
THIRD READING

Bill No: AB 2097
Author: Friedman (D), et al.
Amended: 6/23/22 in Senate
Vote: 21

SENATE GOVERNANCE & FIN. COMMITTEE: 5-0, 6/15/22
AYES: Caballero, Nielsen, Durazo, Hertzberg, Wiener

SENATE HOUSING COMMITTEE: 6-1, 6/21/22
AYES: Wiener, Caballero, Cortese, McGuire, Roth, Skinner
NOES: Bates
NO VOTE RECORDED: Ochoa Bogh, Umberg

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/11/22
AYES: Portantino, Bradford, Laird, McGuire, Wieckowski
NOES: Bates, Jones

ASSEMBLY FLOOR: 47-20, 5/26/22 - See last page for vote

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

SOURCE: Author

DIGEST: This bill prohibits public agencies from imposing or enforcing parking minimums on developments within ½ mile of a major transit stop, as specified.

ANALYSIS:

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 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” 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.
 - 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.

This bill:

- 1) Prohibits a public agency, including charter cities, from imposing or enforcing any minimum parking requirement on a residential, commercial, or other development project if the project is located within one-half mile of a major transit stop, as defined.
- 2) Allows, notwithstanding 1), a city or county to impose or enforce parking requirements if the local government demonstrates that not imposing parking requirements would have a substantially negative impact, supported by a preponderance of the evidence in the record, on any of the following:
 - a) The city’s or county’s ability to meet its share of the regional housing need for low- and very low income households.
 - b) The city’s or county’s ability to meet any special housing needs for the elderly or persons with disabilities, as specified.
 - c) Existing residential or commercial parking within one-half mile of the housing development project.

- 3) Provides, for a housing development project, that the ability to require parking in 2) does not apply to a project that satisfies either of the following:
 - a) The development dedicates a minimum of 20 percent of the total number of housing units to very low, low-, or moderate-income households, students, the elderly, or persons with disabilities.
 - b) The development contains fewer than 20 housing units.
 - c) The development is not subject to parking requirements based on the provisions of any other state law.
- 4) Excludes from the definition of “project” a project where any portion is designated for use as a hotel, motel, or other type of transient lodging, as specified.
- 5) Requires an event center, as defined, to provide parking as required by local ordinance for employees and other workers.
- 6) Provides that the bill does not reduce the requirement to provide electric vehicle supply equipment-installed parking spaces or accessible parking spaces that would have otherwise been required.
- 7) Provides that the bill does not apply to commercial parking requirements if it conflicts with an existing contractual agreement to provide parking spaces as of January 1, 2023, as specified, and states that a project may voluntarily build additional parking that is not shared with the public.
- 8) Adds the provisions of this bill to the list of laws that may be enforced by the Department of Housing and Community Development (HCD) and the Attorney General, as specified.
- 9) Defines its terms and includes findings and declarations to support its purposes.

Background

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 percent of reviewed municipal codes already allow developers to reduce parking by an average of 30 percent, 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 percent to 72 percent at each development, suggesting that the minimum requirements established by the local agency created an oversupply of parking.

Research on parking and its impacts. A number of sources have documented the harms associated with imposing parking requirements. Of particular interest given California's housing challenges is that parking requirements can increase the cost of production and render infeasible some projects, whether financially due to the cost of constructing parking or physically due to capacity limitations of some sites. For example, 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. Research has documented other harms associated with parking minimums outside the housing context. According to the Turner Center for Housing Innovation:

“Parking requirements have also been linked to a variety of negative secondary impacts, in particular the environmental costs for cities. Parking contributes to the urban heat island effect and does not support any biodiversity. Land coverage by asphalt increases stormwater runoff, which raises the risk of flooding and causes higher pollution levels in freshwater systems. Chemical compounds used to seal parking lots can seep into groundwater and freshwater systems, which contributes to pollution and decreases the health of these ecosystems. Because it encourages automobile usage, parking also hinders the effectiveness and usage of alternative forms of transit (public transportation, biking, etc.), increases congestion, and causes externalities like air pollution, noise pollution, and greenhouse gas emissions.”

Various advocates want the Legislature to prohibit parking minimums near transit.

Comments

- 1) *Purpose of the bill.* 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.”

- 2) *Home rule.* Development generates externalities: impacts to third parties that are not captured in the prices paid for goods and services. Developers have a profit motive to only include parking where it helps them sell or rent their properties to willing buyers or renters. Local officials, on the other hand, are elected to represent the interests of all their constituents and to look broadly at how new development might impact their community. For example, concerns over the encroachment of wildfire may prompt some local governments to

impose parking requirements to ensure that streets are open for evacuation and emergency response. In other areas, particularly rural communities, public transit may not be a realistic option for many trips, even near major transit stops, due to the transit times required or lack of transit options near the final destination. And the state's Density Bonus Law, which is one of the main ways statute currently limits local parking requirements, allows a local government to impose higher parking requirements if the local government has funded an independent, jurisdiction-wide parking study in the past seven years. AB 2097 limits the ability of local governments to take into account the unique needs of their communities by constraining when they can impose parking requirements.

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

According to the Senate Appropriations Committee:

- The Department of Housing and Community Development (HCD) estimates cost of approximately \$178,000 annually for 1.0 PY of staff to coordinate with local governments, provide guidance and technical assistance, investigate complaints, conduct enforcement actions, and make referrals to the Attorney General. (General Fund)
- Unknown, likely minor costs for the Attorney General (AG) to take enforcement actions against non-compliant cities and counties that fail to take corrective actions, to the extent HCD refers violations to the AG. (General Fund)
- Unknown local mandated costs. While the bill could impose new costs on local agencies to revise planning requirements for certain developments, these costs are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates. (local funds)

SUPPORT: (Verified 8/12/22)

None received

OPPOSITION: (Verified 8/12/22)

None received

ASSEMBLY FLOOR: 47-20, 5/26/22

AYES: Aguiar-Curry, Bennett, Bloom, Mia Bonta, Bryan, Calderon, Carrillo, Cervantes, Chen, Cooper, Daly, Mike Fong, Fong, Friedman, Gabriel, Eduardo

Garcia, Gipson, Grayson, Haney, Holden, Irwin, Jones-Sawyer, Kalra, Lee, Low, McCarty, Medina, Mullin, Patterson, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Santiago, Stone, Ting, Villapudua, Ward, Akilah Weber, Wicks, Wilson, Wood, Rendon

NOES: Bauer-Kahan, Bigelow, Boerner Horvath, Choi, Cooley, Cunningham, Megan Dahle, Davies, Flora, Levine, Mathis, Muratsuchi, Nguyen, Petrie-Norris, Salas, Seyarto, Smith, Valladares, Voepel, Waldron

NO VOTE RECORDED: Arambula, Berman, Gallagher, Cristina Garcia, Gray, Kiley, Lackey, Maienschein, Mayes, Nazarian, O'Donnell

Prepared by: Anton Favorini-Csorba / GOV. & F. / (916) 651-4119
8/13/22 10:52:52

**** **END** ****