT:** Housing development projects: automobile parking requirements

**DIGEST:** This bill prohibits local governments from imposing parking minimums on certain housing developments near a major transit stop, as specified.

**ANALYSIS:**

*Existing law:*

- 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.
- 4) Requires each city and county to adopt an ordinance that specifies how it will implement state density bonus law. Requires cities and counties to grant a density bonus when an applicant for a housing development of five or more

units seeks and agrees to construct a project that will contain at least one of the following:

- a) 10% of the total units of a housing development for lower income households;
  - b) 5% of the total units of a housing development for very low-income households;
  - c) A senior citizen housing development or mobile home park;
  - d) 10% of the units in a CID for moderate-income households;
  - e) 10% of the total units for transitional foster youth, disabled veterans, or homeless persons;
  - f) 20% of the total units for lower-income students in a student housing development; or
  - g) 100% of the units of a housing development for lower-income households, except that 20% of units may be for moderate-income households.
- 5) Requires a city or county to allow an increase in density on a sliding scale from 20% to 50%, depending on the percentage of units affordable to low- and very low-income households, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan. Requires the increase in density on a sliding scale for moderate-income for-sale developments from 5% to 50% over the otherwise allowable residential density.
- 6) Provides that upon the request of a developer, a city or county shall not require a vehicular parking ratio, inclusive of disabled and guest parking, that meets the following ratios:
- a) Zero to one bedroom — one onsite parking space.
  - b) Two to three bedrooms — one and one-half onsite parking spaces.
  - c) Four and more bedrooms — two and one-half parking spaces.
- 7) Notwithstanding (4) above, provides that a city or county shall not impose a parking ratio higher than 0.5 spaces per unit, nor any parking standards, for a project that is:
- a) Located within one-half mile of a major transit stop and the residents have unobstructed access to the transit stop; or
  - b) A for-rent housing development for individuals who are 62 years or older and the residents have either access to paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

- 8) Notwithstanding (4) and (5) above, provides that a city or county shall not impose any minimum parking requirement on a housing development that consists solely of rental units for lower income families and the is either a special needs or a supportive housing development.

**This bill:**

- 1) Precludes a local government from imposing or enforcing parking minimums on a housing development project that meets the following requirements:
- a) The housing development is located within ½ a mile of public transit.
  - b) The development satisfies either of the following:
    - i. The development dedicates a minimum of 25% of the total number of housing units to very low, low-, and moderate-income households, students, the elderly, or persons with disabilities.
    - ii. Except as provided by (2) below, the developer demonstrates to the local government that the development would not have a negative impact on any of the following:
      - (A) The local government's ability to meet its share of the regional housing need for low- and very low-income households.
      - (B) The local government's ability to meet any special needs housing as required by housing element law.
      - (C) Existing residential or commercial parking within ½ mile of the housing development project.
- 2) States that (1)(b)(ii) does not apply to a project if, within 30 days, a local government makes a finding, supported by the preponderance of the evidence, that the demonstration meets one or more of the following:
- a) The developer did not employ a qualified entity with demonstrated expertise preparing planning documents.
  - b) The methodology did not follow best practices.
  - c) The methodology was not sufficiently rigorous to allow an assessment of whether the project would have a negative impact on any of the conditions in (1)(b)(ii).

**COMMENTS:**

- 1) *Author's Statement.* "Cities and counties generally require property owners to provide and maintain a certain number of off-street parking spaces. The imposition of mandatory parking minimums can increase the cost of housing, limit the number of available units, lead to an oversupply of parking spaces, and increased greenhouse gas emissions. While some cities have voluntarily moved towards removing parking minimums, others review projects on a case-by-case basis, and some provide for reduced parking requirements with safeguards for protecting the production of units for low-income, senior citizens, and disabled persons. To this end, SB 1067 prohibits a city from imposing any minimum automobile parking requirement on a housing development project that is located within 1/2 mile of public transit as long as specific conditions are met. The project must either dedicate 25% of the total units to lower-income households, the elderly, or persons with disabilities, or the developer must demonstrate to the local agency that the development would not have a negative impact on the local agency's ability to meet specified housing needs and would not have a negative impact on traffic circulation or existing residential or commercial parking within 1/2 mile of the project."
- 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.

- 5) *Eliminating Local Parking Requirements.* In a recent journal article (*What do Residential Lotteries Show us About Transportation Choices?*), researchers from the University of California 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, “[i]n 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.”
- 6) *Density Bonus Law (DBL).* Given California’s high land and construction costs for housing, it is extremely difficult for the private market to provide housing units that are affordable to low- and even moderate-income households. Public subsidy is often required to fill the financial gap on affordable units. DBL allows public entities to reduce or even eliminate subsidies for a particular project by allowing a developer to include more total units in a project than would otherwise be allowed by the local zoning ordinance, in exchange for affordable units. Allowing more total units permits the developer to spread the cost of the affordable units more broadly over the market-rate units. The idea of DBL is to cover at least some of the financing gap of affordable housing with regulatory incentives, rather than additional subsidy.

Under existing law, if a developer proposes to construct a housing development with a specified percentage of affordable units, the city or county must provide all of the following benefits: a density bonus; incentives or concessions (hereafter referred to as incentives); waiver of any development standards that prevent the developer from utilizing the density bonus or incentives; and reduced parking standards.

This bill would eliminate parking under specified circumstances, without the additional benefits awarded under density bonus law.

	DBL	SB 1067
<b>NO PARKING</b>	<p>1) No parking if 100% units affordable to lower income households near transit.</p> <p>2) No parking if development contains 100% of the units affordable to lower income seniors and paratransit service or near transit.</p> <p>3) No parking if development contains 100% units affordable to lower income households with special needs and near paratransit or transit.</p>	<p>1) No parking if development within 1/2 mile of transit.</p> <p>2) No parking if development either:                      - 25% affordable to VLI, LI, and MI, students, elderly or persons with disabilities                      - The developer demonstrates that the development would not have a negative impact on any of the following: (1) ability to meet RHNA for LI and VLI; (2) ability to meet special needs housing for elderly or persons with disabilities, (3) existing residential or commercial parking within one-half mile of the housing development project.</p>
<b>REDUCED PARKING</b>	<p>1) Projects with at least 11% VLI and 1/2 mile from transit, only have to provide .5 spaces per bedroom.</p> <p>2) Projects with at least 20% LI and 1/2 mile from transit stop only have to provide .5 spaces per bedroom.</p> <p>3) Projects with at least 40% Mod and 1/2 mile from transit stop only have to provide .5 spaces per bedroom.</p>	N/A
	<p>Base parking ratios under DBL:</p> <p>a) 0 to 1 BR — 1 onsite parking space</p> <p>b) 2 to 3 BR — 1.5 onsite parking spaces</p> <p>c) 4 and more BRs — 2.5 parking spaces</p>	N/A

7) *Seeing double.* A similar bill is pending in the Assembly, AB 2097 (Friedman), which would eliminate parking requirements on any development (residential, commercial, or otherwise) that is within ½ mile of transit, as specified. Under the provisions of that bill, a local government may require a development to provide electric vehicle supply equipment. AB 2097 is substantially similar to AB 1401 (Friedman, 2021), which was held on the Senate Appropriations Suspense file.

- 8) *Broader applicability.* The author will accept the following amendments to expand the provisions of this bill so that more projects may qualify for reduced parking requirements, by doing the following:
- a) **Eliminate parking requirements on developments with at least 20% of the units affordable to lower-income households, instead of 25%.**
  - b) **Switch the burden to the local government to prove that reduced parking would have negative impacts (instead of placing the burden on the developer to prove it won't have a negative impact), to maintain consistency with density bonus law parking study requirements. This would include provisions from the Governance and Finance Committee to ensure specific metrics are provided within 30 days and supported by a preponderance of the evidence.**
  - c) **Eliminate parking requirements on any project with fewer than 20 units.**
  - d) **Add this bill to the AB 72 list so HCD can monitor violations and report to the AG.**
- 9) *Opposition.* Local governments and community groups oppose this bill due to a lack of local control, reduced parking requirements, and a general concern over continually changing state housing laws. South Pasadena Residents for Responsible Growth are opposed because they would like to see the bill expanded to provide that all housing development parking requirements are eliminated. The State Building and Construction Trades are opposed because the bill does not allow for electric vehicle owners to park their cars and would prefer investments in public transit.
- 10) *Double-referral.* This bill was heard in the Senate Governance and Finance Committee on March 31, 2022 and passed on a 4-0 vote.

#### **RELATED LEGISLATION:**

**AB 2097 (Friedman, 2022)** — prohibits public agencies from imposing parking minimums on residential, commercial, or other developments if the parcel is located near public transit, as specified. *This bill is pending in the Assembly Housing and Community Development Committee.*

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



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

**POSITIONS:** (Communicated to the committee before noon on Thursday,  
April 21, 2022.)

**SUPPORT:**

California Apartment Association

**OPPOSITION:**

City of Paramount

City of Santa Clarita

City of Torrance

Livable California

South Pasadena Residents for Responsible Growth

State Building & Construction Trades Council of California

**-- END --**