



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Item Number: 4

Neighborhood Parking Protection Ordinance

OVERVIEW

On October 2, 2012, Councilmember Faulconer issued a memo to Councilmember Zapf, Chair of the Land Use and Housing (LU&H) Committee, requesting the reconsideration of an ordinance (originally presented to the LU&H Committee in 2005 as the Oversized Vehicle Parking Ordinance) to provide the City a more effective tool to address the parking of oversized, non-motorized, or recreational vehicles within the City of San Diego. The memo requested the concept of the ordinance be discussed at a future LU&H Committee meeting. The originally proposed ordinance was presented to the full City Council in 2008. However due to cost projections related to implementing the proposed ordinance and concerns related to anticipated budget constraints for the General Fund, no action was taken by the City Council in 2008 related to the ordinance.

On November 28, 2012, staff from Councilmember Faulconer's Office presented information related to the previously proposed ordinance to the LU&H Committee. The LU&H Committee requested additional work to be done by the City Attorney's Office and the Office of the IBA in order to re-consider and evaluate the item.

The City Attorney's Office was requested to update the 2008 draft ordinance regulating oversized, non-motorized, or recreational vehicles to include parked boats and trailers; and report on any legal challenges of similar ordinances from other jurisdictions. Additionally, the City Attorney's Office, working with staff from Councilmember Faulconer's Office, were to determine how to establish a temporary parking permit and fee. The Office of the IBA was requested to update the fiscal impacts from the proposed permit fees and enforcement needs.

On April 4, 2008, several City departments (Engineering and Capital Projects, City Treasurer, Police, and Park and Recreation) collaborated in developing an initial financial

analysis related to the proposed ordinance. In September 2008, the Office of the IBA released IBA report number 08-97 in which the IBA reviewed the financial estimates from the City staff and provided several additional options for implementing the enforcement of the proposed ordinance. The IBA recommended that additional financial information be developed as to the expenditure amounts, funding sources and potential implementation timelines, as well as additional information as to the potential policy and service impacts of expanding the City's parking enforcement program to 24 hours. In October 2008, a memo from Jay Goldstone, the City's Chief Operating Officer, provided revised cost estimates and brief discussions on the potential policy impacts and enforcement implementation timeline.

As requested by the LU&H Committee, this report will update the projected financial information previously presented for the draft ordinance.

FISCAL/POLICY DISCUSSION

As described in previous staff reports and presentations, there are two alternative proposals being considered for this program: a pilot program which would encompass an area west of Interstate 5, north of Downtown, south of Del Mar, and a portion of the City east of the Interstate 5 across from Mission Bay; and a city-wide program which would cover the entire City of San Diego.

The following analysis will provide information as it pertains to either the pilot program or the city-wide program. The implementation of the ordinance falls into three distinct areas that have fiscal and policy ramifications:

- a) Implementation
- b) Permitting
- c) Enforcement

IMPLEMENTATION

The proposed ordinance requires the posting of signs detailing the proposed regulations in order to be enforceable. In the proposed pilot program area the signs must be installed on every roadway entering the pilot program area; and for the city-wide program, the signs must be installed on every roadway entering the City. Additionally, estimates for additional signs in the areas that are currently heavily used by these types of vehicles have been included.

For the pilot program, it is anticipated that 70 signs would be needed to cover the entrances to the area with an additional 20 signs to reinforce the messaging of the new regulation. For the city-wide program, it is estimated that 210 signs would be necessary to cover all the roadways entering the city, with an addition 60 signs for additional messaging throughout the City.

Cost Estimate

The table below illustrates the projected costs associate with the proposed signage.

Pilot Program - 70 signs for street entrances and 20 signs for additional coverage			
	Number	Cost	Total Cost
Small signs (18 in x 36 in)	85	\$156	\$13,260
Large signs (30 in x 36 in)	5	\$312	\$1,560
Total	90		\$14,820

City-wide Program - 210 signs for street entrances and 60 signs for additional coverage			
	Number	Cost	Total Cost
Small signs (18 in x 36 in)	255	\$156	\$39,780
Large signs (30 in x 36 in)	15	\$312	\$4,680
Total	270		\$44,460

Timeline

Staff anticipates that the additional signage could be placed approximately 30 days after the appropriate work orders are received.

In addition to the new signage, a public outreach program would need to be conducted between the time of approving the ordinance and the posting of the signs. The public information program would consist of:

- a) Press releases
- b) Public notices in official newspapers
- c) Notices sent to affected organizations

Cost Estimate

The cost of the public education program is estimated to be approximately \$20,000 and would be the same for either the pilot program or the city-wide program.

Timeline

It is anticipated that the public awareness program would take 60 to 90 days to implement.

It should be noted the April 4, 2008 financial analysis indicated that the overall program related to the proposed ordinance would be cost neutral. As no revenue was directly associated with the signage or outreach portions for either program (pilot or city-wide), it was anticipated that excess revenues from either the proposed permit fees or revenues generated from the enforcement of the program would be sufficient to address these costs. No specific funding source has yet been identified or been proposed for the costs related to the additional signage or public outreach program.

PERMITTING

Permit application and issuance is to be administered by the Office of the City Treasurer, Parking Administration Division. For both the pilot program and the city-wide program, permits would be issued to residents to allow the residents or their guests to park their oversized, non-motorized, or recreational vehicles on the street for up to 72 hours in order

to prepare/unload their vehicles. No more than 24 permits shall be issued relating to any one address in any one calendar year period (maximum of 72 days).

It is anticipated that the primary conduit for issuing these permits would be via an online system through the City's website. However, the City does not currently have an online system that would be able to address the envisioned permitting process. A similar program, the City's current Residential Parking Permit program (which requires residents to request permits to park in specific areas within the City) is currently a manual only process (mail-in or over the counter service).

For this analysis, it is assumed that the permitting process will be a combination of an online system and a manual process. While online processing may handle the majority of the requests in the future, there may be some residents that would prefer a manual process.

In order to achieve the goal of processing permits online, the City would need to consider requesting the current parking (ticket) system vendor to develop an online permitting solution; or undertaking a competitive request for bid process for an online permit vendor. With either option, the City would need to further discuss the desired capabilities of the permitting system, the features of the system, and the system's ability to interact with the City's other electronic systems.

Cost Estimate

For the cost estimate of developing/acquiring an online permitting system, staff has provided very preliminary figures of \$15,000 for the development of the permitting system and \$12,000 in annual maintenance and use costs. Further development of the desired system features and anticipated cost are recommended.

Timeline

If the current parking (ticket) system vendor is able to develop an online permit system, it is estimated that it would take 6 to 9 months to develop, test, and implement. It is anticipated that a competitive bid process for an online permit vendor would take 9 to 12 months.

Additionally, as this will be a new service offered by the City Treasurer's Office, it is anticipated that additional staff and additional non-personnel costs (supplies, printing, mailing, etc.) would be necessary. Additional staff would be necessary to verify the vehicles registration and the applicant's home address, provide call center support, and provide lobby service. For the pilot program, one additional staff person at the cost of \$68,283 and additional non-personnel cost of \$3,000 are estimated annually. For the city-wide program, two additional staff persons at the cost of \$136,566 and additional non-personnel costs of \$15,000 are estimated annually. The table below provides the cost summary for both programs.

Pilot Program	
	Costs
Permitting System ¹	\$27,000
Personnel (Staff)	\$68,283
Non-Personnel Costs	\$3,000
Total	\$98,283

City-wide Program	
	Costs
Permitting System ¹	\$27,000
Personnel (Staff)	\$136,566
Non-Personnel Costs	\$15,000
Total	\$178,566

¹ Figure includes \$15,000 for initial development and \$12,000 in annual maintenance and use costs.

Revenues

The April 4, 2008 financial analysis provided a “highly speculative” estimate that 50,000 permit applications per year (approximately 137 permits per day based upon a 365 day calendar year) would be processed for the pilot program and 75,000 permit applications per year (over 200 permits per day based on a 365 day calendar year) would be received from the city-wide program. To be fully cost recoverable for the permitting costs, using the estimated number of permit applications from 2008, the permitting fee would be \$2.00 (rounded to the nearest 25 cent) for the pilot program and \$2.50 (rounded to the nearest 25 cent) for the city-wide program. The previous proposed fee from the 2008 financial analysis was \$3.50 per permit for both the pilot and city-wide programs. The projected permit fees are lower than previous estimates due to a reduction in the proposed processing costs.

Pilot Program			
	Permits		Revenue
	Issued	Permit Fee	Generated
Parking Permits	50,000	\$2.00	\$100,000

City-wide Program			
	Permits		Revenue
	Issued	Permit Fee	Generated
Parking Permits	75,000	\$2.50	\$187,500

ENFORCEMENT

Cost Estimate

To support the enforcement of the proposed ordinance, the Parking Enforcement Unit’s staffing and hours of operation will be increased to 24 hours per day, seven days a week. The expanded hours of operation will apply to either the pilot program or the city-wide program. The additional Parking Enforcement Officers (PEOs) will work a newly created shift from 8:30 pm to 7:00 am. PEOs assigned to work the night enforcement will need to work in teams of two to enhance the safety of the PEOs. The Parking Enforcement Unit’s vehicle fleet, mounted with Mobile Computer Terminals (MCT), will

need to be expanded to support the additional PEO teams as well. Additionally, the Parking Enforcement Unit recommends the purchase of specialized License Plate Reader (LPR) camera systems to be installed on enforcement vehicles to enhance the enforcement efforts. The LPR camera system will allow the PEOs to check for stolen and scofflaw vehicles (vehicles with five or more unpaid parking citations) as well as an efficient tool to enforce other time zone parking violations.

For the pilot program, the Parking Enforcement Unit recommends additional staffing of one Parking Enforcement Supervisor and six PEOs (three teams of two PEOs). Three additional vehicles mounted with MCTs will be needed to support the three teams as well as the LPR camera system (one base and four cameras). The projected cost associated with enforcement of the pilot program is \$738,399. The staffing and equipment costs are shown in the table below.

For the city-wide program, the Parking Enforcement Unit recommends additional staffing of two Parking Enforcement Supervisors and sixteen PEOs (eight teams of two PEOs). Eight additional vehicles mounted with MCTs will be needed to support the additional teams as well as the LPR camera system. The projected cost for the enforcement of the city-wide program is \$1,776,368. The staffing and equipment costs are shown in the table below.

In addition to the Parking Enforcement Unit’s additional costs, there will be new costs to process the additional citations anticipated from the enforcement of the proposed ordinance. The City Treasurer’s Office will be responsible for the processing of the citations. It is anticipated that no additional staff will be necessary to handle the additional work, however, it is estimated that there will be additional non-personnel costs for supplies and materials. It is estimated that these additional costs will be \$42,750 for the pilot program and \$114,000 for the city-wide program. See the table below.

Pilot Program		City-wide Program	
STAFFING	Total	STAFFING	Total
3 Parking Enforcement Officer I	\$237,561	8 Parking Enforcement Officer I	\$633,496
3 Parking Enforcement Officer II	\$254,778	8 Parking Enforcement Officer II	\$679,408
1 Parking Enforcement Supervisor	\$89,044	2 Parking Enforcement Supervisor	\$178,088
Sub-Total	\$581,383	Sub-Total	\$1,490,992
EQUIPMENT	Total	EQUIPMENT	Total
3 Ford F-150	\$67,116	8 Ford F-150	\$178,976
3 Computers (MCT)	\$9,900	8 Computers (MCT)	\$26,400
1 LPR Camera System	\$80,000	1 LPR Camera System	\$80,000
Sub-Total	\$157,016	Sub-Total	\$285,376
PROCESSING	Total	PROCESSING	Total
Supplies/materials	\$42,750	Supplies/materials	\$114,000
Sub-Total	\$42,750	Sub-Total	\$114,000
GRAND TOTAL	\$781,149	GRAND TOTAL	\$1,890,368

Timeline

It is anticipated that the hiring process and acquisition of the additional equipment could take between 6 to 8 months.

Revenues

The proposed fine associated with violation of the proposed ordinance is \$100. It should be noted that the Parking Enforcement Unit will not only be enforcing the proposed ordinance but other parking violations at night as well. As the Parking Enforcement Unit will be enforcing additional parking violations, all the citations will not be at the \$100 fine amount. See the table for examples of other common nighttime parking violations and the corresponding fines.

Citations	Fine
Crosswalk	\$52.50
Wheel Cramping	\$59.50
Red Zone	\$77.50
Alley Parking	\$59.50
Residential Parking Permit	\$52.50
Oversized Vehicle Ordinance	\$100.00
Average	\$66.92

To project the amount of revenue anticipated to be generated from the additional enforcement hours, an average of common nighttime parking violations will be used in the revenue calculation. From the list of common nighttime parking violations provided (including the proposed fine for the proposed ordinance), the average fine amount is approximately \$67.00 per citation (rounding to the nearest dollar). The figure of \$67.00 will be used in the revenue calculations.

For the pilot program, it is estimated that each PEO team (three teams in total) will issue 25 citations per shift and will work four shifts per week. Based upon a 50 week year, the pilot program is projected to generate 15,000 citations annually. Multiplying the 15,000 citations by the average fine amount of \$67.00 would generate approximately \$1 million in revenue. It should be noted that there are additional State and County surcharges that are added on top of the fine amounts; however, as these surcharges are pass-through charges, the revenues generated specifically related to these surcharges are delivered to the respective entity initiating the charges. Therefore, the revenues from these charges are not shown in this analysis as they are not available for City use. The revenue shown in the table below is the amount of revenue anticipated to be received and available to the City.

For the city-wide program, it is estimated that each PEO team (eight teams in total) will issue 25 citations per shift and will work four shifts per week. Based upon a 50 week year, the city-wide program is projected to generate 40,000 citations on an annual basis. Multiplying the 40,000 citations by the average fine amount of \$67.00 would generate approximately \$2.7 million in revenue. See table below.

Pilot Program						
Teams	Citations / shift	Shift / week	Weeks	Number of Citations	Average Citation amt	Revenue generated
3	25	4	50	15,000	\$67	\$1,003,750

City-wide Program						
Teams	Citations / shift	Shift / week	Weeks	Number of Citations	Average Citation amt	Revenue generated
8	25	4	50	40,000	\$67	\$2,676,667

It is important to note that while the expenses for the Parking Enforcement Unit would begin at the date of hire and/or the date of purchase of the additional necessary equipment, the corresponding revenues would not be collected by the City for several months after the hire date and/or purchase dates. Full cost recovery would not be realized during the initial year of operation, which would impact the General Fund by creating expenses without direct corresponding revenue.

SUMMARY

The following table provides a summary of the projected revenues and expenditures for the pilot program and the city-wide program.

SUMMARY		
Projected Revenues	Pilot Program	Citywide Program
Permit Fees	\$100,000	\$187,500
Citation Fees	\$1,003,750	\$2,676,667
Total Projected Revenue	\$1,103,750	\$2,864,167
Projected Expenditures	Pilot Program	Citywide Program
Signage	\$14,820	\$44,460
Public Awareness program	\$20,000	\$20,000
Permitting		
- Equipment costs	\$27,000	\$27,000
- Annual Personnel costs	\$68,283	\$136,566
- Administrative costs ¹	\$3,000	\$15,000
Enforcement		
- Annual Personnel costs	\$581,383	\$1,490,992
- Equipment costs	\$157,016	\$285,376
- Citation Processing costs	\$42,750	\$114,000
Total Projected Expenditures	\$914,252	\$2,133,394
Surplus/(Shortfall)	\$189,498	\$730,773

1. Non-personnel administrative costs such as mailing, supplies, etc.

TOPICS FOR FURTHER DISCUSSION

In review of staff's estimates related to the projected costs and revenues for the proposed ordinance, the IBA has identified several topics for further discussion and development. These topics apply to either program (pilot or city-wide) that is considered.

Discussion on the public outreach program

Currently staff has estimated a cost of approximately \$20,000 for a public outreach program and 30 to 60 days to implement the program. However, few details have been developed as to what the outreach program would entail (emails to community groups, notices in newspapers, etc.) and which department would be responsible for the program. Additionally, the City Attorney's Office should opine as to how long the outreach program or grace period should last to ensure sufficient noticing of the new program. Sufficient noticing will be required for the successful enforcement of the proposed ordinance.

Identify funding source for public outreach and signage

As mentioned in IBA Report 08-97, no specific funding source has been identified for the public outreach and signage costs. Although, as shown on the summary table, excess revenues are projected to be available from the permit and citation fee revenue. As the citation fee revenue will provide the majority of the revenues generated by the proposed ordinance, should any reduction in citations or citation revenue occur, another funding source, such as the General Fund, would likely need to cover the outreach and signage costs. Including these costs in the permit fee calculation and allowing these costs to be addressed by the permit fee, would provide a more certain funding source.

Development of the permitting system

Although an online permitting system is anticipated to be the primary conduit for the permitting process, few details have been developed related to the desired permitting program. Further discussion as to features and capabilities of the permitting program is needed.

- a. Based upon the development of the parameters of the new permitting system, further discussion should occur as to whether the current parking system vendor or a competitive bid process would be undertaken to secure the permitting system.
- b. Though a preliminary cost estimate has been used in this financial analysis for the permitting system, a more refined cost estimate should be presented, as it is necessary to provide a more accurate estimate for the proposed permit fee. The permit fee would be set to fully recover these costs. A sizable increase/decrease in the cost estimate would impact the proposed permit fee.
- c. An annual review of the permit fee and updated estimate of permit applications to ensure full cost recovery is recommended.

New positions/shifts would require the Meet and Confer process

As the proposed ordinance would result in creating new shifts for the additional positions, the Meet and Confer process would be necessary for these positions. Absent the creation of new shifts and positions, the responsibility of enforcement would fall to current police officers, expanding officers' responsibilities and potentially resulting in weaker enforcement.

Review the proposed fine for violating the proposed ordinance

The proposed fine for violation of the proposed ordinance of \$100 is considerably higher than the fees for other common nighttime parking violations. For example, fines for parking in a red zone and violation of the Residential Parking Permit program are \$77.50 and \$52.50 respectively. Justification for the higher fee associated with the proposed ordinance should be discussed. Should the fine amount be reduced, it would impact the average fee assumed in calculation of the citation revenue. Any adjustment to the proposed fine amount should be accompanied with a revised citation revenue calculation.

Presentation of an overall program timeline

There are multiple departments that will be involved and several phases related to the implementation and enforcement of the proposed ordinance. Throughout this analysis, estimated timelines have been presented for the different phases, however, a comprehensive timeline has not been developed. The IBA recommends that a coordinating department/work group be identified to develop a timeline (based upon specific decisions related to the selected program) to include all the phases related to the implementation of the proposed ordinance. The timeline will assist in developing and monitoring the program as well as possibly assist in identifying ways to streamline the process.

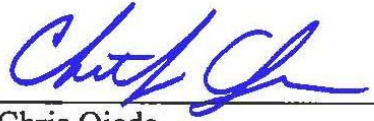
An interim funding source will be need to be identified

As previously mentioned, there will be a lag time from incurring expenses to actually receiving the corresponding revenue. A one-time funding source to address the initial costs associated with the implementation of the proposed ordinance would need to be identified. The amount of interim funding needed is difficult to project as no overall project timeline has been developed.

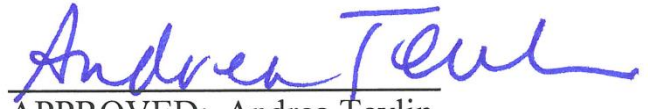
CONCLUSION

Two programs (pilot and city-wide) are being considered to support the proposed Neighborhood Parking Protection Ordinance. From information provided by several City departments, this report provides updated financial projections from the April 4, 2008 Memorandum to the City Council from City staff, and the October 17, 2008 Memorandum to the City Council from Jay Goldstone, the City's Chief Operating Officer.

In consideration of the proposed ordinance and selection of the pilot or city-wide program, issues discussed in this report related to the implementation and funding of either program should also be evaluated.



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