

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance & Information Technology

BRIEF DESCRIPTION: Informational item proposing extending parking meter hours to help achieve parking availability goals when businesses are open.

SUMMARY:

- On May 12, 2009, the Board of Supervisors approved the SFMTA 2010 Amended Budget, which included revenue estimates from extending the parking meters' hours of operation citywide to 10 p.m. Mondays through Saturdays and from 10 a.m. to 6 p.m. on Sundays.
- During the deliberations of the SFMTA 2010 Amended Budget by the Board of Supervisors, extending metering hours was delayed pending the result of a study to refine the implementation. Revenues from extending meter hours were included in the balanced SFMTA 2010 Amended Budget.
- The SFMTA conducted The Extended Meter Hours Study in the Summer of 2009.
- The Extended Meters Hours Study indicates that extending meter hours would improve parking availability, improve driver convenience, reduce circling for parking, reduce greenhouse gas emissions, reduce double parking and other illegal parking, improve Muni speed and reliability, improve overall safety for all road users, and provide an annual net increase of approximately \$8.8 million in meter and citation revenues.
- City Planning has determined that extending parking meter hours and imposing current fees during those extended hours are exempt from environmental.

ENCLOSURES:

1. Extended Meter Hours Study

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ASSIGNED SFMTAB CALENDAR DATE: _____

PAGE 2**PURPOSE**

To inform the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors of the findings of a study conducted to determine the feasibility of extending parking meter hours to evenings and Sundays.

GOAL

If approved, the extension of parking meter hours would support the following Strategic Plan Goals:

- Goal 2 – System Performance – To reduce congestion through major corridors and manage parking supply to align with SFMTA and community goals.
- Goal 4 – Financial Capacity – To ensure financial stability and effective resource allocation.

DESCRIPTION

On May 12, 2009, the Board of Supervisors approved the SFMTA 2010 Amended Budget, which included revenue estimates from extending the parking meters' hours of operation citywide to 10 p.m. Mondays through Saturdays and from 10 a.m. to 6 p.m. on Sundays. Implementation of the extended metering hours was tabled pending the result of a study to refine the original proposal to extend metering hours. The SFMTA conducted The Extended Meter Hours Study in the summer of 2009.

The Extended Meter Hours Study begins by rearticulating the purpose of parking meters. Parking meters are a tool that the SFMTA uses to support businesses and to help achieve its overall goals for San Francisco's transportation system. When parking spaces are not readily available, drivers often double park or must circle to find parking, which makes driving less convenient and, by causing unpredictable localized congestion, degrades Muni speed and reliability, as well as causing unnecessary greenhouse gas emissions. Parking meters support commerce by helping to increase turnover and improve the availability of parking spaces, as well as improve transit performance. Together, this helps to maximize the number of people who can conveniently access their destinations, including commercial establishments, whether travelling by automobile or transit.

The Extended Meter Hours Study's purpose was to better reconcile when and where meter hours are extended with when and where parking is difficult to find in commercial areas. The study included a survey of other jurisdictions' practices, a review of previous reports on parking in the City, and the collection of new data on parking occupancy levels, business hours of operation, stakeholder concerns, and residents' opinions. The study found:

- Demand for on-street parking is high in many neighborhoods in the evenings and in almost all neighborhoods on Sundays, which results in parking occupancies that are often higher than 100 percent when illegal parking is counted). It is hardest to find available parking spaces after 6 p.m. and on Sundays, when parking at meters is currently free and unrestricted.

- When San Francisco meters were first introduced in 1947, many businesses kept traditional hours, usually from 9 a.m. to 5 p.m., Mondays through Saturdays. Today, many businesses are open late in the evening and all day on Sundays, which creates demand for parking at times when parking meters do not currently operate.

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- Many cities and towns around the country operate their parking meters Monday through Saturday until 10 p.m., midnight, or 2 a.m., as well as on Sundays.
- Parking availability is the aspect of parking that San Francisco residents value most highly. Cost, though not unimportant, ranked fifth (out of nine) as a concern.
- A plurality of residents support metering in the evenings and on Sundays if meter revenues are used to improve pedestrian and bicycle facilities and Muni service. Residents who never drive or drive rarely are more likely to support extending the hours than those who drive frequently.

Using this study, the SFMTA has refined the original April 2009 proposal for extending metering hours Monday through Saturday until 10 p.m. citywide. Based on the 85 percent occupancy criterion, the SFMTA recommends that the operation of parking meters be extended as follows:

- Sundays:
 - Establish metering hours from 11 a.m. to 6 p.m. citywide
 - Establish 4-hour parking time limits
 - Retain current weekday rates (using *SFpark* demand responsive pricing in *SFpark* pilot areas)
- Mondays through Saturdays
 - Extend meter hours until 9 p.m. Monday through Thursday and until midnight Friday through Saturday at 59 percent of metered spaces located in the following areas:
 - Outer Richmond
 - Inner Sunset
 - Noe Valley
 - Excelsior
 - Portola
 - Haight Ashbury
 - Cole Valley
 - Fillmore
 - Bernal
 - Western Addition
 - Divisadero
 - The Marina
 - Cow Hollow
 - Russian Hill
 - Civic Center
 - SoMa
 - Van Ness
 - Downtown
 - Mission (between Cortland and 22nd Street)

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- Extend meter hours until 9 p.m. on Friday and Saturday at 23 percent of metered spaces (leaving Monday through Thursday until 6 p.m.) located in the following areas:
 - Financial District
 - Laurel Heights
 - Inner Richmond
 - Balboa
 - Irving
 - Sunset District
 - Parnassus
 - West Portal
 - Oceanview
 - Park Merced
 - Ingleside
 - Excelsior
 - Taraval
 - Outer Mission
 - Visitacion Valley
- Extend meter hours until midnight Monday through Saturday in areas where parking availability is low throughout the week, which is 17 percent of metered spaces located in the following areas:
 - Castro/Market/Church
 - Geary corridor (Union Square)
 - Valencia (Inner Mission)
 - North Beach/Chinatown
- Operate meters Monday through Saturday until 6 p.m. at one percent of metered spaces located in the following area:
 - Bayview
- Rates: Retain current rates (using demand-responsive pricing in SFpark pilot areas).
- Time limits: Establish 4-hour parking time limits after 6 p.m.

The following additional recommendations are made to support the above parking changes.

- Improve the availability and marketing of SFMTA Parking Cards to make payment easier.
- Work with residents living adjacent to commercial corridors to consider the option of extending Residential Parking Permit (RPP) enforcement hours to reduce potential parking “spillover” in their neighborhoods as necessary.
- After initial installation, review metering hours within 12 months using 85 percent occupancy as the criterion and adjust metering hours as necessary to achieve availability goals.
- Thereafter, review metering hours at least every two years using 85 percent occupancy as the criterion and adjust metering hours as necessary to achieve availability goals.

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- In SFMTA parking lots, reduce meter rates in SFMTA parking lots when and where parking occupancy does not exceed 60 percent. This will help make neighborhood SFMTA parking lots more attractive and convenient for drivers, and to help draw demand from on-street metered parking to off-street facilities, thereby creating more availability on-street.
- Ensure that all metered commercial areas have two hour time limits. The SFMTA has been moving to extend the majority of normal parking meters in commercial areas from one hour to two hours. As part of the implementation of extended hours, the SFMTA could accelerate that implementation.

FUNDING IMPACT

Below is a summary of the estimated annual and one-time costs, revenue increases and organizational impacts associated with the implementation of extended meter hours.

Key assumptions

- Parking occupancy is estimated to be approximately 80 to 85 percent during metered evenings and Sunday hours.
- Parking citation revenue from the extended hours will be 60 percent of the daytime rate of parking citations given the challenges associated with evening enforcement.

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Estimated Annual Costs and Revenues

Description	Change
Annual Revenues	
Operate 59% of meters an additional 3 hrs/day, Mon-Sat to 9 p.m.	\$4,690,000
Operate 59% of meters an additional 3 hrs/day, Fri-Sat to midnight	\$1,560,000
Operate 23% of meters an additional 3 hrs/day, Fri-Sat to 9 p.m.	\$610,000
Operate 17% of meters an additional 3 hrs/day, Mon-Sat 6 p.m. to midnight	\$2,700,000
Operate 100% of meters 7 hrs/day on Sundays 11 a.m. to 6 p.m.	\$3,500,000
Additional parking citation revenue from all extended meter hours	\$4,200,000
Net Additional Revenues	\$17,260,000
Additional Annual Expenditures	
Coin collection labor costs	\$(2,740,000)
Enforcement labor costs <ul style="list-style-type: none"> • 1 Asst. Director (8219) • 4 Supervisors (8216) • 32 Full-time and 26 part-time PCOs (8214) • 1 Payroll Clerk (1406) • 3 Storekeepers (1934) • 3 Dispatchers (1704 and 1705) 	\$(4,600,000)
Enforcement vehicle maintenance costs	\$(600,000)
Meter maintenance labor costs <ul style="list-style-type: none"> • 1 Parking Meter Repair Supervisor (7243) • 3 Parking Meter Repairers (7444) 	\$(410,000)
Meter spare parts (excluding labor)	\$(50,000)
Bi-annual availability review (\$50,000 every two years)	\$(25,000)
Net Additional Costs	\$(8,430,000)
Net Annual Revenue	\$8,830,000

These annual cost estimates do not include the incremental cost of additional office and parking lot space for the increased staff. The Enforcement Division is currently searching for new office space so this incremental cost would be accounted for after the signing of a new lease.

One-time implementation costs

One-time implementation costs of approximately \$2.5 million are anticipated to cover the following items:

- The purchase of 55 additional enforcement vehicles.
- The purchase of 55 additional enforcement handheld devices, printers and two-way radios.

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- A community outreach, marketing, and educational campaign to publicize the changes and improve distribution of the SFMTA Parking Card.
- New plates, decals, and signage for meters

Additional revenues generated and expenditures required for the operations/maintenance of extended meter hours are budgeted in the SFMTA's operating and capital budgets. Revenue generated by extended meter hours will be used to support Muni service enhancements related to the Transit Effectiveness Project (TEP).

Approvals Required

City Planning has determined that extending parking meter hours and imposing current fees during those extended hours are exempt from environmental review.

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

This informational calendar item summarizes the findings of the San Francisco Municipal Transportation Agency (SFMTA) Proof of Payment (POP) Study.

SUMMARY:

- A minimum of 9.5 percent of those surveyed SFMTA customers did not have valid POP. Assuming that these customers did not pay the appropriate fare, the SFMTA could be losing an estimated \$19 million annually in uncaptured revenue.
- This overall rate varies greatly by route/line and time of day. The rate on the light rail system, where the SFMTA historically has concentrated fare enforcement efforts, is approximately half that of the remainder of the system (5 percent versus 10 percent). This variance illustrates the impact of the existing POP program.
- The percentage of customers who were tracked entering through the back door without valid POP is significantly than the systemwide average (55 percent versus 9.5 percent). Notwithstanding the revenue impacts of back-door boarding, an immediate shift to front-door boarding could result in longer times at stops and slower travel times.
- Current TFI deployment does not always align with times and locations when customers do not have valid POP.
- TransLink® will necessitate changes to transit fare inspection and implementation of an effective POP program.

ENCLOSURES:

1. Proof of Payment Study

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ASSIGNED SFMTAB CALENDAR DATE: _____

PURPOSE

The purpose of this Proof of Payment (POP) Study is (a) to determine the magnitude of invalid POP use through a statistically-significant survey, (b) to quantify the financial impact, (c) to identify practices of SFMTA's existing POP fare inspection program, and (d) to assist in deployment of Transit Fare Inspectors (TFIs) for systemwide POP enforcement.

GOAL

Increasing the percentage of customers with valid POP will help increase SFMTA fare revenues, which helps pay for the cost of providing transportation services in San Francisco. It will also result in a better customer experience, as many fare-paying customers do not believe that the SFMTA is doing enough to ensure everyone else is paying their fare. It will also help increase the SFMTA's farebox recovery ratio (the percentage of operating costs covered by fare revenues), currently estimated at 26 percent for Fiscal Year 2008-2009.

These goals are in accordance with the SFMTA Strategic Plan, specifically:

Goal 4 – Financial Capacity: To ensure financial stability and effective resource utilization.

Objective 4.1: Increase revenue by 20 percent or more by 2012 by improving collections and identifying new sources

Objective 4.2: Ensure efficient and effective use of resources.

DESCRIPTION

There is a widespread perception that many of SFMTA's transit customers do not pay their fare to ride the system. This perception has a negative impact on the SFMTA, reducing public confidence in the system and making it more difficult to increase public funding and implement new initiatives for service improvements. While the vast majority of the public pays the appropriate cash fare, those who do not pay frustrate other customers and reduce the financial resources available to operate a comprehensive and reliable transit system. Fare revenue – budgeted for approximately \$170 million in Fiscal Year 2009-2010 – helps pay for the operating costs of providing a high level of service on a transit system that averages about 700,000 weekday boardings.

Ensuring that the SFMTA not only collects the appropriate fare revenue from its customers but also does so efficiently and quickly is essential to Muni's speed and operational reliability. On average, nearly 70 customers board any given Muni bus each hour – more than any other large transit system in the nation. Reducing the time spent collecting cash fares or verifying passes and transfers/fare receipts not only makes trips faster but also reduces the number of vehicles required to provide the same level of service. Ultimately, this can reduce operating costs or allow Muni to provide more service with the same resources.

Given these considerations, the SFMTA conducted this study to investigate fare payment patterns on Muni as it looks to expand its existing POP enforcement program. All customers must retain a transfer/fare receipt, pass or other form of POP whenever riding a Muni vehicle or within a fare-paid zone of a light rail station. Currently, Transit Fare Inspectors (TFIs) enforce fare regulations on the light rail system and are beginning limited enforcement on the remainder of the transit network. While increasing revenues to sustain transit's level of service is desirable, the program's primary focus is to foster a culture of fare compliance and public respect for the system.

Although many stakeholders have observed POP issues anecdotally, this study made no prior assumptions about how, where and when customers lacked valid POP. To support an objective and comprehensive analysis of fare payment patterns, SFMTA TFIs, Finance and Planning staff, City Hall Fellows, and interns rode more than 1,100 vehicle runs and surveyed over 41,000 customers on nearly every bus route and rail line, excluding cable cars, during different times of the day and on all days of the week.

The attachment contains the full report with a detailed analysis of the study findings. The following table (continued onto the next page) summarizes the major findings:

Fare Payment Major Findings	
Overall Invalid POP Rate	A minimum of 9.5% of SFMTA customers do not have valid POP.
By Route	On the light rail system, where TFIs have been enforcing fares for about a decade, the rate is slightly under 5%. The rate on the rest of the system is slightly higher than 10%, with some individual bus routes exceeding 15%.
Back Door Boarding	Of the 857 individuals the survey team tracked entering through the back door, 55% had invalid POP. Notwithstanding the revenue impacts of back-door boarding, an immediate shift to front-door boarding could result in longer times at stops and slower travel times. Muni's hourly bus boarding rate is already the highest in the nation.
Time of Day	The invalid POP rate increases as the day progresses from about 6% during the morning peak to over 14% during the evenings.
Vehicle Loads	The number of customers on a vehicle does not significantly influence the invalid POP rate.
Impacts of Fare Changes	The July 1, 2009, fare increase does not appear to have impacted significantly the invalid POP rate.
Peer Systems	Direct comparisons may not be appropriate because transit systems do not use consistent methodologies to calculate the invalid POP rate. Unlike the SFMTA, most other systems only require POP on rail lines, not on buses. To SFMTA's knowledge, other transit systems have not conducted a similar study as this one.

Common Types of Invalid POP	
No Transfer/Fare Receipt or Pass	Approximately 5% of surveyed customers had no transfer/fare receipt, pass or any other form of proof-of-payment.
Invalid Transfers/Fare Receipts	About 2.5% of surveyed customers used an expired or illegally-altered transfer/fare receipt, most often during the afternoon and evening hours.
Misused Discount Passes	Approximately 8% of customers using a Senior Pass and 3% of customers using Youth Pass were adults between 18 and 64 years old and not entitled to a discount fare.
Invalid Regional Transit Connection (RTC) Card	Approximately 6% of customers with disabilities used their RTC card improperly, most often by not purchasing a monthly sticker.
Counterfeit Passes	The survey team detected roughly 1 counterfeit pass per 400 legitimate Adult Fast Passes – or approximately 1 out of 1,000 customers surveyed.
Fare Underpayment	The survey team was not always able to identify customers who paid less than the required fare but still obtained a valid transfer/fare receipt and those who illegally acquired a second-hand valid transfer/fare receipt. After accounting for fare underpayment, the actual systemwide invalid POP rate is higher than 9.5%.
Financial Impacts	
Uncaptured Revenue	Estimated uncaptured revenue resulting from customers not having valid POP totals approximately \$19 million, assuming that customers without valid POP did not pay the appropriate fare.
POP and Enforcement Issues	
TFI Schedules	On a typical day, non-enforcement activities may comprise over 40% of a TFI's paid time.
TFI Staffing	TFI staffing peaks in the mid-morning and early afternoon, but the highest invalid POP rates occur later in the day.
Safety and Security	Safety and security issues can sometimes impact TFI abilities to enforce fare regulations.
TransLink®	
Changes in Customer Use of Fare Media	TransLink® could decrease the misuse of discount passes, the sale of counterfeit passes and the use of invalid transfers/fare receipts. However, customers may not tag their TransLink® cards which will result in the SFMTA being unable to capture the appropriate fare revenue or verify pass validity.
Changes to Fare Enforcement Procedures	TFIs will no longer be able to inspect passes visually, but must instead take longer to check each TransLink® card electronically using a handheld device. This may give customers an opportunity to tag the card reader or to exit at the next stop before TFIs can check their fare. Furthermore, there could be more disputes between customers and TFIs, as customers will not be able to tell when their cards expire because current plans do not call for TransLink® fare media to have printed expiration times.
Financial Impacts	Although TransLink® may reduce the misuse of existing types of fare media, customers may find new ways to avoid paying the appropriate fare using TransLink®.

ALTERNATIVES CONSIDERED

The SFMTA is in the process of expanding the proof-of-payment program systemwide. Historically, TFIs have focused fare enforcement efforts on the light rail system and since July 2009, have begun limited enforcement on buses.

The primary alternative would be to continue to direct fare enforcement resources towards the light rail system. As the POP study has indicated, however, the percentage of customers without valid POP is twice as high on buses and F Market & Wharves historic streetcar system, which comprises approximately three-quarters of total transit ridership.

FUNDING IMPACT

SFMTA's amended FY 2009-2010 budget forecasts transit fare revenue of approximately \$170 million. Bus, streetcar and light rail revenue comprises approximately \$157 million of this amount, while cable car cash fares account for the remainder. In the unlikely scenario that every bus, light rail and streetcar customer had valid POP, the SFMTA might be able to capture about \$19 million annually. This does not imply that the SFMTA could collect all of this revenue even with full POP enforcement systemwide. For example, some customers may not decide to make a trip by transit if they have to pay. Other customers will continue to avoid paying in hopes that avoid encountering a TFI. A reduction in the invalid POP rate by half to approximately 5 percent could yield an additional \$9 to \$10 million annually.

Currently, SFMTA's POP program consists of 46 full-time TFIs, eight supervisors and support staff. The projected program expenses for FY 2008-2009 totals \$5.0 million. Under the Board-approved fiscal year 2009-2010 operating budget, the number of full-time TFI positions is increasing to 60 for a total program expense of \$6.5 million.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The SFMTA has begun the process of expanding POP enforcement from Muni Metro light rail vehicles to buses and the F Market & Wharves historic streetcar line. On July 29, 2009, TFIs began limited enforcement on selected bus routes. Given the differences between buses and light rail vehicles and the fact that the bus network is more dispersed than the six light rail lines, transitioning to full systemwide POP enforcement may require different enforcement policies and procedures. The following list provides examples of major POP-related issues that the SFMTA is working to resolve:

Issues	Next Steps
TFI Staffing Levels	Determine appropriate staffing levels to expand system coverage within budget constraints.
Strategic TFI Deployment	Determine how to deploy TFIs effectively and efficiently to reduce the percentage of customers without valid POP, while ensuring that all customers expect that a TFI might check their fare regardless of where and when they ride Muni.
Public Education	Determine how to communicate POP policies visually and verbally to ensure that SFMTA's diverse customer base understands the requirement to have valid POP while being on a Muni vehicle or in a fare-paid zone.
TFI and Operator Training	Determine how operators and TFIs should interact on vehicles to minimize vehicle delays and ensure that SFMTA employees understand their proper roles and responsibilities relating to fare enforcement.
Back-Door Boarding	Determine whether to permit back-door boarding on buses and the F Market & Wharves streetcar with consideration of the impacts on revenue collection and vehicle travel times.
Fare Media	Determine whether there should be any changes to existing fare media that customers commonly are misusing.
Securing Customer Identification	Determine how to increase the percentage of customers who provide valid identification upon request from a TFI either to verify the proper use of discount fare media or to issue a citation.
Safety and Security	Determine how to enhance safety and security for customers, operators and TFIs. Develop fare enforcement procedures that specifically address safety and security issues on buses as well as on crowded vehicles.
TransLink®	Determine how to modify fare inspection techniques and procedures given the changes in fare payment introduced by TransLink®.
Inspection Speed	Determine how to inspect fares rapidly to minimize impacts on vehicle operations, particularly as the verification of TransLink® fare media takes longer than visual inspection of existing passes and transfers/fare receipts.

The City Attorney does not need to review this document they are informational items only.

RECOMMENDATION

This item is presented for the SFMTA Board of Directors' information. Following up on the findings identified in the POP study, SFMTA staff is developing recommendations for modifications and improvements to the POP program. SFMTA's Security and Enforcement Division will be providing a complementary board presentation discussing strategies and next steps for the POP program as the SFMTA transitions towards systemwide POP enforcement.