

PARKING IN-LIEU FEE REPORT

APRIL 14, 2026



CITY OF
HERMOSA
BEACH

Parking In-Lieu-Background

BACKGROUND

- Supports flexible development and shared parking
- Offsets parking shortfalls
- Key issues: outdated fee, limited project delivery

OVERVIEW

- Developers may pay fee instead of parking
- Used when site constraints or shared parking is better
- Fee: \$28,900 per space (15+ years unchanged)
- Collected: ~\$404K | Pending: ~\$462K
- Funds banked; challenge funding large projects



Key Challenges

Fee Adequacy:

- Current fee (~\$28,900) below market (~\$35,000)
- Does not reflect full cost of structured parking

Cost Pressures:

- High land acquisition costs
- Expensive construction in coastal environment

Site Constraints:

- Limited availability of viable sites
- Built-out urban conditions

Regulatory Barriers:

- Coastal and zoning constraints
- Lengthy approval processes

Funding Mismatch:

- Fees collected incrementally
- Projects require large upfront capital



Legal Authority & Enforcement

Legal Authority:

- Coastal Act and Coastal Development Permits (CDPs)
- Municipal Code and zoning regulations

Nature of Fees:

- May be required as permit conditions
- Non-payment = violation of state law (not just local code)

Enforcement Tools:

- Withhold project approvals
- Deny certificates of occupancy
- Enforce CDP conditions
- Pursue judicial action

Limitations:

- Liens require court judgment
- Credit reporting carries legal risk



Opportunities & Strategies

Operational Improvements:

- Increase parking turnover (time limits, enforcement)
- Strengthen compliance measures

Technology:

- Real-time parking availability systems
- Streamlined digital payment tools

Optimization:

- Restriping to maximize spaces
- Reconfiguring layouts for efficiency

Curb Management:

- Reallocate space for:
 - Loading zones
 - Outdoor dining
 - Pick-up/drop-off

Approach:

- Focus on near-term, cost-effective improvements



Alternative Solutions

- Expand micromobility (bike and scooter parking)
- Encourage alternative transportation to reduce demand
- Evaluate public sites (e.g., near City Hall)
- Use flexible/shared parking strategies
- Focus on practical, incremental improvements



Conclusion



- Program is useful but needs updates
- Current fee is outdated and too low
- City has strong enforcement authority
- Near-term improvements can help now
- Long-term planning is still needed

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