

City of San Diego Mobility Board

February 28, 2025

Honorable Councilmember Whitburn
Chair, Active Transportation and Infrastructure Committee
City of San Diego
202 C Street
San Diego, CA 92101

RE: Community Parking Districts and Council Policy 100-18

Dear Chair Whitburn and honorable members of the committee:

I am writing on behalf of the City of San Diego Mobility Board to express concerns and offer recommendations for the current operation of Community Parking Districts (“CPD”s) and Council Policy 100-18. The Mobility Board is the appointed advisory body charged with providing input and guidance to the City Council and Mayor on policies and issues related to the City’s transportation network. The Mobility Board has reviewed the City’s track record with CPDs and offers the following input concerning any decisions made to change how CPDs operate or how Council Policy 100-18 governs their existence, formation, and operation.

Parking and the efficient use of the City’s curb space are at the heart of many elements of the city-wide mobility puzzle. For many years, critical decisions about how to best utilize that curb space and how to reinvest the revenue generated as part of its management have been outsourced to self-governing and unaccountable community-based parking advisory boards.

With that in mind, and with the discussion of Council Policy 100-18 and the future of CPDs being taken up by this committee, the Mobility Board appreciates this opportunity to share our perspective on some of the challenges presented by the CPD concept, and some guidance for the City Council and Mayor’s Office on some changes that could be implemented to ensure these entities are kept accountable to their communities and to the City’s policies, and that their governance is clear, transparent, and equitable.

Accountability to Community and Public

Currently, Council Policy establishes a process for how a community may form a CPD. That process, while generally clear, leaves the important process of establishing the management and governance structure up to the community group proposing the

formation. The City Council does have the opportunity to challenge any assumptions for the practicality of that structure, but without full insight into the makeup and challenges of the impacted community, it leaves much of the burden of fairness and transparency on the entity applying for formation and, where there is interest in obfuscating community needs in order to benefit one group over another, there are no checks or balances to ensure the entity that is created is truly accountable to the public. Further, Council Policy does not contemplate how an existing CPD would be reconstituted under a new or reformed board.

In some cases, under the existing Council Policy and CPD structure, seats are guaranteed to a fixed number of existing interest groups, leaving out fair representation of the full spectrum of interests impacted by parking in a given community. For example, where a Business Improvement District (“BID”) or similar group is the sole entity responsible for forming the CPD, the BID board acts as the CPD board, as is the case with the Pacific Beach CPD, leaving out important representation by community members or other interest groups that do not belong to the BID. Similarly, in some cases, multiple BIDs come together to form the CPD board, as is the case with the Uptown and Downtown CPDs. When this happens, there can be a lack of representation for communities within the CPD that are not represented by a BID, or other interest groups that are not members of a BID. When multiple BIDs come together to form a CPD Board, or even simply make up the majority of voting seats on said board, there is a tendency for those groups to “divvy up” the financial resources of the CPD according to each BID’s territory, leaving district-wide programs that benefit the entire CPD, which, for purposes of efficiency, economies of scale, and effective management of resources, should be the priority of a CPD in lieu of small, one-off projects in a given neighborhood within the CPD, left with few resources for implementation.

With these existing challenges in mind, and in the interest of strengthening CPD accountability to the impacted community and the general public, the Mobility Board recommends the following:

1. That the City Council request the Independent Budget Analyst to analyze the various governance structures of each of the CPDs and bring forward recommendations to City Council for a unified, consistent governance structure across all CPDs, to include:
 - a. The specific number of seats available on the CPD board.
 - b. The allocation of seats to specific constituencies to ensure there is representation across business, community members, visitor, CBOs, recreation, and city-wide interest groups.

- c. The process for open elections, similar to how Community Planning Groups are managed, to ensure CPD Boards are not stagnant in their representation of the community, limited in perspective to certain interests, or lacking representation of a geographic area or special interest within the CPD.
 - d. The process for reformation when there is a change in the entity charged with managing the CPD, or if the community doesn't believe there is equitable or fair representation by an existing CPD.
2. That the Council Policy, in addition to extending Brown Act rules to CPDs, as is currently the case, stipulates that CPD Boards must meet in a location easily accessible and known to the public and offer the same digital access to meetings for viewing and commenting as is provided for Council and Council Committee meetings.
3. That the City Council explicitly establish the mechanisms for oversight by City departmental staff to ensure that each CPD is overseen in a consistent way, and provide for City Attorney guidance and review of CPD actions to ensure consistency with council policy, City Attorney memoranda, and local, state and federal law.

Equitable Representation

In many cases, as was illustrated above, existing CPD boards do not represent or mirror the communities for which they are making important financial decisions. Just as with CPD Boards with overrepresentation from BIDs, there are other instances of lack of representation of specific groups. When CPDs are formed, they often encompass a geographic area that is larger than the footprint of the metered zones within the CPD. While metered zones especially impact businesses, the scope of decisions entrusted with the CPD Boards extends beyond the management of meters and the use of parking meter revenue. As such, there should be seats on each board that are specifically allocated to areas within the CPD that do not have parking meters installed to ensure decisions that are being made within those areas reflect the needs of those areas, and to ensure that the use of parking revenue collected within the CPD benefits the entire CPD and not just the metered zones. To accomplish this, the Mobility Board encourages the City Council to take action to ensure the recommendations for accountability and governance listed above are implemented.

Conflicts of Interest

With any unelected body entrusted with making decisions for the use of public resources, transparency is paramount. Under the current paradigm, there is very little in the way of checks or balances on if or how CPD Board members are conflicted in the decisions they make. While these boards are governed by the Brown Act and are required to file a Form 700, there is a surprising lack of oversight of the proceedings of these boards to ensure members are recusing, abstaining, and stating the nature of their conflicts of interest to ensure the public's trust is maintained in the decisions they are making for the use of public resources.

As with the example of BID representation on CPD Boards stated above, there are many examples of decisions for the use of parking revenue that are made by CPD Board members, without abstention or recusal, that directly benefit their employer, the BID, creating an incentive, other than what is best for the CPD, for them to vote in a particular way. In the case of the Downtown CPD, many of the BIDs that maintain seats on the CPD Board publish financials that show a Parking District Revenue line item. This illustrates the fact that these BIDs are expecting and counting on parking revenue to flow to them in order to supplement their operating budgets. In some cases, this is just to account for their role in implementing legitimate CPD projects, but if you look closer, BIDs are both allocating parking revenue to BID projects that are hardly defensible as parking projects and are charging an administrative fee to implement CPD projects that benefit the BID's bottom line. An even closer look would also reveal a practice where these third parties are charging an administrative fee for each individual CPD project they manage, and an overall administrative fee for managing the collection of CPD projects, creating a "double dipping" or double charging of administrative fees to the CPD.

Beyond these examples, without stronger oversight over CPD Boards, the public is simply exposed to greater risk of the misuse or misallocation of public resources by unaccountable, unelected decision makers. With this in mind, the Mobility Board recommends the following:

1. That the City Council ask the Independent Budget Analyst to review the existing conflict of interest rules around CPD Boards, and make recommendations to the City Council for changes to Council Policy 100-18 or other policy documents to strengthen conflict of interest training, reporting and oversight, to protect the public's trust in how decisions are being made on the use of public resources.
2. That the City Council explicitly limit how much a third party may charge for an administrative fee to implement a CPD project and ensure there is no "double dipping" allowed in how those fees are charged.

3. Create a definition for what constitutes a CPD project, within the bounds of the allowable use of parking meter revenue as established by Council Policy 100-18 and City Attorney memoranda, and how those projects must be distinct and separate from third party priorities and projects.

Highest and Best Use of Public Resources

The changes recommended above will go a long way in ensuring the public's trust is maintained in the use of these resources, however, it would be advisable that the City Council take a more proactive approach not just to defining what is an acceptable use of parking revenue, but also what is the priority for the use of parking revenue. While Council Policy 100-18 and City Attorney memoranda lay out the allowable uses for parking revenue, which should be revisited and better defined, there is no such direction given to CPDs for what the City believes is the preferred use of CPD resources. For example, funding has gone towards decorative lighting and placemaking activities as allowable uses for parking revenue, however, these investments do not materially decrease the demand for parking and typically only benefit one neighborhood or section of the CPD instead of benefiting the entire CPD.

It is not enough for the City to define what is an allowable use; it is incumbent upon our elected decision makers to set forth the priorities that CPDs must take into consideration when making decisions for the use of parking revenue. With this in mind, the Mobility Board recommends the following:

1. That the City Council proactively review the allowable uses for parking meter revenue, as defined by Council Policy 100-18 and City Attorney memoranda, and refine those allowable uses to ensure precious public resources are being used for projects that truly make a difference in the parking environment in each CPD by either, a) increasing supply of parking, or b) decreasing demand for parking.
2. That the City Council further assert its perspective on how parking revenue should be used by enumerating the preferences for how limited CPD resources be used, and a method for prioritization that takes into consideration the impact of the proposed project and the number of members of the public that may benefit from such a project.

It is with great enthusiasm and encouragement that the Mobility Board puts forward this letter with recommendations for the future embodiment of the Community Parking District concept. As the duly appointed body charged with making these recommendations to the City Council and the Mayor's office, it is our goal to ensure

each of these issues is fully considered and well thought out before any changes to the City's CPD program are effectuated so that the public's trust is upheld when important decisions for the use of these public resources are being made.

Please don't hesitate to contact me with any questions or for additional context.

Sincerely,

Rosa Olascoaga
Chair, City of San Diego Mobility Board

CC:
Mayor Todd Gloria
City of San Diego City Council
City Attorney Heather Ferbert
Independent Budget Analyst Charles Modica