



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
March 18, 2025

TOPIC: Parking Enterprise Fund Updates for Meters and Structures

AGENDA TITLE

Parking Enterprise Fund Updates for Meters and Structures

RECOMMENDED ACTION

1. Approve parking rates for City-owned parking structures to \$2.00 per hour with annual increases of \$0.50 per hour until a maximum of \$3.00 per hour is attained.
2. Direct staff to prepare a Resolution establishing parking rates for the City-owned parking structures and reaffirming the City Manager authority to modify future parking structure rates after the third annual increase as needed.
3. Approve the parking meter rates to \$2.50 per hour with annual increases of \$0.50 per hour until a maximum of \$3.50 per hour is attained.
4. Direct staff to amend the meter ordinance establishing parking meter rates and hours of operation, eliminating metered parking fronting residential in the Willard Neighborhood, and authorizing the City Manager to modify future meter rates after the third annual increase as needed, to mirror the authority of the City-owned parking structures.

GOVERNMENT CODE §84308 APPLIES: No

DISCUSSION

At the February 18, 2025, City Council meeting, the Community Development Agency (CDA) held a work study session on the Parking Enterprise Fund, covering:

- Parking meters and structures' operations and background
- Budget data for meters, structures, and downtown enhancements
- Council considerations for subsidized parking initiatives
- Key points on meter ordinance adjustments

At the conclusion of the work study session, Council requested suggestions on parking rates for structures and meters, hours of operations for meters, information about

certain meter district areas, options to reduce operational costs, and grace period options to be presented at the March 18, 2025 Council meeting.

The recommended actions reflect input received and budgetary needs, with flexibility to incorporate additional Council considerations.

Establishing parking rates for City-owned structures at \$2.00 per hour, with annual increases of \$0.50 per hour until a maximum rate of \$3.00, would support operational costs and necessary repairs for equipment. A resolution to formalize the structure parking rates will be presented at a future Council meeting.

Adjusting parking meter rates to \$2.50 per hour, with increases of \$0.50 per hour until a maximum rate of \$3.50, removing meters in the Willard neighborhood, and transitioning to contactless payment options—such as mobile apps and pay stations—will enhance operational efficiency, reduce costs, and strengthen the Parking Enterprise Fund. To support these improvements, an updated ordinance addressing meter operations, rates, and the removal of meters in the Willard neighborhood will be presented at a future Council meeting. It is anticipated that the estimated revenue for the first year increases is \$1.5 million.

Council Requested Information

1. Peak time usage at structures and meters:
 - a. Weekdays from 11am-1pm
 - b. Weekends from 5pm-7pm
2. Meter district areas with higher levels of coin payments:
 - a. Approximately 10 blocks have a higher percentage of coin payments between 51%-89% compared to other areas that rely more on credit card payments or mobile app payments

Blocks/Areas	Percentage of Coin usage
100 E. 3 rd	52%
100 E. 4 th	57%
400 E. 4 th	52%
100 W. 4 th	59%
200 W. 5 th	89%
600 N. Bush	56%
100 N. Spurgeon	77%
500 N. Spurgeon	58%
500 N. Sycamore	51%

3. Peak-season variable rates for structures and meters:

Staff reviewed potential options for peak-season variable rates and, if desired, could propose the following:

- a. Regular season rates from September 1-May 31 (9 months): at \$2 per hour for meters, \$1.50 per hour for structures
 - b. Peak season rates from June 1-August 31 (3 months): \$4 per hour for meters, \$3 per hour for structures. This would generate approximately 30% to 45% of additional revenue during peak season.
4. Background information about meters within the Willard neighborhood:
 - a. The Willard neighborhood was initially designed to attract professionals working in the Civic Center area, with the expectation of reduced parking demand due to alternative transportation options. To maintain parking availability for residents and prevent overcrowding from Civic Center visitors, meters were installed. However, the development did not draw tenants willing to pay higher rent levels and instead rented to families at market rates, leading to a greater need for parking than originally anticipated. Consequently, jurors and other visitors continue to park in the surrounding neighborhoods.
 - b. Based on City Council direction, staff is recommending the removal of parking meters fronting residential, which is generally north of 10th Street. Meters will remain in front of commercial areas in Willard.
 - c. Any future modifications to the meters will be presented to the City Council for approval through an ordinance change, which will amend Section 36-398 of the Santa Ana Municipal Code.

Historical Background

Parking meters and structures have been in operation since the 1980s, implemented to support maintenance, operational costs, and improvements in Downtown Santa Ana and the surrounding meter district. Over the years, parking rates have gradually increased, but have remained stable since 2019, with rates set at \$1.00–\$2.00 per hour for meters and \$1.50 per hour for parking structures. Additionally, in 2019, the City Council approved a 2-hour grace period for parking in structures to encourage increased visitation to the area.

In July 2020, the CDA assumed management of the Parking Enterprise Fund, taking responsibility for parking meters, parking structures, and downtown improvement initiatives. From 2021 to the present, the impacts of the pandemic and streetcar construction led to significant reductions in parking fees, including free parking offerings. Parking structures have provided free parking Monday through Friday from 7 a.m. to 5 p.m. and a 2-hour free parking period during evenings and weekends, with structures operating 24/7. Parking meters were either temporarily removed or made free in response to the pandemic and construction needs.

In June 2024, the City Council requested a detailed review of the Parking Enterprise Fund's budget to assess revenue, expenditures, and long-term sustainability, in light of a fund deficit caused by the pandemic and streetcar construction. This review led to the

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scheduling of a work study session during the City Council meeting on February 18, 2025.

The recommended actions will allow the City to generate revenue, as parking has taken general fund subsidies in the last five (5) years in the total amount of \$9.5 million dollars.

FISCAL IMPACT

There is no fiscal impact at this time.

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Alvaro Nuñez, City Manager