

Date of Hearing: April 25, 2018

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

David Chiu, Chair

AB 2263 (Friedman) – As Amended April 16, 2018

**SUBJECT:** Qualified historical structures: parking spaces

**SUMMARY:** Prohibits a local agency from imposing parking standards on a qualified historical structure unless the structure is being converted to high intensity use. Specifically, **this bill:**

- 1) Prohibits a local agency from imposing parking standards on a qualified historical structure, or any structure eligible to be listed as a qualified historical structure that is located in a qualified historical resource, unless the structure is being converted into a high intensity use building.
- 2) Specifies that a qualified historical structure is subject to all other applicable local zoning ordinances.
- 3) Defines “high intensity” to mean the maximum building intensity recommended in the land use element of the city’s general plan for the district or territory in which the qualified historical structure is located, as specified in the city’s zoning ordinance.
- 4) Defines “qualified historical resource” to mean a property officially designated on a local register of historical resources, the California Register of Historical Resources, or the National Register of Historic Places.

**EXISTING LAW:**

- 1) Establishes the State Historical Building Code (SHBC) to provide alternative regulations and standards for the rehabilitation, preservation, restoration (including related reconstruction), or relocation of qualified historical buildings or structures.
- 2) Defines a “qualified historical building or structure” to mean any of the following:
  - a. Any structure or property, collection of structures, and their related sites deemed of importance to the history, architecture, or culture of an area by an appropriate local or state governmental jurisdiction.
  - b. Historical buildings or structures on existing or future national, state, or local historical registers or official inventories, including:
    - i. The National Register of Historic Places.
    - ii. State Historical Landmarks.
    - iii. State Points of Historical Interest.
    - iv. City or county registers or inventories of historical or architecturally significant sites, places, historic districts, or landmarks.

- c. Places, locations, or sites identified on these historical registers or official inventories and deemed of importance to the history, architecture, or culture of an area by an appropriate local or state governmental jurisdiction.
- 3) Requires the building department of every city or county or other local agency that has jurisdiction over code enforcement to apply the alternative standards and regulations in permitting repairs, alterations, and additions necessary for the preservation, restoration, rehabilitation, safety, moving, or continued use of a qualified historical building or structure.
- 4) Requires all local authorities to administer and enforce the SHBC with respect to qualified historical buildings or structures under their respective jurisdictions where applicable.
- 5) Requires the planning agency of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city.
- 6) Requires the general plan to include a land use element that designates the proposed general distribution and general location and extent of the uses of the land for housing, business, industry, open space (including agriculture, natural resources, recreation, public buildings, and greenways), and other categories of public and private uses of land.
- 7) Requires the land use element to include a statement of the standards of population density and building intensity recommended for the various districts and other territory covered by the plan.

**FISCAL EFFECT:** None.

**COMMENTS:**

Background: Housing, particularly affordable housing, is expensive to build in California due to both the amount of subsidy needed to make the housing affordable and the cost of local regulatory requirements. In some cases, cities and counties apply minimum parking standards to housing developments that may not reflect the demand from tenants for parking. These projects may be close to transit stations or home to seniors or individuals with special needs who drive less frequently and have fewer vehicles. Parking requirements also have a disproportionate impact on housing for low-income households, since those households own fewer vehicles than higher income households and are more burdened by the extra cost.

Parking spaces significantly increase the cost of construction. The average construction cost per space, excluding land cost, in a parking structure in the United States is \$24,000 for aboveground parking and \$34,000 for underground parking, based on 2014 estimates.<sup>1</sup> In cities such as San Francisco, parking can add \$40,000 to \$75,000 (in 2007 dollars) or more to the construction cost of a new housing unit.<sup>2</sup> A 2012 analysis by the Portland Bureau of Planning and Sustainability

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<sup>1</sup> Donald Shoup, "The High Cost of Minimum Parking Requirements," in *Parking: Issues and Policies*, vol. 5, Transport and Sustainability (Emerald Group Publishing Limited, 2014), 87–113.

<sup>2</sup> "Affordable by Design: How to Create Middle-Income Housing in San Francisco" (SPUR, November 20, 2007).

demonstrated the impact and cost of different types of onsite parking on monthly rents in a proposed infill apartment building (see chart below).<sup>3</sup>

Type of parking	# of units	# of parking spaces	Parking costs per space	Parking cost as a % of total construction cost	Potential monthly rent range (550 sq ft. apartment)	Monthly rent increase as a % above no parking development prototype
<b>No Parking</b>	50	0	\$0	0%	\$800-\$1,150	n/a
<b>Tuck-Under</b>	45	9	\$20,000	4%	\$850-\$1,200	6%
<b>Surface</b>	30	19	\$3,000	2%	\$1,200-\$1,800	50%
<b>Podium</b>	42	22	\$20,000	10%	\$950-\$1,350	19%
<b>Mechanical</b>	46	23	\$45,000	22%	\$1,175-\$1,660	47%
<b>Underground</b>	44	33	\$55,000	28%	\$1,300-\$1,900	63%

*Source: Portland Bureau of Planning and Sustainability*

In addition, parking spaces can often go unused. The GreenTRIP Parking Database, which was funded in part by the U.S. Department of Housing and Urban Development and the Metropolitan Transportation Commission, is a public database that provides parking supply and utilization information from 80 multifamily residential sites in the San Francisco Bay Area. Across those multifamily developments, an average of 28% of parking spaces went unused between 12:00am and 5:00am on a weekday night (the peak time for residential parking). The total construction cost of those unused spaces was close to \$200 million, and they took up over 1 million square feet of space.<sup>4</sup>

This bill prohibits local governments from imposing parking standards on a historical structure unless it is being converted into a high intensity use building, i.e. a building that reaches the local standard for maximum allowable intensity in the district or neighborhood in which the building is located.

**State Historical Building Code:** The purpose of the State Historical Building Code is to provide regulations and standards for the rehabilitation, preservation, restoration (including related reconstruction) or relocation as applicable to all historical buildings, structures and properties deemed of importance to the history, architecture, or culture of an area by an appropriate local or state governmental jurisdiction. Such standards and regulations are intended to facilitate the restoration or change of occupancy so as to preserve their original or restored elements and features, to encourage energy conservation and a cost effective approach to preservation, and to provide for reasonable safety from fire, seismic forces or other hazards for occupants and users of such "buildings, structures and properties" and to provide reasonable availability and usability by the physically disabled.

**Historical resources:** How many historical resources are there in California? As of 2017, there were approximately 2,800 properties in California listed on the National Register of Historic Places. Informal estimates from the California State Parks' Office of Historic Preservation suggest the number of resources on the California Register of Historical Resources is around 25,000. As an example, Sacramento County has 99 landmarks listed in the National Register, 58

<sup>3</sup> "Cost Comparison: Parking Prototype Impacts on Form and Affordability" (Portland Bureau of Planning and Sustainability, November 2012).

<sup>4</sup> TransForm, "Comparison Report," GreenTRIP Parking Database, n.d.

state landmarks, 4 landmarks in the California Register, and 20 points of historical interest, according to the Office of Historic Preservation online database and the National Register of Historic Places. Not all of these landmarks are buildings, and not all of them are eligible for conversion—some, like the Governor’s Mansion and the California State Capitol Building, are still in regular use.

Under the provisions of this bill in its current form, if any of those buildings were to be converted to a different use—not just housing—no parking standards could be applied to that building unless the new use was the maximum intensity allowed under the local government’s land use element for that area. The historical structure would still be subject to all other local zoning ordinances that apply.

City of Los Angeles Adaptive Reuse Ordinance: This bill is based, in part, on the City of Los Angeles’s Adaptive Reuse Ordinance (ARO). The city enacted the ARO in 1999 to facilitate the conversion of historic structures in its downtown area, and later expanded it to other neighborhoods in 2003. One major component of the ARO was that it exempted buildings in this area from parking requirements in excess of the parking that existed on-site on June 3, 1999. According to one study, between 1999 and 2008 developers used the ARO to create about 6,900 housing units in downtown Los Angeles, primarily through conversion of existing historical office buildings. The author of that study surveyed 56 ARO developments and found that most developers said that the conversions would have been impossible without removing the parking requirements. Additionally, over a third of ARO buildings did not include parking in the price of their units, leading to savings on rent costs for many ARO residents.<sup>5</sup>

Need for the bill: According to the author, this bill works to incentivize historic preservation and adaptive reuse of existing structures into housing by reducing parking requirements on historic structures. This bill eliminates additional parking requirements for historic structures eligible for, or currently listed under, the National Register of Historic Places, the California Register of Historical Resources, or a local city or county register of historic resources.

#### Committee amendments:

In order to align the provisions of this bill more closely with existing law regarding transit-oriented development and current planning practices, the Committee may wish to consider the following amendments to strike out provisions relating to high-intensity use and instead prohibit local agencies, in specified cases, from requiring parking spaces in excess of the number of spaces that existed on the project site at the time an application is submitted. To qualify, projects must be conversions or adaptations of historical structures to a residential or mixed-use purpose, and the project must be located within a half mile of a major transit stop. The amendments are as follows:

- 1) On page 2, strike out line 3 to line 10, and instead insert:

18962. (a) For development projects in which a qualified historical structure is being converted or adapted, a local agency shall not require the project to provide parking

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<sup>5</sup> Michael Manville, “Parking Requirements and Housing Development: Regulation and Reform in Los Angeles,” *Journal of the American Planning Association* 79, no. 1 (2013): 49–66.

spaces greater than the number of parking spaces that existed on the project site at the time a project application was submitted, if the following requirements are met:

(1) The qualified historical structure is being converted or adapted to a residential or mixed use purpose.

(2) The project is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code.

2) On page 2, strike out line 13 to line 24, strike out “(3)” and insert:

3) On page 2, in line 24, strike out ““Qualified” and insert:

For purposes of this section, “qualified

Related legislation:

AB 744 (Chau), Chapter 699, Statutes of 2015: Required a local government, upon the request of a developer that receives a density bonus, to reduce the minimum parking requirements for a housing development, if it meets certain criteria.

AB 904 (Skinner), 2012: Would have prohibited cities and counties from imposing minimum parking standards greater than specific limits set out in the bill. *This bill died in the Senate Committee on Governance and Finance.*

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Bay Area Council  
Donald C. Shoup, FAICP

**Opposition**

None on file

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