



Planning & Transportation Commission

Staff Report (ID # 10873)

Report Type: Study Session **Meeting Date:** 5/27/2020

Summary Title: Parking Study Session

Title: Study Session to Review and Discuss the FY 20-21 Parking Work Plan Including Policy Options for the Residential Preferential Parking Program

From: Philip Kamhi

Recommendation:

Staff recommends that the Planning and Transportation Commission:

1. Review strategies for Parking Program financial viability in FY 21;
2. Discuss parking policy options related to Parking Work Plan items designated by City Council for PTC feedback.

Background:

In line with City Council's directive to budget for an estimated \$39 million decrease in revenue in FY 21, staff have prepared a fiscally constrained approach to parking management efforts. This memo presents strategies considered by City Council for improving program cost recovery relative to expected revenue declines in FY 21 (Attachment A) and reviews parking policy options to be discussed by PTC as staff implement the Parking Work Plan.

Options for improving cost recovery in FY 21 include a suite of proposed and ongoing efforts to improve the Residential Preferential Parking (RPP) program financial viability, reduce administrative inefficiencies, and improve customer service systems. Key among these efforts include adopting License Plate Recognition (LPR) enforcement tools and virtual permit processes to automate data collection and administrative actions necessary to balance Parking Program costs and revenues.

Assuming LPR and virtual permit processes adoption, staff anticipate continuing to make progress on Parking Work Plan Items in FY 21, despite decreased funding. This assumes, however, a minimum deployment of resources to keep existing programs running. Note that

policies regarding parking availability and pricing also need to be established to move these efforts forward.

Summary of Key Issues:

Taking steps to publicly establish and monitor parking occupancy and utilization data is key to continuing to make progress on the City's parking improvement goals. Public engagement with parking utilization rates and community understanding of its impacts at different levels are needed in order to fairly and equitably manage the availability of public parking.

Past studies of parking occupancy in Palo Alto RPP districts have demonstrated a wide range of average daily parking occupancy rates, from 19% to more than 70%. Staff recommends adopting a target range below which the RPP program focuses more on infrastructure tools, such as signage, traffic calming treatments, to reduce administration. This could occur below a minimum occupancy (65%, for example) or within a range (such as 50% to 70%). Staff recommends only minimum efforts where occupancy is consistently below 50%.

Once parking availability standards are adopted, Parking Work Plan items related to employee permit parking in RPP districts need to be considered. These include removing inconsistencies between districts to simplify program requirements and administration, and adjusting pricing levels to incentivize off-street garage and surface lot use for employees (long-term parking) over RPP permit parking.

Discussion:

In May 2019, Council directed staff to move forward with the development of a Parking Work Plan based on recommendations across three main categories: Parking Management, Parking Supply, and Transportation Demand Management ([Staff Report # 10247](#)). Over time, these efforts will increase the utility of parking resources for local stakeholders, residents, and businesses, while reducing negative parking impacts related to increased congestion, traffic, and/or inconvenience. These actions help residents, visitors, and employees move through Palo Alto freely.

While the current Shelter in Place orders by the County are in effect, enforcement has been paused, but will likely be reinstated as parking becomes impacted again. All nine Parking Work Plan items designated by Council for follow-up by City staff and PTC require additional community engagement before returning to City Council for final adoption.

See tables below for Work Plan item priorities for FY 21.

Staff and PTC Work Plan Items - Priority 1

| Item | Description | Status / Update |
|--|--|--|
| 27. Establish "Parking Availability Standards" | Parking availability standards should be established for the Downtown, Evergreen Park- | LPR investment is needed to move forward most quickly and cost effectively with this effort. |

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| | Mayfield, and Southgate Residential Permit Parking Districts considering the residents' perceptions of the impact of parking availability on their quality of life. Changes in the number of employee permits and boundaries of existing RPP districts should be deferred until parking availability standards are approved by the City Council. | Scheduled for January 2020. |
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Staff and PTC Work Plan Items - Priority 2

| Item | Description | Status / Update |
|---|---|------------------------|
| 28. Establish Approach to Reduce Employee Parking Permits | Develop an equivalent reduction approach to reduce RPP employee permits where the addition of "employee spaces" in garages and lots triggers the reduction of RPP employee parking permits. | Complete schedule TBD. |
| 31. Increase Cost of Employee Parking Permits | Consider increasing the cost of an RPP employee parking permit so that it is greater than the cost of a reserved space in a garage or lot, in order to incentivize parkers to choose off-street parking over on-street parking. | Complete schedule TBD. |

Staff and PTC Work Plan Items - Priority 3

| Item | Description | Status / Update |
|--|---|--|
| 29. Provide Automatic Renewal for Employee Parking Permits | To avoid the mad dash to obtain a permit at the twice-a-year sale event, the City should consider providing for the automatic renewal of employee parking permits and the ability of applicants to be on a wait list. | In progress. Complete schedule TBD. |
| 30. Change Payment Schedule for Employee Parking Permits | The six-month pay in advance permit system should be replaced with a monthly payment system that would be more amendable to the parker and provide greater equity for employees whose duration of employment is less than six months. | In progress. Complete schedule TBD. |

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| 32. Standardize Cost of Employee Parking Permits | The cost of employee parking permits between the RPP districts should be the same, unless there are extenuating circumstances. | As of May 13, 2020, Council has tentatively approved employee parking permits in the RPP districts for FY2021. The cost of a six month employee parking permit will be \$415 and \$310 in both the Evergreen Park-Mayfield and Southgate districts. These fees will be adopted along with the budget in June. |
| 33. Change Payment Schedule and Increase Cost of Reduced-Price Parking Permits | The reduced-price parking permit is designed to support low-income employees (e.g. \$50,000 or less annual income). When a monthly payment system is available, the cost of the permit should be at least \$15.00 per month, which is less than \$1 per day for a full-time employee. This amount is less than an outlay of \$50 for the current six-month permit, and for some employees may be preferable. | To be reviewed. Complete schedule TBD. |
| 34. Remove Inconsistencies Between Districts | Inconsistencies between Residential Preferential Permit Parking districts should be eliminated, unless there are extenuating circumstances. The inconsistencies include, but are not necessarily limited to, the number of resident permits, the cost of resident permits, and the number of single-day permits. | To be reviewed. Complete schedule TBD. |
| 35. Review Renewal Dates | The renewal dates for residential and employee permits should be reviewed to determine the most efficient schedule for the City to administer that is still convenient for users. | In progress. Complete schedule TBD. |

Resource Impact:

During the FY 21 budget process, staff has presented options to Council for balancing estimated costs with estimated revenues. Further budget adjustments will be brought forward for Council approval as necessary to address economic circumstances and programmatic changes.

Timeline:

Staff is working to coordinate the implementation of parking management systems and efforts. While many of the programs are currently in progress, policy modifications and resources will impact the timeline and effectiveness of major program changes.

Stakeholder Engagement:

Staff currently plan to begin recommended and endorsed stakeholder engagement efforts with a kickoff event in June 2020 unless other priorities prevail.

Environmental Review:

This item is not a project under the California Environmental Quality Act (CEQA).

Attachments:

- Attachment A - At Place Memo (PDF)



ITEM 3

City of Palo Alto MEMORANDUM

To: City Council

Date: May 13, 2020

SUBJECT: AGENDA ITEM #3: FY21 PROPOSED OPERATING BUDGET – OFFICE OF
TRANSPORTATION, RESIDENTIAL PREFERENTIAL PARKING PROGRAM (RPP) REVISIONS

Staff recommends that Council review and provide direction on the following changes to the Residential Preferential Parking (RPP) program to improve program cost recovery and other programmatic improvements.

The program modifications recommended in this report will support the RPP's financial viability, resolve administrative inefficiencies, and improve customer service. The estimated FY21 General Fund subsidy of \$185,000 that had been anticipated would not be needed and has already been returned to the General Fund in [staff report 11322](#), Attachment A. Many of the recommendations in this report have been planned as long-term items to be addressed, but the economic impacts of the COVID-19 pandemic have pushed staff to accelerate these improvements in order to achieve the financial and administrative efficiencies more rapidly. Due to the condensed timeline of bringing forward these adjustments, the budgetary impacts provided in this memo are preliminary; refined figures will be brought back to Council at the May 26, 2020 wrap-up and identified at budget adoption as appropriate. In addition to seeking Council direction for the changes that improve program cost recovery, staff intends to bring detailed policy modifications to the Planning and Transportation Commission (PTC) on May 27, 2020 and will bring further policy and budgetary modifications to the City Council as appropriate to address PTC input.

To improve cost recovery staff will phase changes in enforcement and administration to allow for a switch to License Plate Recognition (LPR), virtual permits, and administrative modifications to allow for cost control without diminished service levels to the community. The first phase of adjustments (July-December 2020) will be continued permit sales with minor adjustments (such as extended permit expiration dates to allow all RPPs to move to the same renewal period) and scaled back enforcement, until LPR and virtual permits are available, and other program adjustments are made. The scaled-back enforcement will coincide with a period that is expected to have lower parking impacts due to continuing social distancing, other responses to COVID-19, and economic impacts. This will allow for enforcement contract savings during this time and provides staff the time and resources to take the steps necessary to make other recommended adjustments noted in this memo. There are three different categories of improvements that would lead to improved cost recovery:

LPR Enforcement

Following the first phase, the RPPs would transition to LPR enforcement. LPR enforcement provides greater enforcement coverage, lower costs, and increased citation revenues due to increased speed and accuracy. There is a very high amount of possible cost-containment in transitioning to LPR enforcement, as staff can scale it as necessary. Staff will coordinate maintenance of a reasonable level of on-ground LPR enforcement, but this could be adjusted to be reactive enforcement (which in-turn reduces citation revenue). When this returns to City Council for final contract approval it will also require consideration of the City's surveillance policy. LPR does require an initial, one-time purchase of approximately \$100,000 in enforcement devices, which can be offset in the RPP Fund by the \$555,000 in estimated contract cost savings in FY 2021.

Citation Revenue

As described above, LPR enforcement is anticipated to increase citation due to the capacity for increased coverage, speed, and precision of enforcement. Further, staff intends to modify the RPP signage (with an overlay sticker) to include the muni-code, which allows for the enforcement of "No Re-Parking" will significantly increase citation revenue. The estimated increase in citation/violation revenue due to enforcing "No Re-Parking" regulation and LPR enforcement efficiencies in FY21 is \$110,000.

Virtual Permits

Virtual permits are digital permits assigned by license plate rather than the physical printed stickers or hangtags that currently are printed and then mailed or picked-up. Switching to virtual permits allows the City to save money on printing and shipping and would allow the cancellation of the existing SP+ contract. The estimated contract savings through reduction in permit provider contract is \$54,000 in FY21.

Virtual permitting is not only a significant customer experience improvement, but it also allows for socially distant transactions. It eliminates many of the difficulties that residents and businesses have had with the permit purchasing process and allows for residents to easily switch vehicles/license plates from home. This can also allow for permits to transfer vehicles or to purchase monthly, daily, annual permits quite easily. An example where this could be helpful is if a resident has a child that is coming home for summer from college or someone that is having someone come to do construction in their house. With this, it is also recommended that there are no more free annual permits. Staff recommends that the Council approve a set fee for every permit in the RPP program and would bring forward additional Municipal Fees as appropriate. This policy would serve as a disincentive to parking on the street when off-street capacity exists. Though the purpose of this recommendation is to maximize street parking capacity, even a nominal fee would also generate significant additional revenue, supporting the RPP Fund's solvency. As an example, a \$4-6 per month permit fee would equate to approximately \$147,000 - 221,000 in new revenue (based on FY 2019 counts of free annual permits provided to residents). Staff recommend that this policy include an exception for residents that demonstrate that they have no off-street parking so they may still receive a free annual permit.

Other Recommended Program Modifications

At a policy level, RPP districts will be evaluated for continuation based on permit sales and occupancy levels. As needed, programmatic or infrastructure tools (such as educational efforts and/or signage changes) may be utilized in lieu of RPP measures to address parking related residential impacts. Releasing or holding of employee permits sales, and pausing expansion into any new RPP districts, based on demonstrated parking occupancy levels and need, will provide further avenues for cost savings. On the administrative side, RPP program adjustments to control costs will include ongoing efforts to automate renewal processes, remove inconsistencies across districts to streamline administrative efforts, and review of other administrative protocols, such as renewal dates, for potential cost savings. These modifications will be refined and discussed with PTC before being brought back to Council.

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