AB 744 supports affordable housing development and state climate policy goals while maintaining local discretion to address local conditions.

Studies confirm that lower-income households drive significantly less than median-income households in all regions of the state and have lower rates of car ownership. This is especially pronounced for lower-income households living near transit. Despite this, in some cases cities and counties continue to impose minimum parking standards on affordable housing developments located near transit that do not accurately reflect their lower demand for parking.

Unnecessary parking spaces significantly and needlessly increase construction costs. The average construction cost for a parking structure in the United States is $24,000 per space for above-ground parking and $34,000 per space for underground parking. In 100% affordable projects, which nearly always include some level of subsidy, the cost to build unneeded parking is a waste of public funds that could otherwise be used to produce more critically needed affordable units.
Requiring excessive parking can also make it impossible for developers to utilize smaller infill parcels, where fitting in both the building and the parking can quickly render a project physically and financially infeasible. This runs counter to state policies that encourage more infill and transit-oriented development as a means of reducing greenhouse gas emissions and building more sustainable communities where people have meaningful mobility options other than driving.

Under existing law, developers can request a density bonus if they include very low, low- or moderate-income units in their development. In return for the inclusion of affordable units, the developer is allowed to build at a higher density than would normally be permitted under the city’s or county’s zoning ordinance and can request other incentives and concessions for the development. The goal of density bonus law is to bring down the cost of affordable units through regulatory relief.

AB 744 would allow a developer that is requesting a density bonus and including 100% affordable rental units in the development to also request that the city or county reduce the minimum parking requirements for the development. To qualify, the development would have to be within one-half mile of a major transit stop, a seniors-only development located near transit, or a development serving special needs individuals located near transit. The bill additionally allows for reduced parking requirements for mixed-income density bonus projects within one-half mile of a major transit stop that include the maximum number of very low- or low-income units. To preserve local discretion, a local government would be able to impose a higher parking standard if it has completed a parking study in the last seven years that shows a need for more parking.

**AB 744:**

- Reduces construction costs, enabling developers to invest in building more affordable units rather than wasting public subsidies on unneeded parking spaces.
- Provides developers flexibility to include the right amount of parking to meet actual demand.
- Removes a barrier to infill and transit-oriented development.
- Preserves a local government’s right to establish parking standards suitable to its specific circumstances.
- Supports the climate policy and sustainable development goals of AB 32 and SB 375.

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