

This bill:

- 1) Prohibits local governments, in a county with a population of 600,000 or more, from imposing or enforcing a minimum automobile parking requirement for residential, commercial and other developments if the parcel is located within one-half mile walking distance of public transit, as specified.
- 2) Provides, in a county with a population of less than 600,000:
 - a) In a city with a population of 75,000 or more, a public agency shall not impose a minimum parking requirement, or enforce a minimum parking requirement on residential, commercial, or other development if the project is located within ¼ mile of public transit, as specified.
 - b) In a city with a population of 75,000 or less, or a county with a population of 600,000 or less, a public agency may adopt the prohibitions for (1) or (2)(a), in addition to any other authority provided for by law to reduce parking requirements.
- 3) 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.
- 4) 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.
- 5) 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, 2022, provided that all the required commercial parking is shared with the public.
- 6) Authorizes a project to build additional parking that is not shared with the public.
- 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.* "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 worsen California's housing shortage by raising the cost of housing. On average, garages cost \$24,000-\$34,000 per space to build, a cost passed on to households regardless of whether they own a car. Additionally, on-site parking takes up space that could otherwise be used for additional units. AB 1401 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.'
- 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, in counties with a population of greater than 600,000. 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.

- 5) *Opposition.* A coalition of housing and equity advocates are opposed to this bill unless it is amended to take into account zero parking minimums already provided to 100% affordable projects under state density bonus law. This

coalition writes that these existing benefits provide a competitive edge for these projects in many markets, which would be eliminated by this bill. Several local governments and community groups are opposed because parking requirements should be established at the local level based on community needs and because parking should be project specific.

6) *Incoming!* This bill passed out of the Governance and Finance Committee on July 1st on a 5-0 vote.

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

POSITIONS: (Communicated to the committee before noon on Thursday, July 1, 2021.)

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)
City Council Member Alysa Cisneros, City of Sunnyvale
City Council Member Brian Barnacle, City of Petaluma
City Council Member Gerard Giudice, City of Rohnert Park
City Council Member James Coleman, City of South San Francisco
City Council Member Jonathan Weinberg, City of Los Altos
City Council Member Mason Fong, City of Sunnyvale
City Council Member Omar Din, City of Sunnyvale
City Council Member Rick Bonilla, City of San Mateo
City Council Member Victoria Fleming, City of Santa Rosa
City Council Member Zach Hilton, City of Gilroy
Vice Mayor Giselle Hale, City of Redwood City
350 Bay Area Action
350 Humboldt
AARP
Active SGV
Alameda-contra Costa Transit District (AC Transit)
American Planning Association, California Chapter
Asian Business Association
Bay Area Council
California Apartment Association
California Building Industries Association

California Downtown Association
California Interfaith Power & Light
California Restaurant Association
California Walks
Circulate San Diego
City of San Diego
Climate Action Campaign
Coalition for Clean Air
Coddling Enterprises
Fieldstead and Company, INC.
Greenbelt Alliance
Habitat for Humanity California
Hello Housing
Housing Action Coalition
League of Women Voters of California
LISC San Diego
Local Government Commission
Los Angeles Business Council
MidPen Housing
Modular Building Institute
Monterey Bay Economic Partnership
Natural Resources Defense Council (NRDC)
Related California
Safe Routes Partnership
San Francisco Bay Area Rapid Transit District (BART)
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco Municipal Transportation Agency
San Francisco Planning Department
Santa Cruz County Business Council
Silicon Valley Leadership Group
Streets for All
The Two Hundred
TMG Partners
TransForm

OPPOSITION:

Albany Neighbors United
Alliance for Community Transit-los Angeles (ACT-LA)
Alliance of Californians for Community Empowerment (ACCE) Action
Berkeley Tenants Union
CADEM Renters Council

California Rural Legal Assistance Foundation
Center on Race, Poverty and The Environment
Chinatown Community Development Center
Cities Association of Santa Clara County
City of Bellflower
City of Bradbury
City of Cupertino
City of Goleta
City of Lafayette
City of Oceanside
City of Pleasanton
Communities for A Better Environment
Council of Community Housing Organizations
Esperanza Community Housing Corporation
Housing California
Inner City Law Center
Koreatown Immigrant Workers Alliance (KIWA)
Leadership Council for Justice and Accountability
Marin County Council of Mayors and Councilmembers (MCCMC)
Mission Street Neighbors
Move LA
Organize Sacramento
Policy Link
Public Advocates
Public Counsel
Public Interest Law Project
Southern California Association of Non-profit Housing (SCANPH)
Strategic Action for a Just Economy (SAJE)
Sustainable Tamalmonite
The United Way of Greater Los Angeles
Town of Truckee
Western Center on Law & Poverty

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