



CITY OF SANTA MONICA

REGULAR MEETING AGENDA OF THE BUDGET TASK FORCE

SANTA MONICA INSTITUTE TRAINING ROOM
330 OLYMPIC DRIVE, 2ND FLOOR (PLAZA LEVEL)
SANTA MONICA, CA 90401

MONDAY, DECEMBER 2, 2019
6:00 PM

Call to Order

Roll Call

(Please note that Agenda Items may be reordered during the meeting at the discretion of the body.)

1. **Approval of Minutes:** Approval of November 18, 2019 Minutes
2. **Discussion/Action Items**
 - a. Fee Waivers for Certain Planning Entitlements and Building and Safety Plan Review and Permits (Planning & Community Development Department)
 - b. Reduce Downtown Parking Structure Grace Period (Planning & Community Development Department)
3. **Public Input:** Public input is permitted only on items not on the agenda that are within the subject matter jurisdiction of the Budget Task Force. State law prohibits the body from taking any action on items not listed on the agenda, including issues raised under this agenda item.
4. **Written Communication:** Review of any written communications received from the public
5. **Future Agenda Items:**
 - a. Increase Santa Monica Farmers' Market Revenue, Crossing Guard Cost-Sharing (January 13, 2020 Meeting)
 - b. Review of Long-Term Proposal List
6. **Adjournment**

STANDARDS OF BEHAVIOR THAT PROMOTE CIVILITY AT ALL PUBLIC MEETINGS:

- Treat everyone courteously
- Listen to others respectfully
- Exercise self-control
- Give open-minded consideration to all viewpoints
- Focus on the issues and avoid personalizing debate
- Embrace respectful disagreement and dissent as democratic rights, inherent components of an inclusive public process, and tools for forging sound decisions

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This agenda is subject to change up to 72 hours prior to a regular meeting and 24 hours prior to a special meeting. Please check the agenda prior to the meeting for changes.

City of Santa Monica
Finance Department
1717 4th Street, Santa Monica, CA. 90401
Phone: 310-458-8281 E-mail: Finance.Mailbox@smgov.net
Website: finance.smgov.net

PUBLIC INPUT GUIDELINES: Public attendance and comment at Advisory Council meetings are welcomed and encouraged. Members of the public will have 3 minutes to speak and should submit a chit to City staff before the presentation begins. If more than, 15 members of the public wish to speak on one item, speaking time will be limited to 2 minutes each. If a member of the public submits a late chit, his/her speaking time will be limited to 1 minute. Members of the public wishing to speak will be called upon in the order in which their chit was received. Applause or any other disruptive behavior is not allowed. Any member of the public unable to attend a meeting but wishing to comment on an item(s) listed on the agenda may submit written comments prior to the meeting by mailing them to Finance Department, Attn: Budget Task Force, 1717 4th Street, Suite 250, Santa Monica, CA 90401. Or comments may be emailed to Finance.Mailbox@smgov.net.



**SANTA MONICA BUDGET TASK FORCE
REGULAR MEETING MINUTES**

SANTA MONICA INSTITUTE TRAINING ROOM
330 OLYMPIC DRIVE, 2ND FLOOR (PLAZA LEVEL)
SANTA MONICA, CA 90401

**MONDAY, NOVEMBER 18, 2019
6:00PM**

santamonica.gov/BudgetTaskForce

- I. Call to Order at 6:06pm
- II. Roll Call

The Interim Chair conducted Roll Call by asking members to introduce themselves.

Present

Judy Abdo, Interim Chair
Dominic Gomez, Interim Vice Chair
George Brown
Janine Bush
Ina Godoy
Brandi Lockhart Kimberly Ong
Jeremy Peterson
Concepcion Rechtszajd
Matt Rice
Phillip Ticun

Absent

Dominick Bei
Laurence Eubank
K. John Lee

In addition, the following City staff were also in attendance:

Rick Cole, City Manager
Katie Lichtig, Assistant City Manager

Brandon Ward, Deputy City Attorney
Gigi Decavalles-Hughes, Director of Finance
Susan Lai, Budget Manager, Finance
Stephanie Lazicki-Meyer, Principal Analyst, Finance
Jennifer Young, Senior Budget Analyst, Finance
Jonathan Tang, Senior Budget Analyst, Finance
Landry Doyle Wiese, Management Fellow
Joseph Cevetello, Chief Information Officer
Oscar Santiago, Administrative Services Officer, ISD
Cynthia Renaud, Chief of Police
Neela Patel, Senior Administrative Analyst, Police

III. Approval of Minutes

November 4, 2019 meeting minutes approved (motion by Phillip Ticun, seconded by George Brown).

IV. Discussion and Possible Action Items

Proposal One: Eliminate City Wi-Fi Along Transit Corridors

Chief Information Officer Joseph Cevetello presented the Information Services Department's proposal to eliminate free City Wi-Fi from transit corridors. Cevetello presented the history of the program and the initial need for connectivity along transit corridors to support Big Blue Bus operations. Cevetello explained that Big Blue Bus never fully utilized the Wi-Fi services as planned and that currently only 10% of total usage occurs in transit corridors.

ISD presented three options: a.) to only eliminate Wi-Fi from transit corridors, b.) to eliminate City Wi-Fi in all areas, or c.) to keep the program as is and continue planned capital expenditures.

The Department recommended Option A, which would result in \$721,000 in savings over seven years by eliminating Wi-Fi coverage in the transit corridors and instead focusing the coverage on City parks and other high usage public areas, such as the Promenade, and Pier. The savings would come from reducing the amount of equipment and services needed by not replacing equipment at the transit corridors.

The Task Force discussed topics including, but not limited to: when cash savings would accrue; the original purpose of the program; the status of Wi-Fi in parks and transit corridors that could also be considered as tourist destinations, including (Main Street, which is currently covered by City Wi-fi, and Montana Ave, which does not have coverage.); the availability of public-private partnerships to provide Wi-Fi; the arrival of

5G and expected impacts on connectivity; the availability of on-board Wi-Fi in Big Blue Bus vehicles; equity impact and the availability of data to provide information on this topic; the rationale for discontinuing wi-fi provision when technology use is increasing broadly; and trends in public Wi-Fi usage.

Public Comment

There was no public comment on the proposal.

Motion

George Brown made a to preliminarily accept the CIO's proposal to eliminate Wi-Fi coverage in all transit corridors while maintaining other access points, for a savings of \$721,000 over a seven-year period; subject to obtaining additional information related to:

- a.) commercial arrangements, including advertising or sponsorship, to supplement revenues for the program;
- b.) service levels in transit corridors like Main Street, that act as high-traffic pedestrian centers;
- c.) a regular evaluation of the renewal cycle of connective technologies and whether public Wi-Fi is still needed, and
- d.) consideration of the impact eliminating the entire system might have on disadvantaged members of the community.

The Motion was seconded by Jeremy Peterson.

Brandi Lockhart offered a substitute motion to eliminate the entire City Wi-Fi program, based on the understanding that the proposal is separate from and would not affect Wi-Fi access in libraries. The substitute Motion was seconded by Dominic Gomez.

The Task Force held a roll call vote on the substitute motion.

Judy Abdo	N
George Brown	N
Janine Bush	N
Ina Godoy	N
Dominic Gomez	Y
Brandi Lockhart	Y

David Nanjo	N
Kimberly Ong	N
Jeremy Peterson	N
Matt Rice	N
Concepcion Rechtszajd	N
Phillip Ticun	Y

The motion did not pass.

The Task Force returned to the initial motion from George Brown and conducted a roll call vote.

Judy Abdo	Y
Dominic Gomez	N
George Brown	Y
Janine Bush	Y
Ina Godoy	Y
Brandi Lockhart	N
David Nanjo	Y
Kimberly Ong	Y
Jeremy Peterson	Y
Concepcion Rechtszajd	Y
Matt Rice	Y
Phillip Ticun	N

The motion passed.

Proposal Two: Eliminate Overtime Usage for the Explorer Program

Chief Renaud presented a description of the Police Department's Explorer Program including its history, purpose, collateral basis staffing model, program costs, and mitigating actions the Department already has in process.

The Department presented three alternatives: a.) leave program as is, b.) eliminate overtime for the program for savings of over \$74,967, and c.) eliminate overtime from the General Fund and identify alternative funding sources for the program including grants and/or asset forfeiture funds.

The Task Force discussed topics including, but not limited to: the viability of alternative funding sources to reduce program costs including using retired police officers or other volunteers and availability of resources from either the Boy Scouts or the POA (the Police Officers' Association); the pool of applicants and recruitment process; the program's acceptance of LGBTQ members; context behind developing the proposal; the Department's ratio of sworn to non-sworn officers; and the program's relation to the Department's Police Activities League program.

Public Comment

There was no public comment.

Motion

Brandi Lockhart motioned to approve option C—to make programmatic changes to reduce costs (including changing meeting schedules and optimizing officer scheduling) and to pursue alternative funding sources to fund overtime costs that cannot otherwise be reduced, so that the program continues to operate without reducing services for youth—for a total General Fund savings of \$74,967. Concepcion Rechtszajd seconded the motion.

Judy Abdo	Y
Dominic Gomez	Y
George Brown	Y
Janine Bush	Y
Ina Godoy	Y
Brandi Lockhart	Y
David Nanjo	Y

Kimberly Ong	Y
Jeremy Peterson	Y
Concepcion Rechtszajd	Y
Matt Rice	Y
Phillip Ticun	Y

The motion passed unanimously.

V. Future Meetings and Agenda Items

The next meeting is Monday, December 2, 2019 at 6pm. In addition to the regularly scheduled items, Gigi Decavalles-Hughes noted that the next meeting will include a discussion of the full list of proposals for consideration.

Meeting adjourned at 8:08pm.

ATTEST:

APPROVED:

Landry Doyle Wiese
Secretary

Judy Abdo
Interim Chair

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Mid-Term Program Changes for FY 2020-21

Program Name: Fee Waivers for Certain Planning Entitlements and Building and Safety Plan Review and Permits

Recommended Action: Eliminate fee waivers for building permits and consider charging subsidized fees for historic preservation-related Planning applications

Annual Financial Impact: Approximately \$580,000 ☐ one-time ☒ ongoing

Program Description

Fees are charged by the City Planning Division and Building & Safety Division to recover the costs for staff time to process permits. Each division performs a fee study every four years to update costs, which include both direct and indirect costs. Certain Planning and Community Development application and permit fees are currently waived by the City to incentivize various uses and project features that have been deemed community priorities by City Council. Specifically, the fee waivers adopted by City Council through fee resolutions for City Planning entitlements and Building and Safety permits are listed below. The fee waiver for applications to alter historic resources is the only fee waiver from the list below that is codified in the Municipal Code. The other waivers are in adopted fee resolutions, which represent policy choices established by Council as a way to incentivize owners/applicants to pursue legal permits by removing cost as a barrier to access the associated City processes.

Background on Fee Waivers

The following details the existing fee waivers and provides background information as to when and why each waiver was adopted by City Council. All fees adopted in fee resolutions are intended to represent cost recovery for staff time to process permits. However, as indicated in the description above, Council may choose to make a policy decision to waive or reduce certain fees.

Affordable Housing

- Planning application fees are waived for 100% affordable housing projects but not for building permit fees.

Fee waivers for Affordable Housing Projects date back to at least 1992 when City Council adopted resolution 8375(CCS) which addressed the difficulties of developing affordable housing by making 100% affordable residential housing projects restricted for occupancy by low- or moderate-income households exempt from development fees.

Sustainability

- Building permit fees are waived for installation of sustainability features, such as solar panels.

The fee waivers for Sustainability were implemented by City Council in 2002 specifically to waive fees for the installation of rooftop solar panels, electric vehicle (EV) chargers, and solar-thermal heating systems. Over time, the list has expanded to include similar sustainable building design features and associated infrastructure upgrades (i.e. electrical panel upgrades, energy storage systems, etc.). The purpose of the fee waivers in 2002 was to incentivize property owners to install these systems and assist the City towards realizing its energy goals. Over the years, the City and State have moved towards more aggressive green building requirements, and as of early 2017, the City adopted

an energy 'Reach Code' ordinance that mandates the installation of some of these systems such as solar panels and EV chargers.

Historic Preservation

- Planning application and building permit fees are waived for applications to alter historic resources (e.g. Certificates of Appropriateness) and are waived for some applicants for designation of historic resources.

Fee waivers for applications to alter historic resources are currently codified in SMMC Section 9.56.270. Applications to designate historic resources have an established application fee; however, the Landmarks commission advocated that such fees, except for historic districts, be waived for Landmarks Commissioners and nonprofit organizations with documented tax-exempt status. Council was very supportive, and this fee waiver went into effect with the adoption of the FY 2017-19 budget. All other applicants must still pay the application fee to designate historic resources; however, the fee does not cover the full cost of processing. The City subsidizes 85% of the cost of staff time for processing these designation applications. It should be noted that the fee also does not account for the cost of consultant reports necessary to evaluate the merits of the application for designation.

Childcare Facilities

- Planning application fees are waived for childcare facilities but not building permit fees.

Council has waived planning application fees for Child Care Facilities but not building permit fees. This is intended to encourage proposals for childcare facilities, which are in short supply in Santa Monica, and also lessen some of the substantial start-up cost in opening and operating a childcare facility.

Homeowner/Small Business Support

- Planning application fees for single trade permits (i.e. minor work) are waived but not building permit fees.

Council has continued to support fee waivers for permits that primarily affect homeowners and small businesses such as Single Trade Permits for small changes, improvements, or repairs that require one specialty and one contractor. These could include re-roofing with no structural alteration of an existing structure, installation of an HVAC system, door or window replacement, electrical work (i.e. wiring, lighting and service panels), and fences and walls.

Quantitative Program Description

The following table provides an estimate on the amount of revenue loss for the fees that have been waived for each of the above permits. Please refer to Attachment A for more detail background information on these revenue loss estimates.

	Planning Revenue Loss	B&S Revenue Loss	Total Estimated Revenue Loss
FY2017-18			
Affordable Housing	\$17,893	-	\$17,893
Sustainability	-	\$107,320	\$107,320
Historic Preservation	\$183,992	\$137,562	\$321,554
Childcare	-	-	-
Homeowner/Small Bus Support	\$10,160	-	\$10,160
Total	\$212,045	\$244,882	\$456,927
FY2018-19			
Affordable Housing	\$36,181	-	\$36,181
Sustainability		\$244,113	\$244,113
Historic Preservation	\$226,687	\$150,832	\$377,520
Childcare	\$41,582	-	\$41,582
Homeowner/Small Bus Support	\$8,419	-	\$8,419
Total	\$311,873	\$394,945	\$707,815

Benchmarking

In order to understand how other cities address fee waivers, staff surveyed a sample of peer cities. For historic preservation, staff chose cities that have been observed to have strong preservation programs. For childcare and affordable housing, staff surveyed peer cities with geographic proximity or comparability to Santa Monica. The following table shows the approach peer cities are taking with similar programs.

	Santa Monica	Burbank	Culver City	Palm Springs	Pasadena	Riverside	San Gabriel	South Pasadena	West Hollywood
Affordable Housing	Waived		Waived	Subsidized		Not Waived	Not Waived	Not Waived	Waived
Sustainability	Waived	Mixed		Not Waived	Not Waived	Subsidized	Not Waived		Not Waived
Historical Preservation	Waived			Subsidized	Subsidized	Mixed	Subsidized		
Childcare	Waived	Waived	Waived	Not Waived		Not Waived	Not Waived	Not Waived	Waived
Homeowner/Small Bus Support	Waived			Subsidized	Subsidized	Not Waived	Subsidized		

Proposed Change

The following alternatives are proposed related to waiving fees. A combination of options may be most desirable:

Option A: Eliminate Waiver and Charge Full Cost Recovery for Projects Mandated to Install Rooftop Solar System; Subsidize Fees at 80% for Historic Preservation applications and all other Sustainability fees

(Estimated Revenue based on FY17/18 and 18/19 activity: \$70,000 in Historic Preservation Fees, \$36,000 in rooftop solar systems for new construction)

Fee Category	Fee Waived?	
	Yes	No
Affordable Housing	X	
Sustainability		X
Historic Preservation		X
Childcare	X	
Homeowner/Small Business Support	X	

This option modifies the current policy to eliminate plan review and permit fee waivers for project features mandated by law or ordinance, and provide an 80% subsidy to projects that install solar, or other systems identified, voluntarily. In other words, the original intent of the policy established by the City in 2002 to meet its energy goals by incentivizing solar installations is achieved if an owner voluntarily chooses to install a solar system on an existing structure. However, new development that is required by local ordinance to install a solar system would no longer qualify for the fee waiver, and the City would collect the revenue for associated staff time to review and process the permit.

The other projects currently entitled to fee waivers, such as EV chargers, solar-thermal heating systems, gray water reuse systems, battery backups, and non-required solar systems would receive an 80% subsidy on permit fees if being installed voluntarily and they are not a project component that is required to comply with any local (i.e. Santa Monica Energy Reach Code) or State energy efficiency law.

This proposed change could increase annual revenues without increasing expenditures and without seriously impacting customers. The elimination of the fee waiver, as described above, would not dissuade owners/applicants from obtaining required building permits for solar panel installations since the incentive would remain for voluntary installations of these systems on existing buildings in the form of an 80% subsidy. The estimated cost of installing solar panels is approximately \$15,000 to \$20,000 for a typical single-family dwelling. The cost of the permit would be approximately \$200 after an 80% subsidy. Given that the permit fees are a relatively small portion of the overall cost of system installation, it is unlikely that the permit fee waiver is a factor in a property owner's decision to install solar panels as they will likely recoup the cost through electric bill savings and federal tax credits.

This option would also continue to provide application fee waivers for affordable housing, childcare, and Architectural Review Board (ARB)-single trade permit application. However, it would result in application and plan review/permit fees being charged at a subsidized level, proposed at 80%, for all historic preservation-related applications, as well as voluntary Sustainability permits. The 80% subsidy to be applied uniformly across all historic preservation applications is based upon subsidies already adopted for existing historic preservation Planning application fees. Historic preservation is related to the Council framework priority of an engaged and thriving community. However, as noted in the table in the "Program Description" section of this memo, the fees associated with the preservation program do not offset the significant staff time spent on each application in addition to the cost of assessment reports required for applications to designate historic resources. Based on the 2018 fee study, the following table shows the comparison between 100% cost recovery and the adopted fee resolution for Planning application fees. A similar comparison of plan review and permit fees could not be provided due to complexity of how plan review and permit fees are applied to a diversity of historic resources.

Historic Preservation Application Type	100% Cost Recovery based on 2018 fee study	Adopted Fee
Certificate of Appropriateness	\$3,585	Waived
Certificate of Admin Approval	\$2,758	Waived
Landmark Designation	\$5,360	\$816 Waived for non-profits
Structure of Merit	\$3,962	\$876 Waived for non-profits
Mills Act Contract	\$841	Waived
Historic District Designation	\$18,411	\$1,186

Architectural Review Board – Single Trade Permit applications, such as roofing, signage, fences, electrical, and mechanical, would continue to be waived as the fee to be collected would likely be nominal given that these kinds of application are typically reviewed over the counter. 100% affordable housing projects and childcare facilities would also continue to be waived as these are community priorities and there tend to be very few of these kinds of projects, relative to the number of historic preservation applications.

Option B – Charge Full Cost Recovery for All Existing Waived Fees
(Estimated Revenue based on FY17/18 and 18/19 activity: \$580,000)

Fee Category	Fee Waived?	
	Yes	No
Affordable Housing		X
Sustainability		X
Historic Preservation		X
Childcare		X
Homeowner/Small Business Support		X

This option would need to be addressed in the FY20/21 fee study to determine 100% cost recovery for staff time to process applications that currently have no adopted fee. For those applications that have an established application fee, but fees are waived, a new fee resolution would need to be adopted by Council. The above estimated revenue is based upon cost recovery estimates from prior fee studies, activity levels from the two prior fiscal years, and passing on 100% of the charges for consultant reports for historic preservation-related applications.

Analysis of Options

While there would be revenue increases, eliminating fee waivers completely (as proposed in Option B) does not align with any of the Council framework priorities. It may actually run counter to an engaged and thriving community in that applicants may view the cost of applications and permits to be a disincentive to participate in the public process or seek permits for work. This would be especially true for the ARB – Single Trade Permits, which tend to encompass minor projects such as roofing, fences, and mechanical equipment, where it is often more time-consuming to seek legal permits than it is to do the work itself. Further, recent applications for designation of historic resources have been submitted by non-profit organizations who are least able to absorb substantial fee increases. For applicants of projects that are community priorities, such as 100% affordable housing and childcare, the cost of Planning entitlements could create a potential financial barrier to creation of these kinds of uses and therefore, would run counter to the Council’s framework priorities of affordability and an engaged and thriving community.

As a result, if fee waivers are to be eliminated, staff recommends Option A as a more realistic approach that would provide some cost recovery while still being supportive of uses serving community such as childcare and 100% affordable housing and reducing the impact of permit costs to small business owners and Santa Monica residents.

Impacts and Risks

Community & Other Stakeholders

The fee waivers have been in place for some time so a shift towards charging fees would likely cause concern from affected groups. Thus far, no outreach regarding possible fee increases has been conducted as it would be important to understand whether there is interest on the part of the City in pursuing these fee waivers before discussing potential approaches with stakeholders. Should Council authorize a change, staff would conduct outreach with affected groups.

If Option A is selected, affected groups would include homeowners, non-profit organizations who support historic preservation and property owners of designated historic resources.

If Option B is selected, affected groups would be expanded to include non-profit housing providers, proponents of childcare facilities, homeowners, small business owners, non-profit organizations who support historic preservation and property owners of designated historic resources.

Services & Performance

While the stakeholders impacted vary from Option A and Option B, the magnitude of the impact on applicants increases substantially in Option B because the fees are higher.

Process efficiency and level of service would likely remain the same from the staff side as the same applications continue to be processed. However, customer experience would likely decrease due to dissatisfaction with increased application fees. As a result, possible consequences of eliminating fee waivers include reduced compliance with obtaining simple permits that require design review or single trade permits, fewer historic preservation designation applications initiated by the community due to cost, and application fees that affect the budget of affordable housing and childcare projects.

Option A would impact the preservation community and primarily homeowners seeking to install solar panels. As noted above, the impact could be fewer historic designation applications and greater financial burden on property owners of historic resources as a result of needing to pay City fees in addition to the actual cost of maintaining their historic properties. Homeowners seeking to install solar panels would also be required to pay City fees when they previously were waived. However, with the 80% subsidy, the cost of the fees is not likely to be substantial enough to create a practical barrier for the preservation community, property owners of historic resources, and homeowners.

It should be noted that the preservation community and the Landmarks Commission successfully advocated for the waiver of application fees for Landmark designation applications filed for non-profit organizations and Commissioners and the Council was very supportive in adopting the requested waivers.

Further, when discussing solar system installation, it should be noted the permit fees make up such a small piece of the cost of required system installation, it is unlikely that a subsidized permit fee would be a major factor in a property owner's decision to install solar panels as they will likely recoup the cost through electric bill savings and federal tax credits.

In addition to substantially increasing the magnitude of the impacts on the preservation community, property owners of historic resources, and homeowners listed above, Option B would have the following impacts:

- Affordable housing providers may have greater difficulty financing projects, which in turn will affect the City's ability to meet affordable housing goals because developers would likely look to build in other jurisdictions where their costs are lower.
- Childcare providers would have increased costs to opening new facilities, which already require substantial start-up and operating costs to be sustainable in the long-term.
- Small business owners needing to obtain approvals for minor work may be dis-incentivized to seek permits due to cost of fees.
- Building owners may decide not to install green energy equipment on their property (Rooftop solar, EV chargers, battery systems, etc.) due to permitting costs. As a result, eliminating fee waivers for sustainability features could potentially affect the City's ability to achieve goals adopted in the Climate Action and Adaptation Plan.

Outcomes & Values

Eliminating fee waivers for certain PCD applications/permits would not support the City's values of supporting historic preservation, community priorities, environmental sustainability, and small business/individual homeowners. However, from the perspective of financial accountability, eliminating the fee waivers would make the true cost of providing services and programs transparent.

Implementation Plan

Implementing partial subsidies for some applications and continuing to waive others would involve the following steps:

- Community engagement regarding subsidies for fees instead of fee waivers
- Use the FY20/21 Fee study to establish fee for those applications that have none established
- Amend Municipal Code to remove provisions establishing fee waivers
- Council adopts fee resolution and Municipal Code amendments

Changes should be implemented with the next scheduled fee update for the City Planning Division Scheduled for FY 2020-21 and adopted with the FY 2021-23 budget. The elimination of the fee waiver for Building and Safety permits could be implemented more quickly and should start at the beginning of a new fiscal year.

City Attorney

City Attorney support would be necessary for Municipal Code amendments to remove fee waivers. This should not involve an unusual amount of staff time as legal support is associated with the quadrennial fee study updates. Further legal assessment would be necessary to determine whether the City could include the cost of consultant reports for historic preservation designation applications in a fee study.

Financial Analysis

Costs

There should be no impact to operational costs.

Revenues

If applications continue to be submitted at current rates and all fee waivers are removed, revenues could be increased by approximately \$580,000 per year (\$280,000 from City Planning and \$300,000 from Building and Safety). This estimate is based upon an average of the estimated total revenue loss from the past two years, as shown in Table 1. If it is decided to subsidize applications, rather than eliminating the waiver, the increase would be reduced roughly by the percentage of the subsidy.

Decision Points

- Option A – Eliminate waived fees for solar systems on new construction and subsidize fees for Historic Preservation applications at 80%
- Option B – Charge Full Cost Recovery for All Waived Fees
- Continue to waive some fees, but eliminate waiving other fees
- Continue to waive fees

Presentation

- Summary of fees that are currently waived
- Implementation plan

Attachments

- A. Background information on number of applications and estimated revenue loss

ATTACHMENT A
DETAIL OF ESTIMATED REVENUE LOSS FROM EXISTING PCD FEE WAIVERS FY17/18

Category	Application Type	# of Apps FY17/18	Staff Hours per app	Established Fee or Staff Rate ¹	Consultant Cost per app ²	Estimated Total Cost per app	Estimated Revenue
Affordable Housing	Administrative Approval Permit	2		\$5,066		\$5,066	\$10,132
Affordable Housing	Architectural Review Board Building Design	2		\$3,881		\$3,881	\$7,761
Sustainability: Solar New Const.	Plan review and permit fees	35		varies		varies	\$43,558
Sustainability: All Other	Plan review and permit fees	105		varies		varies	\$63,762
Childcare	Conditional Use Permit	0		\$17,205		\$17,205	\$0
Childcare	Architectural Review Board Sign	0		\$1,706		\$1,706	\$0
Historic Preservation	Certificate of Appropriateness*	38	13	\$264		\$3,434	\$130,495
Historic Preservation	Certificate of Administrative Approval*	1	13	\$84		\$1,093	\$1,093
Historic Preservation	Landmark Designation***	8		\$816	\$5,000	\$5,816	\$46,528
Historic Preservation	Structure of Merit***	1		\$876	\$5,000	\$5,876	\$5,876
Historic Preservation	Mills Act Designation*	0	10	\$71		\$711	\$0
Historic Preservation	Historic District Designation	0		\$1,186	\$9,000	\$10,186	\$0
Historic Preservation	Plan review and permit fees	6		varies		varies	\$137,562
Homeowner/Small Bus Support	Architectural Review Board - STP	286	0.5	\$71		\$36	\$10,160
Total FY2017/18		484				\$55,009	\$456,928

¹Rates include benefits and vary depending on additional staff support required

Associate planner only	\$71.05
Associate planner and admin support	\$223.22
Senior Planner only	\$84.08
Senior Planner and admin support	\$264.16

²This cost is currently not passed onto applicants and has previously been included in fee studies

³Result of adding Established Fee + Consultant Cost

⁴Amount that would have been collected if fee were subsidized at 80%

ATTACHMENT A
DETAIL OF ESTIMATED REVENUE LOSS FROM EXISTING PCD FEE WAIVERS FY18/19

Category	Application Type	# of Apps FY18/19	Staff Hours per app	Established Fee or Staff Rate ¹	Consultant Cost per app ²	Estimated Total Cost per app	Estimated Revenue
Affordable Housing	Administrative Approval Permit	2		\$13,711		\$13,711	\$27,422
Affordable Housing	Architectural Review Board Building Design	2		\$4,380		\$4,380	\$8,759
Sustainability: Solar New Const.	Plan review and permit fees	25		varies		varies	\$29,133
Sustainability: All Other	Plan review and permit fees	281		varies		varies	\$214,980
Childcare	Conditional Use Permit	2		\$19,257		\$19,257	\$38,514
Childcare	Architectural Review Board Sign	2		\$1,534		\$1,534	\$3,068
Historic Preservation	Certificate of Appropriateness*	31	13	\$264		\$3,434	\$106,456
Historic Preservation	Certificate of Administrative Approval*	1	13	\$84		\$1,093	\$1,093
Historic Preservation	Landmark Designation***	17		\$816	\$5,000	\$5,816	\$98,872
Historic Preservation	Structure of Merit***	1		\$876	\$5,000	\$5,876	\$5,876
Historic Preservation	Mills Act Designation*	5	10	\$84		\$841	\$4,204
Historic Preservation	Historic District Designation	1		\$1,186	\$9,000	\$10,186	\$10,186
Historic Preservation	Plan review and permit fees	18		varies		varies	\$150,832
Homeowner/Small Bus Support	Architectural Review Board - STP	237	0.5	\$71		\$36	\$8,419
Total FY2018/19		625				\$66,163	\$707,815

¹Rates include benefits and vary depending on additional staff support required

Associate planner only \$71.05

Associate planner and admin support \$223.22

Senior Planner only \$84.08

Senior Planner and admin support \$264.16

²This cost is currently not passed onto applicants and has previously been included in fee studies

³Result of adding Established Fee + Consultant Cost

⁴Amount that would have been collected if fee were subsidized at 80%

Mid-Term Program Changes for FY 2020-21

Program Name:	Reduction of Free and/or Subsidized Citywide Parking Programs
Recommended Action:	Phased Reduction of Free “Grace Period” Parking in the Downtown
Annual Financial Impact:	\$0.7 million in first full year, and increases to \$1.5 million in the second full year going forward <input type="checkbox"/> one-time \$ <input checked="" type="checkbox"/> ongoing

Program Description

The City of Santa Monica currently offers 90 minutes of free parking in its off-street parking garages. The 90 minute “grace period” encourages visitors to come to downtown Santa Monica to visit shops, retailers, dining establishments, as well as providing ancillary access to the Santa Monica State Beach. It also makes off street garage parking more economically attractive to customers than on street parking - effectively reducing congestion by reducing cruising for on street parking.

The City of Santa Monica manages parking based on demand in order to ensure availability, and while the current off-street parking system as a whole has plenty of availability, full occupancy is reached in certain structures at certain times. There are several planned redevelopments to existing parking locations that will reduce overall capacity and put more pressure on the remaining spaces. The City of Santa Monica also recognizes that free parking is a subsidy to car owners, paid at the expense of non-car owners, and that charging market rates for parking is a highly effective policy tool to encourage residents and visitors to use more sustainable methods of transportation when traveling in and out of Downtown Santa Monica.

This proposal responds to the increasing recognition of the high economic and environmental costs of providing free or subsidized parking and that greater attention must be paid to the efficient utilization of parking in the Citywide facilities, while remaining observant of retail and commercial access needs of downtown business owners, employees, and visitors. Based on a review of the aggregated parking transaction, parking duration and occupancy data, staff seeks the Budget Task Force’s input on the following three options:

- Option A
 - Year One – reduce free “grace period” parking from 90 to 60 minutes
 - Year Two – reduce free “grace period” parking from 60 to 30 minutes
- Option B
 - Year One – reduce free “grace period” parking from 90 to 60 minutes
 - Year Two – no change, free “grace period” parking to remain at 60 minutes
- Option C
 - No change, free “grace period” parking to remain at 90 minutes

Background/Previous Parking Rate Changes Enacted by City Council

Around the mid to late-2000s, the City began to regularly enact the multipronged demand responsive parking rate strategies to address excessively high peak-occupancies throughout the parking portfolio, reduce traffic congestion, encourage shifts toward more sustainable transportation options, enable a more efficient use of the entire parking supply, and maintain sufficient revenue streams to cover the costs to operate/maintain public parking facilities. These parking strategies were consistent with provisions and

overall goals outlined in the City’s land use, development, planning and transportation policy documents [i.e. [Land Use and Circulation Element](#) (LUCE), [Downtown Community Plan](#) (DCP)] . By way of background, below are some of the most recent Downtown parking rate changes enacted by City Council:

On [May 11, 2010](#), Council adopted a resolution establishing new parking rates for off-street parking as a first phase in implementing the 2009 Walker Parking Study recommendations. Walker Parking consultants provided recommendations consistent with the LUCE to better manage parking demand and maximize efficiency of the public parking supply in Downtown Santa Monica.

On [July 10, 2012](#), Council adopted a resolution establishing new parking fees at citywide on-street parking meters, off-street parking facilities, and beach parking lots, including a reduction in the Downtown free parking “grace period” from two hours to 90 minutes. These changes were informed by a parking rate study conducted by Walker Parking Consultants in 2012, consistent with the LUCE and the 2009 Walker Parking Study, and was supported by Downtown Santa Monica, Inc. with incremental revenues to be invested back into access, traffic, parking, access and circulation programs.

On [May 10, 2016](#), Council adopted a resolution establishing increased parking rates for the Civic Center and Downtown parking facilities to proactively address high weekday occupancies, as well as discourage potential “park and ride” activity in the City’s Downtown and adjacent parking facilities due to the arrival of the Expo Light Rail.

On [April 24, 2018](#), Council adopted a resolution establishing a new weekday versus weekend demand responsive parking pricing schedule as Phase I in implementing parking strategy recommendations that addressed the excessively high peak occupancies in the Downtown parking facilities, and better aligned pricing to actual parking demand based on data analytics.

On [June 25, 2019](#), Council adopted a resolution establishing revised parking rates as Phase II of implementing staff’s parking rate strategy to further address traffic congestion as well as continue to encourage the shift in how people travel in and around the City via incremental parking rate adjustments in FY 2019-20 (the Citywide on-street parking meters, Main Street surface parking lots, Pier Deck parking lot, and Central Zone Beach Lots) and again in FY 2020-21 (planned increase to Citywide on-street parking meters). Revenue projections from these parking rate changes have already been included in the city’s FY 2019-21 budget.

Qualitative Analysis

Over the last four fiscal years, almost half of all Downtown parking structure transactions resulted in free parking sessions. Below is a table outlining the percentage of free “grace period” transactions versus paid transactions:

% of Free versus Paid Transactions	FY 15/16	FY 16/17	FY 17/18	FY 18/19
% of Free “Grace Period” Transactions	45%	48%	45%	46%
% of Paid Transactions	<u>55%</u>	<u>52%</u>	<u>55%</u>	<u>54%</u>
TOTAL	100%	100%	100%	100%

Below is a table that outlines the Downtown parking structure average revenue collection per transaction weekday and weekend transaction:

Average Parking Transaction	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Average Weekday Parking Transaction	\$2.00	\$2.40	\$2.40	\$2.90
Average Weekend Parking Transaction	\$2.30	\$2.80	\$2.70	\$4.30

Below is a table intended to provide some perspective around the unrealized revenues/parking subsidies/costs of providing free parking transactions in the Downtown parking garages:

Unrealized Revenues/Estimated Subsidy	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Total amount if the City would have charged \$1 for each unpaid, free parking transaction	\$2.7 million	\$2.7 million	\$2.4 million	\$2.4 million
Total amount if the City would have charged \$2 for each unpaid, free parking transaction	\$5.4 million	\$5.4 million	\$4.8 million	\$4.8 million
Total amount if the City would have charged \$3 for each unpaid, free parking transaction	\$8.1 million	\$8.1 million	\$7.2 million	\$7.2 million

Providing parking subsidies in the Downtown parking structures prodigiously undermines the City's efforts of continuing to improve public transportation, effectively increasing demand for parking and thereby subsidizing congestion throughout the transportation network. The City has made significant progress over the years in enhancing public access to the Downtown by using revenues from parking rate adjustments to provide more sustainable non-vehicular transportation infrastructure as well as facilitate transit-oriented development to reduce the reliance on vehicular travel. Visitors and residents now have more sustainable travel mode options to the Santa Monica Downtown than ever before, including Expo Light Rail, low-cost long-distance beach shuttles, regionally integrated cycling networks, public and private bike valet services, dockless shared mobility devices, walking, expanded transportation demand management programs that reduce demand for drive alone commuting through various incentives, and Big Blue Bus transit services.

To further facilitate progress on improved access to the Downtown and reduce traffic congestion, below is a table that outlines the proposed phased reduction of the free "grace period" parking in the Downtown core parking facilities for weekday and weekend parking sessions.

Weekday Parking Rates by Duration – Parking Structures #1-8 and Ken Edwards Center	Current Year Rates (Actual)	Year One Rates (Proposed)	Year Two Rates (Proposed)
Parking stays lasting up to 30 minutes	\$0.00	\$0.00	\$0.00
Parking stays lasting up to 60 minutes	\$0.00	\$0.00	\$1.00
Parking stays lasting up to 90 minutes	\$0.00	\$1.00	\$2.00
Parking stays lasting up to 2.0 Hours	\$2.00	\$2.00	\$3.00
Parking stays lasting up to 2.5 Hours	\$3.50	\$3.50	\$4.00
Parking stays lasting up to 3.0 Hours	\$5.00	\$5.00	\$5.00
Parking stays lasting up to 3.5 Hours	\$7.00	\$7.00	\$7.00
Parking stays lasting up to 4.0 Hours	\$9.00	\$9.00	\$9.00
Parking stays lasting up to 4.5 Hours	\$11.50	\$11.50	\$11.50
Parking stays lasting up to 5.0 Hours	\$14.00	\$14.00	\$14.00
Parking stays lasting up to 5.5 Hours	\$17.00	\$17.00	\$17.00
Parking stays lasting greater than 5.5 hours	\$20.00	\$20.00	\$20.00
DAILY MAXIMUM PARKING COSTS	\$20.00	\$20.00	\$20.00

Weekend Parking Rates by Duration – Parking Structures #1-8 and Ken Edwards Center	Current Year Rates (Actual)	Year One Rates (Proposed)	Year Two Rates (Proposed)
Parking stays lasting up to 30 minutes	\$0.00	\$0.00	\$0.00
Parking stays lasting up to 60 minutes	\$0.00	\$0.00	\$1.00
Parking stays lasting up to 90 minutes	\$0.00	\$1.00	\$2.00
Parking stays lasting up to 2.0 Hours	\$2.00	\$2.00	\$3.00
Parking stays lasting up to 2.5 Hours	\$4.00	\$4.00	\$4.00
Parking stays lasting up to 3.0 Hours	\$6.00	\$6.00	\$6.00
Parking stays lasting up to 3.5 Hours	\$8.50	\$8.50	\$8.50
Parking stays lasting up to 4.0 Hours	\$11.00	\$11.00	\$11.00
Parking stays lasting up to 4.5 Hours	\$14.00	\$14.00	\$14.00
Parking stays lasting up to 5.0 Hours	\$17.00	\$17.00	\$17.00
Parking stays lasting up to 5.5 Hours	\$21.00	\$21.00	\$21.00
Parking stays lasting greater than 5.5 hours	\$25.00	\$25.00	\$25.00
DAILY MAXIMUM PARKING COSTS	\$25.00	\$25.00	\$25.00

Staff recognizes that the free grace period parking session in of itself may slightly support reducing unnecessary on-street traffic congestion by incentivizing parkers to utilize off-street parking facilities versus paying for on-street parking meter sessions where there is no free “grace period” parking. And while the Downtown business community welcomes the free parking periods as it invites people into Downtown to patronize the various businesses, staff believes that the free grace period rate schedule overwhelmingly incentives less desirable driving trips into Downtown instead of incentivizing more sustainable trips that reduce traffic and assist the City with achieving its greenhouse gas reduction targets.

The City of Santa Monica has long advocated for reducing and/or eliminating free and/or subsidized parking in the City’s adopted long-range planning, development, and transportation policy documents. Staff believes that these strategically phased-in reductions to the free “grace” period parking periods would still allow the City the ability to provide an incremental parking rate schedule that continues to welcome residents and visitors to the City by ensuring minimal impact for the average short-term parking session at a reduced rate, maintaining a \$5 charge for a three hour stay on the weekday, a \$6 charge for a three hour stay on the weekend, and no change to the incremental parking rates for longer term parking sessions greater than three hours. Staff believes that the proposed parking rates will continue to balance the needs of the community and would not negatively impact access to Downtown attractions, business, or the coastline, thereby also conforming with the provisions outlined in the [California Coastal Act](#). Additionally, staff believes that the proposed rate schedule also conforms with provisions outlined in the [Santa Monica Land Use Plan \(2018 final draft\)](#) by ensuring that overall parking rates in the Coastal Zone are equal to or less than other neighboring public and private parking lots.

Finally, staff believes that the phased adjustment to the free grace period would also allow the City to proactively rebalance the system and ensure sufficient future parking availability as the land use decisions that strategically repurpose available parking spaces into higher and better uses commences, including the following upcoming projects:

- Reduction of about 100 spaces remaining in the Civic Center Surface Parking Lot
- Reduction of about 100 spaces in Downtown Parking Structure #2 for the Rooftop Cinema

- Reduction of about 330 spaces due to the Demolition of Parking Structure #3
- Reduction of about 325 spaces due to the Demolition of Parking Structure #1 (pending discussion)

Benchmarking

As part of any parking rate change consideration, staff identifies the relationship between the pricing of public and private parking, adjacent land uses and parking demand, emerging transportation modes that may impact parking behavior, etc. As such, staff conducted a survey of parking rates for public and privately-owned facilities to ensure that current market conditions were considered, and to avoid the likelihood of parking spillover to City facilities due to pricing imbalances between the public and private facilities. Additionally, being that most of the Downtown core parking structures are within the Coastal Zone defined by the California Coastal Commission, staff also considers parking rate schedules for nearby County beach parking lots.

Below is a comparison of the **City of Santa Monica free parking options** in the various locations:

<u>Location</u>	<u>Parking Facilities</u>	<u>Free “Grace Period” Options</u>
Downtown	PS #1-8 & KEC	Free first 90 minutes
North of Wilshire	PS #9	Free first 90 minutes
North of Wilshire	PS #10	No free parking periods
Downtown	Civic Center	Free first 30 minutes
Downtown	Main Library PS	Free first 30 minutes
Downtown	Main Library Surface Lot	No free parking periods
Main Street	Lots #9, 10, 11, and 26	10 p.m. to 6 a.m. nightly
Mid-City	Lots #7, 8, and 12	No free parking periods
Downtown	Lots #27, 29, and 30	No free parking periods
Citywide	On-street parking meters	No free parking periods
Beach and Pier	Various Surface Lots	No free parking periods

Below is a comparison of **municipal parking operations throughout the region**:

<u>Location</u>	<u>Parking Facilities</u>	<u>Free “Grace Period” Options</u>
Municipal	Beverly Hills	Varies by location
Municipal	Culver City Downtown	Free first 60 minutes
Municipal	Huntington Beach Promenade	Free first 30 minutes
Municipal	Huntington Beach Pier	No free parking periods
Municipal	LA County Parking Lots in the Coastal Zone	No free parking periods
Municipal	Long Beach Downtown	Varies by location
Municipal	Long Beach Shoreline Village	No free parking periods
Municipal	Redondo Beach Pier	No free parking periods
Municipal	West Hollywood City Hall	No free parking periods

Below is a comparison of **private parking facilities in the City as well as comparable shopping centers** throughout the region:

<u>Location</u>	<u>Parking Facilities</u>	<u>Free “Grace Period” Options</u>
Santa Monica Private Lots	Citywide	No free parking periods
Shopping Centers	Beverly Center	None
Shopping Centers	Century City Mall	Free first 60 minutes
Shopping Centers	Westfield Culver City Mall	Free parking all day
Shopping Centers	Howard Hughes Promenade	Free first 30 minutes
Shopping Centers	Palisades Village	Free first 60 minutes
Shopping Centers	Playa Vista Runway Mall	No free parking periods
Shopping Centers	Sherman Oaks Galleria	No free parking periods
Shopping Centers	Westfield Topanga Mall	Free parking all day
Shopping Centers	Westfield Topanga Village	Free first two hours

Previous Community Outreach and Stakeholders Outreach

As part of the [2018 Downtown parking pricing study session](#) that included the phased reduction for the free “grace period” parking in the Downtown core parking facilities, staff conducted study sessions with various stakeholders throughout the City to ensure that the needs of the communities represented by the respective stakeholders were included in the overall proposal to Council. During the outreach process, staff received verbal and written comments from residents and stakeholders in the City that supported staff’s overall goal to address the traffic, parking, and revenue challenges. However, feedback on how to address these challenges varied amongst stakeholders. For example, there was clear support from Santa Monica Travel and Tourism in 2018, which believed that the 2018 City’s pricing strategies, including the gradual reduction of free grace period parking throughout the City would have a positive impact on tourism, and would increase parking availability to ensure that there is always a space available for residents and visitors. While Downtown Santa Monica, Inc. conceptually supported the implementation of demand sensitive parking pricing for the Downtown parking structures, including different pricing for weekday versus weekend parking sessions, they opposed implementation of the proposed strategy change due to increased economic pressures on Third Street Promenade, and formally opposed any reduction to the existing 90-minute grace period that was not coupled with sustainable funding for parking structure maintenance, capital improvements, and Downtown resident access alternatives. Other stakeholders, particularly those who represent some of the city’s most vulnerable communities (i.e. Commission for the Senior Community and Disabilities Commission), also supported the overall goals but recommended addressing the challenges with items specific to their constituents (i.e. Disabilities Commission requested

that the City earmark a portion of the revenues realized from the parking rate adjustments towards a Citywide ADA parking study).

At that time in 2018, there was Council support for this, but it was ultimately decided to not include a change to the free grace period parking with the immediate parking rate changes that were going into effect July 2018. However, as part of the long-term parking strategy, Council directed staff to continue analyzing the topic and return to Council with a broader long-term comprehensive strategy that is aligned with the City's larger focus on supporting a more livable community, including but not limited to:

- Further align parking pricing strategies with Council adopted policies that reduce free or subsidized parking, with strategic investments in tangible mobility options
- Evaluate the effectiveness of the Santa Monica resident Downtown access program and Downtown business/merchant parking validation program
- Analyze the feasibility of pursuing a universal valet program

Implementation Plan/Stakeholder Outreach

Over the next four to six months, staff will return to the following regional partners/boards and commissions, with a follow-up study session that addresses their original feedback related to the reduction of the grace period, and solicit their updated feedback as the City considers moving forward with this initiative:

- Regional Partners
 - Downtown Santa Monica, Inc.
 - Santa Monica Travel and Tourism
 - Chamber of Commerce
- Boards, Commissions, Task Forces, and City Council
 - Commission on the Senior Community
 - Disabilities Commission
 - Planning Commission
 - Santa Monica City Council
- Regional Regulatory Review
 - California Coastal Commission

Because most of Downtown parking structures are in the Coastal Zone as defined by the California Coastal Commission ("CCC"), staff would likely be required to submit a parking pricing analysis and utilization report to the CCC, as well as prepare necessary applications to amend the existing Coastal Development Permits ("CDP") that govern the Downtown parking rate schedules prior to implementing the parking rate change included in this proposal. Staff anticipates that this process could take up to six months to complete and obtain approval from the CCC, thereby delaying the potential implementation date to around Fall/Winter 2020.

As part of this process, City staff will also prepare an internal analysis that will include multiple years of parking data from the various Santa Monica parking systems that will assist with predicting final revenues to be included in the upcoming budget cycles. Staff will consider the relationship of parking rates within the citywide portfolio to maintain strategic pricing balances between on-street and the off-street facilities,

ensuring that the off-street facility incremental rate schedules continue to be cheaper than on-street pricing, thereby continue incentivizing traffic into the structures.

Financial Analysis

Option A - staff believes that the phased reduction of the 90-minute free grace period parking strategy included in this proposal would likely generate about \$0.7 million in year one, and increase to \$1.5 million in year two due to the second reduction of the grace period from 60 to 30 minutes.

Timely on-boarding of these parking rate change measures would require the following expenditure considerations:

Description	Year One	Year Two
Parking Equipment Software Coding/Labor	\$ 50,000	\$ 50,000
Downtown parking signage update	\$ 50,000	\$ 5,000
Credit Card Payment Gateway Costs	\$ 35,000	\$ 70,000
Professional Services - data analytics support	\$ 25,000	\$ -
Revenue sharing license agreement PS #7-8	\$ 106,000	\$ 260,000
TOTAL ANTICIPATED COSTS	\$ 266,000	\$ 385,000

Option B – staff believes that the phased reduction of the 90-minute free grace period parking strategy included in this proposal would likely generate \$0.7 million in ongoing revenues beginning the first full year.

Option C – staff believes that maintaining the current 90-minute grace period would generate no new revenues.

**Long-Term Program Changes
for FY 2021-25 (second and third biennial budgets)**

Evaluate the feasibility of the following changes...

Under \$100,000

- Assess Passport Services to ensure cost effectiveness
- Explore identification of community partners to operate the social activities of the Santa Monica Adaptive Recreation (SMARS) Program
- Eliminate hedge enforcement
- Eliminate TDM requirements for employers with under 30 employees
- Schedule public hearings during working hours
- Eliminate paper noticing and staff reports where possible
- Eliminate or scale down the Neighborhood Support Services Grants Program
- Amend Rent Control Law to cancel elections if the number of qualified candidates equals the number of vacancies

Up to \$500,000

- Expand developer mitigation fees to include Fire service and other City services that are impacted by additional visitors and workers
- Evaluate role and structure of the HazMat Program
- Centralize scheduling at all libraries
- Review the Miles Playhouse and Camera Obscura business models and explore other possible options for operating the facilities in the context of the Cultural Plan update
- Consolidate customer service function into one central hub for information
- Put greater reliance on public-private partnerships and grants to support community wellbeing initiatives
- Reduce operating costs of CityTV through partnerships and use fees generated to support CityTV
- Introduce an innovations fund with private resources to assess and implement innovations in a focused way
- Combine one or more departments and assign functions to other departments
- Reduce staffing in the City Attorney's Office (CAO) by one attorney FTE and one staff FTE in the event of staff attrition, increased CAO operational efficiency and reduced City activities
- Increase design review completed at the staff level (current ARB function)
- Pilot autonomous vehicle deployment
- Restructure Pier and Harbor Services Officers to enhance safety on Pier and transition water rescue to Los Angeles County lifeguards
- Implement AMI (automated meter reading) for water meters

- Introduce 3 new Bus Only Lanes with Q-Jump, which utilizes intersection right turn pocket where there is no traffic signal priority for bus movements through intersections

Over \$500,000

- Assess alternative staffing strategies in the Fire Department
- Extend salary steps to slow salary progression
- Explore financial and operational feasibility of having Downtown Santa Monica (DTSM) manage downtown parking structures
- Consider efficient, cost-effective options for Out of School Time youth programs (PAL, CREST, VAP) including co-location, consolidation, and partnerships with other institutions and/or private/non-profit organizations
- Explore models for public safety dispatching to ensure effective and efficient services
- Migrate Citywide Dashboard to platforms included in the website
- Consider alternative approaches to Animal Control Unit and Shelter
- Evaluate the need to continue the practice of over hiring police officers
- Transfer issuance and administration of Continuum of Care vouchers, which provide housing and services for people experiencing homelessness, to another housing authority
- Evaluate the possibility of using third party contracts to more effectively and efficiently provide administrative and transactional services such as Workers' Compensation, employee benefits and labor negotiations, operations including maintenance and equipment services, code enforcement services and customer service for discreet programs, and recreation venue and program management
- Assess voluntary early separation incentive program
- Engage a third party experienced in entertainment venue management, operations, and promotions to assume enterprise responsibility for all aspects of the Santa Monica Pier: leasing, management, capital improvements, maintenance, events, marketing, etc.
- Strategic process streamlining for businesses that significantly increase City revenues