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**HOW PARKING MANDATES DRIVE
UP HOUSING COSTS**



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EXECUTIVE SUMMARY

AFFORDABLE HOUSING and safe, accessible transportation options are cornerstones to economic opportunity. But outdated parking mandates tie the cost of shelter to the storage of cars, making housing less affordable and limiting choices for residents who rely on walking, biking or transit.

This is particularly true in Urban Honolulu where constructing podium parking can add over \$55,000 to the cost of a single affordable rental unit; and up to \$77,000 for market-rate, for-sale units.¹

These costs are passed on to residents in the form of higher housing prices—reducing the number of affordable units developers can build and, in some cases, threatening the feasibility of entire housing projects. Beyond the dollar cost increase, parking mandates also consume valuable land that could be used for homes, parks or other community spaces.

In 2020, the City and County of Honolulu passed [Ordinance 20-41](#), eliminating costly parking mandates for new housing and commercial development in a few key areas:

- Primary Urban Center (PUC) and ‘Ewa Development Plan areas (except in the residential, agricultural, and preservation zoning districts);
- Areas within 0.5 miles of a rail transit station; and
- Transit-oriented development (TOD) special districts.

This measure complements [Ordinance 19-8](#), which eliminated parking mandates for affordable rental housing developments on O‘ahu.

This report examines the economic and social impacts of parking mandates on O‘ahu, and the effectiveness of Ordinance 20-41. A review of 82 housing developments in TOD areas approved from 2010–2025 shows that permitted parking units decreased by over 12 percent following passage of Ordinance 20-41.

- **Parking mandates** are local zoning requirements that require the developer to build a specific number of parking spaces per unit in either housing or commercial development.
- **Surface parking** is located directly on the ground, typically in open lots adjacent to buildings. This is the least expensive type of parking to construct but consumes large amounts of land.
- **Podium parking** is built above ground within a multi-story structure, usually beneath or within the first few floors of housing or commercial buildings. Podium parking is more costly than surface parking because of the concrete and structural supports required.
- **Underground parking** is located below street level, often under residential or commercial buildings. This is the most expensive type of parking to construct due to excavation, waterproofing, and ventilation needs, and it can add significantly to housing costs.



Mauna Kea Street, Chinatown,
Honolulu. // Trinity Gilliam

This trend is largely driven by rental housing development. Since 2021, rental projects have reduced average parking to 0.75 parking spaces per unit. In comparison, for-sale projects have only reduced to 1.40 parking spaces per unit.

This report also provides recommendations to improve the effectiveness of the county's parking laws, as a way to improve housing affordability. These recommendations include:

1. Implementing parking maximums in TOD zones to cap excessive parking supply.
2. Decoupling housing and parking costs, ensuring residents don't pay for parking they don't need.
3. Expanding the elimination of parking mandates outside of TOD areas.
4. Transitioning multifamily approvals to ministerial processes.
5. Improving transparency and data collection of parking during permitting and approval processes, including public reporting of parking allocations in project permits and counting parking toward Floor Area Ratio (FAR).

To inform this policy report, the team relied on four key research methods: a review of existing studies and reports on parking; a review of best practices for parking requirements; interviews with developers building in Honolulu's TOD areas; and an analysis of the number of approved parking stalls for City Council-approved housing projects in TOD areas before and after the passage of Ordinance 20-41.

HOW PARKING IMPACTS AFFORDABLE HOUSING

Parking mandates significantly influence the affordability and design of housing developments. When mandated by local ordinance or included voluntarily by developers, the addition of parking spaces directly affects construction cost and housing prices.

The construction of parking spaces is an expensive undertaking, with costs varying based on the type and location of the parking (including surface, podium and underground). A 2020 study from the Ulupono Initiative highlights just how prohibitively expensive parking is. According to the study, the cost to build parking in low- and mid-rise multifamily buildings (with surface parking) adds between \$5,000 and \$35,000 per affordable rental unit, and between \$5,000 and \$45,000 per for-sale unit.²

The costs of parking are highest on O‘ahu, where the majority of Hawai‘i’s residents live. In high-rise residential developments in Honolulu’s urban core that include podium parking, the added cost of parking in 2020 was estimated at \$55,000 per housing unit for affordable and mixed-income rentals.³ Adjusted for inflation, this cost now exceeds \$68,000 per unit.

“WE HAVE EXPENSIVE HOUSING FOR PEOPLE AND FREE PARKING FOR CARS.”

—Donald Shoup, author of *The High Cost of Free Parking*

Affordable housing developments operate on tight margins. The added expense of parking can reduce the number of units that developers are able to deliver, or make projects financially infeasible altogether. For example, imagine a high-rise building with 200 mixed-income rental units and podium parking is planned in Honolulu. If one parking stall is built for every two units, this would add \$6.8 million to the cost of the project in 2025 dollars.

The cost of building parking is usually passed on to the residents, either through higher rents or purchase prices. For a single person renting a small studio in urban Honolulu, parking could add up \$410 per month to their rent—even if they don’t own a vehicle.⁴

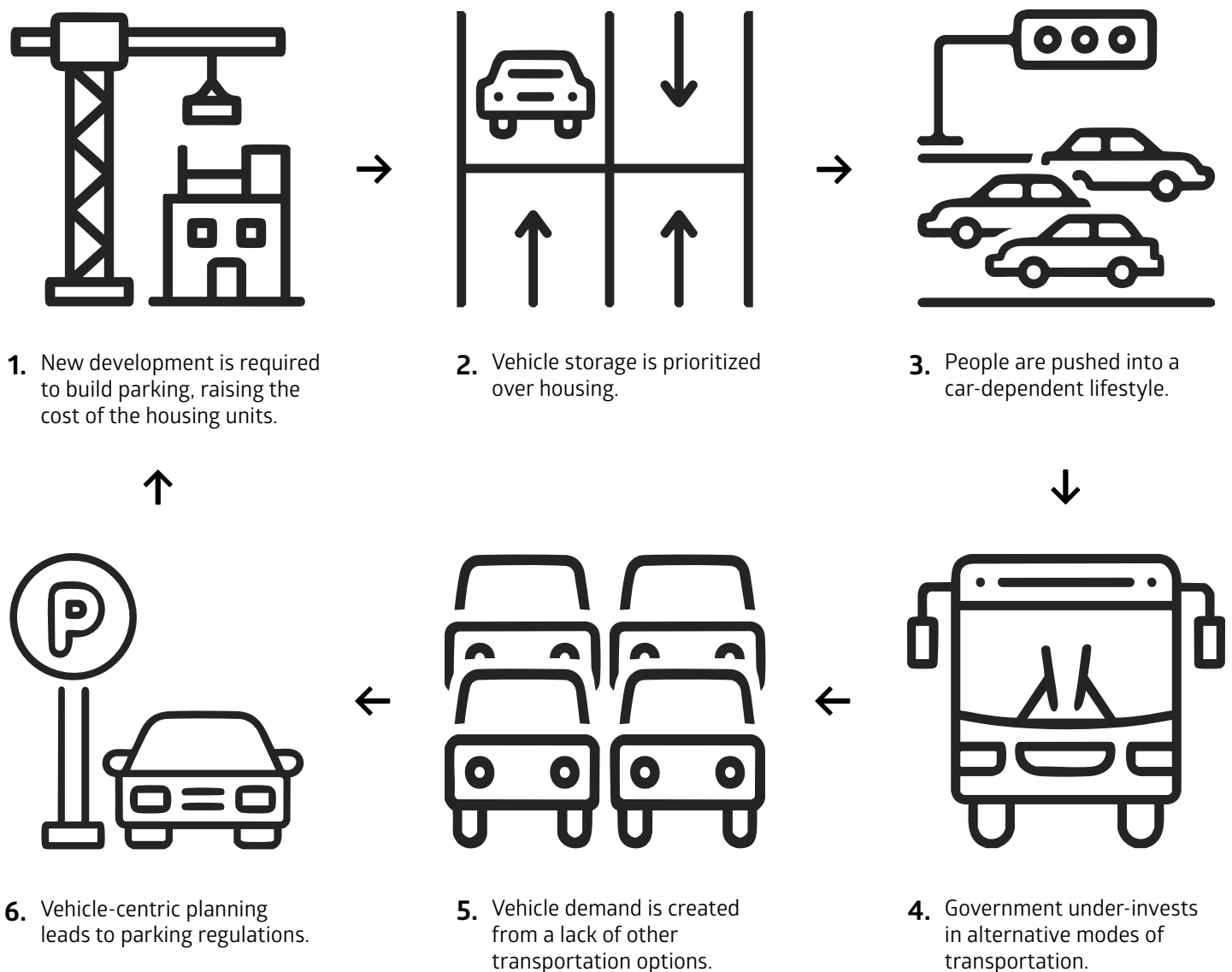
Parking does not only increase the cost of development. It also affects the design of housing and the built environment. For example, parking mandates make it harder to build smaller, space-efficient housing such as townhomes and accessory dwelling units, especially on narrow lots or in dense neighborhoods. As a result, these mandates discourage the development of smaller, more affordable housing options. Parking mandates can also

hinder the repurposing of existing, older buildings such as vacant offices, which may not have sufficient parking to meet current mandates.

The prioritization of parking forces developers to sacrifice housing opportunities for car storage. This trade-off becomes particularly stark in urban environments where land is limited and housing demand is high. The land required to accommodate surface parking could instead be used to construct additional housing units, community amenities, or green spaces.

Parking-dedicated spaces also limit opportunities for active ground-floor uses such as retail or community facilities, diminishing a neighborhood's vibrancy and walkability. As such, parking mandates create auto-centric environments and limit residents' mobility options (**Figure 1**). By prioritizing parking mandates, we effectively choose to allocate land—a finite and valuable resource—to cars, rather than to people.

Figure 1. The Vicious Cycle of Parking Mandates⁵





EFFORTS TO REDUCE PARKING MANDATES

Across the United States, communities are eliminating costly parking mandates. As of 2025, 93 cities in the United States have removed all their jurisdiction's parking mandates, with 75 of them within the past five years alone.⁶

- In **Birmingham, Alabama** officials have taken these steps to lower development costs and respond to rising living expenses, noting that old zoning laws ignored the realities of many residents who lack reliable car access. Recent record-breaking heat has driven the city to reduce paved surfaces and expand green space.⁷
- In **Washington County, Oregon** officials adopted reforms under the state's Climate-Friendly and Equitable Communities initiative, pairing the removal of parking mandates with tree canopy requirements for large lots.⁸
- **Gilman, Wisconsin**—a town of less than 500 people—has had no off-street parking mandates since 2011.⁹ Gilman is one of many small and rural towns that have repealed parking mandates. For every U.S. city with populations of over 250,000 that has repealed parking requirements, two small towns (under 25,000) have done so as well.¹⁰

In 2019, the City and County of Honolulu joined the movement to reduce costly parking mandates through the passage of [Ordinance 19-8](#), which provides special design standards for affordable rental housing on O'ahu that includes the elimination of parking mandates. This type of housing is often referred to as a "Bill 7 Project."

In December 2020, the county followed up with Ordinance 20-41, which updates the requirements for off-street parking and loading in Chapter 21 of the Revised Ordinances of Honolulu (the Land Use Ordinance).

Under [Ordinance 20-41](#), off-street parking requirements are eliminated in the PUC and 'Ewa Development Plan areas (except in the residential, agricultural, and preservation zoning districts), areas within half a mile of a current or planned Honolulu rail station, and TOD special districts (**Figure 2**).

Outside of these areas, Ordinance 20-41 also broadened land use categories and modestly reduced parking mandates for housing, commercial, recreational, and other land uses. A summary of updated parking mandates under Ordinance 20-41 is provided in **Table 1**.



Figure 2. Areas on O'ahu Where Costly Parking Mandates Have Been Eliminated

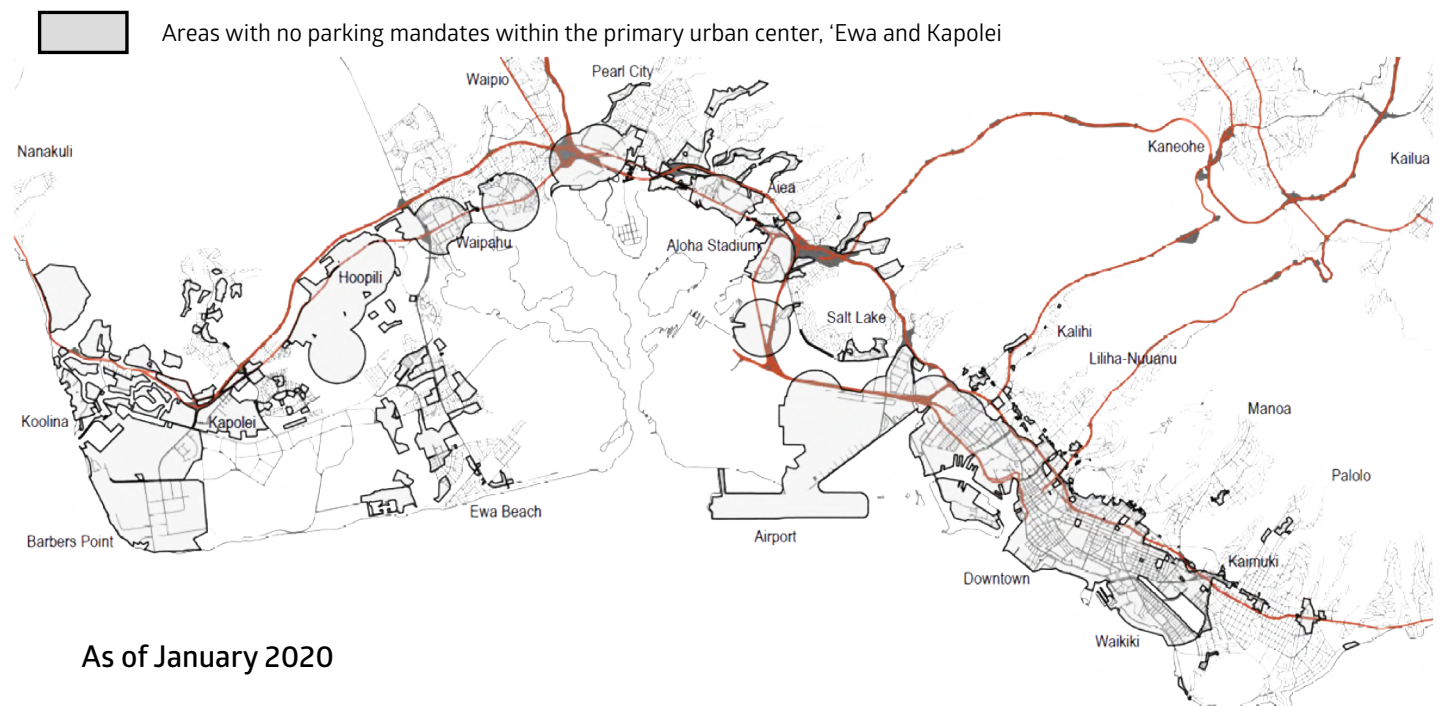


Table 1. Minimum Off-Street Parking Ratios, by Land Use Category¹¹

Land Use Category	Standard Parking Ratio (Parking stalls per square feet of floor area, unless noted otherwise)	
	Before Ordinance 20-41 ¹² (Varies depending on the building purpose)	After Ordinance 20-41
Residential	Dwellings (detached, duplex and farm): 2 per dwelling unit plus 1 per 1,000 sq ft over 2,500 sq ft (excluding carport or garage) Dwellings (multi-family): 1 per 600 sq ft or less 1.5 per 601–799 sq ft 2 per 800 sq ft or more	1 per 1,000 sq ft
Commercial 1 (most common commercial)	1 per 300–500 sq ft	1 per 500 sq ft
Commercial 2	1 per 800–900 sq ft	1 per 1,000 sq ft
Agriculture, Industrial & Warehousing	1 per 1,000–1,500 sq ft	1 per 2,000 sq ft
Schools & Cultural Facilities	1 per 200–400 sq ft	1 per 500 sq ft
Places of Assembly	1 per 75 sq ft	1 per 125 sq ft
Recreation	1 per 200 sq ft	1 per 250 sq ft

Additionally, Ordinance 20-41 supports broader housing development and more climate-friendly transportation options by:

- Incentivizing developers to unbundle housing and parking costs. Unbundling costs means separating the cost of a parking space from the cost of renting or owning a home, allowing residents to pay only for the parking they actually use. Under the ordinance, a project is not subject to parking mandates if at least 50 percent of the project's parking spaces are unbundled. Notably, this exemption **does not apply to projects located in residential zoned areas**.
- Allowing developers to benefit from reduced parking mandates when they provide on-site shared parking, eliminating the need for a special permit.
- Allowing vehicle parking to be substituted with extra bike parking, bike share parking, car share parking, and motorcycle/moped parking spaces.
- Reducing parking mandates for joint-use developments such as mixed-use commercial and residential projects.

PARKING REFORM ON THE CONTINENT

Table 2. Lessons Learned from Salt Lake City, Columbia, Minneapolis, and San Francisco Parking Reform Efforts

Managing On-Street Parking	Off-street parking reform should be paired with on-street parking demand strategies. Poor management of on-street parking can lead to the building of additional off-street parking spaces, even when there is an excess of underutilized off-street parking. ¹³ Managing on-street parking can be accomplished through policies such as demand-responsive parking pricing and establishing residential parking permit systems.
Investing in Multimodal Infrastructure	Parking reform should complement investments in pedestrian, biking and public transit infrastructure and services that enable individuals to be less dependent on personal vehicles.
Compact Land-Uses	Even when parking mandates are reduced or eliminated, other land use regulations, such as minimum lot size and setbacks, can still hinder the development of smaller, more affordable housing options. Parking reform can be made more effective by enacting land use policies that allow for compact development.
Parking Maximums	In the absence of parking maximums, some developers may continue to build large amounts of parking. Continual approval of large parking structures may counter the benefits of parking reductions in other areas. To curb this, parking maximums are needed, particularly in dense, urban areas that are well-served by transit.
Addressing NIMBYism	While the reduction and elimination of parking mandates can provide an opportunity for developers to build more housing at a lower cost, it does not stop local opposition to affordable housing projects (i.e., “NIMBYism,” which stands for “Not In My Backyard”). In some cases, the lack of on-site parking can be the stated reason why residents and community groups oppose affordable housing projects.
Tracking and Evaluating	Since new developments can take years to be approved and constructed, the impacts of parking reform can take time to be realized. This can make it difficult to sustain political support across different administrations. Given this, it’s important to track how much parking developers are building in relation to parking policies, and to adjust these policies accordingly.
Simplify Regulations	Don’t over-complicate parking regulations. When a city’s parking rules are overly complex, it can lead to inconsistencies in the application of regulations. While parking maximums are best suited for denser, urban areas well-served by transit, the elimination of parking mandates should be applied more broadly.



It's important to note that the absence of parking mandates **does not automatically erase parking**. Even when cities remove or reduce parking mandates, many commercial and housing developers still choose to build parking. As such, the impact of parking reforms has varied from city to city.

The following case studies from Salt Lake City, Columbia, Minneapolis, and San Francisco illuminate successes and challenges that parking reform has brought about across the continent. The lessons learned from these parking reform efforts are also summarized in **Table 2**.

SALT LAKE CITY, UT

In 2021, Salt Lake City reduced the amount of parking required in most areas of the city and removed all parking mandates for new development located near mass transit facilities and/or downtown.¹⁴ Regulations capping the number of parking units a development could have (referred to as “parking maximums”) were also imposed on certain building types.

Similar to Honolulu, the elimination of parking mandates in Salt Lake City was done, in part, to address the city's affordable housing shortage. According to Warren Crummet, owner and principal of Go West Investments, “it costs about \$50,000” to build one parking stall in Salt Lake City.¹⁵

This reform created a complex web of parking requirements, which is categorized by over 100 different land use categories, each with four subcategories based on the environment context (General Context, Neighborhood Center Context, Urban Center Context and Transit Context). For each land use/environment context category, both parking minimums and maximums are provided. These requirements are provided both by parking units per square foot, as well as parking units per dwelling unit.

However, two years after removing minimum parking mandates in transit-dense areas, Salt Lake City still struggles with an affordable housing shortage and an over-supply of parking spaces. Roughly 29 percent of its downtown area remains dedicated to off-street parking.¹⁶ This equates to over 110,000 empty lots in Salt Lake City,¹⁷ with several downtown parking lots consuming nearly 10 acres of land.¹⁸

Slow progress is due in a large part to local opposition to taller and denser housing projects, the continual approval of large commercial parking structures, and the confusing nature of the city's parking rules. Notably, new incentives introduced in late 2023 provide streamlined approval processes and special design requirements for smaller, more affordable housing types such as cottages and row houses. These special design requirements include increased height and density, and a parking mandate of one off-street parking stall per dwelling unit.

However, only buildings with 10 units or less benefit from these design guidelines. These guidelines seem to conflict with 2021 parking regulations, failing to acknowledge the city's complex parking mandates based on land use, environmental context, and square footage, among other factors.

COLUMBIA, SC

In 2023, the Parking Reform Network found that a staggering 37 percent of Columbia’s urban core was dedicated to off-street parking.¹⁹ It is therefore unsurprising that some city officials have described Columbia as “a city of parking lots.”²⁰

To address these challenges, in 2019 the City of Columbia adopted the Unified Development Ordinance and eliminated parking mandates in the city’s mixed-use, activity corridor, and commercial zoning districts. This area is generally referred to as the “Five Points” district.²¹ Under this reform, off-street parking maximums were also established for areas designated for retail sales.

In 2022, the City of Columbia amended the Unified Development Ordinance to correct inconsistencies and streamline the development process. Amendments included the elimination of off-street parking requirements for commercial and retail buildings 7,500 sq ft or less.

Notably, under this reform, parking mandates remained in place for residential buildings outside of the designated zoning districts.

Most recently, in 2024 the City of Columbia approved an increase to on-street parking rates and fines for the first time in 20 years.²² While parking enforcement was generally increased through this reform, exceptions were made, including no enforcement for on-street parking on Saturdays (except for Five Points and Bull Street district), and providing the first hour of parking free in all City of Columbia parking decks.

Moreover, this reform raised the price of owner-occupant residential parking permits by 500 percent, requiring residents to pay \$30 per vehicle for 24-months of street parking in designated areas.

Since this policy change, Columbia has seen an increase of 2–3 percent in the amount of parking tickets distributed.²³ According to a City of Columbia press release, fees generated from increased parking rates are expected to generate millions of dollars over the next several years and will be used to fund improvements to the city’s parking maintenance, operations and repairs.²⁴

However, the press release did not specify whether funds would be used to enhance bike, pedestrian, or public transportation infrastructure. Rather, the document states that investments will be made to improve the city’s “innovation and aesthetics.”

Although minimum parking mandates have been removed from densely populated zoning districts in Columbia, it seems the city’s infrastructure planning has not significantly adapted to this change. For example, in 2024 Columbia announced that \$2.5 million of public funding would be used to construct a 400–500-space parking garage in the Five Points district—the core area in which parking mandates have been eliminated.²⁵

The urgent need for multimodal infrastructure investments in Columbia was made clear by StreetLight’s 2024 U.S. Transportation Climate Impact Index. This document measures 100 of the most populated metropolitan areas in the U.S. based on eight transportation climate factors, such as vehicle miles traveled (VMT), transit ridership, biking activity, and pedestrian activity.²⁶

Cities were ranked on these factors on a scale 1 to 100 (1=best performance and 100=worst performance). Of the 100 metropolitan areas surveyed, Columbia’s ranked 98th—among the worst in the nation. Contributing to its poor climate score was Columbia’s high per capita VMT, along with low biking and pedestrian activity.

MINNEAPOLIS, MN

Minneapolis took an incremental approach to parking reform. The city’s first parking reform package, passed in 2009, eliminated parking mandates in downtown areas. This paved the way for more reform in 2015, which focused on reducing parking mandates in commercial and residential areas near transit.²⁷ Before implementing these policies, most housing in Minneapolis had typically required one parking space per unit.

Lastly, in 2021, the Minneapolis City Council eliminated off-street parking mandates and lowered parking maximums city-wide.²⁸

Minneapolis is unique in that parking data is publicly accessible and is being tracked to evaluate the impact of the city’s parking reform (**Figure 3**). According to the Institute for Transportation & Development Policy, the elimination of the off-street parking mandates in Minneapolis has led to decreased parking construction over time, with the average number of parking stalls per residential unit decreasing from 1.13 in 2014 to 0.76 in 2020.²⁹

This parking reform, in tandem with other land use policy changes, has opened the way for increased affordable housing development. In 2024 alone, Hennepin County created or preserved 1,493 affordable rental housing units. Many of these affordable housing projects include less parking, or none at all.³⁰

One example of this is the approved 1301 Lake St W apartment complex, which includes 120 affordable housing

Figure 3. Number of Parking Spaces per Residential Unit in Minneapolis (2011-2020)

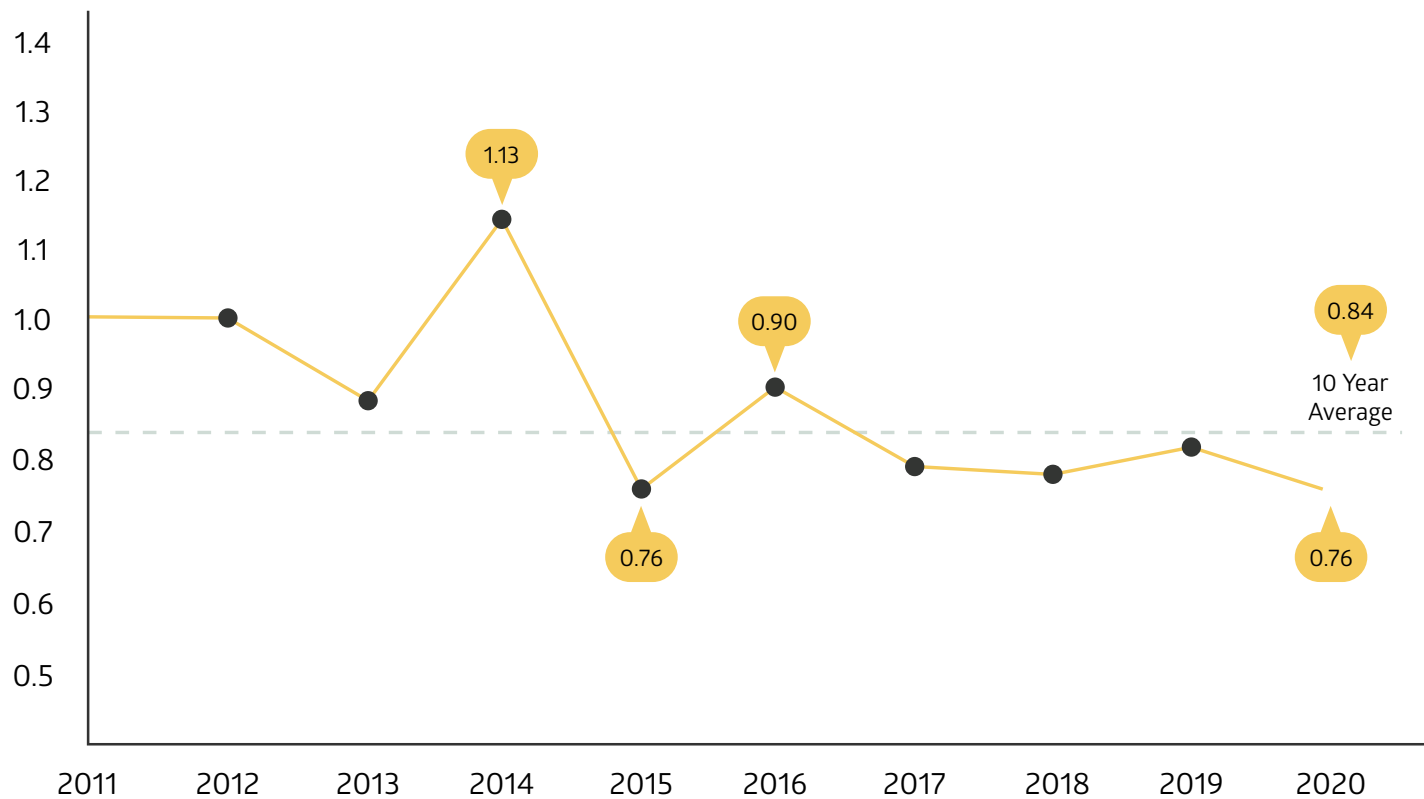
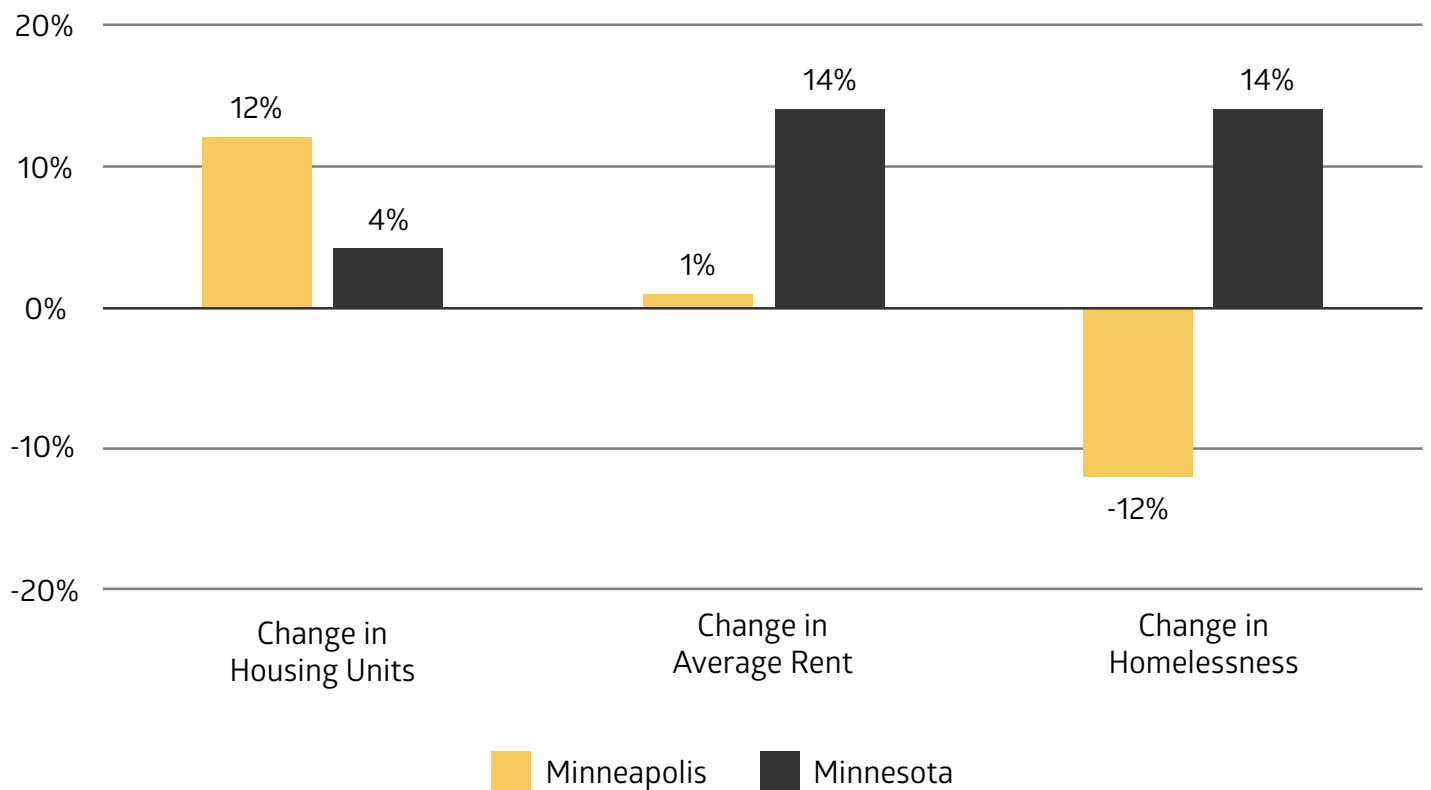


Figure 4. Percent Change in Housing Stock, Average Rent and Homelessness, Minneapolis vs Minnesota (2017–2022)³¹



units with 43 enclosed parking stalls (roughly 0.4 parking stalls per housing unit).³² While less common, some new housing developments such as Soltice—a 23 unit apartment in Northeast Minneapolis—include no parking.

The increase in housing has also contributed to lower rents in Minneapolis. Between 2017–2023, the U.S. experienced an overall rental price increase of 31 percent, while Minneapolis only had a 1 percent increase.³³ Moreover, even as Minneapolis is the most populated and highest-cost city in Minnesota, compared to other areas of the state the city has seen a greater increase in housing units since 2017 (**Figure 4**).³⁴

Lastly, Minneapolis also boasts a 12 percent decrease in homelessness compared to an average statewide increase of 14 percent.³⁵ Due to the successes of parking reform in Minneapolis, the Minnesota legislature is considering statewide legislation to prohibit communities from imposing parking mandates.³⁶

SAN FRANCISCO, CA

In 2018, San Francisco removed parking mandates city-wide for all land uses except for funeral homes.³⁷ As in other jurisdictions, this parking reform was enacted in response to the city’s housing shortage and high construction costs. In 2019, the Bay Area Council Economic Institute found that the cost to build one affordable unit in San Francisco County was \$737,417.³⁸

In 2011, prior to the elimination of parking mandates, San Francisco implemented robust on-street parking reform, including a demand responsive parking pricing model.³⁹ San Francisco has therefore long been seen as a



model for successful parking reform. This is exemplified by the fact that only 3 percent of space in the central city is dedicated to off-street parking.”⁴⁰ It is unsurprising then that San Francisco was ranked by Walk Score as the nation’s #1 most walkable large city, boasting a Walk Score of 89 out of 100.⁴¹

Since its parking reform was enacted, developers throughout San Francisco have planned and built new affordable housing complexes and additional units to existing housing complexes without parking.⁴²

San Francisco has documented that some low-income residents who own vehicles have experienced heightened financial hardship and stress from the lack of parking. While San Francisco is generally recognized as a transit-friendly city,⁴³ the city’s transit services don’t always meet the needs of shift workers and low-income residents who often rely on traveling off-peak hours and accessing jobs on the outskirts of the city.⁴⁴

Vehicle owners from affordable housing units must compete for street parking, increasing the possibility of break-ins, fines, and tow fees.⁴⁵ One resident of an affordable housing complex in San Francisco’s Mission District reported owing \$2,500 in ticket fees in a single year, while another had \$5,000 in ticket and tow fees.

These challenges highlight the need for housing developments to manage spill-over of residential parking through residential parking permits, shared parking agreements, parking cash-out programs, and improved transit and multimodal infrastructure.

The planned development of the Potrero Yard affordable housing development is an example of how spill-over parking is being addressed. The development is currently planned to include 465 affordable housing units, and no dedicated on-site parking.⁴⁶

To address the community concerns of increased on-street parking demand as an outcome of the development, the San Francisco Municipal Transit Agency plans to rebuild and expand the Potrero Yard bus facilities, which the housing complex will be built on and surrounded by.⁴⁷ These improvements, which are planned to be completed before the affordable housing is constructed, aims to improve the reliability of the area’s public transit services and is expected to accommodate a bus fleet increase of 54 percent at Potrero Yard.

IMPACTS OF O‘AHU PARKING REFORM

Parking reform offers many economic, social and health benefits. In this report, to measure the impacts of parking reform on O‘ahu, we focused solely on analyzing the amount of parking built by housing developers in TOD areas, before and after parking reform was implemented.

The impacts of parking reform can take a long time to materialize, given the lengthy schedules involved in planning and constructing housing. However, tracking and monitoring progress on a regular basis is important for evaluating a policy’s strengths and weaknesses, and adjusting the policy to improve its outcomes.

There are some caveats to our study, as there is currently no centralized state or county database that comprehensively tracks approved multifamily housing projects in the City and County of Honolulu. As a result, this analysis was compiled through an independent review of publicly available documents sourced from disparate platforms, including:

- Honolulu City Council resolutions;
- **Hawai‘i Housing Finance and Development Corporation (HHFDC)** board meeting agendas and minutes;
- Select files from the **Hawai‘i Department of Business, Economic Development and Tourism (DBEDT)** and the **Honolulu Department of Planning and Permitting (DPP)**; and
- Self-reported data on Bill 7 projects.

These documents are scattered across agency websites, council agenda archives, developer reports, and **Department of Commerce and Consumer Affairs (DCCA)** reports with limited search functionality. Many require manual review to determine basic project characteristics, such as the number of approved units and associated parking counts.

Due to this fragmented system, we cannot guarantee that the dataset is exhaustive, and findings should be understood as indicative rather than comprehensive.

Further limitations include:

- HHFDC agendas prior to 2020 often reference projects without providing links or access to the documents discussed.
- DPP does not maintain a public-facing database of projects approved under special zoning tools such as Bill 7, City 201H, or Affordable Rental Housing (AHR).
- Rental housing projects are not required to submit detailed reports equivalent to the condominium property reports mandated by DCCA, which include housing units and parking data.

- This creates a significant reporting gap, particularly for affordable and **Low-Income Housing Tax Credit (LIHTC)**-funded rental developments, as the state has no requirement to report parking counts in LIHTC applications.

While this review captures projects that received formal approvals from either the Honolulu City Council or the HHFDC board between 2010 and the present, approval does not imply completion or construction. The Bill 7 dataset, in particular, is based on self-reported plans and may include projects still in planning or permitting stages.

A formal data request to DPP has been submitted to obtain confirmation of Bill 7 project statuses, but full documentation has not yet been made available. Despite these data collection limitations, we identified 82 housing projects from 2010–today, including:

- **2010–2020:** 43 housing projects, with 4,859 for-sale units and 6,650 rental units.
- **2021 Onward:** 39 housing projects, with 4,086 for-sale units and 10,249 rental units.

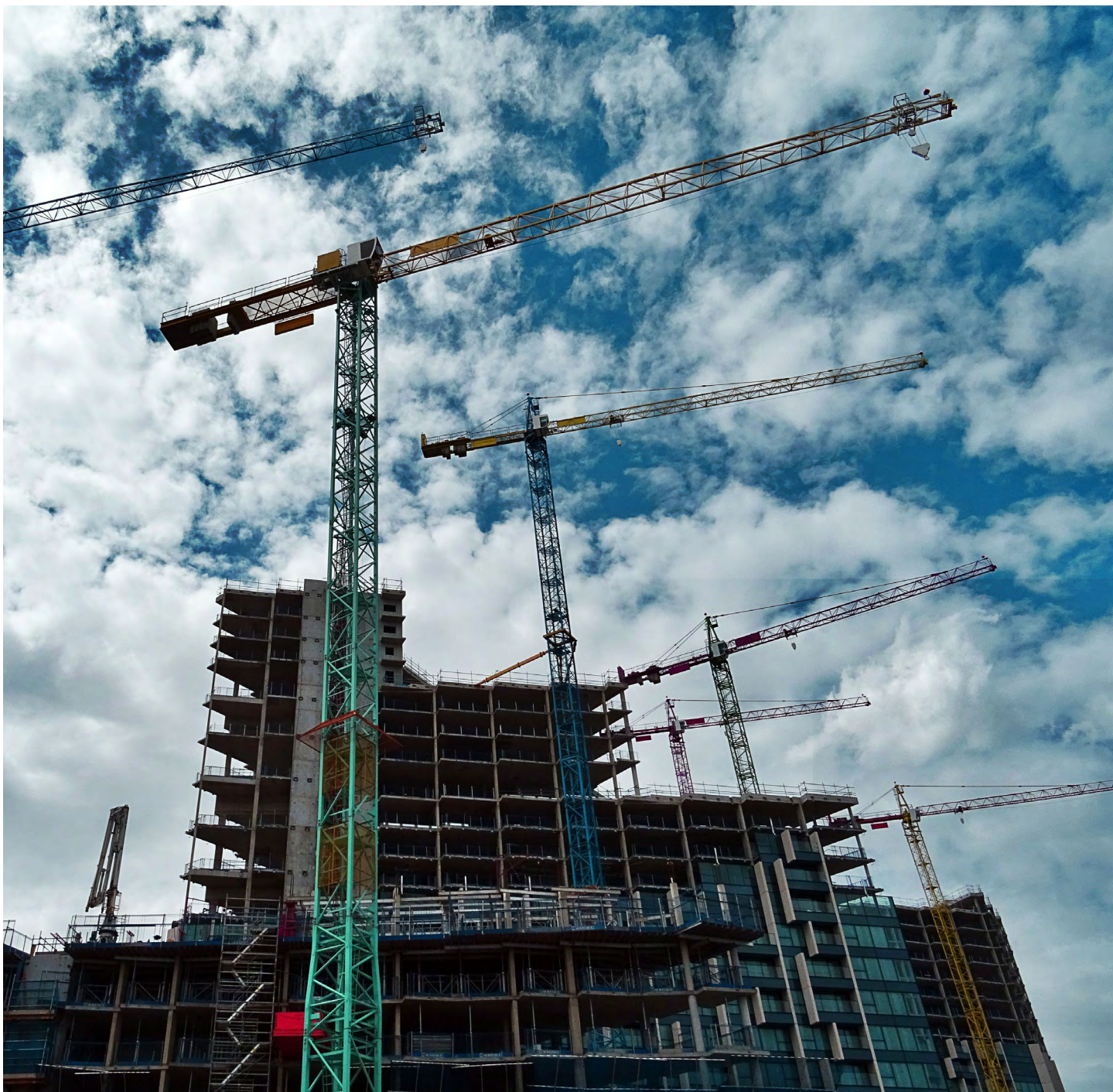
The analysis of Honolulu Ordinance 20-41’s impact reveals significant changes in parking inclusion patterns between 2010–2020 and 2021–2025, with notable differences between rental and for-sale developments.

From 2010–2020, the average parking ratio was 1.05 parking spaces per housing unit. From 2021 onwards, the average parking ratio lowered to 0.92 parking spaces per unit, representing an overall 12.38 percent reduction in parking inclusion after Ordinance 20-41 took effect (**Table 3**). However, when looking at a tenure specific basis, for-sale projects have only decreased their parking ratios by 3.45 percent, while rental developments parking ratios have decreased by 19.35 percent.

This distinction between for-sale and rental parking ratios tracks with overall developer sentiments. When asked how Ordinance 20-41 has impacted their inclusion of parking in housing projects, there was consensus from developers that eliminating parking mandates was helpful for rental projects, particularly affordable rental projects. However, when it comes to for-sale projects, the consensus was that buyers want two parking stalls per unit, even under affordable for-sale projects.

Table 3. Change in Average Number of Permitted Parking Units Per Housing Unit, Honolulu, 2010–2020 vs 2021–2025

Time Period	Average # of Permitted Parking Units Per Housing Unit		
	For-Sale	Rental	Combined (For-Sale and Rental)
2010–2020	1.45	0.93	1.05
2021–2025	1.40	0.75	0.92
Percent Change	-3.45%	-19.35%	-12.38%



When pressed as to what would cause developers to reduce parking in for-sale projects, responses varied between change in market demand and a productive rail station, but always with the caveat that buyers still desire two parking stalls per unit.

One significant barrier to reducing parking requirements across Honolulu is the fragmented governance structure between the City and County of Honolulu and state-level development authorities such as the **Hawai‘i Community Development Authority (HCDA)**.

While most housing projects must navigate the county’s zoning code and permitting system (where reforms like the removal of minimum parking mandates apply), projects located within HCDA-administered districts (e.g., Kaka’ako and Kalaeloa) are governed by an entirely separate land use framework. Under HRS §206E, HCDA has the authority to establish its own zoning rules and override county ordinances, including those related to parking.⁴⁸

As a result, HCDA may approve projects with reduced or no on-site parking regardless of local zoning reforms. While this flexibility can support more transit-oriented and affordable development within HCDA jurisdictions, it also creates an inconsistent regulatory landscape that limits citywide coordination and complicates efforts to analyze the broader impact of parking policy changes. A more unified and transparent permitting system would improve accountability and help assess how parking reforms are functioning across different geographies.

Another fundamental challenge to implementing meaningful parking reform lies in the tension between ministerial and discretionary approval processes.⁴⁹ While Ordinance 20-41 eliminated parking mandates for most multifamily housing, its impact is often muted in cases where projects require discretionary approval, such as through the county 201H process, IPD-T, or zoning variances.

These approvals must go through the Honolulu City Council or appointed boards, introducing political negotiation and public testimony into what would otherwise be a technical review. As a result, projects that technically qualify for parking reductions may still be pressured to include higher parking ratios—either to secure council support or to satisfy neighborhood concerns.

Evidence shows that parking mandates increase traffic congestion without meaningfully contributing to on-street parking management.⁵⁰ Despite this reality, council members may encourage or condition project approval on the inclusion of more on-site parking to address concerns from NIMBY-aligned constituents.

In contrast, ministerial processes like those used for Bill 7 are approved administratively once certain standards are met. This process allows developers to fully realize the flexibility intended by policy reforms by including parking based on market demand rather than the political pressure of perceived parking needs. This shift keeps the focus on delivering the housing the policy was designed to produce, rather than on politics.

The existence of both processes within our system creates an uneven playing field, and often undermines the policy intent of citywide reforms by reintroducing ad-hoc negotiations that reimpose outdated standards. Given these discrepancies, it is unsurprising that rental housing projects approved through discretionary processes since 2021 had average parking ratios three times higher than rental projects that went through ministerial approval processes (**Table 4**).

This dynamic highlights a disconnect between adopted policy reforms and how they are applied in practice, especially in neighborhoods where new housing is viewed as a threat to existing on-street parking availability. Ultimately, discretionary processes risk reintroducing the very parking burdens that Ordinance 20-41 was designed to eliminate.

Table 4. Average Number of Permitted Parking Units Per Housing Unit, by Approval Process, 2021 onward

Discretionary Rental	Discretionary For-Sale	Ministerial Rental (Bill 7)
0.90	1.40	0.27

RECOMMENDATIONS TO FURTHER THE IMPACT OF ORDINANCE 20-41

Honolulu’s parking reforms have spurred developers—particularly of rental housing—to build less parking. To accelerate the production of affordable housing, further action is needed. These five policy recommendations provide a path forward for the county.

1. Implement Parking Maximums in TOD Areas

To complement the reduction of parking mandates, TOD areas should implement parking maximums for residential projects—setting a firm cap on the number of parking spaces per dwelling unit.

Parking maximums were considered during the crafting of Ordinance 20-41. The findings in this study confirm the need for them: Despite the elimination of mandates, for-sale housing developers continue to over-build parking in well-served transit areas.

We recommend a maximum parking ratio of one space per dwelling unit in TOD areas. This is slightly higher than the 0.75 ratio for new TOD rental units since 2021 but 29 percent lower than the 1.40 ratio for new TOD for-sale housing. This policy would primarily impact for-sale developers and aligns with studies documenting a 25 to 30 percent excess in off-street parking in most urban areas of Honolulu.⁵¹

As the case studies in this report show, parking maximums prevent oversupply of parking and free up space for housing. In Honolulu’s TOD areas—which already undergo council review—enforcing maximums would require minimal added effort. This straightforward policy builds on existing processes to ensure these areas prioritize housing and transit over parking.

2. Unbundle Housing and Parking Costs

Unbundling parking from rent or sale prices allows for more equitable housing costs and provides greater access to transportation choices, especially for lower-income households or car-free residents.⁵² Unbundling would ensure tenants and homebuyers are not forced to pay for parking they do not need—particularly in affordable or transit-accessible developments.

Under Ordinance 20-41, housing projects outside of residentially-zoned areas are not subject to parking mandates if at least 50 percent of its parking spaces are unbundled. To ensure that unbundling supports the broader policy intent of reducing excess parking without creating unnecessary barriers for development, the county should require developers to unbundle housing and parking in areas where there are no parking mandates.

While Ordinance 20-41 was being advanced, developers expressed concern that projects would be unviable if required to unbundle in places where parking mandates were still in effect. By limiting the requirement to areas without mandates, the county can advance the benefits of unbundling without raising such viability concerns.

3. Eliminate Parking Mandates O‘ahu-Wide

Building on the success of Ordinance 20-41, this report recommends expanding parking mandate eliminations to all areas of O‘ahu. This would allow developers to right-size parking for community needs and accelerate housing production across the island.

Honolulu can pursue incremental, island-wide parking reform by first expanding mandate removals to specific housing types or transit corridors. This strategy mirrors successful models in Minneapolis and San Francisco, which paired city-wide mandate elimination with targeted maximums to avoid the inconsistent regulations that complicated Salt Lake City’s approach.

To mitigate the risk of parking spillover and community concerns, these reforms must be paired with enforcement tools like demand-based pricing and an expanded Restricted Parking Zone (RPZ) program. However, the current limit of one new RPZ per year (Ordinance 23-27) is a significant constraint that must be addressed to enable effective implementation.

4. Transition Multi-Family Housing Approvals to Ministerial Processes

To fully realize the intent of parking reform, the county must reduce its reliance on discretionary approvals, which are vulnerable to political pressure.⁵³ By transitioning multifamily housing to ministerial, “by-right” approvals for projects that meet clear affordability, design, or locational criteria, the county can reduce uncertainty and ensure consistent implementation.

5. Include Parking Floor Area Ratio in Permitting Process and Permit Summary Reports

A lack of transparent data is another major barrier to effective parking policy. Without a centralized database showing unit counts, parking ratios, and zoning tools for approved projects, it is impossible to accurately assess the impact of reforms like Ordinance 20-41.

The inconsistency of discretionary approvals compounds this issue. Developers face varying expectations across projects. Without standardized reporting, it is impossible to track how much parking is being included, waived, or negotiated behind closed doors.

To address these gaps, the county should require the publication of project-level permit data in a centralized, publicly accessible format. This reporting should include key metrics such as tenure type, affordability levels, zoning tools used, and the inclusion of parking floor area and number of parking units.

The current exemption of parking from Floor Area Ratio (FAR) calculations allows it to be overbuilt at the expense of active uses. Requiring parking to be included in FAR would create a more accurate development picture and incentivize a more efficient use of space.

Ultimately, transparent reporting is the foundation of effective parking reform. Integrating parking into FAR and project summaries ensures accountability, enables evaluation, and provides the data needed to achieve housing and climate goals.

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