Following the Phase 1 Study, some community members voiced concerns about moving the highway significantly further inland or adding parking on the inland side of the roadway. A new alternative was subsequently developed. As shown in the illustrations, the principal difference is that a smaller section of the highway is moved inland to the edge of the Caltrans right of way, with the existing paved road converted to rows of diagonal parking on the ocean side of highway.

The current parking supply of the combined shoulder parking, Surfer's Beach lot and Granada Sanitary District unpaved lot is about 300 spaces. Diagonal parking as shown in the scenario illustrated above, combined with restoration of the District lot and retention of Surfer's Beach lot, would yield an estimated total of 175 spaces. Retaining the District lot for parking would bring the supply to approximately 250 spaces. An option raised by a number of community members and stakeholders for managing parking would be to provide clear wayfinding signage directing motorists to “remote” beach parking in the Harbor upper, lower and village lots, which together provide a total of almost 900 spaces. An additional option noted by some would be to work with the Pillar Point RV Park ownership and Harbor District to move the park to the lower Harbor lot and convert the existing lot to beach parking.

Moving parking to the ocean side of the highway would reduce sporadic pedestrian crossings on busy beach days. Concentrating it on existing paved area between the RV Park and Coronado Street would place a buffer between the high erosion area and the roadway. The lot could be closed during high surf events while highway operation could potentially continue.