

**Assembly Bill No. 894**

CHAPTER 749

An act to add Section 65863.1 to the Government Code, relating to land use.

[Approved by Governor October 11, 2023. Filed with Secretary of State October 11, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 894, Friedman. Parking requirements: shared parking.

The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for its physical development, and the development of certain lands outside its boundaries, that includes, among other mandatory elements, a housing element. Existing law also authorizes the legislative body of a city or a county to adopt ordinances establishing requirements for parking.

When an entity receiving parking is not using that parking to meet public automobile parking requirements, this bill would require a local agency, as defined, to allow entities with underutilized parking to share their underutilized parking with the public, local agencies, or other entities, if those entities submit a shared parking agreement, as defined, to the local agency, and information identifying the benefits of the proposed shared parking agreement. The bill would require a local agency to allow parking spaces identified in a shared parking agreement to count toward meeting automobile parking requirements for a new or existing development or use, including, but not limited to, shared parking in underutilized spaces and in parking lots and garages that will be constructed as part of the development or developments when specified conditions regarding the distance between the entities that will share the parking are met. The bill would require a local agency to approve the shared parking agreement if it includes, among other things, a parking analysis using peer-reviewed methodologies developed by a professional planning association, as specified. The bill would require a local agency to decide whether to approve or deny the shared parking agreement and determine how many parking spaces can be reasonably shared between uses to fulfill parking requirements if the shared parking agreement does not include this parking analysis. If the local agency is required to decide whether to approve or deny an agreement for specified developments under these provisions, the bill would require the local agency to notify all property owners within 300 feet of the shared parking spaces of the proposed agreement and to hold a public meeting if it receives a request to do so within 14 days of notifying property owners, as provided. The bill would specify that these notification and public meeting requirements would not apply to local agencies that enact an ordinance that provides for shared

parking agreements, including ordinances enacted before January 1, 2024. The bill would require a local agency, private landowner, or lessor to examine the feasibility of shared parking agreements to replace new parking construction or limit the number of new parking spaces that will be constructed when state funds are being used on a proposed new development or other public funds are being used to develop a parking structure or surface parking, as specified. The bill would specify that these provisions do not apply to land owned or leased by the state.

By imposing new requirements on local governments when reviewing and approving new developments, the bill would impose a state-mandated local program.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. Section 65863.1 is added to the Government Code, to read: 65863.1. (a) For the purposes of this section:

(1) “Automobile parking requirements” means any parking that a local agency requires an entity to provide, including, but not limited to, parking imposed via ordinance, pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), or a development agreement.

(2) “Local agency” means any city, county, city and county, including charter cities, or special district, or any agency, board, or commission of the city, county, city and county, special district, joint powers authority, or other political subdivision.

(3) “Shared parking agreement” means an agreement that outlines the terms under which underutilized parking will be shared between the entities that are a party to the agreement.

(4) “Underutilized parking” means parking where 20 percent or more of a development’s parking spaces are not occupied during the period that the parking is proposed to be shared by another user, group, development, or the public.

(b) When an entity receiving parking is not using that parking to meet local agency automobile parking requirements, a local agency shall allow entities with underutilized parking to share their underutilized parking spaces with the public, local agencies, or other entities, if those entities submit a shared parking agreement to the local agency and information identifying the benefits of the proposed shared parking agreement.

(c) In cases where an entity is entering into a shared parking agreement and proposes to use the shared parking spaces to meet local agency automobile parking requirements, all of the following shall apply:

(1) A local agency shall approve a shared parking agreement if it:

(A) Includes a parking analysis using peer-reviewed methodologies developed by a professional planning association, such as the methodology established by the Urban Land Institute, National Parking Association, and the International Council of Shopping Centers, sufficient to determine how many parking spaces can be reasonably shared between uses to fulfill parking requirements.

(B) Secures long-term provision of parking spaces or affords the opportunity for periodic review and approval by the local agency.

(2) A local agency shall allow parking spaces identified in a shared parking agreement to count toward meeting any automobile parking requirement for a new or existing development or use, including, but not limited to, shared parking in underutilized spaces and in parking lots and garages that will be constructed as part of the development or developments under any of the following conditions:

(A) The entities that will share the parking are located on the same, or contiguous, parcels.

(B) The sites of the entities that will share parking are separated by no more than 2,000 feet of travel by the shortest walking route.

(C) The sites of the entities that will share the parking are separated by more than 2,000 feet of travel by the shortest walking route, but there is a plan for shuttles or other accommodations to move between the parking and site, including a demonstrated commitment to sustain such transportation accommodations.

(3) The local agency may require that shared parking agreements be recorded against the parcels that are part of the agreement.

(4) (A) If entities submit a shared parking agreement without the parking analysis described in paragraph (1), the local agency shall decide whether to approve or deny the shared parking agreement, and determine the number of parking spaces that can be reasonably shared between uses to fulfill parking requirements.

(B) For shared parking agreements for developments of 10 residential units or more, or 18,000 square feet or more, before making the determination, the local agency shall:

(i) Notify all property owners within 300 feet of the shared parking spaces of the proposed agreement, including that the property owner has 14 days to request a public meeting before the local agency decides whether to approve or deny the shared parking agreement.

(ii) If the local agency receives a request to hold a public meeting within 14 days of notifying property owners pursuant to clause (i), the local agency shall hold a public meeting on the shared parking agreement to approve or deny the shared parking agreement and determine the number of parking spaces that can be reasonably shared between uses to fulfill parking requirements.

(C) This paragraph shall not apply to local agencies that enact an ordinance that provides for shared parking agreements, including ordinances enacted before January 1, 2024.

(5) A local agency approving a project proposing to use a shared parking agreement may request and confirm reasonable verification that shared parking agreements have been or will be secured as a condition for such approval.

(d) A local agency shall not require the curing of any preexisting deficit of the number of parking spaces as a condition for approval of the shared parking agreement.

(e) A local agency shall not withhold approval of a shared parking agreement between entities solely on the basis that it will temporarily reduce or eliminate the availability of parking spaces for the original proposed uses.

(f) For a development project in which a designated historical resource on a federal, state, or local register of historic places is being converted or adapted, a local agency shall allow the project applicant to meet minimum parking requirements through the use of offsite shared parking.

(g) This section shall not reduce, eliminate, or preclude the enforcement of any requirement imposed on a residential or nonresidential development to provide parking spaces that are accessible to persons with disabilities that would have otherwise applied to the development if subdivision (c) did not apply.

(h) This section shall not reduce the percentage of parking spaces that are designated for electric vehicles that would otherwise have applied.

(i) (1) A local agency, private landowner, or lessor shall examine the feasibility of shared parking agreements to replace new parking construction or limit the number of new parking spaces that will be constructed, in either of the following circumstances:

(A) When state funds are being used on a proposed new development and the funding availability is announced after June 30, 2024.

(B) When public funds are being used to develop a parking structure or surface parking and the public funding has not been awarded as of June 30, 2024.

(2) The public agency providing the most funding for the proposed new development, as set forth in subparagraphs (A) and (B) or paragraph (1), shall require that the feasibility of shared parking be examined pursuant to paragraph (1).

(3) An examination of the feasibility of shared parking shall include, at a minimum, identification of parking facilities on contiguous properties or nearby properties that would not require users to cross a street and then consideration of the apparent availability of those facilities for shared parking.

(j) This section does not apply to land owned or leased by the state.

(k) Nothing in this section shall be interpreted to require that parking be offered without cost or at a reduced cost to the user.

(l) Nothing in this section shall be interpreted to give local agencies a right to compel private parties to enter into a shared parking agreement.

(m) (1) The Legislature finds and declares that sharing parking can help preserve land, lower the cost of housing, and allow more compact land use that promotes walking, biking, and public transit. Therefore, this section shall be interpreted in favor of rules and guidelines that support shared parking as outlined in this section.

(2) The Legislature finds and declares that preserving land and lowering the cost of housing production by sharing parking is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.