



**Department:** Public Works  
**Cost Center:** 5101  
**For Agenda of:** 7/16/2024  
**Placement:** Public Hearing  
**Estimated Time:** 60 Minutes

**FROM:** Matt Horn, Public Works Director  
**Prepared By:** Donna King, Parking Program Manager

**SUBJECT:** INTRODUCE AN ORDINANCE TO AMEND TITLE 10 OF THE MUNICIPAL CODE AND ADOPT A RESOLUTION MODIFYING THE DANA STREET PARKING DISTRICT

### RECOMMENDATION

1. Introduce an Ordinance entitled, "An Ordinance of the City Council of the City of San Luis Obispo, California, amending Municipal Code Title 10 Chapter 36 regarding Stopping, Standing and Parking for Certain Purposes or in Certain Places" to remove exceptions for the Dana Street Residential Parking District; and
2. Adopt a Draft Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, modifying the Preferential Parking Permit District for the Dana Street Area of the City, authorizing the Public Works Director to make temporary modifications to the Dana Street Parking District" until the completion of construction of the Cultural Arts District Parking Structure including, but not limited to, adjusting the district boundaries, the eligible properties within the boundary, the number of permits issued to those properties, and imposing or modifying hours-of-use restrictions.

### REPORT-IN-BRIEF

In the fall of 2023 with the beginning of the construction for CADPS, available on-street parking on the west side of downtown was immediately impacted. The Dana Street Preferential Parking District, directly adjacent to the CADPS site, was observed to be underutilized. In prior years, Council has taken action to encourage increased use of the on-street parking on Dana Street, including allowing multi-family properties with five to eight units to participate as well as allowing commercial units on Dana Street limited daytime use permits. (See Previous Council Action section below for a complete timeline.)

On November 7, 2023, Council directed staff to return with proposed changes necessary to authorize the Public Works Director to implement a program that will allow for more on-street parking utilization on Dana Street. In the spring of 2024, staff conducted occupancy surveys confirming underutilization of parking spaces in the Dana Street Preferential Parking District. With this information, staff held a public meeting where they met with participants of the Dana Street district. Public feedback was supportive of additional modifications to the district, including allowing 421 Dana Street (a 16 until multi-family property) to participate and removing the restriction of daytime use only for commercial permit holders.

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Based on the low utilization of parking spaces in the Dana Street Residential Parking District, the significant but temporary impacts from the construction of CADPS, and prior Council direction, staff is recommending an amendment to Title 10, Section 36 of the Municipal Code (Attachment A), to remove special exceptions applicable to the Dana Street parking district, and adoption of a Resolution authorizing the Public Works director to make temporary modifications to the Dana Street parking district during and after construction of the CADPS including but not limited to adjusting the district boundaries, the eligible properties within the boundary, the number of permits issued to those properties, and imposing or modifying hours-of-use restrictions.

### **POLICY CONTEXT**

On January 14, 2020, City Council approved the establishment the Dana Street preferential parking district via [Resolution number 11068 \(2020 Series\)](#).

At the November 7, 2023, City Council meeting, Council directed staff to evaluate the utilization of Dana Street for public parking and to return to Council with recommendations to be implemented by the Public Works Director.

Municipal Code section 10.36.170 restricts participation within the Dana Street residential parking district to single-family properties and multifamily units of up to eight units. Commercial properties located on or immediately adjacent to Dana Street are eligible to receive daytime use permits only (8:00am-6:00pm daily, see Resolution No. 11313 (2022 series)) and restricts commercial property permits to daytime use only.

Municipal Code section 10.36.200 and Resolution No. 11068 (2020 Series) allows vehicles displaying daytime use permits to park in the Dana Street parking district during the restricted hours (8:00am and 6:00pm).

Municipal Code section 10.36.220 outlines the issuance of permits for residential districts and sets a limit of no more than two permits per residential property.

Based on utilization data and community feedback, staff is recommending changes to Municipal Code sections 10.36.170, 10.36.200, and 10.36.220 to allow all commercial and residential properties in the district to receive permits as directed by the Public Works Director until the completion of the Cultural Arts District Parking Structure (CADPS) to better utilize parking availability on Dana Street.

### **DISCUSSION**

The Dana Street Preferential Parking District is located on the west side of downtown, adjacent to the area defined as the "Downtown Core." Due to this, parking in this area is in high demand. Exacerbating this demand, construction of the Cultural Arts District Parking Structure (CADPS) on the corner of Palm and Nipomo Streets permanently removed approximately 80 parking spaces and another 20-40 will be temporarily restricted throughout construction. The construction of CADPS is scheduled to continue through the beginning of 2026.

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In the fall of 2023, at the start of construction of CADPS, businesses and tenants adjacent to the project, as well as families and staff of Mission Preparatory High School (Mission Prep) expressed concern due to the reduction of public parking in that area, particularly the reduction of 10-hour parking spaces. The 10-hour spaces allow for longer term on-street and surface lot parking at a reduced rate compared to premium parking spots central to the downtown core. Additionally, the City has a 10-hour permit that allows permits to be purchased for use of these spots for \$60 per month. As a result, the 10-hour areas are popular with downtown employees, and the students, staff, and faculty of Mission Prep.

In addition to a reduction of parking spaces, the area has seen an increase in parking demand, as the nearby parking is an attractive option for the construction crew of CADPS to park their personal vehicles upon arriving to work. It is estimated that approximately 20-60 additional vehicles may be parking in the area each day during the construction of the project.

Considering these impacts, community concerns, and concerns from nearby businesses regarding the need for available of low-cost spaces for employees, the City Council at the November 7, 2023, meeting directed staff to explore ways to offset these impacts, including consideration of utilizing Dana Street.

Since November, staff has implemented three items to partially offset these impacts:

1. Parking staff identified underutilized 2-hour parking zones within the adjacent area near the CADPS construction site and expanded to 10-hr parking zones into those areas, allowing 10-hr permit holders to have additional parking. This action increased the 10-hour parking spaces in the area by approximately 60 spaces, not entirely replacing what was removed, but significantly reducing the impact.
2. Marked construction vehicles are permitted to park in designated preferential parking spaces while performing work in the district without charge based on Section 10.36.200C of the Municipal Code. Based on the fact that the contractors for CADPS are leasing office space from the Soda Water Works building (a designated preferential parking district commercial property), are working on the nearby project, and Dana Street has been underutilized, the City has issued additional temporary permits for the contractors of CADPS to allow them to park on Dana Street (a designated preferential parking district) without charge under the authority given to the Public Works Director in Section 10.36.220B of the Municipal Code to issue any number of commercial permits for each addressed unit.
3. Council approved a reduction in the cost of monthly garage parking permits from \$85 per month to \$45 per month effective July 1, 2024. This may incentivise the purchase of garage permits over the 10-hour permits. Specifically, Mission Prep students and faculty will be encouraged to purchase garage permits in the fall of 2024 when school resumes to alleviate additional foot and vehicular traffic near the construction site.

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Staff continues to be in direct contact with businesses adjacent to the CADPS construction site as well as Mission Prep. Following implementation of the above strategies, concerns have been overall reduced, and the use of 10-hour parking spaces in this area have not been at capacity – there are typically available spaces. However, as the demand in the area can fluctuate because of the ongoing construction and the different phases of construction, staff is proposing additional measures be implemented to alleviate fluctuating impacts.

Since the establishment of the Dana Street Preferential Parking District in January 2020, Council has approved modifications to the district to make more efficient use of the on-street parking, as it demonstrated to be underutilized. In 2021, the district was modified to allow one permit per unit for multi-family properties with five to eight units (all other preferential parking districts limit multi-family participation to properties with less than five units) ([Ordinance No. 1694 \(2021 Series\)](#)). In 2022, Council approved a second modification to the Dana Street district allowing commercial units on Dana Street up to two limited daytime use permits and removing the limitation of 1 permit per multi-family unit ([Ordinance No.1707 \(2022 Series\)](#)), ([Ordinance NO 1710 \(2022 Series\)](#)), ([Resolution No. 11313 \(2022 Series\)](#)). This approval was conditional in that it would be in effect until the completion of CADPS or until nullified by City Council action.

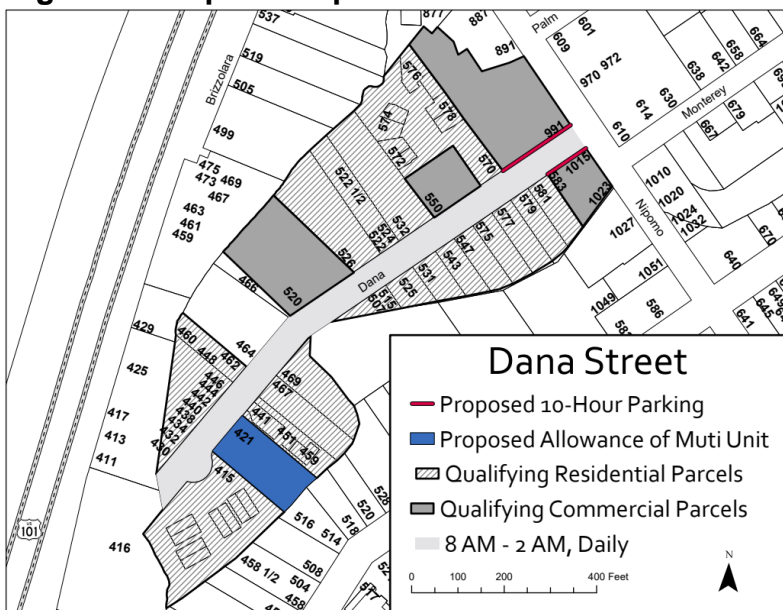
In the fall of 2023 with the beginning of the construction for CADPS, available on-street parking on the west side of downtown was immediately impacted. However, daytime parking utilization on Dana Street continued to be low based on observation. On November 7, 2023, Council directed staff to return with proposed changes necessary to authorize the Public Works Director to implement a program that will allow for more on-street parking utilization on Dana Street.

On Tuesday, April 23, 2024, and Friday, April 26, 2024, staff conducted occupancy counts to adequately gauge the level of occupancy on Dana Street. Occupancy counts were conducted each hour of the day from 9 AM to 8 PM. The average occupancy was 26% with no increase in occupancy after 6 PM. There are 78 parking spaces on Dana Street and 106 permits were issued in the Dana Street Residential Parking District in 2023. The data shows an underutilization of parking spaces and room for oversell of permits in the Dana Street Residential Parking District. While there are no established occupancy rate norms in residential neighborhoods, the proximity to downtown and the impacts of parking in the surrounding streets dictates that the spaces on Dana Street should be utilized as much as possible without greatly impacting the residents. An oversell (selling more permits than available spaces) of permits will better utilize the on-street parking spaces without adding disruption to residents and businesses that allowing overflow parking from surrounding areas would. Occupancy should continue to be evaluated quarterly to ensure the oversell of permits does not cause occupancy levels to exceed 85%.

On May 1, 2024, staff held a community meeting to discuss potential changes to the Dana Street Residential Parking District to better utilize the parking spaces in the district. Seventeen people signed in for attendance at the meeting with attendees representing business owners, and residents of single family and multi-family properties on Dana Street.

Staff proposed options for modifications to the district that included adding 10-hour paid parking spaces in the spaces adjacent to the commercial properties on the corners of Dana and Nipomo Streets and allowing 421 Dana Street, a 16-unit multi-family property, to participate in the Dana Street Residential District as shown in the map below.

**Figure 1: Proposed Options Presented to Residents**



Key takeaways from the public meeting indicated that attendees were opposed to any addition of paid parking spaces on Dana Street. Based on feedback from the meeting and received correspondence, attendees were in favor of including 421 Dana Street in the district and removing the restriction of daytime use only for commercial permit holders (which would allow commercial permit holders to park in the district after 6:00pm).

Based on the low utilization of parking spaces in the Dana Street Residential Parking District, the significant but temporary impacts from the construction of CADPS, Council direction, and community feedback, staff is recommending amending Title 10, Section 36 of the Municipal Code (Attachment A) to remove specific exceptions for Dana Street, and adopting a resolution (Attachment B) to authorize the Public Works Director to make temporary modifications to the Dana Street Parking District that will be in effect until the completion of construction of CADPS, including but not limited to adjusting the district boundaries, the eligible properties within the boundary, the number of permits issued to those properties, and imposing or modifying hours-of-use restrictions.

Examples of this could include:

- Allowing 421 Dana Street to participate in the district.
- Remove the daytime use restriction for commercial permit holders.
- Issue any number of commercial permits to participating commercial properties.
- Establish a timed overlay zone which could allow residents, visitors, and employees who are not a part of the designated district the ability to park on Dana Street for a limited time during restricted hours.

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As each temporary modification is made, staff anticipates additional parking relief will be noticed on the adjacent downtown streets that are not part of the district. This will assist businesses outside of the district that are impacted by construction who also described the need for additional available parking for their employees. For example, allowing 421 Dana Street to park in the district will potentially relocate 32 vehicles currently parked on the adjacent downtown streets to Dana Street, as these residents are currently not allowed permits for the district and are therefore currently looking for parking on streets other than Dana Street.

During this time, staff will monitor the Dana Street district utilization quarterly to provide this information to the Public Works Director for review and consideration of additional temporary modifications. Prior to any modification, staff will provide advance notification to the district properties to provide an opportunity for input through mailed notices and community meetings prior to implementation. After the construction of CADPS is complete and the garage is open for public use, staff will again review the utilization of the Dana Street District and the need for a continued residential district on Dana Street and return to Council with recommendations.

Attachment A is a proposed Ordinance introducing changes to specific Municipal Code sections to remove special exceptions for the Dana Street Parking District. Attachment B is a proposed Resolution to extend the boundaries of the Dana Street Preferential Parking District to include all addresses on Dana Street (see Exhibit A to the proposed Resolution).

### **Previous Council or Advisory Body Action**

On [January 14, 2020](#), Staff presented to City Council two residential parking permit district requests for approval. One of these requests was to establish a district on the 400-500 block of Dana Street. City Council approved the establishment of the Dana Street parking district via [Resolution number 11068 \(2020 Series\)](#). Council also provided staff with direction to extend the district to the entire street and explore providing one parking permit for each unit for multi-family properties with 8 units or less.

On [December 8, 2020](#), Staff presented to City Council information to expand the Dana Street Parking District boundaries to the entire street and the possible issuance of one permit per unit for multi-family properties with eight units or less. Council voted to survey the multi-family properties that would be added based on this action and for staff to return to Council with municipal code amendments and an update to the Dana Street district resolution based on the survey results.

On [March 2, 2021](#), Council voted to introduce [Ordinance number 1694 \(2021 Series\)](#) amending Municipal Code Title 10 Chapter 36 to allow multi-family properties of five to eight units to participate in the Dana Street Parking District (one permit per unit) and to adjust replacement permit fee amounts, and adopted [Resolution number 11229 \(2021 Series\)](#) modifying the Residential Parking permit District for the Dana Street area establishing days and hours of operation and to include multi-family properties of five to eight units. This action excluded one address (421 Dana Street), a parcel that contains a



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multi-family unit of 16 units, out of concern that issuing permits to 421 Dana would cause issuance of more permits than spaces available on the street.

On [April 6, 2021](#), Council heard the second reading and adopted the ordinance as detailed above.

On [March 15, 2022](#), Council voted to introduce [Ordinance number 1710 \(2022 Series\)](#) amending Municipal Code Title 10 Chapter 36 to allow for the issuance of limited daytime use permits in the Dana Street Parking District, and adopted [Resolution number 11313 \(2022 Series\)](#) modifying the Residential Parking permit District for the Dana Street area establishing the issuance of limited daytime use permits (8:00am-6:00pm) for commercial properties. On [April 19, 2022](#), Council adopted Ordinance No. 1710 (2022 Series).

On [November 7, 2023](#), Council directed staff to return with proposed changes necessary to authorize the Public Works Director to implement a program that will allow for more on-street parking utilization on Dana Street.

### **Public Engagement**

A public community meeting was held on May 1, 2024, to gain community input on potential changes to the Dana Street Residential Parking District. After the community meeting, a letter was received from the owner of The Soda Water Works (the commercial building located at 1015 Nipomo Street) and signed by all tenants with requested changes that included additional commercial permits for Soda Water Works, an allowance for 24-hour commercial permits, and allowance to park in 10-hour spaces on Dana Street if adopted (Attachment C). An additional letter was received from Hume Engineers requesting access to the 10-hour meter spaces on Dana Street if approved, additional commercial permits, and the removal of the daytime use exception (Attachment D). Letters were mailed to all properties on Dana Street to notify them of the direction provided by Council, staff recommendations, and the next steps in the process (Attachment E).

Since the Fall, staff has been in communication with adjacent property and business owners impacted by the construction of CADPS including businesses in the Creamery and students and faculty of Mission Prep. Notification and resources were provided regarding the addition of 10-hour meter spaces, and more recently, the reduced monthly garage permit rate.

### **CONCURRENCE**

The City Attorney's Office has reviewed and concurs with this recommendation.

### **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: Yes

Budget Year: 2024-25

**Fiscal Analysis:**

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$	\$	\$	\$
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

There are no upfront costs as a result of the proposed changes. As an ongoing cost, additional hangtag permits will need to be purchased annually for any additional permits issued to 421 Dana Street or the commercial properties and are expected to be less than \$200. The cost of the additional hangtag permits will be covered by the purchase price of the permits.

**ALTERNATIVES**

- 1. Do not introduce the proposed Municipal Code amendments.** Staff does not recommend this alternative since the existing Municipal Code sections which governs residential parking permit districts does not allow for good utilization of on-street parking spaces in the Dana Street Residential Parking District.
- 2. Do not adopt the resolution modifying the Dana Street Parking District.** Staff does not recommend this alternative as there is support from the residents, businesses, and tenants on Dana Street to modify the district to include 421 Dana Street and remove the daytime restrictions for commercial permit holders.
- 3. Modify the proposed Municipal Code amendments and/or the proposed resolution.** Staff does not recommend this alternative as additional modification may need to return to Council to modify the Municipal Code sections and will cause significant delays in implementation and be a poor use of staff and Council time.
- 4. Modify the proposed Municipal Code amendments to incorporate each provision of the proposed resolution rather than delegate the authority to the Public Works Director.** Staff does not recommend this alternative as each modification will need to return to Council to modify the Municipal Code sections and will cause significant delays in implementation and be a poor use of staff and Council time.



**ATTACHMENTS**

- A - Draft Ordinance amending Title 10, Section 36 of the Municipal Code
- B - Draft Resolution modifying the Dana Street Residential Parking District
- C - Letter from Soda Water Works
- D - Letter from Hume Engineering
- E - Dana Street Council Meeting Notification