



## Staff Report

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File #: REPORT 23-0111, Version: 1

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Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of February 28, 2023

**PUBLIC HEARING TO DISCUSS AND CONSIDER CHANGES TO  
RESIDENTIAL PARKING PERMITS, EMPLOYEE PARKING  
PERMITS, AND PARKING METER AND PARKING LOT RATES**  
(Finance Director Viki Copeland)

**Recommended Action:**

Staff recommends City Council:

1. Hold a Public Hearing to discuss and consider changes to the following parking program elements:
  - a) the residential parking permit program and fees;
  - b) employee permit program; and
  - c) hourly parking meter and parking lot rates;
2. Adopt resolution (**Attachment 1**) entitled "A Resolution of the City Council of the City of Hermosa Beach, California, Taking the Following Actions: 1) limiting the number of residential parking permits to be issued to each residence; and 2) increasing the fee for residential parking permits; and
3. Introduce on first reading an ordinance (**Attachment 2**) entitled "An Ordinance of the City Council of the City of Hermosa Beach, California Increasing Parking Meter Rates and Finding the Same Exempt from the California Environmental Quality Act".

**Executive Summary:**

Considering the recommendations included in the 2019 Coastal Zone Parking Management Study and City Council discussion and recommendations at its January 31, 2022 Parking Study Session, staff presents this item to hold a public hearing and consider changes to parking program elements including: residential parking permit program; employee permit program, and hourly parking lot meter and parking lot rates. An item to consider an increase to parking violation citation fees, which was noticed to be included in this public hearing, will instead be brought back to Council at a future meeting. The sale of 2023 residential and employee parking passes was postponed to allow City Council to consider parking rate adjustments prior to the opening of the 2023 parking pass sales.

**Background:**

The Parking Management Study and Recommended Parking Standards for the Coastal Zone (Parking Study) was accepted by the City Council in late 2019, including 12 recommendations with

actions to be completed (**Attachment 3**). Many of these recommendations have been in progress and Council conducted a comprehensive review at its January 31, 2022 meeting. The Parking Study is part of the City's efforts to achieve full certification of a Local Coastal Program fully funded through a grant from the California Coastal Commission. The City submitted the study recommendations, along with the Mobility Element in October 2021, as a first step in the City's efforts to have a fully certified Local Coastal Program with the Coastal Commission.

Given the complexity of the recommendations in the Parking Study, staff has presented several discussions to the City Council over the past three years. During these discussions, the City Council has provided direction to staff on specific aspects of City parking projects. At its January 31, 2022 meeting, the City Council held a parking study session to review and discuss the status and priorities of the 12 recommendations in the Parking Management Study and challenges of coordinating these efforts with goals of Plan Hermosa and the City's efforts to certify a Local Coastal Program, **Attachment 4**, with the Coastal Commission. Following its discussion and deliberations, the City Council directed staff to move forward with the sale of the renewal of the 2022-2023 residential and employee parking permits; place an item on a future agenda to enable Council to consider a fee increase; and restrict the of out-of-state vehicles except for active military.

### ***Past City Council Actions***

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Meeting Date	Description
June 6, 2018	The City Council held a Budget Workshop, with a Five-Year Financial Forecast, including recommendations for increased citation fines. At that time, the City Council requested a survey for all parking violations.
December 17, 2019	The City Council accepted the Coastal Zone Parking Assessment Study recommendations; directed staff to return to Council and the applicable City Commissions with the related implementation actions for each of the near-term recommendations; and directed staff to incorporate the policy recommendations into the Draft Local Coastal Program and, if appropriate, draft an amendment to the City's Coastal Development Permit for the Preferential Parking Program and Remote Beach Park and Ride System.
September 14, 2021	The City Council approved amending and updating the City's Certified Coastal Land Use Plan, focused on the Mobility Element, and authorized submittal to the California Coastal Commission.
September 28, 2021	The City Council requested that City Parking Programs and Parking Management be discussed at a future meeting.
January 31, 2022	The City Council reviewed and discussed the status and priorities of the 12 recommendations in the Parking Management Study and challenges of coordinating these efforts with goals of Plan Hermosa and the City's efforts to certify a Local Coastal Program with the Coastal Commission. Council directed staff to move forward with the sale of the renewal of the 2022–2023 residential and employee parking permits; place an item on a future agenda to enable Council to consider a fee increase; and restrict the out-of-state vehicles except for active military.
November 3, 2022	The City Council awarded a contract for mobile parking payment systems (Pay-By-App) to ParkMobile, LLC and directed staff to explore opportunities to utilize the system to provide real-time parking availability information to the public.

### Electric Vehicle (EV) Charging Spaces

The City maintains a network of 35 free and publicly accessible charging stations and covers the cost of the equipment, electricity, and maintenance. Three levels of charging are offered, including Level 1 (Standard 120 volts (V)), Level 2 (up to 240V), and Level 3 (DC Fast Charging).

All Level 2 stations in Hermosa Beach are currently available for free charging up to two hours. The Level 3 station, located on the top floor of Lot C Downtown parking structure, currently requires payment to charge. Payment at Level 3 stations is made directly to the vendor, EVgo, and does not represent revenue to the City. Separate from the free charging, EV stations located in Lot A and Lot C parking structure require customers to pay for the cost of parking at the standard rate of \$1.25 to \$1.50 per hour. All other City EV City charging stations do not require a fee for parking.

In April 2010, the City Council authorized the waiver of parking meter fees at silver post meters for 100 percent alternative fuel vehicles and the provision of complimentary electric vehicle charging at most stations throughout the City, as mentioned above. This was re-authorized by Council in November 2019 but, due in part to the dramatic increase in demand for EV parking and charging and the growing prevalence of electric vehicles, the City Council suspended this and all electric vehicle charging incentives at its November 29, 2022 meeting. The payment of parking meter fees at silver post meters was reinstated following a reasonable notification and warning period.

At its November 29, 2022 meeting, the City Council also directed staff to implement the charging of fees at public EV chargers. Staff is currently working to implement these changes including working with vendors to assess fee payment options, install meters where needed, and develop communications plans to inform the community. Full implementation is estimated by Summer 2023.

### **Analysis:**

#### **Residential Parking Permit Program**

In 1984, the City of Hermosa Beach applied for, and was granted, permission by the California Coastal Commission to establish a preferential parking permit program in conjunction with remote beach parking locations and a park and ride shuttle system. The permit was most recently amended in 2004 (**Attachment 5**).

The preferential parking permit program was developed to discourage oversaturation of the City's downtown and coastal parking, to provide free long-term parking at remote locations, and to allow residents within the impacted area to park beyond the one-hour time restrictions or without having to pay the meter at yellow pole/cap meters. The impacted area is bound by the North and South City boundaries; by the Strand on the west; and by Loma Drive, Park Avenue, or Morningside Drive on the east. Parking spaces on the west side of Cypress Avenue between 11<sup>th</sup> Street and Pier Avenue are also included.

Annual residential parking permits currently cost \$40 each. One non-transferrable sticker per vehicle with California registration to a Hermosa Beach residence and one transferrable guest permit per

residence may be purchased. Residential parking permits allow parking at 24-hour meters without paying the meter, or in one-hour residential zones without time limits for up to 72 hours.

Residents living in the area where one-hour restricted zones are enforced during the summer must have a new residential parking permit displayed by May 15th. The one-hour restricted zones run from Herondo Street to 6<sup>th</sup> Street, from 16<sup>th</sup> Street to the north boundary and from the ocean to Loma Drive, Park Avenue, or Morningside Drive. Enforcement continues through September 15<sup>th</sup>. Permits are not valid at the 2-hour meters.

Other requirements and permits related to the Residential Parking Permit Program are shown in the table below:

<b><i>Residential Parking Program</i></b>	
<b>Permit Types</b>	<b>Permit Description</b>
Residential Parking Permit/ Guest Permit	One non transferable sticker and one transferable guest parking permit may be issued for each legally established dwelling unit in the Impacted Area. Proof of residence and a valid California vehicle registration at that address is required. A replacement permit may be issued for a \$3 fee if the permit holder can provide satisfactory proof that said permit has been destroyed or stolen.
Owners Guest Permit	Any legal owner of rental property in the impacted area may have the option of purchasing one guest parking permit for each legally established unit. Such permit to be controlled by the legal owner.
Temporary One-Day Event Permit	Permit holders can purchase a maximum of twenty permits for any one event. A maximum of five requests may be made annually. The first five one-day event permits are \$1 each with a maximum charge of \$5 per single event.

The last fee increase for Residential and Guest Parking Permits was enacted in 2008, when fees were increased from \$38 to \$40. The 2019 Parking Study confirms that the \$40 annual parking permit fee is well below the fair market value and the price of the permit has not been adjusted in over 10 years.

On January 11, 2011, the City Council conducted a discussion on potentially increasing the cost of the residential parking permits from \$40 each as follows: 1st permit and 2nd permits to \$100; 3rd permit to \$200; and each additional permit to \$300. After discussion, the City Council did not elect to increase the fees. There has not been a subsequent discussion until the completion of the 2019 Parking Study.

The City does not place a limit on the number of permits purchased per residence. One of the challenges of the current Residential Parking Permit Program is the high number of permits issued, limiting on-street parking for residents and visitors without parking permits and limiting necessary beach access. The Parking Study noted that more parking permits are issued than spaces are available and recommends revisions to the program with scaled permit prices to disincentivize the oversaturation of parking permits. Some households obtain multiple permits, in some cases a greater number of permits than a reasonable household would need, as shown in the following table.

Number of Residential Permits		Per Address	2023	
Number of Address	Number of Permits	Allowed 4 Permits	Issued	Excess Permits Issued Over 4
855	1			
1528	2			
750	3			
283	4			
142	5	568	710	142
66	6	264	396	132
33	7	132	231	99
15	8	60	120	60
5	9	20	45	25
4	10	16	40	24
1	11	4	11	7
1	12	4	12	8
1	13	4	13	9
1	14	4	14	10
0	15	0	0	0
0	16	0	0	0
1	17	4	17	13
0	18	0	0	0
0	19	0	0	0
0	20	0	0	0
1	24	4	24	20
3,687	8,926	1,084	1633	549

The parking study recommends a maximum of four parking permits to each household. Elimination of the number exceeding four passes for last year would result in a reduction of 549 permits issued, or 6

percent of the 8,926 permits issued.

Staff recommends City Council consider implementing the Parking Study recommendations for the Residential Parking Program as follows: 1) limit each residence to the total number of four permits annually; 2) implement a tiered annual pricing structure wherein the first permit would be \$50; the second permit would increase to \$75; the third permit would increase to \$100; and a guest or fourth permit would cost \$150. This recommendation is consistent with the practice that other municipalities employ to discourage the misuse of residential parking permits.

#### Employee Parking Permit Program

Monthly and annual parking passes are currently available for those who work in Hermosa Beach and do not have parking available through their employer's property. Monthly permits are available for off-street parking lots and the Downtown parking structure for \$62 for anytime up to 72 hours, or \$31 to park daily between 5:00 a.m. to 7:00 p.m. Employees may also purchase permits to park at on-street spaces with yellow pole/cap meters and in the unmetered one-hour time restricted areas at an annual cost of \$143 when employers are within the impact zone as shown on the Public Parking Map link listed in **Attachment 6**. Proof of employment less than 30 days old must be submitted for each employee.

The following table provides a comparison of employee parking rates in area cities.

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<b>Employee Parking</b>			
<b>City</b>	<b>Location</b>	<b>Rate</b>	<b>Options</b>
<b>Hermosa Beach</b>	Parking Lots Impacted Area	\$31/\$62 \$143	Monthly Annual
<b>Manhattan Beach</b>	Downtown North End Business	\$27/\$160	Monthly & Semi-Annual
<b>Redondo Beach</b>	Riviera Village	\$60	Annual
<b>Santa Monica</b>	Beach/Downtown	\$20 \$105 \$155	Monthly Semi-Annual Annual
<b>West Hollywood</b>	Specified Streets	Tiered by month in Quarter \$50/\$99/\$149	One Month, Two Months, Per Quarter
	Various Locations & Parking Structures	\$33-\$99	Evening Only Monthly and Quarterly
	Specified Streets, greater number than other permits	Tiered in Quarter \$66/\$132/\$198	One Month, Two Months, Per Quarter Not open to New Applicants
<b>Culver City</b>	Specified Streets	\$120	Monthly

The most recent rate increase for Employee Parking Permits was made in 2006, when permit rates were increased from \$66 to \$143 as shown in the following table.

<b>Employee Permits – History of Most Recent Rates</b>	
<b>Rate</b>	<b>Year</b>
\$66	2006
\$143	2007 - Present

Staff recommends City Council discuss potential Parking Study considerations for the Employee Parking Permit Program, including: 1) updating the locations for the employee parking permit program to include only off-street parking lots and the downtown parking structure; and 2) increasing the pricing for employee permits to discourage driving or to encourage employers to provide parking options for their employees. The Parking Study recommends that on-street parking be reserved for short-term users to promote higher turnover.



In addition to the residential parking permits and employee parking permits, the City issues other parking permits. All City-issued permits are included for reference in **Attachment 7**.

#### Parking Meter and Parking Lot Parking Rates

Metered and pay-by-space parking are currently available for \$1.25 per hour, daily 10:00 a.m.to 8:00 p.m., and \$1.50 per hour, daily 8:00 p.m. to 2:00 a.m. in City lots, the downtown parking structure, and along streets and alleys. These rates were approved in 2010 and 2016, respectively. The dual-rate structure implements a demand pricing program where meters in higher demand areas (silver post) cost 25 cents more during peak (high usage) hours.

The history of meter rate increases is described in the following table.

<i>Meter Rates – History of Rate Increases</i>	
Year of Last Increase	Rate
2001	\$.75/hour
2003	\$1.00/hour
2010	\$1.25/hour
2016	\$1.50/hour  Demand pricing implemented from 8pm to 2 am for Upper Pier Avenue, Hermosa Avenue, Lots A, B, D and silver meters

A survey of meter rate comparisons with other cities is shown below. A comparison of parking meter rates is included as **Attachment 8**.

Meter/Payby Space		
City	Location	Rate
<b>Hermosa Beach</b>	Upper Pier, Hermosa Avenue 40am-8pm / 8pm-2am	\$1.25/\$1.50
	Lot A, B & D (silver meters) 10am-8pm / 8pm-2am	\$1.25/\$1.50
	Lot D- yellow meters only, F, G & All Other Meters, 10am-2am	\$1.25
	24-hour yellow meters and residential one-hour time limit spaces	\$5/day
<b>Manhattan Beach</b>	On-Street Meters City Wide	\$2.00
	County Parking Lots/Meters	\$2.00
<b>Redondo Beach</b>	Street Meters: Redondo Bike Path, North Harbor Drive, George Freeth Way, Veterans Park (Lot)	\$1/40 min; \$.25/10 min; \$.10/4 min; \$.05/2 min
	Parking Meter Permit thru 9/21, non-transferrable, numbered parking sticker, CA plates only	\$110/Annual per vehicle. 4 hr. limit
<b>Santa Monica</b>	On-Street Meters City Wide	\$1.25
	Downtown/Beach Meter Zones	\$2.50
<b>West Hollywood</b>	<b>All Streets</b>	
	Per 15 Minutes	\$0.50
	Per Hour, 5min grace between transactions	\$2.00
	Outdoor Dining Parking Meter Fee (Restaurants)	
	Daytime Hourly Rate per Parking Meter	\$0.54
	Evening Hourly Rate per Parking Meter	\$0.32
	Annual Flat Rate per Non-enforcement Hour	\$107.50
	Annual Renewal Fees Subject to the Long Beach Santa Ana Area CPI Increase	
	Areas where employee parking is scarce, and where business by petition, opted for employee parking	\$0.25 per hour
	Areas with high turnover, food pickup in the Downtown area	\$0.75 per 15 minutes
<b>Culver City</b>	Outside of the Downtown area	\$1.00 per hour
	Downtown area	\$1.50 per hour

Staff recommends City Council consider a rate increase to \$2.00/\$2.50 per hour to align with current parking rates in other nearby coastal cities, yet maintaining the demand pricing structure. The 2019 Parking Management Study also recommended the City institute a demand-based parking program that adjusts rates and regulations, as well as data tracking, and ongoing outreach and messaging programs. The current request focuses on the rate increase itself, while staff will continue to pursue implementing other portions of the recommendations.

Coastal Commission Authority

The Coastal Commission approved Coastal Development Permit 5-84-236-A2 (**Attachment 5**)

allowing the resident and employee preferential parking programs in the City. Condition #2 indicates that any changes to the program, including amounts of fees charged for on-street parking or day passes, must be submitted to the Coastal Commission to determine whether an amendment to the permit is needed. Currently, all recommendations discussed as part of this item are within the realm of the permit in that there is no expansion of the parking programs and the changes are limited to fees only.

Staff provides the following analysis to ensure that the recommendations, if implemented, would be considered consistent with the findings of the Coastal Act and the City's certified Land Use Plan. The following commonly cited sections of the Coastal Act and Hermosa Beach's certified LUP related to public access and parking are listed below, with a brief consistency analysis *in italics*:

- Section 30210 of the Coastal Act states: In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

*The City is not considering any decrease of parking spaces, which retains the ability of the general public to access the coastal zone. The potential limitations to parking permits and increase in fees further increases the availability of parking.*

- Section 30211 of the Coastal Act states: Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

*There is no development proposed. The potential limitations to parking permits and increase in fees increases the availability of parking, which enhances the public's right of access.*

- Hermosa Beach certified LUP Section III(A) states: To preserve and increase where feasible, residential, commercial, and general public parking within the Coastal Zone.

*The City is not considering any decrease of parking spaces. The potential limitations to parking permits and increase in fees increases the availability of general public parking.*

- Hermosa Beach certified LUP Section III(C)(1) states, in relevant part: Policy: That the City should not allow the elimination of existing on-street parking or off-street parking spaces within the coastal zone. Given the Commission's authority, staff cautions against any significant incremental pricing changes or program changes without an overall program approach or implementing before Commission approval.

*The City is not considering elimination of existing on-street parking or off-street parking*

*spaces in the coastal zone.*

### **Community Outreach / Public Notification**

A public hearing notice was published in the Easy Reader on Friday February 17, 2023. Furthermore, the City Council has discussed and provided direction on the Parking Study recommendations on several prior City Council meetings, which were agendaized in accordance with the Brown Act.

### **Environmental Determination**

Pursuant to the California Environmental Quality Act ("CEQA"), the City finds that there is no evidence that the Project would have a significant effect on the environment. Thus, pursuant to CEQA Guidelines section 15061 (b)(3), it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Furthermore, section 15273 of the CEQA Guidelines states that CEQA does not apply to modification of fees by public agencies for meeting operating expenses or financial needs.

### **General Plan Consistency:**

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

#### *Mobility Element*

**Goal 4. A parking system that meets the parking needs and demand of residents, visitors, and employees in an efficient and cost-effective manner.**

Policies:

- **4.2 Encourage coastal access.** Ensure parking facilities and costs of such facilities are not a barrier to beach access by the public.
- **4.3 Reduce impacts.** Reduce spillover parking impacts due to employee parking and seasonal event-based demands.
- **4.4 Preferential parking program.** Periodically study and evaluate the current inventory of public parking supply and update the preferential parking program.
- **4.6 Priority parking.** Provide priority parking and charging stations to accommodate the use of Electric Vehicles (EVs), including smaller short-distance neighborhood electric vehicles.
- **4.7 Parking availability.** Optimize parking availability through dynamically adjusted pricing and new technology to manage available spaces for short-term parking use to encourage rates of turnover that are responsive to fluctuating demands.
- **4.8 Ensure commercial parking.** Ensure that prime commercial parking spaces are available for customers and other short-term users throughout the day.
- **4.9 Encourage TDM strategies.** Encourage use of transportation demand management strategies and programs such as carpooling, ride hailing, and alternative transportation modes as a way to reduce demand for additional parking supply.
- **4.10 Visitor parking information.** Manage information about passes and accessing public

parking lots to facilitate use by longer-distance visitors with limited transportation choices.

- **4.11 Consolidated parking facilities.** Consider the development of new small-scale parking structures or shared facilities outside of the Downtown core and incorporate adaptability standards so that they may serve other uses in the future.

#### **Fiscal Impact:**

The estimated increase in revenue from residential permits based on the recommended rates of \$50, \$75, \$100, and \$150 is \$272,794. The recommended increase of meter rates from \$1.25 per hour, daily 10:00 a.m. to 8:00 p.m., and \$1.50 per hour, daily 8:00 p.m. to 2:00 a.m., to \$2.00 per hour and \$2.50 per hour to align with current parking rates in other nearby Coastal cities would result in an estimated annual revenue increase of \$1,838,489. Should Council direct changes to the employee parking program, the fiscal impact would be calculated accordingly.

#### **Attachments:**

1. Draft Resolution for Residential Parking Permit Program
2. Draft Ordinance Increasing Parking Meter Rates
3. 2019 Coastal Zone Parking Management Study
4. Link to Local Coastal Plan
5. City's Coastal Development Permit for Residential Preferential Parking District
6. Public Parking Map with Residential and Employee Impacted Parking Areas
7. Total Parking Permits by Fiscal Year
8. Parking Meter Rate Comparison with Other Cities
9. Link to June 6, 2018 City Council Budget Workshop (see Draft Forecast and Financial Plan Attachment p.11)
10. Link to December 17, 2019 City Council Staff Report
11. Link to September 14, 2021 City Council Staff Report
12. Link to September 28, 2021 City Council Meeting Agenda
13. Link to January 31, 2022 City Council Parking Study Session Agenda
14. Link to November 3, 2022 City Council Staff Report
15. Link to November 29, 2022 City Council Staff Report

**Respectfully Submitted by:** Viki Copeland, Finance Director

**Concur:** Carrie Tai, AICP, Community Development Director

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Legal Review:** Patrick Donegan, City Attorney

**Approved:** Suja Lowenthal, City Manager