
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2023 - 2024 Regular Session

AB 894 (Friedman) - Parking requirements: shared parking

Version: August 15, 2023

Policy Vote: GOV. & F. 7 - 0, HOUSING 9
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Urgency: No

Mandate: Yes

Hearing Date: August 28, 2023

Consultant: Mark McKenzie

Bill Summary: AB 894 would require public agencies to allow developments to count underutilized and shared parking spaces toward a parking requirement imposed by the agency.

Fiscal Impact:

- The Department of General Services (DGS) estimates costs of approximately \$250,000 in 2024-25 to conduct feasibility studies regarding the use of shared parking agreements instead of constructing new parking spaces for five specified projects. Ongoing costs are unknown and would depend upon the number of projects constructed in a given year that require additional parking. DGS estimates that each parking study would cost approximately \$50,000. (General Fund)
- The Department of Housing and Community Development (HCD) indicates that any costs associated with this bill would be minor and absorbable. (General Fund)
- Unknown local mandated costs. While the bill could impose new costs on local agencies to revise planning requirements to allow for the use of shared parking agreements to count toward meeting parking requirements, 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)

Background: Cities and counties use their police power to enact zoning ordinances that shape development, such as setting maximum heights and densities for housing units, setbacks to preserve privacy, lot coverage ratios to increase open space, and others. Through this authority, cities and counties also establish a minimum amount of parking that developers must provide for both residential and nonresidential buildings, which are referred to 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, while hotels and residential units may have parking spaces linked to the number of beds or rooms.

Local minimum parking standards exist to ensure that various land uses have sufficient on-site parking. However, these standards can result in an excess of on-site parking. For example, in 2019 the California Air Resources Board (CARB) conducted a limited review of minimum parking requirements, and found that, while most sites built exactly

the minimum parking required by the local agency, the peak parking utilization rate ranged from 56 to 72 percent at each development, suggesting that minimum parking requirements create an oversupply of parking. The utilization of these spaces was even lower during off-peak times, such as mid-day at an apartment building and after business hours at an office building.

Proposed Law: This bill would, among other things, do the following:

- Require a public agency, including state entities, cities, counties, special districts and other political subdivisions, when an entity receiving parking is not using that parking to meet public automobile parking requirements, to allow entities with underutilized parking to share their underutilized spaces with the public, public agencies, or other entities, if those entities submit a shared parking agreement to the public agency and information identifying the benefits of the proposed shared parking agreement.
- Require entities sharing parking pursuant to an agreement to be located on the same or contiguous parcels, and require the sites sharing parking to be separated by no more than 2,000 feet walking distance, or longer if there is a plan for shuttles or other accommodations to move between the parking and the site.
- Require a public agency to approve a shared parking agreement if it includes a parking analysis using peer-reviewed methodologies sufficient to determine the number of parking spaces that can be shared between uses to fulfill parking requirements, and it secures long-term provision of parking spaces or affords the opportunity for periodic review and approval by the public agency.
- Authorize the public agency to require shared parking agreements to be recorded against parcels that are part of the agreement.
- If no parking analysis is included with the shared parking agreement, and a local agency has not enacted an ordinance providing for shared parking agreements, the local agency may decide whether to approve or deny the agreement and determine the number of parking spaces that may be reasonably shared between uses.
- Require a public agency, for proposed developments of 10 or more residential units, or 18,000 square feet or more, before making a determination, to do the following:
 - Notify all property owners within 300 feet of the shared parking spaces of the proposed shared parking agreement, including that the property owner has 14 days to request a public meeting on the agreement.
 - Hold a public meeting on the agreement, if requested, to approve or deny the agreement and determine the number of spaces that can be reasonably shared between uses to fulfill parking requirements.
- Authorize a local agency approving a project proposing to use a shared parking agreement to request and confirm reasonable verification that shared parking agreements have been or will be secured as a condition for approval.
- Prohibit a public agency from requiring the curing of any preexisting deficit of the number of parking spaces as a condition for approval of the shared parking agreement.
- Prohibit a public agency from withholding approval of a shared parking agreement between entities solely on the basis that it will temporarily reduce or eliminate the availability of parking spaces for the original proposes uses.
- Require a public agency to allow a development project applicant to meet minimum parking requirements through the use of offsite shared parking in which a designated

historical resource on a federal, state or local register of historical places is being converted or adapted.

- Clarify that the bill does not do any of the following:
 - Reduce, eliminate, or preclude the enforcement of any requirement to provide parking spaces that are accessible to persons with disabilities that would have otherwise applied to the development.
 - Reduce the percentage of parking spaces designated for electric vehicles.
 - Require parking to be offered without cost or at a reduced cost to the user.
 - Give public agencies the right to compel private parties to enter into shared parking agreements.
- Require a public agency, private landowner, or lessee to examine the feasibility of shared parking agreements to replace new parking construction or limit the number of new spaces constructed when state funds are used on a proposed development or before a parking structure or surface parking lot is developed using public funds.

Related Legislation: AB 1308 (Quirk-Silva), which is currently pending on the Senate Floor, would prohibit a public agency from increasing the minimum parking requirement that applies to a single-family residence as a condition of approval of a project to remodel, renovate, or add to a single-family residence, provided the project does not cause the residence to exceed any maximum size limit imposed by the applicable zoning regulations.

AB 2097 (Friedman) Chap. 459/2022, prohibited public agencies from imposing minimum automobile parking requirements on specified residential, commercial, and other developments located within one-half mile of public transit.

Staff Comments: This bill includes a provision that requires a public agency, including state entities, to examine the feasibility of shared parking agreements to replace new parking construction or limit the number of new spaces constructed when state funds are used on a proposed development or before a parking structure or surface parking lot is developed using public funds. DGS indicates that this provision would require feasibility studies for five projects in the next year, at a total estimated cost of approximately \$250,000. Costs for future feasibility studies for new projects that include a parking component are not known at this time, and would depend upon DGS client departments' future projects. DGS also notes a concern that entering into shared parking agreements and making parking available in state facilities for non-state use could create complications if state agencies are required to provide access to controlled lots or garages reserved for employees or an agency's vehicles, and could impinge on paid monthly subscribers' ability to park during core working hours.

The bill's mandated local costs would not be subject to state reimbursement because local agencies have the authority to charge and adjust planning and permitting fees as necessary to cover administrative costs. Existing law authorizes planning and zoning fees to "include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations." Case law and previous decisions by the Commission on State Mandates support the position that local governments' planning costs are not reimbursable when the state imposes new planning mandates.