



Memorandum

Date: 09.16.09 **RE:** Plans and Programs Committee
September 22, 2009

To: Plans and Programs Committee: Commissioners Chu (Chair), Campos (Vice Chair), Chiu, Elsbernd, Maxwell, and Dufty (Ex Officio)

From: *for* Tilly Chang – Deputy Director for Planning *TC*

Through: José Luis Moscovich – Executive Director *José Luis*

Subject: **ACTION** – Recommend Approval of the Final Report of the On-Street Parking Management and Pricing Study

Summary

The Plans and Programs Committee considered the On-Street Parking Management and Pricing Study (Study) at its July 21 meeting, and, at Commissioner Chiu's request, the Committee moved to continue the item to the next meeting to allow for further consultation with interested stakeholders regarding the Study's findings and recommendations. The 2004 Countywide Transportation Plan identified the pressing need for improved management of on-street parking at the neighborhood level. The Authority undertook the Study to explore the potential for utilizing innovative approaches, including variable pricing of on-street parking, to improve the management of parking in San Francisco's neighborhoods and to support policy goals. Since the 1970s, the City has successfully pursued strategies to minimize the parking impacts associated with employment growth in the downtown core, primarily through limitations on the provision of parking supply and significant investment in transit infrastructure. Future growth will differ significantly in pace and character from historic San Francisco development trends; substantial residential growth in the city, in conjunction with rising incomes and reduced off-street parking requirements in many areas, can be expected to increase the demand for on-street parking. San Francisco's diverse neighborhoods confront different on-street parking challenges, but availability and utilization are consistent issues. The City's on-street parking management toolkit has historically relied upon conventional strategies, including metering along local commercial corridors and nominally-priced residential permits. Underpriced on-street parking theoretically represents a significant source of underutilized space and untapped revenue that could be dedicated to transit-first uses; however, attempts to close this pricing gap must be planned and executed carefully to increase benefits to communities and the city, as well as understanding of the program. Neighborhoods should be given the opportunity to proactively manage on-street parking, potentially through a parking benefit district approach, which would allow neighborhoods to raise meter and/or permit rates at the neighborhood level and realize tangible local transportation improvements using a portion of new revenues. This will help generate public support for parking management, while also increasing the overall pool of funds from which transit stands to benefit. Following the Authority's successful application for federal Urban Partnership Program grant funds, the Municipal Transportation Agency (MTA) has developed the SF*park* program to demonstrate variable parking pricing. The SF*park* pilots will test and evaluate management approaches generally consistent with those explored in the Study. The pilots are exciting opportunities to test innovative strategies and technologies, and to introduce pricing as a tool for transportation system management and investment. The implementation of demand-responsive parking pricing heightens the need for coordinated parking management at the neighborhood level. There are further opportunities to advance comprehensive yet flexible approaches to neighborhood-level parking management, in order to support policy goals, increase community involvement, and return benefits to areas that are willing to proactively address on-street parking challenges. **We are seeking a recommendation for approval of the Final Report of the On-Street Parking Management and Pricing Study.**

BACKGROUND

The Authority's 2004 Countywide Transportation Plan identified the pressing need for improved management of on-street parking at the neighborhood level and calls for improved parking management through a variety of approaches. The Countywide Plan recommended further study of the potential for utilizing innovative parking management strategies to support policy goals and improve on-street parking conditions in San Francisco's neighborhoods. The Authority undertook the On-Street Parking Management and Pricing Study (Study), in partnership with the Municipal Transportation Agency (MTA) and the Planning Department. The bulk of Study research and analysis was conducted in 2006 and 2007. Subsequent to the initiation of the Study, a number of significant developments resulted in a substantive shift in the context for the Study's findings and recommendations.

In 2006, the Federal Highway Administration (FHWA) awarded a \$1.04 million grant to the Authority to conduct the Mobility, Access and Pricing Study (MAPS). With MAPS, which will be completed later this year, the Authority is studying the feasibility of using congestion pricing to manage peak-period traffic through area-wide roadway pricing. The Parking Study is a coordinated and complementary effort to MAPS, just as parking pricing and congestion pricing are complementary tools in the travel demand management toolkit.

In 2007, San Francisco voters considered two competing parking-related ballot initiatives, Propositions A and H. With the passage of Prop A, jurisdiction for setting parking regulations, fees, and fines shifted from the Board of Supervisors to the MTA Board of Directors. Also in 2007, the Authority, in partnership with the Metropolitan Transportation Commission (MTC), applied for a U.S. Department of Transportation (USDOT) Urban Partnership Program (UPP) grant. The final grant package includes \$19.4 million for a demonstration of variable parking pricing in San Francisco. The MTA is leading the implementation of these parking pilots through the *SFpark* program. The innovative approaches envisioned by *SFpark* are generally consistent with the strategies explored in the Parking Study, which seek to improve on-street parking management and conditions through variable pricing and new technology.

The purpose of this memorandum is to present and discuss the Study's key findings and seek a recommendation for approval of the Final Report.

DISCUSSION

The Plans and Programs Committee considered the Study at its July 21 meeting, and, at Commissioner Chiu's request, the Committee moved to continue the item to the next meeting to allow for further consultation with interested stakeholders regarding the Study's findings and recommendations.

The Study was particularly focused on investigating strategies to improve on-street parking management in San Francisco's diverse neighborhoods. Bay Area land use projections forecast focused growth in the region's urbanized areas, including well over 150,000 additional San Francisco residents. Since the 1970s, the City has successfully pursued strategies to minimize the parking impacts associated with employment growth in the downtown core, primarily through limitations on the provision of parking supply and significant investment in transit infrastructure. Future growth will differ significantly in pace and character from historic San Francisco development trends. Substantial residential growth in the city, in conjunction with rising incomes and reduced off-street parking requirements in many areas, can be expected to increase the demand for on-street parking.

Congestion Pricing and Parking Pricing: Both the Parking Study and MAPS have been developed pursuant to the Countywide Plan's direction to assess the potential for utilizing road user pricing approaches to

manage demand and generate revenue. Although the two strategies are complementary, parking pricing and congestion pricing address two different challenges:

- Variable parking pricing addresses on-street parking shortages and can be expected to have a limited effect on peak-period road use in San Francisco's most congested areas.
- Roadway congestion pricing is targeted at peak-period congestion and would likely have a stronger effect on peak-period traffic, particularly commute trips.

The distinction regarding the effect of each program on reducing peak-period congestion stems from the different markets that each strategy targets, as well as the total supply of road space each program affects. The *SFpark* program's focus on metered on-street parking and City-owned parking garages means that it primarily targets short-term, non-work trip purposes—such as shopping trips, personal business, and office visits. In contrast, peak-period traffic is largely associated with work trips and other long-term parking purposes.

The areas most affected by chronic peak-period congestion are generally the areas with the largest quantity of commuter-serving privately provided off-street parking spaces. These spaces will not be affected by *SFpark* and are in general much more difficult for the City to effectively regulate. In the downtown core, parking managed by the City represents less than 20 percent of the overall supply.

However, reductions in excess vehicular circulation resulting from appropriately-priced on-street parking are an important secondary benefit of parking pricing programs. These congestion mitigation effects have the potential to improve transit operations in the city. This benefit is especially important for numerous Muni routes identified in the MTA's Transit Effectiveness Project (TEP) Rapid Network, such as the 22-Fillmore, which must navigate constrained local commercial corridors with high levels of parking activity and double parking impacts—locations where localized congestion is not primarily caused by commute travel.

Both parking pricing and congestion pricing programs address an important need to better manage scarce road space and institute appropriate price signals to encourage more efficient travel behaviors. Both programs also utilize new technologies to benefit users and system operators alike, as well as potentially generate significant new sources of revenue for transportation services and infrastructure.

Current Parking Management Strategies: There are about 320,000 on-street parking spaces in San Francisco. Current on-street parking management policies and strategies, which have evolved incrementally over time, rely on a toolkit of conventional approaches, including time limits, colored curbs, meters, low-cost residential permits, and enforcement. Outside of downtown, metered curbside parking is found in neighborhood commercial corridors. The management of these block faces through metering is essentially conducted independently of the management of other on-street spaces in a given area. The implementation of demand-responsive parking pricing through *SFpark* heightens the need to manage parking in a coordinated manner at the neighborhood level. While it may be frequently necessary and appropriate to manage adjacent blocks differently in light of desired priority users, the two markets should be regulated holistically, in recognition of the cross-effects of one market on the other, and to encourage meaningful dialogue within neighborhoods about parking management.

The *SFpark* pilot projects will utilize new networked parking meters, parking occupancy sensors, and parking information systems. Price-based regulatory strategies will be tested and evaluated, including variable pricing, progressive (length-of-stay) pricing, and geographic pricing. In all, the *SFpark* pilot projects cover eight locations in the city, including over 6,000 metered spaces and 14 City-owned garages managed by the MTA. The first pilot area to come online consists of about 1,000 meters under the

jurisdiction of the Port of San Francisco, adjacent to the Northeast waterfront. The Port has contracted with the MTA to manage, operate, and maintain multi-space meters for these on-street spaces.

Residential Parking Management: The Residential Parking Permit (RPP) program was established in 1976 and currently includes 28 zones of varying configurations across the city. The program operates by exempting permitted vehicles from the daytime parking time limits established for non-metered curbside spaces within the zone. Residents and businesses within each zone are eligible to purchase permits for an annual fee of \$76.

Originally instituted to address parking spillover concerns near long-term parking generators (e.g., BART stations, hospitals, etc.), the RPP program has since evolved beyond its original purpose and, in many respects, is not able to effectively address key parking concerns and constraints present in many neighborhoods. Many residential areas confront on-street parking challenges beyond those associated with nonresident spillover activity.

The RPP program does not address parking availability if overall demand is high—especially if this demand is primarily associated with permit-holding vehicles and/or if it occurs during hours that RPPs do not provide preferential parking privileges. The program is of limited utility as a parking demand management tool: permit fees are low, and there is not a link between an area’s supply of parking and the quantity of permits issued. New approaches need not abandon worthwhile elements of the RPP program—namely, discouraging the use of on-street parking by nonresident commuters.

The Study recommends improvements to residential parking management in order to value scarce on-street space more appropriately, help better support *Transit First* policy goals, and return tangible benefits to neighborhoods that are willing to proactively address on-street parking challenges.

Parking Revenue: Parking-related revenue is a crucial source of locally-generated and locally-controlled transportation funding, which is prioritized to support transit. Parking revenues—primarily from meters, fines, garage fees, and the off-street parking tax—currently provide over \$200 million to the MTA’s budget on an annual basis.

Parking pricing programs demand clear and accountable policies regarding the use of on-street parking revenues. A neighborhood-specific approach is supported by dedicating a significant portion of net new revenue from parking pricing programs to investments in the area in which the parking funds are generated. This helps to ensure that tangible benefits accrue to areas that are priced; mitigate local impacts; and generate public support for improved parking management. A neighborhood’s parking management policies and investment program should reflect the direct and substantive involvement of neighborhood stakeholders and be subject to the input of the general public.

Given that on-street parking is currently only minimally regulated in much of the city, future revenue gains have the potential to be significant. However, it is crucial for neighborhoods to be actively involved in the parking management discussion—before regulations are established or modified. Neighborhoods should be encouraged to proactively manage growing parking demand by having the opportunity to accrue tangible benefits in conjunction with increased parking meter charges and/or preferential permit fees. This will help generate public support for pricing programs, thus also increasing the overall pool of funds from which transit stands to benefit.

Parking benefit districts (PBDs) have been successfully implemented in other cities to facilitate neighborhood-level design of parking management policies and community prioritization of a portion of parking-related revenues. PBDs receive some of the net parking revenue generated within a district and choose how to invest the funds among a range of transportation-related uses. Numerous cities,

such as San Diego, Redwood City, Pasadena, and Austin (Texas) have established parking district programs that use parking revenues to improve local areas. The use of district funds is typically prioritized by a community-designated (and/or appointed) body.

Summary Findings: The Final Report documents Study activities, discusses key findings, and makes specific recommendations for improving San Francisco's use of all four elements of the parking management toolkit: enforcement, technology, conventional regulation, and price-based regulation. The MTA provided comments on the preliminary draft report, which have been addressed and incorporated in the Final Report, as appropriate.

The central findings of the Study are as follows:

- Effective parking management requires a neighborhood-level approach.
- San Francisco's diverse neighborhoods confront different parking challenges, but availability and utilization (quantity of users served) are consistent issues.
- The most promising management approach for addressing imbalances between supply and demand is price-based regulation, which also has significant secondary benefits, namely the reduction in excess vehicular circulation associated with drivers "cruising" in search of an inexpensive on-street space.
- Underpriced on-street parking theoretically represents a significant source of untapped revenue that could be dedicated to transit-first uses; however, attempts to close this pricing gap must be planned and executed carefully, in a manner that the public will understand and support.
- The RPP program has a weak link to *Transit First* policy goals, is ineffective at addressing key neighborhood parking challenges, and warrants reform.
- Neighborhoods should be encouraged to proactively participate in the management of on-street parking, potentially through a PBD approach, which would allow neighborhoods to realize tangible localized transportation improvements in the short term as a result of the MTA's increases in meter and/or permit rates at the neighborhood level.

Parking pricing strategies are relatively new and present many opportunities for improving parking management at the neighborhood level. There are also a number of risks and limitations to parking pricing that demand consideration and attention. The *SFpark* pilots offer a unique opportunity to test innovative strategies, evaluate new technologies, and introduce the public to pricing as a tool for transportation system management and investment.

We are seeking a recommendation for approval of the Final Report of the On-Street Parking Management and Pricing Study.

ALTERNATIVES

1. Recommend approval of the Final Report of the On-Street Parking Management and Pricing Study.
2. Recommend approval of the Final Report of the On-Street Parking Management and Pricing Study, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC was briefed on this item at its June 24, 2009 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

None.

RECOMMENDATION

Recommend approval of the Final Report of the On-Street Parking Management and Pricing Study.

Enclosure: On-Street Parking Management and Pricing Study – Final Report