

The Case for Ending Parking Requirements in Downtown Los Angeles

By Nolan Gray and Emily Hamilton



Parking policy in Los Angeles and across the country requires developers to provide parking beyond what consumers want or need. Because parking is often provided at no charge, or at below-market prices, we pay more for housing, goods and services, and earn lower wages at work. Requiring new buildings to include too much parking also contributes to traffic congestion by encouraging people to drive in busy neighborhoods.

More cities are recognizing the hidden costs of parking requirements, including restricting access to affordable housing, subsidizing driving at the cost of other forms of transportation, and mandating poor urban design. The draft concept for the Downtown Los Angeles 2040 plan (DTLA 2040) calls for eliminating parking requirements in the Central City and Central City North neighborhoods.¹ This could reverse the unintended consequences of parking requirements and allow for downtown development that is more affordable and accessible to drivers, transit users, cyclists, pedestrians, and more attractive to visitors.

BACKGROUND

THE HISTORY OF PARKING REQUIREMENTS

- Cities began requiring off-street parking for understandable reasons, but today these requirements have huge costs and unintended consequences
- Parking requirements have caused an oversupply of parking in many suburban areas, where buildings are often surrounded by mandatory acres of parking lots.
- In urban areas, parking requirements lead to valuable real estate being dedicated to car storage, rather than higher value uses.

When cars became common in cities, municipalities had not yet adapted their parking policies from first-come first-served curb parking.² Because more people wanted to use these curbside spots than were available at no charge, downtown streets became congested with drivers double parking or cruising for curb spots. In response, many municipalities opted to set parking requirements high enough so that drivers would be able to find free parking at their destinations rather than allowing property owners to ration parking by charging for it. Ninety-nine percent of car trips today end in a parking spot that is provided at no cost to the driver.³

In 1930, Los Angeles became one of the first cities in the nation to adopt parking requirements for new apartment buildings. Early city planners didn't have good information about how many parking spots drivers would use at various types of locations. They often set requirements based on poorly done studies, resulting in arbitrary requirements and wasting unnecessary space on parking.⁴ Often, planning offices simply adopted the requirements that other jurisdictions were using, without consideration of the unique circumstances that affect demand for parking at different types of businesses in different locations. Many parking requirements in place today are not based on accurate information about demand for parking. As a result, they often require land to be dedicated to parking that is never used in low-demand areas. In expensive urban areas, they require

valuable land to be dedicated to car storage when it has higher value uses.

PARKING REGULATION AND REFORM IN LOS ANGELES

Today, the following parking minimums are required for new development in downtown Los Angeles:

- 1 spot per housing unit, except for buildings with 6 or more units where each unit must have at least 1-1/4 spots.⁵
- 1 parking spot per 1,000 square feet for businesses that are 7,500 square feet or larger.⁶
- In 2012 LA adopted Modified Parking Requirement Districts that allow developers to provide less parking in projects that are near transit stops.⁷

Historically, Los Angeles' parking requirements prevented new certificates of occupancy from being issued for older buildings that didn't comply with contemporary requirements. It was often difficult or impossible to add parking to existing historic properties, so older buildings sat empty. Parking requirements made it illegal to replicate the design of the buildings built prior to 1930 that allowed for walkable urban neighborhoods.

In 1999, Los Angeles launched a program for adaptive reuse of older buildings. The program was designed to allow existing buildings to be used without being required to meet current parking mandates. Several thousand housing units have been created in historic buildings that would have been illegal without the adaptive reuse program.⁸ These include apartments in architectural landmarks like the Orpheum Theatre building and the Continental Building. Many have credited the adaptive reuse parking reform for kickstarting revitalization in Los Angeles. The city's history of successful parking reform provides reason to be optimistic about DTLA 2040.

THE HIDDEN COST OF PARKING REQUIREMENTS

- UCLA economist Donald Shoup has led both the academic and urban planning communities in recognizing the unintended consequences of American parking policy.⁹
- His research indicates that regulations that require builders to provide “free” parking can have major hidden costs for renters, homebuyers, workers, and shoppers.

In urban areas where developers build parking in above-ground or underground garages to economize on space, each parking spot costs tens of thousands of dollars to build.¹⁰ In Los Angeles, parking requirements add close to \$50,000 to the cost of building each new apartment unit.¹¹ This cost is then passed on to renters. The burden of mandatory parking falls hardest on low-income communities who spend a higher portion of their income on housing and who are less likely to own cars.¹² Without parking requirements, low-income residents would have the option to save money by choosing housing with no off-street parking. No such option exists when parking requirements are in effect.

In addition, parking requirements make it more difficult and less pleasant to walk, bike, or use public transportation because they cause destinations to be more spread apart. Surface parking lots in particular create an unpleasant environment for people who are not traveling by car. Minimum parking requirements impose huge costs on those residents, workers, and shoppers in the community who never use the mandated parking and curb cuts and driveways for garages and lots increase the risk to pedestrians and cyclists.

THE FUTURE OF PARKING IN LOS ANGELES HOW WOULD DTLA 2040 CHANGE PARKING REQUIREMENTS?

- The draft concept for the DTLA 2040 plan calls for eliminating parking requirements for the Central City and Central City North neighborhoods.
- This would build upon the success of Los Angeles’ adaptive reuse, allowing new developments to facilitate affordable, dense, walkable neighborhoods.

Since the early 2000s, downtown Los Angeles has undergone a major revitalization. Between 1990 and 2015 alone, Central City and Central City North have grown in population by 11.22% and 34.18% respectively, according to the U.S. Census. Compared to Los Angeles as a whole, residents of these neighborhoods are significantly more likely to commute by walking, cycling, and taking public transit. Despite Los Angeles’ association with car culture, downtown LA is home to many nineteenth and twentieth century buildings that demonstrate the type of urban environment that is possible when less space is dedicated to car storage and more space is devoted to people. Adaptive reuse has made it possible to repurpose historic buildings with no parking as new apartments and condos. DTLA 2040 would allow new construction to be built in the same style that has proven successful.

Without parking requirements, we can expect that some new housing units will be built without parking. These cost savings will benefit both homebuyers and renters who will be given the choice not to pay for parking spots that they don’t use. A recent study found that eliminating parking requirements would allow 24% more San Francisco residents to qualify for a mortgage due to the cost savings.¹³

THE ROLE OF ON-STREET PARKING REFORM

- The elimination of parking requirements should be paired with pricing on-street parking spots based on demand for them.
- Demand-based pricing for on-street parking benefits drivers and residents of all-income levels.

Cities require expensive off-street parking to reduce demand for publicly-managed curbside parking. Curbside spots are often free or nearly free and priced without regard to the number of drivers who would like to use these convenient spaces. As a result, drivers may circle their destination several times just looking for an available curbside spot. One study of urban traffic congestion found that on average, 30% of drivers on downtown streets are drivers looking for free or underpriced on-street parking.¹⁴ Underpriced curbside parking and off-street parking requirements reduce the monetary cost of parking in busy neighborhoods, but they also contribute to traffic congestion, requiring drivers to waste time and gas.

Frustrated drivers who can't find curbside spots often provide political support for requiring property owners provide parking at residences and commercial destinations. Shoup suggests that cities should price their on-street parking at a rate just high enough to keep one spot available on each block at all times.¹⁵ Eliminating on-street parking that is priced below this level reduces pressure for off-street parking mandates because those who are willing to pay to store their car in high-demand places will always be able to find an on-street spot.

By maintaining availability on each block, demand-based pricing can reduce traffic congestion that drivers cause when they're circling for an available spot. Properly pricing on-street parking will discourage such cruising and encourage some people to use transportation modes other than driving in locations where space is at a premium. Under demand-based pricing for parking, drivers can be confident that they will be able to find parking when they reach

their destination without burning time and gas looking for a spot. This would help drivers by reducing downtown traffic congestion.

Some demand-based pricing opponents argue that demand-based pricing is unfair to low-income people. But Shoup points out that having available, convenient parking benefits people of all income levels on occasions when they're in a hurry. Using prices to manage on-street parking is also key to reducing off-street parking requirements. Low-income people have the most to gain from lower-cost housing that would be possible without parking requirements. Additional revenue could also be dedicated to valuable public improvements that benefit all Angelenos, including improved sidewalks, parks, and street cleaning.

When developers aren't required to provide space for cars, they can build more space for housing, offices, or retail at more accessible prices. Several California cities have implemented parking reform by pairing demand-based street parking with the elimination of parking requirements. Through effective parking management and reinvestment of parking meter revenues, Pasadena transformed Old Pasadena from a blighted strip into a thriving mixed-use corridor. Meanwhile, over the past five years, cities as diverse as Long Beach, Lancaster, Temecula and San Bernardino have heavily cut back on off-street parking requirements in urban and transit accessible areas. LA Express Park already provides demand-based pricing for city-owned parking spots in a large part of the DTLA 2040 plan area. The elimination of parking requirements in these neighborhoods should be paired with an expansion of demand-based pricing for on-street spots in the entire area.

HOW WOULD DTLA 2040 CHANGE LOS ANGELES?

Eliminating parking requirements would allow for new construction that's more affordable than what can be built today. Lower housing costs will make living in Los Angeles more accessible to households of all income levels. Combined with demand-based pricing for on-street parking, the elimination of parking requirements will allow for downtown neighborhoods that are more walkable while also reducing congestion for drivers.

The Center for Market Urbanism is a 501c3 organization dedicated to expanding choice, affordability, and prosperity in cities through smart reforms to U.S. land-use regulation.

Abundant Housing LA is 501c3 organization which is committed to advocating for more housing. We want lower rents and a more sustainable and prosperous region, where everyone has more choices of where to live and how to pursue their dreams. LA is one of the most diverse, vibrant cities in America, and we are fighting to keep it that way for current Angelenos, our children, and those who come here to pursue their dreams.

ENDNOTES

1. DTLA 2040, "Planning a Dynamic Future for Downtown Los Angeles," <https://www.dtl2040.org/>.
2. Alan Durning, "Who parked in my spot?!: Neighbors, cars, and "your" curb space," Sightline Institute, July 18, 2013, <http://www.sightline.org/2013/07/18/who-parked-in-my-spot/>.
3. Tyler Cowen, "Free Parking Comes at a Price," *The New York Times*, August 14, 2010, <http://www.nytimes.com/2010/08/15/business/economy/15view.html>.
4. Adam Millard-Ball, "Phantom Trips," Access no. 45 (Fall 2014).
5. City of Los Angeles, "Summary of Parking Regulations," Zoning Section – Department of Building and Safety, [http://netinfo.ladbs.org/ladbsec.nsf/d3450fd072c7344c882564e5005d0db4/72f24c5fab8bd39788256a160067e2e2/\\$FILE/Summary%20of%20Parking%20Regulations%20final.pdf](http://netinfo.ladbs.org/ladbsec.nsf/d3450fd072c7344c882564e5005d0db4/72f24c5fab8bd39788256a160067e2e2/$FILE/Summary%20of%20Parking%20Regulations%20final.pdf).
6. Ibid.
7. City of Los Angeles, Ordinance No. 182242, http://clkrep.lacity.org/online/docs/2011/11-1332_ord_182242.pdf.
8. City of Los Angeles, "Adaptive Reuse Projects in the City of Los Angeles," <http://navigatela.lacity.org/downtownla/index01.cfm>.
9. Donald C. Shoup, *The High Cost of Free Parking* (Chicago: American Planning Association, 2011).
10. Ibid.
11. Ibid.
12. Sanford Ikeda and Emily Washington, "How Land-Use Regulation Undermines Affordable Housing" (Mercatus Research, Mercatus Center at George Mason University, Arlington VA, November 2015).
13. Wenyu Jia and Martin Wachs, "Parking Requirements and Housing Affordability: A Case Study of San Francisco," University of California Transportation Center No. 380, eScholarship University of California, July 1998, <http://escholarship.org/uc/item/0fm8k169#page-3>.
14. Donald Shoup, "Cruising for Parking," Access no. 30 (Spring 2007).
15. Donald Shoup and Gregory Pierce, "SFPark: Pricing Parking by Demand," Access no. 50 (Fall 2013).
16. Joseph Stromberg, "Why free parking is bad for everyone," *Vox*, June 27, 2014, <https://www.vox.com/2014/6/27/5849280/why-free-parking-is-bad-for-everyone>.
17. Douglas Kolozsvari and Donald Shoup, "Turning Small Change Into Big Changes," Access no. 23 (Fall 2003).