

RECONSIDERATION

Date of Hearing: April 17, 2024

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 2712 (Friedman) – As Amended March 21, 2024

SUBJECT: Preferential parking privileges: transit-oriented development

SUMMARY: Prohibits local authorities from allowing residents, vendors, and visitors of specified developments from using preferential parking if the development is within a preferential parking area and the development is not subject to minimum parking requirements. Specifically, **this bill:**

- 1) Excludes a development from the boundaries of a preferential parking area if the development is exempt from minimum parking requirements or subject to parking minimum reductions, as specified, and is located within the preferential parking area.
- 2) Prohibits a local authority from issuing a permit to residents, vendors, or visitors of the development project that grants preferential parking privileges if the development is exempt from minimum parking requirements or subject to parking minimum requirements and is located within a preferential parking area.
- 3) Allows a local authority to issue a permit or permits to residents, vendors, or visitors of a development project as specified that is within the boundaries of a preferential parking area if the local authority makes written findings within 60 days of the receipt of a completed application, that including the development project within the boundaries of the preferential parking area would not have a substantially negative impact, supported by a preponderance of evidence in the record, on the preferential parking area.
- 4) Defines “local authority” to mean the legislative body of every county or municipality having authority to adopt local police regulations.
- 5) Makes findings and declarations that providing parking to residents of transit priority developments in the form of preferential parking privileges encourages car use and undermines the Legislature’s intent to discourage car use by incentivizing development near transit. Therefore, this bill shall be interpreted in favor of the prohibition of preferential parking privileges for occupants of development projects exempt from parking minimums or subject to parking minimum reductions based on proximity to transit.
- 6) Finds and declares that reducing greenhouse gases and dependence on car use is a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this bill applies to all cities, including charter cities.

EXISTING LAW:

- 1) Establishes that a public agency shall not impose minimum automobile parking requirement on a residential, commercial, or other development project if the project is within one-half mile of public transit. [Government Code (GOV) § 65863.2]

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- 2) Provides that unless a housing development project has fewer than 20 housing units; at least 20% of the total number of housing units are dedicated to very-low; low-, or moderate-income households, the elderly, or people with disabilities; or the development is subject parking reductions in other applicable bodies of law, a public agency may impose minimum parking requirements on a project within one-half mile of public transit if the public agency makes written findings that not imposing or enforcing minimum automobile parking requirements on the development would substantially have a negative impact on:
 - a) The city's, county's, or city and county's ability to meet its regional housing need for low- and very low income households.
 - b) The city's, county's, or city and county's ability to meet any special housing needs for the elderly or persons with disabilities.
 - c) Existing residential or commercial parking within one-half mile of the housing development project. (GOV § 656863.2)
- 3) Allows local authorities to prohibit or restrict stopping, parking, or standing of vehicles within 100 feet of any intersection, on certain streets or highways, or portions thereof, during all or certain hours of the day by ordinance or resolution. The ordinance or resolution may include a designation of certain streets upon which preferential parking privileges are given to residents and merchants adjacent to the streets for their use and the use of their guests, under which the residents and merchants may be issued a permit or permits that exempt them from the prohibition or restriction of the ordinance or resolution. With the exception of alleys, the ordinance or resolution shall not apply until signs or markings giving adequate notice thereof have been placed. A local ordinance or resolution adopted pursuant to this section may contain provisions that are reasonable and necessary to ensure the effectiveness of a preferential parking program. [Vehicle Code (VEH) § 22507]
- 4) Defines "local authorities" to mean the legislative body of every county or municipality having authority to adopt local police regulations. (VEH § 385)
- 5) Establishes that a disabled person or a disabled veteran displaying special license plates or a distinguishing placard is allowed to park for unlimited periods at any metered parking space without paying meter fees and in any parking zone, including preferential parking zones. (VEH § 22511.5)

FISCAL EFFECT: None.

COMMENTS:

- 1) **Bill Summary.** This bill prohibits a local authority from allowing a resident, merchant, or guest of a new development project that is exempt from parking requirements to enjoy preferential parking privileges. The bill would prohibit a local authority from issuing any permit to the residents, vendors or, visitors of the development project for preferential parking unless the local authority makes a written finding that including the development project would not negatively impact the preferential parking area. This bill is author sponsored.

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- 2) **Author's Statement.** The author states, "For decades, California cities would require residential or commercial developments to provide on-site parking. Apartments would be forced to include one or two parking spots per unit, and commercial properties must provide one space for every 100-200 square feet. These mandatory parking requirements led to an oversupply of parking spaces; Los Angeles County has 18.6 million parking spaces, or almost two for every resident. These requirements worsened 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. In communities resistant to new development, strict parking requirements were a de facto way to block apartment buildings and lower-income housing."

"To combat this oversupply parking, the Legislature passed my bill, AB 2097, in 2022. AB 2097 prohibited cities from imposing or enforcing a minimum parking requirement on a development project if the project is within one-half mile of a major transit stop. It does not prohibit the property owners from building on-site parking. Rather, it gives 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."

"I have authored AB 2097 because I believe it would make housing more accessible and affordable to everyone in our state. AB 2097 is turning transit adjacent apartment neighborhoods up and down the state into magnets for good quality affordable and market-rate housing. It is a critical tool for overcoming a major hurdle to residential developments: the high cost of parking."

"I committed to monitoring the implementation of this bill to also ensure that any adverse consequences that arise are remedied. Some cities have long limited street parking to residents in established preferred parking areas. If a development project qualifies under AB 2097 and enjoys economic benefits for being within 1/2 mile of transit, it should comply with the goal of reducing car use and its residents should not be given permits to park in the established preferential parking area. That negates the whole point of eliminating off-street parking minimums."

"AB 2712 prohibits a city from issuing any permit conferring preferential parking privileges to any resident, vendor or visitor of any developments within one-half mile of public transit and exempt from parking minimums. A city may only issue permits to these residents, vendors or visitors if the local authority makes findings that that allowing them to park their vehicles within the preferential parking area would not have a substantially negative impact on it."

- 3) **The Sustainable Communities and Climate Protection Act.** In 2008, the Legislature passed the Sustainable Communities and Climate Protection Act [SB 375 (Steinberg), Chapter 728, Statutes of 2008] which helped support California's climate goals coordinating transportation, housing, and land use planning to reduce greenhouse gas emissions. This law focuses on incentivizing regional and local planning and building in ways that bring people and destinations closer together, with low-carbon, alternative and convenient ways to get around. It requires regional metropolitan planning organizations in California to develop Sustainable Communities Strategies (SCS), or long-range plans, which align transportation,

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housing, and land use decisions toward achieving greenhouse gas (GHG) emissions reduction targets set by the California Air Resources Board (CARB).

According to CARB, some of the key aspects of SCS plans include a focus housing and job growth within existing urbanized areas with access to high quality transit and active transportation options.

- 4) **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. 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.

- 5) **Eliminating Local Parking Requirements.** There is a significant body of academic research regarding the potential impact minimum parking ratios have on car ownership, VMT, use of public transit, and transportation trends generally. However, while significant research exists, 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

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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 percent of households own a car. In buildings with at least one parking space per unit, more than 81 percent of households own automobiles.”

- 6) **Policy Considerations.** The committee may wish to consider the following:
- a. **Decision-making.** Under existing law, local governments are already prohibited from imposing parking requirements on a development within a half mile of transit. Local governments currently have the ability to restrict parking and create preferential parking areas. This bill would limit a local government’s discretion on creating and limiting street parking on local streets even if the developer has decided to not build new parking. The Committee may wish to consider if the State should supplant the local authorities on making decisions related to street parking.
 - b. **Impact to Households Dependent on Personal Vehicles.** This bill would effectively prohibit residents of certain new developments from being able to use preferential parking, unless the local agency makes written findings, supported by a preponderance of evidence, that the development would not negatively impact the preferential parking area. As the state continues to facilitate the construction of housing with a focus on affordable housing, this bill does not take into account households that may rely on personal vehicles for their livelihood or mobility needs. The Committee may wish to consider if this bill strikes the right balance between meeting the State’s VMT goals and GHG reduction targets and the needs of vehicle dependent households.
 - c. **Evidence and Written Findings.** AB 2712 requires local authorities to make written findings, supported by a preponderance of evidence, that a development would not have a substantially negative impact before awarding a permit to residents, vendors or visitors of a development project for preferential parking. The bill is unclear on how often those written findings need to be made, to whom they are made, and if the parking is available to the public or only the applicant. The Committee may wish to consider if the “preponderance of evidence” is the most appropriate evidentiary standard for a parking application, and if additional clarity is needed on how written findings will be established as they relate to parking.
- 7) **Committee Amendments.** To address the policy considerations above, the committee may wish to amend the bill as follows:

SEC. 2. Section 65863.2.1 is added to the Government Code, to read:

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65863.2.1.

(a) (1) For purposes of this section, “development project” shall mean a residential, commercial, or other development project exempt from minimum automobile parking requirements pursuant to Section 65863.2, or subject to parking minimum reductions based on any other applicable law, located within the boundaries of the City of Los Angeles.

(2) Development project shall not mean a residential project with 20 or less units.

(b) If a development project ~~residential, commercial, or other development project is exempt from minimum automobile parking requirements pursuant to Section 65863.2, or subject to parking minimum reductions based on any other applicable law, and~~ is located within a preferential parking area established pursuant to subdivision (a) of Section 22507 of the Vehicle Code, **except as provided (c) and (d)**, both of the following shall apply:

(1) The development project shall be excluded from the boundaries of the preferential parking area.

(2) The local authority shall not issue any permit to the residents, vendors, or visitors of the development project that grants preferential parking privileges.

~~(b)~~ (c) Notwithstanding subdivision ~~(a)~~, (b), a local authority may issue a permit or permits to ~~residents or vendors~~ **residents, vendors, or visitors** of a development project, as specified in subdivision (a), that is within the boundaries of a preferential parking area **if the issuance of the permit does not cause overcrowding in the preferential parking district for existing residents. if the local authority makes written findings, within 60 days of the receipt of a completed application, that including the development project within the boundaries of the preferential parking area would not have a substantially negative impact, supported by a preponderance of the evidence in the record, on the preferential parking area.**

(d) Nothing in this section shall prohibit a local authority from issuing a permit or permits to residents of developments projects that occupy deed restricted units intended for households that are very low income households, as defined in Section 50105, extremely low income households, as defined in Section 50106, or lower income households as defined in Section 50079.5.

~~(e)~~(e) For purposes of this section, “local authority” has the same meaning as defined in Section 385 of the Vehicle Code.

Due to timing, these amendments will be adopted in the Assembly Housing and Community Development Committee should the bill pass out of this committee.

8) **Related Legislation.** SB 834 (Portantino) prohibits a local authority from issuing any permit or permits conferring preferential parking permit or permits conferring preferential parking privileges to any residents or vendors of any developments within one-half mile of public transit and exempt from parking minimums. This bill is currently in the Assembly Rules Committee.

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9) **Previous legislation.** AB 2097 (Friedman), Chapter 459, Statutes of 2022, prohibits a public agency from imposing any minimum automobile parking requirement on any residential, commercial, or other development project, as defined, that is located within one-half mile of public transit, as defined.

10) **Arguments in Support.** The Planning and Conservation League write in support, “AB 2712 builds upon the successful groundwork laid by AB 2097, which was enacted in 2022. AB 2097 eliminated minimum parking requirements for homes and commercial buildings within ½ mile of a major transit stop. This legislation has unburdened affordable housing and jobs from the costs of inflated parking requirements and made it easier and cheaper to provide equitable, transit-accessible housing and job opportunities across the state.

“AB 2712 refines parking policy further by diffusing opposition to development – including housing – over concerns of crowded street parking in areas affected by AB 2097’s changes. Specifically, the bill will require cities to exclude any development with a less-than-normally-required number of parking spaces from the boundaries of a preferential parking district unless the local authority makes written findings that including the development project would not have a substantially negative impact on the preferential parking area.

“This policy supports low/no parking development, including transit-oriented housing, without overcrowding nearby streets and displacing existing residents from their street parking. By addressing concerns about removing parking minimums and generally increasing support for low-income housing development, AB 2712 fosters inclusive and resilient communities. And, by curbing urban sprawl and induced car usage, AB 2712 contributes to reductions in vehicle miles traveled (VMT), thereby mitigating greenhouse gas emissions and advancing California's climate goals – a win for everyone.”

11) **Arguments in Opposition.** None on file.

12) **Double-Referral.** This bill is double-referred to the Assembly Committee on Housing and Community Development.

REGISTERED SUPPORT / OPPOSITION:

Support

Livable California
Planning and Conservation League

Opposition

None on file.

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