

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: June 15, 2021

TO: Honorable Members of the Rules, Elections & Intergovernmental Relations Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No: 21-0002-S106
Assignment No: 21-05-0402

SUBJECT: Resolution (Koretz – Lee) to OPPOSE AB 1401 (Friedman)

CLA RECOMMENDATION: Adopt Resolution (Koretz – Lee) to include in the City’s 2021-2022 State Legislative Program, OPPOSITION to AB 1401 (Friedman), which would prohibit a city or county from imposing minimum parking requirements on all developments located within one-half mile walking distance of a major transit stop or a high-quality transit corridor.

SUMMARY

Under the California Constitution, local governments have the authority to regulate land use and other matters as long as the policy does not conflict with general laws. California cities and counties use this authority to enact zoning ordinances that shape development, such as establishing requirements for vehicle parking spaces in non-residential and residential buildings. Local governments are required to reduce parking requirements when there is a benefit to the community in the form of more affordable housing.

On February 19, 2021, Assembly Member Friedman introduced AB 1401, which would change the California Government Code to prohibit local governments from imposing a minimum parking requirement if the property is located within one half-mile walking distance of public transit, such as a high-quality transit corridor or a major transit stop. The bill defines a “high-quality transit corridor” as a parcel with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours; and further defines “major transit stop” as a site containing an existing rail or bus rapid transit stop, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a service interval of 15 minutes or less during morning and afternoon peak commute periods. The bill author has stated that minimum parking requirements increase the cost of development, which therefore raises rents and home prices, and increase the environmental costs by encouraging automobile usage.

AB 1401 could have a negative impact on the State's Density Bonus Law, which is a primary tool used by local jurisdictions to increase the supply of affordable housing. Specifically, the Density Bonus Law enables developers to obtain concessions from local governments on requirements, such as reducing or eliminating parking requirements, in exchange for reserving a portion of their units for affordable housing. In Los Angeles, density bonus projects accounted for approximately 26,700 residential units between 2016 and 2020. Currently, there are over 10,000 affordable unsubsidized units throughout the City that are taking advantage of these parking reductions.

Resolution (Koretz – Lee), introduced on April 21, 2021, states that the elimination of parking minimums may reduce overall construction costs and provide housing for high-income tenants who use transit services far less frequently. The Resolution further states that the City's ability to regulate land use and enact zoning ordinances can be an effective tool for requiring or incentivizing the construction of affordable housing units.

BACKGROUND

In 2017, the City of Los Angeles launched the Transit Oriented Communities (TOC) program, similar to the Density Bonus Law. TOC incentives enable developers to build denser developments near transit in exchange for including affordable housing units. The TOC allows new developments to increase density, size, and/or reduce parking requirements only where affordable housing is included and is only available at high-quality transit stations. AB 1401 would, in effect, undermine local control, particularly as it relates to land use, and give developers the power to determine parking requirements. The density bonus tool should remain available to the City to incentivize affordable housing.

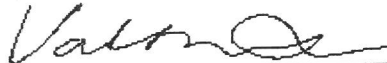
Although the Department of Transportation expressed support for the bill because it is in line with the City's efforts to encourage the use of public transportation and reduce vehicle traffic, the Housing and Community Investment Department noted that AB 1401 could negatively impact the City's TOC and Density Bonus Law programs, which provide additional reductions in parking in exchange for affordable housing. Due to the bill's infringement on local programs and regulations, our Office recommends that the City Council oppose of AB 1401.

DEPARTMENTS NOTIFIED

Los Angeles Department of Transportation
Housing and Community Investment Department
Department of City Planning

BILL STATUS

02/22/21	Read first time.
03/11/21	Referred to Committee on Local Government And Committee on Housing and Community Development.
05/20/21	Read second time.
06/02/21	In Senate. Read first time.


Valentina Diba
Analyst

Attachments: 1. Resolution (Koretz – Lee)

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the California Constitution provides cities and counties the authority to regulate behavior to preserve the health, safety, and welfare of the public (commonly called, "police power"), which gives cities and counties broad authority to regulate land use and other matters, provided that the local policy is not in conflict with general laws; and

WHEREAS, California cities and counties use their police power to enact zoning ordinances that shape development, and through this authority, establish minimum numbers of required vehicle parking spaces for nonresidential and residential buildings; and

WHEREAS, currently pending in the State Assembly, is a bill, AB 1401 (Friedman), relative to the parking requirements of residential and commercial development which would prohibit local governments 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 a high-quality transit corridor or a major transit stop; and

WHEREAS, while the elimination of parking minimums may reduce overall construction costs, often times projects near high quality transit corridors include only a limited number of affordable units, and instead provide housing for high-income tenants who use the transit services provided far less frequently; and

WHEREAS, the City of Los Angeles currently has limited policy tools to require the construction of a significant percentage of affordable units, and as such AB 1401 would simply perpetuate the status quo – the unnecessary construction of market rate and luxury housing units, and thereby creating an added financial windfall for developers, exacerbating traffic and parking congestion in residential communities and areas intended to be served by high quality transit, and leaving ridership numbers in these areas low; and

WHEREAS, finally, the City of Los Angeles should oppose AB 1401 because this bill would prohibit local governments, including charter cities, from enforcing minimum automobile parking requirements for developments located close to public transit;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2021-2022 State Legislative Program OPPOSITION to AB 1401 (Friedman), which would prohibit a city or county from imposing minimum parking requirements on all developments located within one-half mile walking distance of a major transit stop or a high-quality transit corridor.

PRESENTED BY:


PAUL KORETZ

Councilmember, 5th District

SECONDED BY:




APR 21 2021