



Honorable Mayor and Members of the Hermosa Beach City Council

REVIEW OF THE CITY'S RESIDENTIAL AND EMPLOYEE PARKING PERMIT PROGRAMS

(Revenue Services Supervisor Paul Avila)

Recommended Action:

Staff recommends City Council:

1. Receive an update on the City's Residential and Employee Parking Permit Programs; and
2. Consider any changes or modifications to the Programs.

Executive Summary:

Staff recommends that the City Council discuss and review the City's residential and employee parking permit programs and, based on public input and feedback provided over the last year, direct staff to make appropriate changes to the programs prior to the next permit season beginning in 2026.

Background:

Residential Parking Permit Program

Following a 2019 Parking Management Study, the Hermosa Beach City Council initiated a series of significant changes to its residential and daily parking programs to ensure a fair contribution from users for maintenance and improve overall program clarity.

The Residential Parking Program was originally 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 program allows residents in designated "impacted areas" to park in one-hour limit residential zones and 24-hour yellow cap street meters. To qualify, residents must live within the specified boundaries, which run from the Strand east to Loma Drive, Park Avenue, or Morningside Drive, and between the north and south city limits.

Key changes for residential permits have included limiting permits to three per household, increasing the annual price, and implementing stricter proof of residency requirements.

Additional adjustments addressed guest passes, vehicle registration, and stricter penalties for fraud.

Recent updates, including changes implemented for the 2024–2025 season, have tightened the rules and increased the annual fee to \$60 per permit. Households are limited to three permits, one of which can be a transferable guest pass. For vehicle sticker permits, applicants must provide a lease agreement with a minimum six-month term (new residents only) or a bank or credit card statement dated within the last 30 days, along with vehicle registration showing the Hermosa Beach address. An optional fourth permit is possible for households that demonstrate a need due to a lack of on-site parking.

Beginning in the 2025-2026 permit season, to obtain a Hermosa Beach residential parking sticker, applicants must provide both a valid California driver's license and a current California vehicle registration.

Permits are sold annually and can be purchased online, by mail, or at City Hall. The program has faced some resident concerns, particularly regarding the stricter proof of residency requirements. Violations, such as submitting fraudulent documents, can result in a two-year ban from receiving parking permits

Employee Parking Permit Program

In 2019, City Council adopted a Parking Management Study that included recommendations to adjust the parking permits and pricing. The Study recommended the existing Employee Parking Permit Program remain but suggested the City update locations and pricing to encourage off-street parking availability for employees and that on-street parking be reserved for short-term users to promote turnover. Historically, employee permits were available for purchase, allowing employees to park at on-street spaces with yellow pole/cap meters and in the unmetered one-hour time restricted areas for an annual fee when employers are within the impact zone.

At its February 28, 2023 meeting, City Council revisited the Employee Permit Program and established three sets of rates: \$175 per year at yellow meters, \$75 per month for 24 hours in Lot C, and \$38 per month for 12 hours at Lot C. Subsequently, at its March 11, 2025 meeting, City Council approved revisions to the monthly employee permits. The Lot C Employee Permit allows employee parking on the upper level of the Lot C structure (\$75 per month for 24-hours or \$38 per month for daytime parking from 5am to 7pm). The Quarterly Employee Permit (formerly the Annual Employee Permit) is limited to the yellow meters along Hermosa Avenue (\$44 per quarter).

Past Board, Commission, and Council Actions

Meeting Date	Description
<u>January 23, 2024</u>	City Council received a staff presentation on issues identified during the 2023–24 parking permit season and approved staff’s recommendation to only accept one address per resident, eliminate the replacement of lost or stolen guest permits, limit Annual Employee Permits to one per person, and institute a 2-year loss of parking permit privileges for misrepresentation/fraud in applying for a permit or the misuse of parking permits. Additionally, City Council raised the parking permit price to \$60 per year, the daily lot pass price to \$150 for (12-hour parking) and the 24-hour lot pass to \$250, and the daily metered lot pass to \$12.
<u>January 14, 2025</u>	City Council received an update on the Citywide Parking Program and approved agreements with Parkmobile, LLC and Turbo Data Systems, Inc. Mayor Pro Tem Seamann requested, and a majority of City Council supported, directing staff to return with an item highlighting Residential Parking Program feedback for possible modifications.
<u>January 28, 2025</u>	City Council received an update on the Citywide Parking Programs and approved a motion to establish the acceptable forms of proof of residency to add a Driver’s License consistent with State law, and in the event the person does not have a vehicle, proof of residency for a hang tag can be established via bank statement or credit card statement at the address requested.
<u>March 11, 2025</u>	City Council received an update on the Employee Parking Permit Program and create two separate monthly employee permits. One employee permit would allow employee parking on the upper level of Lot C. A second employee perrestrictscting parking for the yellow meters to only Hermosa Avenue via a new sticker.
<u>May 27, 2025</u>	City Council received and filed an update on the City’s Residential Parking Permit Program and directed staff to bring back the item for discussion on or before October 2025.

Analysis:

Residential Parking Permit Program

To improve customer experience, the City upgraded its online parking permit platform to a contemporary and intuitive system. As a result, the sale of 2025-26 Residential Parking

Permits was delayed until April 1, 2025. The number of permits sold this season was down 4% in the 2025-26 permit season, and down 34% over a three-year period.

Residential Permit Type	2025-26	2024-25	2023-24*	2022-23
Vehicle Sticker	2,832	3,297	2,435	4,890
Transferrable Permit	3,069	2,834	1,993	3,288
Owner Guest Permit	-	-	-	748
TOTAL PERMITS SOLD	5,901	6,131	4,428	8,926
*2023-24 figures reflect a partial permit year as sales did not begin until August 28, 2023				

Residential Parking Permit Costs Year-over-Year	
2022–23	\$40
2023–24	\$50
2024–25	\$60
2024–26	\$60

The 2025–26 Residential Parking Program continues the efforts to manage limited curbside parking in neighborhoods by giving priority to residents. The Program helps reduce the vehicle impacts of commuters, visitors, and nearby businesses, helping ensure that residents who live in the area can more easily park near their homes. By reducing competition for parking, the Program also helps cut down on traffic congestion, safety concerns, and the time drivers spend circling for a spot.

In addition to protecting access for residents, the Program supports broader city goals. It discourages long-term parking by non-residents, encourage greater use of public transit and alternative transportation, and helps preserve the character and livability of Hermosa Beach’s neighborhoods. The fees collected through permits also provide a revenue stream that the city reinvests in parking management, enforcement, and community improvements.

The Parking Permit Program has largely met its goal of prioritizing parking access for Hermosa Beach residents, and the community has grown accustomed to how the program operates. It has become a familiar system that generally functions as intended. However, several challenges remain in how the program is administered. These ongoing issues have been identified by staff, city management, and City Council, and they highlight the need for further review, discussion, and potential adjustments to improve effectiveness and address concerns:

Issue One: Driver’s License as Proof of Residency

Description: The program requires residents to show a valid California state driver's license (with a Hermosa Beach address) and matching vehicle registration to obtain a parking permit.

Impact: This creates barriers for residents who do not drive, new residents who haven't updated their license address, and households with vehicles registered under different family members. Staff has also heard from homeowners who live part-time elsewhere who think it's unfair that they pay property taxes but can't get a parking permit. It can also slow down the application process and lead to resident frustration.

Options/Solutions

- **Option A (Status Quo):** Continue requiring a driver's license and matching registration for all permits.
 - *Pros:* Strong verification of residency; reduces risk of fraud.
 - *Cons:* Excludes full time residents who don't drive, part-time residents who pay property taxes, creates delays, increases complaints.
- **Option B:** Allow additional proof of residency (e.g., lease agreement or utility bill) as alternatives to a driver's license.
 - *Pros:* Increases accessibility for renters, part-time residents, seniors, and new residents; reduces inequities.
 - *Cons:* Slightly more complex for staff to verify documents.
- **Option C:** Hybrid approach — require a driver's license when available but allow secondary documents for special circumstances (e.g., new move-ins, part-time residents, non-drivers).
 - *Pros:* Balances fraud prevention with flexibility; accommodates edge cases.
 - *Cons:* May require staff training and clear guidelines for exceptions.

Issue Two: Guest Permits Not Replaceable

Description: Guest permits are address-specific and cannot be replaced once issued. If a tenant moves out after using the allocation, the new tenant at that address is not eligible to obtain a guest permit for the remainder of the permit season.

Impact: This creates inequity for new renters, who may be unfairly denied a benefit available to prior tenants. It generates resident complaints, reduces program flexibility, and disproportionately impacts rental households with frequent turnover.

Options/Solutions

- **Option A (Status Quo):** Continue the policy of no replacements.
 - *Pros:* Prevents abuse or duplication of guest permits; simpler for staff to enforce.
 - *Cons:* Unfair to new tenants; leads to frustration and negative perceptions of the program.

- **Option B:** Allow replacement with proof of new tenancy (e.g., signed lease agreement, utility bill in new tenant's name).
 - *Pros:* Improves fairness for renters; accommodates legitimate moves; reduces complaints.
 - *Cons:* Requires staff to verify new documents; increases administrative workload.
- **Option C:** Limit replacements to once per address per permit season.
 - *Pros:* Provides fairness for new tenants while maintaining safeguards against repeated replacements.
 - *Cons:* More complex to track; still may not fully resolve turnover-related challenges.

Issue Three: Elimination of Property Owner Guest Permits

Description: The program previously allowed property owners to purchase one guest/hangtag permit per residential address they owned, regardless of whether they lived there. This option has been eliminated, leaving non-resident owners without a means to obtain a guest permit.

Impact: Property owners who do not reside in Hermosa Beach but maintain property (e.g., second homes, rentals, family-use homes) lose flexibility in hosting guests, tenants, or contractors. This has caused frustration among property owners who feel they are being treated inequitably compared to resident homeowners.

Options/Solutions

- **Option A (Status Quo):** Continue prohibiting owner guest permits.
 - *Pros:* Reduces potential misuse by absentee landlords or short-term rental operators; simplifies administration.
 - *Cons:* Limits flexibility for legitimate owners who occasionally use or maintain their properties.
- **Option B:** Reinstate owner guest permits with restrictions (e.g., capped number, higher fee, proof of ownership, or limited duration).
 - *Pros:* Restores some flexibility for property owners; generates additional revenue; accommodates occasional use.
 - *Cons:* Increases staff oversight; risk of misuse if not tightly regulated.

Issue Four: Elimination of Event Permits

Description: One-day event permits were previously available to residents who held a current residential parking permit, allowing up to five events per year (with a maximum of 20 permits per day). The initial five permits were \$1 each, and the remaining fifteen were free. This option has been removed under the current program.

Impact: Residents no longer have an affordable, short-term solution for hosting guests or attending local events. This reduces flexibility, generates complaints from residents

who regularly used the permits, and limits the program's responsiveness to temporary parking needs.

Options/Solutions

- **Option A (Status Quo):** Maintain elimination of event permits.
 - *Pros:* Simplifies program administration; reduces potential misuse or overcrowding on event days.
 - *Cons:* Residents lose a valued service; may cause dissatisfaction and inconvenience.
- **Option B:** Reinstate event permits with updated rules (e.g., limit the number of events per year, restrict the number of permits issued per event, and charge a nominal fee for each permit).
 - *Pros:* Restores flexibility for residents; generates minor revenue; addresses community needs.
 - *Cons:* Requires additional staff oversight and tracking; some risk of misuse during large events.

Issue Five: Requirements for a Fourth Residential Permit

Description: One of the requirements to qualify for a fourth residential parking permit is that each vehicle must be registered to a different driver. Vehicles registered under the same name are ineligible, regardless of parking needs.

Impact: Multi-vehicle households with multiple cars registered to a single driver are restricted from obtaining additional permits, which can cause frustration, complaints, and perceived inequity. Staff has heard from several residents about the need for permits for two spouses and their two children who each drive. The current limitation may not reflect actual parking demand and can create enforcement challenges.

Options/Solutions

- **Option A (Status Quo):** Maintain the requirement that each vehicle must be registered to a unique driver.
 - *Pros:* Prevents households from stockpiling permits; simplifies verification.
 - *Cons:* Restrictive for legitimate multi-vehicle households; may not align with actual parking needs; causes resident dissatisfaction.
- **Option B:** Allow households to obtain a fourth permit regardless of driver registration, subject to verification of household residency.
 - *Pros:* Increases flexibility for residents; better aligns with real-world parking needs; reduces complaints.
 - *Cons:* Slightly higher risk of over-allocation; may require monitoring to prevent abuse.
- **Option C:** Eliminate the requirement that each vehicle must be registered to a different driver, allowing the eligibility to be based on the overall parking needs of the household.

- *Pros:* Balances fairness with program control; ensures permits go to households with genuine need.
- *Cons:* Adds administrative review and complexity; requires clear criteria for eligibility.

In rare instances, staff identified misrepresentation of paperwork or misuse of parking permits. In total, 20 residents are currently on a two-year pause from receiving Residential Parking Permits as outlined below.

Residents on Two-Year Pause from Receiving Parking Permits	
Reason	# Residents
Submitted Altered Vehicle Registration Documentation	13
Submitted Altered Bank or Credit Card Statements	5
Misusing Vehicle Stickers on Unassigned Out-of-State Vehicles	2
Total	20

Options:

1. Keep the Two-Year Ban

- *Pros:* Strong deterrent, easy to enforce, protects integrity of program.
- *Cons:* Can be overly harsh, may penalize honest mistakes, reduces goodwill and revenue.

2. Change / Modify the Ban

- *Pros:* More fair and flexible (shorter bans, appeal options), preserves deterrence but allows forgiveness.
- *Cons:* More complex to administer, harder to communicate, risk of inconsistency.

3. Remove the Ban

- *Pros:* Simplifies policy, less punitive, avoids long-term hardship, reduces administrative tracking.
- *Cons:* Weakens deterrence, risk of increased fraud/misuse, may anger residents, requires stronger alternative penalties.

Permit sales for the 2026-2027 season are scheduled to begin February 1, 2026. The current passes will be good through February 28, 2026. Enforcement will begin March 23, 2026 to allow residents ample time to apply to receive their new permits.

Employee Parking Permit Program

Employee Parking Permits must meet the following eligibility criteria:

- Business must be located within the City's Impacted Parking Area.
- The following documents are required:

- Current business license (if you are the business owner) or a current pay stub less than 30 days old (if you are an employee).
- Current CA vehicle registration (only for the Quarterly Permit)—must be in the name of the employee; and
- Valid Picture I.D.—acceptable forms include a driver’s license, California I.D., passport or military I.D.

Listed below are the permit counts for the 2025-26 season:

Annual Employee Permit Sales	
Year	Total
2025-26 ¹	316
2024-25	207
2023-24 ²	138
2022-23	231
2021-22	169
2020-21	183

¹Sales switched to quarterly

²Sales delayed in 2023-24

Monthly Lot C Employee Permit Sales		
Year	Daily (5am-7pm)	24-Hour
2025-26	1,714	1,084
2024-25	1,776	1,160

At its March 11, 2025 meeting City Council changed the criteria for both the annual (now quarterly) on-street and monthly Lot C Employee Parking Program. Quarterly permits are now only valid at yellow cap/pole meters on Hermosa Ave. Lot C employee parking is now restricted to only the top floor of the structure.

Staff has received a handful of anecdotal complaints of capacity issues in Lot C from affected local employees

City Council may want to consider changes to the Employee Parking Program to allow a fairer system for employees, less congestion, possible new revenue, and increase resident satisfaction. However, this is counterbalanced by limited parking spaces, risks to visitor/business parking, and employee equity.

Here are a few options for potential changes:

- Expand **Access / Zones for Quarterly Permit** – More spaces or wider use of permits.
 - *Pros:* Convenience for employees.
 - *Cons:* Reduces availability for residents/visitors.
- Increase **Fees** – Raise permit costs to match demand.
 - *Pros:* More city revenue deters overuse.
 - *Cons:* Pushback from employees/businesses, risk of illegal parking.
- **Employer-Managed Lot C Permits** – Permits are allocated by businesses rather than individuals. Limit the number of permits issued to each business.
 - *Pros:* Better verification encourages sharing/carpooling.
 - *Cons:* Burden on employers, fairness issues among staff.
- Reallocate **Spaces / Enforcement for Lot C** – Redesignate employee-only spaces to allow Lot C permits at different levels of the structure.
 - *Pros:* Improves parking distribution for employees and supports overall system integrity.
 - *Cons:* Reduces parking availability for visitors, additional enforcement oversight.

Fiscal Impact:

There is no fiscal impact related to the recommended action.

Respectfully Submitted by: Paul Avila, Revenue Services Supervisor

Concur: Brandon Walker, Administrative Services Director

Approved: Steve Napolitano, Interim City Manager