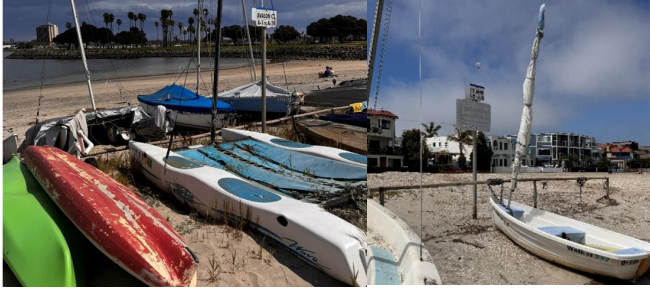


# Hotline Report of Boat Storage Permits

## Fraud Allegation

OCA received a Fraud Hotline allegation regarding the mismanagement of permits issued by the City for the long-term storage of small boats on the sand at Mission Bay.



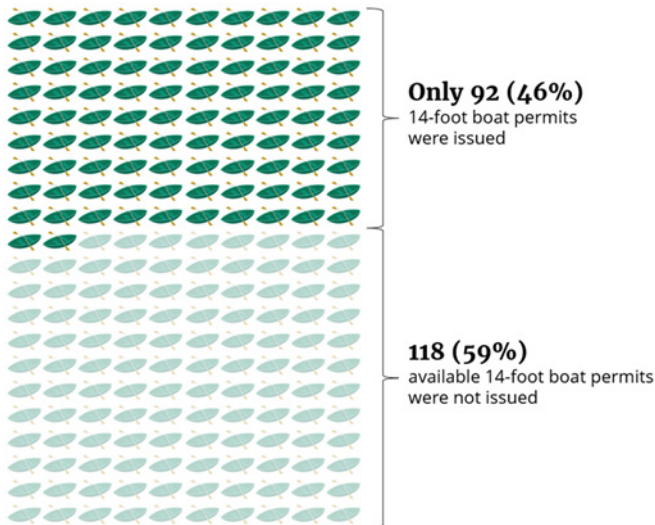
## Investigative Conclusions

Our investigation determined that the allegations of waste and mismanagement were substantiated.

### Conclusion 1:

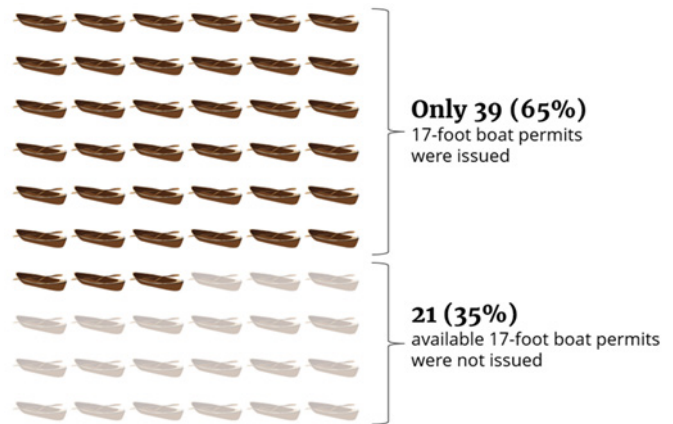
- Over 100 boat storage permits could have been issued, but were not, due to clerical errors.
- Clerical errors could be avoided if Parks and Rec used the existing online system to handle boat storage permits.
- Over 400 people are on waitlists for boat storage permits, with some waiting for over 20 years.
- Boat storage permits are able to be renewed perpetually, which limits the supply of permits available to be sold to other small boat owners.

### Exhibit 4: More Than Half of Available 14-Foot Boat Permits Were Not Issued



Source: OCA generated based on permit data from April 2024.

### Exhibit 5: Over One-Third of Available 17-Foot Boat Permits Were Not Issued



Source: OCA generated based on permit data from April 2024.

### Conclusion 2:

- The City's boat storage program charges lower fees than other jurisdictions.
- These fees only recover part of the estimated staff costs.
- The fees for the City's boat storage permits were based on the estimated staffing costs to administer the program.
- Because the fees are lower than they could be, the City might not receive sufficient revenue to administer the program efficiently and effectively.
- The City's fee consultant concluded that boat storage permit fees could be calculated based on the use of City property and a comparison with fees of other jurisdictions rather than staff cost estimates.

### Conclusion 3:

- Other jurisdictions offer more efficient small boat storage solutions.
- Parks and Rec management determined that the more efficient small boat storage solutions used elsewhere were infeasible in San Diego.
- Due to the limited space available for small boat storage, the City should evaluate the impact of wider boats and consider charging more for catamarans.
- One or more additional boat storage locations could be added to improve access to this resource.
- Some boat storage racks are in need of repair.

**Exhibit 10: Some Boat Storage Racks are Heavily Damaged**



Source: OCA images captured on March 18, 2024 and April 3, 2024.

- The Parks and Recreation Department considered using money from the Mission Bay Park Improvement Fund to construct new boat storage racks but declined to pursue using the proposed funding source.

**Conclusion 4:**

- Lifeguards recently removed 29 abandoned boats and took compliance actions against 44 others, but this appears to be the first enforcement effort in approximately 15 years.

**Exhibit 12: Lifeguards Removed 29 Abandoned Boats and Identified 44 Other That Violated Program Rules in May 2024**



Source: Lifeguards images captured in May 2024, obtained by OCA.

- Parks and Rec and Lifeguards would likely be better able to coordinate routine inspections and enforcement activities if written procedures were in place.
- Program compliance would be improved if the existing program rules were updated and clarified.

**What OCA Recommends**

We make 10 recommendations to improve the City's boat storage permit administration, facilities, fee recovery, and compliance operations.

Key recommendation elements include:

- Implementing reconciliation procedures to ensure all available permits are offered for sale;
- Transitioning to online registration software;
- Revising the permitting process to mitigate current problems of extensive waitlists and permits being renewed in perpetuity;
- Basing permit fees on benchmarking of what other jurisdictions charge;
- Considering more efficient storage options;
- Considering charging more for catamarans or limiting the number of permits available for catamarans;
- Considering replacing damaged racks and/or adding one or more racks;
- Identifying racks that need repairs and prioritizing repairs;
- Developing written policies and procedures for compliance activities; and
- Updating and posting current boat storage applications and permit "Specifications, Rules, and Regulations" sheets online, and ensuring consistency with DMV guidance.

Management agreed with all 10 recommendations.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or [cityauditor@sandiego.gov](mailto:cityauditor@sandiego.gov).