



PARKING POLICY REFORM

Implications for Social Equity and Housing Affordability


Many municipal parking policies increase development costs, promote land use patterns that limit walkability, and produce negative environmental consequences disproportionately borne by those with lower incomes—who are also less likely to own a personal automobile.

Parking policy reforms can reduce the cost of building new housing and allow for more efficient land use. Investors and the real estate industry increasingly understand that no- and low-parking developments can be successful and less expensive to build.

Implications of Parking Requirements on Social Equity and Housing Affordability

PARKING **Parking is not an equitable community benefit:** Although cities do not require developers to include amenities such as refrigerators in their projects, many require parking. Parking costs are often passed along to the end user and contribute negatively to housing affordability.

 **Requiring excessive parking can prevent equitable mobility:** Overly burdensome parking requirements can shift affordable housing to less accessible sites where land prices are lower, but also where fewer services can be reached by walking, biking, or transit.¹

 **Charging separately for parking can reduce housing costs:** The inclusion of a garage parking space adds an average of 17 percent to a unit's rent.²



DEREK REEVES

Housing Affordability Benefits

Affordability, Marketability of Housing without Off-Street Parking

A study conducted in San Francisco showed that residential units without on-site, off-street parking are more affordable and make homeownership a reality for more people.³

Units without off-street parking:

- Sold on average 41 days faster than comparable units with off-street parking; and
- Allowed 20 percent more San Francisco households to afford a condo unit (compared with units with bundled off-street parking).

Industry Perspectives

“To achieve a multifamily development in an area with lower median incomes, a building was planned without parking as a means of eliminating any cost in the structure that was not usable or rentable by residents. This helped to keep rents lower than they otherwise would have been and allowed for a maximum density yield on a site.”

—Lender/investor who underwrites projects in the U.S. Southeast (from 2020 ULI member survey)

“Unbundled parking gives more flexibility to the renter to lower their housing costs if they don't need parking.”

—Developer with projects in North Carolina and South Carolina (from 2020 ULI member survey)



Case Study: Limited Parking at Silver Moon Lodge Apartments



Silver Moon Lodge is a mixed-use workforce housing development that opened in 2014 at the periphery of Albuquerque, New Mexico's central business district.

The developer, GSL Properties, included just 23 car parking spots on site for the property's 154 units. By law, GSL Properties could have proposed more than 150 spaces for cars. However, by providing fewer, the developer was able to reduce the site costs associated with building parking and instead focused on providing features that would appeal to those who want the option not to own a car.

Silver Moon Lodge was built using New Mexico Mortgage Finance Authority tax credits. After the project opened, the annual incomes of eligible renters were capped at \$26,460 per year for units housing one person and \$30,240 for units housing two people. Residents of Silver Moon Lodge who cannot afford to own a car, or who choose not to do so, are able to get around on foot or by bicycle. The project includes amenities to support bicycling and is located near a bus stop and on-site car-share station, enhancing the convenience of the development for car-free households.

After the project opened, Jessie Lucero, Silver Moon Lodge's property manager, noted that the relatively low rate of parking provision, coupled with the project's bike-friendly features, aided in development objectives, saying, “There is only one car parking space for every six units, but parking has not been an issue because so many of our residents have chosen to rely on bikes to get around.” Lucero adds, “Over 95 percent of our units are occupied. There is a strong market in downtown Albuquerque for apartments that cater to pedestrians and bicyclists.”

¹Wenya Jia and Martin Wachs, “Parking Requirements and Housing Affordability: A Case Study of San Francisco” (Research Paper 380, University of California Transportation Center, 1999).

²C.J. Gabbe and Greg Pierce, “The Hidden Cost of Bundled Parking,” *Access* magazine, Spring 2017.

³Jeffrey Tumlin, *Sustainable Transportation Planning: Tools for Creating Vibrant, Healthy, and Resilient Communities* (Wiley, 2012).