

Livable Places Update

Emerging Trends in Community Planning and Design

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Parking Strategies That Address Today's Realities: Changing demographics are bringing more residents to the nation's downtowns. According to the *National Association of Realtors* magazine, 77% of generation Y plans to live in an urban core and a significant number have no dreams of buying a car. *The New York Times* reports that nearly half of those aged 18 to 24 say they would choose internet access over car ownership.

At the same time, 10,000 baby boomers are reaching 65 every day and many of them want to live in a place where they don't need to climb in a car to meet their daily needs. Rising gas prices and increased congestion are also increasing the appeal of walkable, transit-oriented places. And finally, the dependence of new economy businesses on an innovative work force is driving these new economy businesses to locate where the younger, creative class wants to be — vital urban centers.

With this in mind, communities should be redeveloping their urban centers to be aesthetically pleasing, vital places that offer housing opportunities for all income levels. Yet with an economic recession and loss of redevelopment agencies, the challenges to doing so are greater than ever before.

However a challenge can stimulate creative thinking, and in this case it has illuminated a promising new tool for infill development — simply updating urban parking requirements! *California Planning and Development Report* editor Bill Fulton notes, reforming minimum parking standards is "the next best thing to manufacturing new land."

The cost of providing parking can be very expensive, especially in a downtown area. It consumes high-priced real estate, acreage that could be developed as housing, retail shops, or office space. Often it's the cost of providing parking that keeps a project from "penciling out" or makes infill housing less affordable to low or middle-income families. And because lot sizes for infill properties are smaller, it can be impossible to fit the required parking into a buildable project — preventing a good project from ever being built.

Many cities are unexpectedly finding that there are unused parking spaces already available in downtown city parking garages. The same can be true in residential housing. Young employees of TransForm, a San Francisco-based nonprofit, spent many sleep-deprived nights counting the parking spaces in multi-family dwellings in Bay Area cities and found a surprising number of these spaces unoccupied during early morning hours. Using these and other under-utilized spaces more efficiently could,

as Fulton said, "manufacture new land," providing additional income for the property owner and increased sales taxes and property taxes for the local government.

Experience in Los Angeles illustrates how reduced parking requirements can dramatically incentivize downtown housing without any cost to the city. In 1999, Los Angeles adopted an Adaptive Reuse Ordinance that allows the conversion of economically distressed or historically significant office buildings to be converted to residential uses without requiring the developers to provide any new parking spaces. Before 1999, the city required at least two parking spaces per condominium unit in downtown L.A. In the 30 years between 1969 and 1999, only 4,300 housing units were built. Just 9 years after the Adaptive Reuse Ordinance was passed, 7,300 new housing units were added — all located in historic office buildings that had been vacant for a minimum of five years.

The City of Sacramento is now looking to revise their parking requirements to creatively leverage more development by making more efficient use of the parking that is already available. A recent study of downtown Sacramento found 46,000 off-street spaces vacant during peak hours, and estimated that up to \$1.15 billion was being wasted on these spaces that sit vacant all day, every day. The City sees parking as an economic issue and "a key factor in the success of new office, commercial and housing developments," a fact that is not often understood because the cost of this parking is usually hidden from view.



A downtown parking lot in a transit-intensive, walkable business/residential area — a great opportunity site for new housing?!

Sacramento is currently undertaking a city-wide effort to change its zoning code to reform how the city plans, designs, builds, and thinks about its parking resources. Recommended strategies now being considered include maximizing the use of available parking in the Central Business District before more parking is built; exempting retail projects from parking requirements on lots

that are 6,400 square feet or less; and exempting retail, restaurant and service uses within larger vertical mixed-use projects as long as at least half of the square footage is devoted to residential uses.

Further recommendations include allowing shared parking as-of-right where the range of hours of operation and peak customer hours are complementary or where there is a likelihood that customers will park once and visit multiple establishments; providing a greater number of as-of-right options, such as off-site parking, shared parking and voluntary in-lieu fees; and creating a flexible regulatory environment in which developers are empowered to explore creative alternatives to parking spaces such as providing transit passes or carshare membership to residents of downtown apartments.

Finally, a consultant recommended that the City enforce the State's new Green Building Standards by requiring both short- and long-term bicycle parking for all land uses.

For a copy of the consultant's report, go to www.sacgp.org/documents/PublicReviewDraftReport.pdf.

Assemblymember Nancy Skinner, a former member of the LGC, has authored legislation that has sparked a great deal of interest on both sides. It creates parking standards appropriate for small lot/infill developments in transit-oriented areas, while allowing jurisdictions to opt out if more parking is appropriate for the specific area. The goal of the bill, which has been promoted primarily by the Infill Builders Federation, is to promote the development of housing by reducing parking requirements and therefore make development less expensive in areas well served by public transit.

The bill would prohibit cities from imposing minimum parking requirements of more than one space per residential unit or 1,000 square feet of commercial space in "transit-intensive areas." Transit-intensive is defined as an area within a half-mile of a major transit stop. The bill's parking standard is derived from parking levels deemed adequate in developments throughout the United States.

According to the bill's sponsors, cities could opt out of the requirement by demonstrating one of the following: Insufficient walkability; insufficient transit; a conflict with existing parking standards designed to promote transit oriented development; or a conflict with an existing station-area plan that seeks to reduce off-street parking.

Mott Smith of the Infill Builders Association has observed, "Countless cities throughout California would like to have more infill-friendly parking standards. This bill gives cities basically a gift certificate to accept relaxed parking standards if they want them," and avoid costly consultant studies or political challenges.

AB 904 has aroused controversy from some who see this measure as an unwanted mandate. The latest issue of the *California Planning and Building Report* at <http://www.cp-dr.com/node/3220>, published by LGC member Bill Fulton, provides a thoughtful overview for those who would like further information.

Dr. Donald Shoup, a highly regarded Professor of Urban Planning and author of the 2005 book, *The High Cost of Free Parking*, has summed up his firmly-held views on the subject — excessive parking requirements "warp urban form, increase housing costs, burden low-income households, debase urban design, damage the economy and degrade the environment."

Shoup's work has inspired a number of creative parking solutions. Notably, he has demonstrated how to use pricing as a tool for incentivizing people to take advantage of underutilized parking areas. The City of Redwood City and others have successfully employed this strategy. For more information, see the Downtown Redwood City Parking Plan on the City's web site at www.redwoodcity.org.

Homes in Walkable Neighborhoods Command Higher Prices: Brookings Institution research undertaken by Christopher Leinberger, has revealed a distinct correlation between housing values and the walkability of neighborhoods. His study illustrates that there has been a reversal of the past trends in which suburban and exurban houses were valued by the marketplace at prices significantly higher than similar homes in urban areas. Today, houses in urban locations have the higher value. This reversal has occurred in just a single decade.

Leinberger found that before the recession set in, home values in city locations were escalating faster than those located on the urban edge. Since then, houses throughout the country have lost 35% or more of their value, regardless of where they are located. However, the decline is not nearly as pronounced with more urban locations. Leinberger notes, "Many of the now pricey places were slums just 30 years ago."

The research revealed that home values go up as neighborhoods became more walkable. Leinberger employed a five-step "ladder" to measure walkability. On average, each step up the walkability ladder adds \$9 per square foot to annual office rents, \$7 per square foot to retail rents, more than \$300 per month to apartment rents and nearly \$82 per square foot to home values.

Leinberger's study has been focused on the Seattle region and Washington DC area. His work can be found on the web page of the Brookings Institution at: www.brookings.edu/research/papers/2012/05/25-walkable-places-leinberger.