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### Title

Parking? Lots! Parking Over the Minimum in the City of Los Angeles

### Permalink

<https://escholarship.org/uc/item/1c38n9jq>

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### Publication Date

2019

### DOI

10.7922/G2DB801Z

# Parking? Lots! Parking Over the Minimum in the City of Los Angeles

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## Research Topic

Nearly every city in the United States requires new developments to build a certain number of off-street parking spaces. Such requirements are known as “parking minimums.” Parking minimums have been criticized for requiring developers to build too much parking — they are generally set to require the amount of parking that might be needed when parking is free, during periods of peak demand, and in suburban, auto-oriented environments without public transit. In any other situation, there is likely to be less demand for parking and the amount of parking built will be underutilized. As minimums are already set too high and building parking is extremely expensive, researchers have generally presumed that developers will build parking close to the parking minimums.

To date, few studies have explored why there might be variation in how much parking is built or why developers willingly build parking above the minimums. To reform parking minimums, it is necessary to understand how developers make decisions about parking, what factors they consider most important, and how they use existing programs to reduce parking minimums. This study aims to address this gap in the literature by examining when and why developers in the City of Los Angeles build more parking than required by parking minimums.

## Main Findings

- Parking minimums are binding except when they are smallest. Developments generally provided about as much parking as required, even as the amount of required parking decreased. Only developments with the largest parking minimum reductions built significantly more parking relative to the amount required.

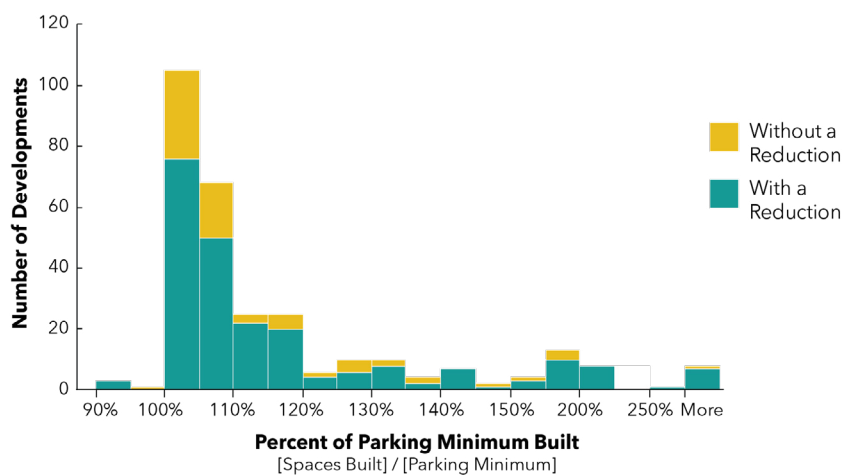


Figure 1. Distribution of parking built relative to the parking minimum. About 60 percent of developments built at or just above their parking minimum.

## KEY TAKEAWAYS

- New developments generally build as much parking as required under parking minimums. Developments with the largest parking minimum reductions build less parking overall but more relative to their reduced parking minimums.
- Developments are more likely to provide extra parking when located in denser neighborhoods where people are least likely to drive and most likely to travel by public transit or by foot.
- Developers are risk-averse and will build more parking in response to perceived market demand, financial pressure, or community opposition to ensure their development will be built and units rented or sold.
- Cities should implement policies like unbundled parking or parking maximums to ensure that developers do not overbuild parking, particularly in dense, transit-supportive neighborhoods.

- Developments were more likely to provide extra parking when located in denser neighborhoods where people are least likely to drive and most likely to travel by public transit or by foot. These neighborhoods have less preexisting parking, and developers are likely incentivized to capitalize on this shortage to build more parking.
- Market-rate developers are concerned about minimizing their investment risk and build more parking in response to perceived market demand, pressure from financial lenders, and neighborhood opposition. Affordable housing developers, in contrast, build less parking overall to reduce construction costs.

## Study

The author assembled a sample of residential and mixed-use developments approved for construction in the City of Los Angeles between 2013 and 2018. Then, they analyzed the amount of parking built relative to the parking minimum to determine if any characteristics of each development, its neighborhood demographics, or its surrounding built form were correlated with parking above the minimum. Finally, the author interviewed 11 developers and real estate professionals about how parking minimums influence new development and how developers decide how much parking to build.

## Recommendations

- If parking was deregulated and parking minimums eliminated, developers would likely build less parking overall but still build extra in transit-supportive neighborhoods with scarce existing parking. Developers can charge higher prices for parking built in those neighborhoods.
- All else equal, people drive more in places with abundant parking. More parking in transit-supportive neighborhoods would encourage residents to drive instead of using public transit or walking, contrary to city and state goals to encourage sustainable forms of transportation.
- If cities wish to discourage developers from building over parking minimums, they should require developers to unbundle the cost of parking from the price of housing or other goods, so that residents could choose to purchase parking separately from housing. Developers would then directly pay the cost of unwanted, unsold parking spaces, which would discourage overbuilding parking.
- Cities should institute parking maximums, particularly in neighborhoods where developers are incentivized to build extra parking.

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## For More Information

Stangl, Katelyn. (2019). *Parking? Lots! Parking Over the Minimum in the City of Los Angeles* (Master's capstone, UCLA). Retrieved from: <https://escholarship.org/uc/item/8zb447g4>

*Research presented in this policy brief was made possible through funding received by the University of California Institute of Transportation Studies (UC ITS) from the State of California via the Public Transportation Account and the Road Repair and Accountability Act of 2017 (Senate Bill 1). The UC ITS is a network of faculty, research and administrative staff, and students dedicated to advancing the state of the art in transportation engineering, planning, and policy for the people of California. Established by the Legislature in 1947, UC ITS has branches at UC Berkeley, UC Davis, UC Irvine, and UCLA.*



Project ID UCLA ITS-LAS1911 | DOI: 10.7922/G2DB801Z