Parking Reform & Housing Affordability: Lessons from San Francisco

The urban planning literature paints a pretty clear picture of minimum parking requirements as a flawed policy tool. From Bertha Andersson et al. in 2016, a growing body of research strongly undermines the idea that eliminating minimum parking requirements can be an effective tool to address California’s housing crisis.

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Starting in 2005, San Francisco gradually eliminated minimum parking requirements for much of its downtown and surrounding areas. The Market and Octavia Plan Area was one of the first. Similar reforms were not applied to the nearby Van Ness Special Use District for almost eight years. This study takes advantage of this natural experiment by focusing on a 2.6-square-mile area, centered on Market Street and North Van Ness Avenue, that encompasses both of these medium-density, transit-rich planning districts.

Findings

Results indicate that residential developments with minimum parking requirements differed significantly from those without a requirement for all four outcome variables. Significance was analyzed using two-tailed t-tests assuming unequal variances. For the number of parking spaces per unit, p << 0.01; for the other variables, p <= 0.05.

Figure 2: Values for Outcome Variables by Parking Requirement

Parking Supply
On average, developments:
- With no minimum requirement had 0.36 spaces per unit
- With a minimum requirement had 0.90 spaces per unit

Housing Density
On average, developments:
- With no minimum requirement had 263 units per acre
- With a minimum requirement had 142 units per acre

Affordable Housing
- With no minimum requirement offered 23% affordable units
- With a minimum requirement offered 6% affordable units

Estimated Construction Costs
On average, developments:
- With no minimum requirement cost $230,203 to build
- With a minimum requirement cost $330,666 to build

Conclusion

The study results provide strong evidence that San Francisco’s efforts to reform off-street parking requirements influenced the amount, cost, and form of new housing developments in the city. Far more below-market-rate units were produced in no-minimum zoning districts, and estimated housing expenses in those areas are more in line with what a two-person household earning San Francisco’s median income can afford.

In summary, doing away with parking minimums shows promise as a tool for encouraging housing affordability. This study joins Marcille and Hallowell and Stoy in supporting the idea that easing parking requirements can translate to savings of hundreds of dollars per month in housing expenses for residents. Any city confronting a crisis in affordability should look closely at its parking policy. Given the scope of California’s housing challenges, communities that are still requiring a minimum amount of parking for projects in transit-rich, mixed-use neighborhoods ought to be asking themselves, “Why?”

References


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