

Date of Hearing: April 27, 2022

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Buffy Wicks, Chair

AB 2097 (Friedman) – As Introduced February 14, 2022

**SUBJECT:** Residential and commercial development: remodeling, renovations, and additions: parking requirements

**SUMMARY:** Prohibits public agencies from enforcing minimum automobile parking requirements for developments located close to public transit. Specifically, **this bill:**

- 1) Prohibits public agencies 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 either of the following:
  - a) A high-quality transit corridor, as defined; or
  - b) A major transit stop, as defined.
- 2) Provides that when a development includes parking voluntarily, a local government may impose the following requirements on the voluntary parking spaces:
  - a) Require spaces for car share vehicles;
  - b) Require spaces to be shared with the public; and
  - c) Require owners of the parking spaces to charge for parking.
- 3) Provides that nothing in the bill shall reduce, eliminate, or preclude the enforcement of a requirement for a development to provide electric vehicle supply equipment installed parking spaces, or parking spaces that are accessible to persons with disabilities that would have otherwise applied to the development.
- 4) Provides that the prohibition on minimum automobile parking requirements shall not apply to commercial parking requirements if it conflicts with an existing contractual agreement that was executed before January 1, 2023, if all of the required commercial parking is shared with the public. Specifies that this provision applies to an existing contractual agreement that is amended after January 1, 2023, provided that the amendments do not increase commercial parking requirements. Specifies that a project subject to such an agreement may voluntarily build additional parking that is not shared with the public.
- 5) Declares that this bill addresses a matter of statewide concern rather than a municipal affair and therefore applies to all cities, including charter cities.
- 6) Provides that no reimbursement is required by this bill, pursuant to Section 6 of Article XIII B of the California Constitution, because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill.

**EXISTING LAW:**

- 1) Allows a city or a county to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public, including land use authority.
- 2) 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.
- 3) 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.
- 4) Authorizes the California Building Standards Commission (BSC) to approve and adopt building standards. Every three years, BSC, in coordination with relevant state agencies, undertakes rulemaking to revise and update the California Building Standards Code (Title 24 of the California Code of Regulations). These building codes serve as the basis for the design and construction of buildings in California.
  - a) Establishes, under the California Building Code, accessible parking standards and minimum levels of parking spaces accessible to persons with disabilities that must be included in new developments as follows:
    - i) For specified multifamily developments, two percent of assigned parking spaces and five percent of unassigned visitor parking spaces;
    - ii) For public buildings, public accommodations, public housing and commercial buildings at least one space per parking facility with graduated increases resulting in no less than two percent of total spaces;
    - iii) For hospitals and outpatient facilities, at least 10 percent of patient and visitor parking spaces; and
    - iv) For rehabilitation and physical therapy facilities, at least 20 percent of patient and visitor parking spaces.
  - b) Establishes, under the California Green Building Code, residential and non-residential parking standards requiring new buildings to provide electric vehicle (EV) parking spaces as follows:
    - i) New single- and two-family dwelling units with attached garages must include infrastructure for EV charging;
    - ii) Multifamily developments must designate at least 10 percent of the total number of parking spaces provided as EV parking spaces; and

- iii) Nonresidential developments must provide at least one EV parking space for buildings with more than 10 parking spaces, and must incrementally increase the number of EV parking spaces provided in parking lots with up to 200 spaces. For developments with more than 200 spaces developments are required to dedicate at least 6 percent of the total spaces for EV parking spaces.
- 5) Defines “Major transit stop” and “high-quality transit corridor” as follows:
- a) “Major transit stop” means a site containing any of the following:
    - i) An existing rail or bus rapid transit station;
    - ii) A ferry terminal served by either a bus or rail transit service; or
    - iii) 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.
  - b) “High-quality transit corridor” means a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours.

**FISCAL EFFECT:** Unknown.

**COMMENTS: *Author’s Statement:*** According to the author, “It seems that for years California has been trading housing for parking. We’re in the midst of a housing crisis, desperately looking for a solution, and we need to consider all options to reduce the overall cost of housing. There are plenty of communities in our state that have access to high-quality transit, or where cars are underutilized, that need housing far more than they need parking.

Yet, many cities in California require new residential or commercial development to provide on-site parking spaces. Often, 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). These one-size-fits-all mandates are often imposed even in areas that are close to transit.

Mandatory parking requirements have led to an oversupply of parking spaces; Los Angeles County alone has 18.6 million parking spaces, or almost two for every resident. Experts believe that this policy encourages car dependence and discourages mass transit usage, increasing vehicle miles traveled. California needs to reduce vehicle miles traveled by 15% in order to meet its SB 32 climate goals, even in a scenario with full vehicle electrification.

Mandatory parking requirements also worsen California’s severe housing shortage by raising the cost of housing production. On average, a garage costs \$24,000-\$34,000 per space to build, a cost that is 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 apartment units.

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.”

***Parking Requirements and Access to Transit:*** In support of the state’s sustainable communities goals embodied in SB 375, California Air Resources Board (CARB) staff collaborated with researchers at the University of California at Davis and the University of Southern California to examine the existing literature on the effects of key transportation and land use-related policies as strategies to reduce vehicle miles traveled (VMT) and greenhouse gas emissions (GHGs). Two policy areas examined were the impacts of parking pricing and transit access on VMT and GHGs.

CARB examined literature on the potential for improved access to transit to reduce VMT and GHGs. The review found that VMT reductions generally begin when people reside ¼ mile from a rail station and within ¾ of a mile from a bus stop. VMT reductions are presumed to increase for developments located closer to rail stations and bus stops, however CARB found that “policies that increase access to transit by reducing distances to transit are generally implemented as part of a larger package of land use and transportation measures, making it difficult to isolate the effect of transit access... External factors such as gas prices and the local and global economy may change the reported effect significantly...”

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 percent to 72 percent at each development, suggesting that the minimum requirements established by the local agency created an oversupply of parking.

***Benefits of reduced parking:*** Parking spaces add on average \$50,000 in cost per unit of housing. Eliminating parking would allow a developer to build additional units and supporters argue that those units would cost less because the cost of parking, a valuable commodity, is not included. Evidence also exists that eliminating parking near transit encourages use of transit and saves households money. According to a study in Science Direct, “When the cost of parking is bundled into the price of housing, the time and stress of finding parking near home falls. These lower costs may lead households with bundled parking to drive more and use transit less than households without parking, even if both households own vehicles... Households with bundled parking use transit less, spend more on gasoline, and—when they do take transit—are more likely to drive from their homes to the transit stop.”

Parking also has considerable negative environmental impacts. Civil engineers at the University of California, Berkeley recently published the first comprehensive estimate of parking spaces in America and found that the [energy use](#) and materials associated with creating hundreds of millions of parking spaces has a significant [environmental impact](#). The group found that parking contributes to the emission of [greenhouse gases](#) like carbon dioxide, methane, and nitrous oxide.

This bill would prohibit local governments from imposing minimum parking standards on developers if a development is within one-half mile of transit. Although some cities have moved to eliminate parking near transit, some impose standards that do not reflect demand for parking spaces and add cost to the development. This bill would not require a developer to eliminate parking entirely. A developer could choose to include parking based on perceived demand, based on bedroom size, and the market price of the unit.

***Value capture precedent in SB 35 (Wiener), AB 2162 (Chiu), Density Bonus Law, and AB 2345 (Gonzalez):*** State policy has required local governments to reduce parking requirements when there is a value capture for the community in the form of more affordable housing. SB 35 (Wiener) Chapter 366, Statutes of 2017, creates a streamlined approval process for developers who restrict at least 10 percent of the units in a development to levels affordable to lower income households. Developments that qualify for SB 35 and are within one-half mile of transit are not required to include onsite parking. AB 2162 (Chiu), Chapter 753, Statutes of 2018, makes 100 percent affordable housing developments by right if 25 percent of the units are for supportive housing. If the development is within one-half mile of transit a local government cannot impose parking minimums.

One of the main concerns about this bill raised by equity groups and local governments is the effect it could have on density bonus law. Density bonus law is long standing policy that is intended to increase the supply of affordable housing by reducing the cost of development through increased density and design modifications. A developer can agree to include a percentage of affordable housing and in return, receives an increase in density over the base density. Additionally, the city must agree to concessions that are intended to reduce the cost of the development equal to the cost of the affordable units. One of the benefits to developers of using density bonus is a reduction or elimination of parking. State density bonus law allows developers to eliminate or reduce parking spaces based on the amount of affordable housing included in a development. Developers that provide a specified percentage of units for affordable housing, and are located near transit, can only be required by the local government to provide 0.5 parking spaces for each unit in the development. Developments that are 100 percent affordable to lower income households, and are one-half mile from transit, are not required to include any parking [AB 2345 (Gonzalez) Chapter 197, Statutes of 2020]. According to annual progress reports (APRs) submitted by local governments to the Department of Housing and Community Development, 1,888 very low- and low income units were permitted in 2018 and 1,256 were permitted in 2019 as a result of density bonuses.

The use of density bonus throughout the state has been uneven. According to a survey of 252 of the 482 incorporated cities (a 52 percent response rate) and 19 of the 57 county unincorporated areas by the UC Berkeley Turner Center, 55 percent of respondents reported no density bonus usage from 2015 to 2017, and an additional 32 percent reported just one to two projects. Only 27 jurisdictions reported having at least three projects that utilized density bonus law. The same survey found that reduced parking is the second most requested concession, (behind added density) with roughly 60 percent of jurisdictions with density bonus activity reporting that developers request parking reductions as part of the density bonus concessions. Los Angeles is the outlier on density bonus use - density bonus projects accounted for approximately 26,700 proposed residential units between 2016 and 2020 - more than 17 percent of the roughly 152,000 units planned during that time period. [According to the City of Los Angeles Planning Department's Housing Progress Dashboard](#), although it has been eclipsed in some ways by the [local Transit Oriented Communities guidelines](#), density bonus projects remain a popular tool for developers in the City of Los Angeles - particularly for sites without easy access to high-frequency bus service. The Turner Center found overlap between the use of density bonus and whether a jurisdiction has adopted an inclusionary ordinance.

In the Turner Center survey local governments reported that, from 2015 through 2017, 449 projects were built with density bonus concessions, and 439 projects contributed either affordable units, in-lieu fees, or land under inclusionary policies. Density bonus is a voluntary

option for developers and the overlap between the use of density bonus and inclusionary ordinances suggests that, if parking is eliminated near transit, developers may still seek a density bonus in inclusionary jurisdictions because the density and other concessions and incentives are needed to support the inclusionary units. In jurisdictions without inclusionary ordinances there will be no opportunity for value capture of reduced parking in the form of affordable housing.

***Arguments in Support:*** According to one of the sponsors, SPUR, “AB 2097 will eliminate requirements that homes and commercial buildings near transit or in neighborhoods with less car use be built with more parking than is necessary. By reducing the overbuilding of parking, this bill would reduce traffic, greenhouse gas emissions and air pollution, reduce the cost of housing to renters and homeowners, and improve the prospects of small neighborhood businesses fighting to survive during the pandemic.”

***Arguments in Opposition:*** The League of California Cities writes in opposition, “AB 2097 would essentially allow developers to dictate parking requirements in large areas of many cities because the definition of public transit includes entire bus routes with fifteen-minute service intervals. Restricting parking requirements within one-half mile of a high-frequency transit route does not guarantee individuals living, working, or shopping on those parcels will actually use transit. Many residents will continue to own automobiles and require nearby parking, which will only increase parking demand and congestion.”

***Related legislation:***

AB 1401(Friedman), which passed this Committee 7-1 is substantially similar to this bill. AB 1401 bill is pending in the Senate Appropriations Committee.

SB 1067 (Portantino) Prohibits cities and counties from imposing parking minimums on certain housing developments within one-half mile of a major transit stop. SB 1067 is pending in the Senate Housing Committee.

***Double referred:*** This bill is double referred. It was heard in the Assembly Committee on Local Government and passed on a vote of 6-2 on April 20, 2022.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

350 Bay Area Action  
350 Humboldt  
350 Humboldt: Grass Roots Climate Action  
AARP  
Active San Gabriel Valley  
American Planning Association, California Chapter  
Asian Business Association  
CA Coalition for Clean Air  
California Apartment Association  
California Building Industry Association  
California Community Builders  
California Downtown Association  
California Hispanic Chamber of Commerce

California Yimby  
CBIA  
Central City Association  
Central City Association of Los Angeles  
Circulate San Diego  
City of Berkeley Councilmember Lori Droste  
City of Berkeley Councilmember Rashi Kesarwani  
City of Emeryville Mayor John J Bauters  
City of Gilroy Council Member Zach Hilton  
City of San Mateo Mayor Rick Bonilla  
City of Santa Monica Councilmember Gleam Davis  
City of Seaside Councilmember Jon Wizard  
CivicWell  
Climate Action Campaign  
Council of Infill Builders  
Culver City Councilmember Alex Fisch  
Diablo Valley for Everyone  
East Bay for Everyone  
East Bay Young Democrats  
Fremont for Everyone  
Greenbelt Alliance  
Habitat for Humanity California  
Housing Action Coalition  
Housing Action Coalition (UNREG)  
Independent Hospitality Coalition  
Interfaith Power & Light  
LA Mesa Councilmember Colin Parent  
League of Women Voters of California  
LISC San Diego  
Los Angeles Area Chamber of Commerce  
Los Angeles County Business Federation (BIZ-FED)  
Menlo Park Vice-Mayor Jen Wolosin  
MidPen Housing  
Monterey Bay Economic Partnership  
Mountain View Yimby  
Parkade  
Peninsula for Everyone  
People for Housing - Orange County  
San Diego; City of  
San Francisco Bay Area Planning and Urban Research Association (SPUR)  
San Francisco Bay Area Rapid Transit District (BART)  
San Francisco Bay Area Water Emergency Transportation Authority  
San Francisco YIMBY  
Sand Hill Property Company  
Santa Cruz County Business Council  
Santa Cruz YIMBY  
Santa Monica Chamber of Commerce  
Sierra Club California  
Silicon Valley Leadership Group

South Bay YIMBY  
South Pasadena Residents for Responsible Growth  
Southside Forward  
SPUR  
Streets for All  
Streets for People  
Turner Center for Housing Innovation at the University of California, Berkeley  
The Los Angeles Coalition for the Economy & Jobs  
The Two Hundred  
Transform  
Urban Environmentalists  
Ventura County Supervisor Carmen Ramirez  
West Hollywood Councilmember John Erickson  
YIMBY Action  
YIMBY Democrats of San Diego County

**Opposition**

City of Santa Clarita  
City/county Association of Governments of San Mateo County  
Hills 2000 Friends of the Hills  
Lafayette; City of  
League of California Cities  
Marin County Council of Mayors and Council Members  
Resident Information Resource of Santa Monica  
United Neighbors  
Village at Sherman Oaks Business Improvement District  
Individuals -2

*Oppose Unless Amended*

Truckee; Town of  
Tustin, City of

**Analysis Prepared by:** Lisa Engel / H. & C.D. / (916) 319-2085