

**SENATE JUDICIARY COMMITTEE**  
**Senator Thomas Umberg, Chair**  
**2023-2024 Regular Session**

AB 2898 (Wendy Carrillo)  
Version: April 8, 2024  
Hearing Date: June 4, 2024  
Fiscal: No  
Urgency: No  
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**SUBJECT**

Unbundled parking: exemptions: Housing Choice Vouchers

**DIGEST**

This bill updates the pilot program requiring property owners of “qualifying residential properties,” new multi-family properties in 10 specified counties, to unbundle the cost of parking from the cost of the rent to exclude residential units leased to tenants utilizing specified federal, housing vouchers.

**EXECUTIVE SUMMARY**

Parking spaces included in residential properties’ rent hide the true cost of parking and create other economic and environmental impacts. Concerns have arisen that on-site parking takes up valuable land that could otherwise be used for more housing, results in overreliance on motor vehicles, and creates an inflation in housing costs that represents a barrier to housing for low-income tenants.

AB 1317 (W. Carrillo, Ch. 757, Stats. 2023) sought to address these issues by requiring “unbundled parking.” Property owners of multi-family properties with 16 units or more that are issued a certificate of occupancy on or after January 1, 2025, in 10 specified counties across the state, are required to unbundle the cost of parking from the rent of the residential unit. Tenants must be given the right of first refusal to any parking spaces available. The law exempts certain housing, including housing developments financed with low-income housing tax credits or tax-exempt bonds. This bill adds another exemption from this law for residential units that are leased to a tenant who receives a federal housing assistance voucher, as specified.

This bill is author-sponsored. It is supported by Livable California. No timely opposition was received by the Committee.

**PROPOSED CHANGES TO THE LAW**

Existing law:

- 1) Requires a multifamily residential project certified for streamlining pursuant to the California Environmental Quality Act on an infill site to provide unbundled parking, such that private vehicle parking spaces are priced and rented or purchased separately from dwelling units. (Pub. Res. Code § 21184.5.)
- 2) Prohibits a public agency from imposing or enforcing any minimum parking requirement on a residential, commercial, or other development project if the project is located within one-half mile of public transit. (Gov. Code § 65863.2.)
- 3) Requires an owner of a qualifying residential property, if the owner provides parking with the property, to unbundle parking from the price of rent. (Civ. Code § 1947.1.)
- 4) Requires all off-street parking spaces be unbundled from the qualifying residential property for the life of the property. (Civ. Code § 1947.1.)
- 5) Defines "qualifying residential property" as any dwelling or unit that is intended for human habitation that meets all of the following criteria:
  - a) the property is issued a certificate of occupancy on or after January 1, 2025;
  - b) the property consists of 16 or more residential units; and
  - c) the property is located in one of the following counties:
    - i. Alameda;
    - ii. Fresno;
    - iii. Los Angeles;
    - iv. Riverside;
    - v. Sacramento;
    - vi. San Bernardino;
    - vii. San Joaquin;
    - viii. Santa Clara;
    - ix. Shasta; and
    - x. Ventura. (Civ. Code § 1947.1(e)(2)(A).)
- 6) Excludes the following from the above definition:
  - a) A residential property or unit with an individual garage that is functionally a part of the property or unit, including townhouses and row houses.
  - b) A housing development of which 100 percent of its units, exclusive of any manager's unit or units, are restricted by deed, regulatory restriction contained in an agreement with a governmental agency, or other recorded

document as affordable housing for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

- c) A housing development that receives low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code (26 U.S.C. § 42).
  - d) A housing development that is financed with tax-exempt bonds pursuant to a program administered by the California Housing Finance Agency. (Civ. Code § 1947.1(e)(2)(B).)
- 7) Defines “owner of qualifying residential property” as any person, acting as principal or through an agent, having the right to offer qualifying residential property for rent, and includes a predecessor in interest to the owner. “Unbundled parking” means the practice of selling or leasing parking spaces separate from the lease of the residential property. (Civ. Code § 1947.1(e).)
- 8) Prohibits off-street parking accessory to a qualifying residential property from being included in any residential rental agreement and requires it to be subject to a rental agreement addendum or provided in a separate rental agreement. (Civ. Code § 1947.1(b)(1).)
- 9) Provides a tenant of a qualifying residential property the right of first refusal to parking spaces built for their property. Authorizes remaining residential unbundled parking spaces to be leased by the owner to other on-site users or to off-site residential users on a month-to-month basis. Spaces built subsequent to move in shall first be offered to tenants. (Civ. Code § 1947.1(c).)
- 10) Prohibits a tenant’s failure to pay the parking fee pursuant to a separately leased parking agreement from forming the basis of any unlawful detainer action against the tenant. If a tenant fails to pay by the 45th day following the date payment is owed for a separately leased parking space, the property owner may revoke that tenant’s right to lease that parking spot. (Civ. Code § 1947.1(d).)

This bill exempts residential units leased to a tenant who receives a federal housing assistance voucher issued under Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f), including a federal Department of Housing and Urban Development (HUD) Veterans Affairs Supportive Housing (VASH) voucher.

### COMMENTS

#### 1. The cost of free parking

AB 1317 (W. Carrillo, Ch. 757, Stats. 2023) required parking to be “unbundled” from the cost of residential rents in multi-family properties with 16 units or more that are issued a certificate of occupancy on or after January 1, 2025. The requirement is limited to 10

specified counties across the state: Alameda, Fresno, Los Angeles, Riverside, Sacramento, San Bernardino, San Joaquin, Santa Clara, Shasta, and Ventura

Tenants must be given the right of first refusal to any parking spaces available. Proponents of the bill pointed to studies that support the conclusion that bundled parking comes at a cost to both housing affordability and environmental impacts.

The law currently exempts certain housing, including housing developments financed with low-income housing tax credits or tax-exempt bonds.

This bill adds another exemption from this law for residential units that are leased to a tenant who receives a federal housing assistance voucher, including VASH vouchers.

## 2. Stakeholder positions

According to the author:

AB 2898 serves as a crucial clean-up to AB 1317, rectifying an oversight that would have placed an undue burden on tenants using federal Housing Choice Vouchers. By exempting voucher holders from the requirement to unbundle parking costs from rent, AB 2898 ensures that our efforts to increase housing affordability do not inadvertently harm our most vulnerable populations. Additionally, it's important to note that AB 1317 already includes exemptions for several types of affordable housing, reflecting our commitment to a nuanced approach that addresses the diverse needs of Californians.

As stated, requiring parking to be unbundled from rent that is paid for by a voucher results in the opposite effect as that intended by the author and sponsors of the underlying statute.

Livable California writes in support:

AB 2898 is a common-sense way to assist low-income households. Lower income households have the greatest need for parking. The best way for lower income people to succeed economically is to have a car to access jobs. Keeping their parking bundled with their rent allows their vouchers to assist in that critical need.

### SUPPORT

Livable California

### OPPOSITION

None received

**RELATED LEGISLATION**

Pending Legislation: SB 611 (Menjivar, 2023) requires certain disclosures in the advertised rates for rental properties and prohibits certain fees from being charged by landlords. SB 611 is currently in the Assembly Judiciary Committee.

Prior Legislation: AB 1317 (W. Carrillo, Ch. 757, Stats. 2023) *See* Executive Summary.

**PRIOR VOTES:**

Assembly Floor (Ayes 74, Noes 0)

Assembly Judiciary Committee (Ayes 11, Noes 0)

Assembly Housing and Community Development Committee (Ayes 9, Noes 0)

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