



Council Agenda Report

Item 6a

Department: Public Works
Cost Center: 5101
For Agenda of: 8/24/2021
Placement: Public Hearing
Estimated Time: 60

FROM: Matt Horn, Public Works Director
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SUBJECT: INTRODUCE AN ORDINANCE AMENDING THE MUNICIPAL CODE TO REVISE THE CITY'S PARKING PERMIT PROGRAM

RECOMMENDATION

Introduce an ordinance amending Title 10 Chapter 36 of the Municipal Code to revise the City's parking permit program to address requests from commercial properties to be eligible for parking district formation.

REPORT-IN-BRIEF

In Spring 2021, Council considered and approved the formation of the Dana Street Parking District. With this District, Council adopted an ordinance to allow multi-family properties of five to eight units on Dana Street to participate in the parking district and to receive permits. This District presented unique issues given the street's proximity to the downtown area and the different land uses that make up the Dana Street area. On April 6, 2021, minor modifications were made to the Municipal Code to allow multi-family properties of five to eight units to participate in the Dana Street Parking District.

The issues identified during the formation of the Dana Street Parking District along with recently received requests to establish parking districts in predominately commercial areas (which is not allowed under the current district process) have resulted in this agenda item for Council's consideration. Staff has reviewed the applicable Municipal Code sections as well as the district formation procedures and has recommended changes to achieve a more flexible and inclusive process (See Attachment A) for residents and businesses alike.

DISCUSSION

Parking District Historical Overview

The first parking permit district was established in 1979 in what is referred to as the Alta Vista Parking District near the southern boundary of the Cal Poly campus. The purpose of the district was to limit the parking of students in the neighborhood and to improve the overall 'quality of life' for the residents. Since then, the City has established ten

additional parking districts, expanded existing districts multiple times, and received requests to establish many more. Parking districts historically have been limited to areas that are predominately residential and participation is restricted to only residential properties with four or fewer units.

The four or fewer unit restriction aligns with the City's Zoning Regulations, which require residential properties of more than four units to provide parking on-site for residents as well as guests (SLOMC 17.72.030). This limitation was a significant issue for the Dana Street Parking District because there are five multi-family properties intermixed with single-family residential and commercial properties on that street. City Council came to compromise at the March 2, 2021. Council meeting and introduced an ordinance amending the Municipal Code language to allow multi-family properties of five to eight units on Dana Street to participate in the parking district and to receive permits.

Around the same time of the Council meeting, staff began to receive requests from business owners to establish a parking district in a non-residential area, the South Higuera, Tank Farm, and Suburban Road area. Establishment of a district in non-residential areas is not possible without further amendments to the Municipal Code but it is within the City's authority to allow such amendments under California Vehicle Code section 22507.

Amendments to the Municipal Code

Staff reviewed Municipal Code sections 10.36.170 through 10.36.232 and recommends language changes that would allow businesses to participate in the process, allow greater flexibility with permit issuance, and improve administrative efficiency by allowing direct issuance of permits to the **occupants** residing or working within the parking districts.

1. Business Participation in the District Formation Process

Why allow businesses to participate in the district formation process? The City is encouraging the construction of more mixed-use developments that makes implementation of traditional parking districts difficult. Commercial areas throughout the city have, historically, not been as affected by parking impacts compared to residential areas but that has changed recently as some commercial areas are experiencing a significant increase in parking impacts from persons not working or residing in the area. Allowing businesses to participate in the process creates a more comprehensive program and improves the City's ability to address parking issues for all community members.

Staff does not differentiate between commercial properties that do have off-street parking versus those that do not have off-street parking. Restricting business

participation to only those properties that do not have off-street parking would severely limit staff's ability to establish parking districts in business park areas that are experiencing significant on-street parking impacts from people that do not work or in the area.

This recommended change does not affect multi-family residential units which will still not qualify to participate in the district formation process. Staff recommends maintaining this limitation because multi-family residential properties must provide sufficient on-site parking for residents and guests under the City's Zoning Regulations. Allowing multi-family properties to participate could significantly impact on-street parking availability given the density of units and number of permits that would be issued.

2. Permit Issuance Directly to Occupants

Why allow direct issuance of permits to occupants instead of property owners?

Currently, the voting that is required to demonstrate support for the establishment of a parking district is performed by the occupants but, if the district is approved, the ability to purchase permits is given to property owners. Property owners can provide written authorization for occupants to purchase permits, but this process is confusing for both parties, and it creates delays in the permit issuance process. Issuing directly to the occupants would reduce staff administrative workload, streamline the implementation of the program, and alleviate impacts on the occupants of the untimely issuance of permits (i.e., parking citations).

Occupants would be required to provide proof of residency (lease agreement, utility bill, etc.) before obtaining permits. If parking permits are not transferred amongst the occupants when a new lease agreement is signed, then staff will void the current parking permits and issues new permits. The voided permits will then be put on a "hot list" and any vehicle displaying a voided permit is immediately subject to citation. This is the current practice for lost or stolen permits and is effectively enforced.

3. Greater Flexibility with Number of Permits Issued

Why issue permits based on on-street parking availability? The issuance of two permits per unit regardless of any other factors is the most common complaint raised by those living in parking districts. Some districts have enough on-street spaces to accommodate more permits, but staff is unable to issue additional permits because of the limitation. The inclusion of multi-family units of five to eight units in the Dana Street Parking District was the first instance of deviating from the two permit per unit restriction by allowing staff to issue one permit per unit thereby accommodating

residents that would otherwise be unable to participate in the district.

Staff recommends issuing permits based on the number of on-street parking spaces with a not-to-exceed amount of three times the number of on-street spaces within the parking district boundaries. As an example, a parking district with 100 units and 100 on-street parking spaces would be eligible to receive up to three permits per unit. Residents could then elect to receive fewer than three permits per unit based on the district's individual needs. Allowing permit issuance based on individual district factors provides staff with greater flexibility to meet the needs of the community while addressing issues at the staff level.

Residents of existing parking districts have expressed concerns with this method of calculating the number of permits issued per unit mainly because of the prominence of rental properties in parking districts near the Cal Poly campus. If the proposed language is approved, the permits issued per unit would not automatically change for existing parking districts. Existing district residents would need to request an analysis be performed to see if more permits can be issued and, if so, the increase in permits available would require a majority of residents (+60%) to be in-favor of receiving additional permits. The +60% majority in-favor support is the same requirement for when a new district is proposed or when existing district residents want to modify their district's enforcement hours. If there is support from residents, then the permits would be equally divided amongst all units in the district, so that the additional permits do not disproportionately benefit rental properties.

Previous Council or Advisory Body Action

New parking permit districts and changes to existing districts requires Council approval via resolution while changes to the district formation process requires ordinance adoption to amend the applicable Municipal Codes. Below are the dates of previous Council action to amend the district formation process that have occurred over the past two decades:

1. **April 16, 2002** – Council adopted an ordinance to allow greater flexibility when considering the merits of proposed districts, increased the required resident support to recommend establishing a district, and inclusion of more proactive enforcement language.
2. **September 7, 2004** – Council adopted an ordinance to address various interpretations of specific process elements and to add clarifying language to the Municipal Code.

3. **April 6, 2021** – Council adopted an ordinance to allow multi-family properties of five to eight units on Dana Street to participate in the parking district and to receive permits.

Policy Context

The California Vehicle Code section 22507 allows local authorities to restrict or prohibit parking on certain streets except for permitted residents, merchants, and their guests. The language of this Vehicle Code section has been interpreted to allow cities to establish parking districts exclusively for residents, businesses, or both. The City currently only allows parking districts in residential areas but has the authority to establish parking districts in commercial areas as well as areas with both residential and commercial mixed together.

Public Engagement

All property owners and occupants of existing parking permits districts have been notified via mail of the Council meeting and the recommended language changes (See Attachment B). Staff has received email correspondence resulting from the letter and have responded to all questions and concerns. Staff have discussed the recommended changes with businesses in the South Higuera area and businesses around the Dana Street Parking District; both of which support the changes.

CONCURRENCE

The City's Attorney's office has reviewed the ordinance and determined that the amendments to the applicable Municipal code sections are within the authority of the City to enact and enforce.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes
Funding Identified: N/A

Budget Year: On-going

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
Parking Fund	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

There are no direct costs associated with adoption of this ordinance. Costs associated with the establishment or expansion of parking permit districts, under these amendments, will be funded through the Parking Fund service rates and incorporated into the annual budget appropriation. The Fund's current budget can likely absorb one-time and on-going costs associated with the establishment and expansion of parking permit districts. The Fund receives multiple district requests each year and staff has included an annual budget for establishing districts in the non-staffing operating expenditure line items.

If the proposed Municipal Code language changes result in an abnormally high number of district requests that cannot be accommodated within the Fund's existing budget, then staff will return at mid-year budget review with a request to appropriate funds from Parking Fund working capital to cover the additional costs.

Costs to implement a new parking district or expand an existing district varies based on the size and extent of the approved district boundaries. Recently established or expanded districts including the Dana Street Parking District, Anholm Parking District, and the expansion of the Monterey Heights Parking District have ranged in costs from \$5,400 to \$10,650 depending on the number of signs and the installation method.

On-going costs for the annual hangtag permits run about \$2.50 per permit when ordered for all districts. The cost of permits and staff time to administer the parking district program is largely offset by the annual permit cost of \$20 per permit which accounted for \$35,125 in revenue in FY2021. Staff is pursuing digital permit technology which will reduce on-going costs and staff time to administer the program.

ALTERNATIVES

Do not amend the Municipal Code. Staff does not recommend this alternative since the existing Municipal Code sections (10.36.170 et al.) which governs the City's parking permit district program is outdated and no longer meets the needs of the community. Denying the amendments restricts the City's ability to effectively restrict and manage on-street parking throughout the City.

ATTACHMENTS

A – Draft Ordinance amending the Municipal Code to revise the City’s parking permit program

B – Notification letter sent to existing parking district property owners and occupants