

Does Eliminating Parking Mandates Hurt Affordable Housing Production?

Q&A

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1. Is there any evidence that parking requirements actually *help* cities build affordable housing?

No. But there is overwhelming evidence that abolishing parking requirements near transit will significantly improve the performance of existing State and local density bonus programs – and make it feasible to build more “missing middle” homes. Claims to the contrary are anecdotal and, despite their fervor, unsubstantiated by any evidence.

2. But don’t developers often ask for parking reduction in Density Bonus projects?

Yes, but only because they often can’t use the bonus density without parking reductions. Read on . . .

3. What’s the “value” in the Density Bonus program to developers?

Developers participate in Density Bonus programs because they want to build more market-rate units and get more rent. Everything else in Density Bonus – more height, lower parking requirements, etc. – is there to “make room” for the extra density.¹ Even though developers regularly ask for relaxed height and parking relief, they have no direct value. A 45-foot high building with 30 units generates exactly the same rent as a 48-foot high building with the same unit count. But when a site’s topography is such that a 45-foot building isn’t feasible, those three extra feet make all the difference to using the Density Bonus or not.

Imagine you go to a farmer’s market, and a vendor tells you can have ten extra apples as long as you can carry them. Then she hands you a small sandwich bag. At that

¹ This is why the legislature put non-density “concessions” into Density Bonus law – they knew that height limits, parking minimums and other zoning constraints could indirectly kill Density Bonus projects. A 2017 amendment to the California Housing Accountability Act (HAA) made clear that this was the program’s original goal, and further suggested that the goal remained elusive:

The Legislature’s intent in enacting this section in 1982 and in expanding its provisions since then was to significantly increase the approval and construction of new housing for all economic segments of California’s communities by meaningfully and effectively curbing the capability of local governments to deny, reduce the density for, or render infeasible housing development projects and emergency shelters. That intent has not been fulfilled. (See [AB 678](#), 2017.)

moment, you'd appreciate a bigger bag—not because the bag is valuable on its own (you didn't come to the market because you wanted a bag, you came for apples) but because a bigger bag is essential for you to get what it is you really value. **A parking reduction, in the context of the Density Bonus and the TOC, is a “bigger bag” in which to fit the additional units.**

4. But if we abolish parking requirements, won't that just create a windfall for developers?

No. For two reasons. First, the evidence is clear: Parking is an amenity households pay extra for. Otherwise identical homes rent/sell for more when they have onsite parking. Homes without rent/sell for less. Developers *can't* charge as much when they build less parking because people won't pay as much when there isn't parking. Second, the very real cost savings *do* matter to developers. But they matter, not because they make high-end projects more profitable (they don't – high-end projects often build more parking than is required by code), but because they make lower-priced projects that don't pencil today (particularly lower-priced “missing middle” housing) finally feasible.

5. What's the evidence?

In 2019, [San Diego abolished parking requirements](#) near transit for all housing projects – exactly with AB 2097 will do statewide – and housing production soared. The overall number of homes units went up by 24%. Density Bonus units increased by 5X. And deed-restricted units in Density Bonus projects skyrocketed by 6X.

An [in-depth study of L.A.'s Transit-Oriented Communities program](#) (an enhanced local density bonus program) further confirmed that eliminating parking requirements will in no way threaten Density Bonus programs. The study showed that *extra density* is the central value of TOC. The 254 discretionary mixed-use TOC projects surveyed in aggregate used **94% of the potential bonus density**. *Developers left little density on the table.*

But by contrast, TOC developers left plenty of parking reductions on the table. While they nearly always built less parking than baseline zoning would have required, they built on average **80% more parking** than the TOC minimums. If parking requirements worked as some have theorized, developers would maximize the parking concessions in the same way they maximize the density bonus. But they don't. Instead, we see developers building a much broader range of parking solutions suited to their particular projects and target price ranges. More parking equals higher prices; less parking means savings for renters and homebuyers.