



Honorable Mayor and Members of the Hermosa Beach City Council

CONTINUED REVIEW OF THE CITY'S RESIDENTIAL PARKING PERMIT PROGRAM
(Revneue Services Supervisor Paul Avila)

Recommended Action:

Staff recommends City Council:

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

Executive Summary:

Following City Council direction at the previous meeting on the Residential Parking Program Update, staff has continued analysis and discussion of two specific policy items:

1. Requirements for qualification of a fourth residential parking permit; and
2. The potential restriction of permit issuance to applicants with outstanding debts owed to the City.

These items are being revisited to ensure the City's parking policies continue to promote equitable access, responsible use of limited parking resources, and fiscal accountability.

Background:

At its prior meeting, the City Council reviewed proposed updates to the Residential Parking Program. During deliberations, Council directed staff to return with additional information and recommendations on two areas of concern:

- The criteria under which households may qualify for a fourth residential parking permit; and
- The feasibility and implications of withholding permits from individuals with unpaid citations, fines, or other outstanding obligations to the City.

Staff has since conducted additional review of current policies, administrative processes, and practices in comparable jurisdictions to inform potential revisions.

Parking zone concepts were explored in the 2019 parking study and discussed in subsequent City Council meetings, including the October 28, 2025 Council meeting;

however, these ideas were never formally submitted to the California Coastal Commission for approval. The City’s existing Coastal Development Permit (CDP) for the parking program currently authorizes only one unified parking zone. Any modification to that structure without prior Commission approval would violate the terms of the existing CDP, potentially jeopardizing the validity of the current parking permit program. Moreover, proceeding without authorization could negatively affect the City’s standing with the Commission and delay or hinder approval of other pending permit applications currently under review.

Past 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 allows employee parking on the upper level of Lot C. A second employee permit restricting parking for the yellow meters to only Hermosa Avenue via a new sticker. |

| Meeting Date | Description |
|----------------------------------|--|
| May 27, 2025 | 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. |
| October 28, 2025 | City Council received and filed an update on the City's Residential and Employee Parking Permit Program and directed staff to bring back the item for continued discussion. |

Analysis:

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.

As directed by City Council, staff reviewed possible methods to verify “demonstrated need” for a fourth residential parking permit. The intent of this verification process is to ensure that additional permits are granted only when justified by actual household parking limitations and occupancy conditions, while maintaining fairness, transparency, and administrative efficiency.

Staff identified several feasible verification options that range from applicant self-certification to direct field inspection. These methods vary in terms of effort, accuracy, and administrative complexity. The following options are available for consideration:

1.) **Statement of Need / Affidavit**

Applicants would be required to provide a written statement describing why a fourth permit is necessary (for example, multiple licensed drivers residing at the address or limited on-site parking). The statement would be signed under penalty of perjury.

- **Staff Effort:** Low
- **Pros:** Promotes accountability and provides context for unique household situations; minimal administrative cost.
- **Cons:** Subjective and reliant on applicant honesty; limited opportunity for independent verification.

2.) **Continue the status quo of reviewing the fourth permit application (On-site inspection not required)**

Applicants would submit an illustration showing the property layout, including the location of all parking spaces and the total number of vehicles. This would include the number of all parking spaces on the property, along with photos showing the entirety of each parking space, including the driveway.

- **Staff Effort:** Medium
- **Pros:** Maintains the current review process of allowing applications to be reviewed based on documentation rather than in-person inspections.
- **Cons:** Relies on applicant-provided information which could result in approvals that do not fully reflect actual parking limitations.

3.) **On-Site Inspection (Not Recommended)**

When questions remain after document review, staff could conduct a physical inspection of the property to verify on-site parking layout, garage usability, and driveway accessibility.

- **Staff Effort:** High
- **Pros:** Provides the most accurate assessment of actual parking conditions; identifies garages or driveways not being used for parking.
- **Cons:** Time- and labor-intensive; requires scheduling and coordination with residents; may raise privacy concerns.

Random Audit Program

To ensure ongoing program integrity, staff could implement periodic random audits (for example, 10 percent of fourth-permit holders annually) to confirm that previously approved households continue to meet eligibility and need criteria. This could apply to any parking need demonstration process.

- **Staff Effort:** Medium
- **Pros:** Deters fraudulent or inflated claims; reinforces program accountability and fairness.
- **Cons:** Requires ongoing coordination and clear, transparent audit procedures.

The table below shows the number of residential addresses and the corresponding number of parking permits issued during the 2025–2026 permit season.

| 2025-2026 Residential Permits | |
|-------------------------------|-------------------|
| Number of Addresses | Number of Permits |
| 1054 | 1 |
| 1115 | 2 |
| 822 | 3 |
| 1 | 4 |
| 2,992 | |

Observations:

- A total of **2,992 residential addresses** participated in the parking permit program.
- The majority of addresses (approximately 70%) obtained one or two permits, indicating that most households maintain a modest number of vehicles or have limited parking needs.
- A smaller portion (about 27%) requested three permits, suggesting multi-vehicle households or shared residences.
- Only one address obtained four permits, reflecting that higher permit requests remain rare under current system requirements.

- Overall, the data suggests a relatively balanced distribution, with most residential participation clustered around one to two permits per address.

Permits for Applicants with Outstanding Balances

Council also requested that staff explore the possibility of disallowing the issuance or renewal of residential parking permits to any applicant with outstanding amounts owed to the City. This could include unpaid parking citations, fines, fees, or delinquent business or residential licenses.

Prohibiting residents from purchasing city parking permits if they owe unrelated debts to the city presents both administrative and policy trade-offs. On the positive side, the policy can enhance debt collection, encourage compliance, and reinforce fiscal accountability by linking city privileges to responsible payment behavior. It provides a practical mechanism for recovering overdue balances without relying on costly enforcement actions.

However, the approach may create administrative and legal challenges, generate disputes over unrelated debts, and invite criticism if perceived as overly punitive or disconnected from parking management objectives.

Overall, while potentially effective for improving payment compliance, the policy should be implemented carefully. If Council chooses to pursue this approach, staff would need to focus on developing procedures for debt verification, handling appeals or disputes, and ensuring clear communication with residents to maintain public confidence and operational efficiency.

Permit Pricing

Staff evaluated three pricing options in anticipation of a potential amendment allowing a fourth residential parking permit. Each option balances affordability, fairness, and administrative cost recovery.

Option 1 – No Fee Increase:

Maintain the current fee of **\$60 per permit** for all permits, including a fourth. This option is simple and preserves affordability but provides no additional revenue to offset the extra staff time required to review and verify fourth-permit applications.

Option 2 – Across-the-Board Increase:

Raise all permit fees uniformly—for example, from **\$60 to \$75**—to reflect inflation and general program costs. This approach improves cost recovery but does not specifically address the higher administrative workload associated with processing fourth permits.

Option 3 – Premium Pricing for Fourth Permit:

Keep the existing \$60 fee (or increase) for the first three permits and establish a premium rate (e.g., \$150) for the optional fourth permit. This structure directly recovers the additional staff costs of verifying “demonstrated need” while helping manage parking demand.

Fiscal Impact:

An increase in residential parking permit fees would allow the City to better recover the costs of administering the program, including staff time for application review, verification, and enforcement. The current \$60 rate provides only partial cost recovery. Implementing an across-the-board increase or premium pricing for the optional fourth permit would improve program sustainability and reduce reliance on the General Fund.

Respectfully Submitted by: Paul Avila, Revenue Service Supervisor

Noted for Fiscal Impact: Brandon Walker, Administrative Services Director

Legal Review: Jason Baltimore, Interim City Attorney

Approved: Steve Napolitano, Interim City Manager