



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: January 23, 2025

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Item Number: TBD

Proposed Parking Meter Fee Increase

OVERVIEW

On January 14, 2025, the City Council received an informational item concerning the City's FY 2026-2030 Five-Year Financial Outlook which projects significant deficits for the General Fund over the next five years. Among the deficit mitigation options presented by our Office that could be implemented in the current fiscal year was the implementation of parking meter rate increases. During Council's discussion, Councilmember Foster requested that our Office bring forward this action for Council consideration at the earliest opportunity. In this report we present an option to double current parking meter rates, Citywide up to a maximum of \$2.50 per hour, which would be expected to generate \$4.0 million through the remainder of FY 2025, and \$9.8 million per year thereafter. We also note that further potential amendments to the City's policies for parking meters are expected to be considered later this year.

BACKGROUND

The City of San Diego currently operates 3,811 parking meters, including single- and multi-space meters, for a total of 5,332 metered parking spaces. As reflected in the table below, 4,766, or 89% of all metered parking spaces are located in Downtown and Uptown. Under the authority of California Vehicle Code §22508, the City Council has established a range of hourly parking meter rates from \$0.25 to \$2.50, as codified San Diego Municipal Code (SDMC) §86.0123. Current hourly parking meter rates vary by location between \$0.50 to \$1.25 with a significant majority currently charging an hourly rate of \$1.25.

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Metered Parking Spaces by Zone and Hourly Rate								
Zone	\$0.50	0.75	\$1.00	\$1.25	Sensor Courtsey	Special Event	Total	%
City	8	-	-	44	8	-	60	1%
Downtown	162	154	259	2,548	173	66	3,362	63%
Mid-City	-	-	-	287	10	-	297	6%
Pacific Beach	-	-	-	206	3	-	209	4%
Uptown	-	-	-	1,364	40	-	1,404	26%
Total	170	154	259	4,449	234	66	5,332	100%

Parking meters are generally enforced from 8 a.m. to 6 p.m. every day, except for Sundays and holidays. The City has a target utilization rate of 85% for all parking meters within the City.¹ Utilization rate is defined as the amount of time that vehicles occupy a parking meter space during the allowed hours of operation of the parking meter.

In accordance with the SDMC, parking meter rate adjustments can be implemented up to the \$2.50 per hour maximum by either the City Manager (Mayor) administratively or the City Council by resolution or ordinance.²

Council Policy 100-18: Community Parking District

[Council Policy 100-18](#), originally adopted in March 1997, and most recently amended in July 2015, is intended “to provide a mechanism whereby communities unable to meet existing parking demands may devise and implement parking management solutions to meet their specific needs and resolve undesirable parking impacts.” This is achieved through the creation of Community Parking Districts (CPDs) which are allocated 45% of total parking meter revenue generated within each CPD (less the administrative and parking meter operation costs incurred by the City). The City of San Diego currently has four active CPDs with parking meters: Downtown, Uptown, Mid-City, and Pacific Beach.³ Pursuant to Council Policy 100-18, revenue allocated to CPDs can generally be used for improvements or services that increase the availability, supply, and effective use of parking (including pedestrian and bicycle improvements, shuttle programs, lighting improvements, wayfinding, traffic calming measures, etc.). An Annual Plan and Budget identifying proposed investments and activities for each CPD must be approved by the City Council annually. The remaining 55% share of net parking meter revenue is primarily utilized to reimburse General Fund departments for eligible expenditures from the Parking Meter Operations Fund.

¹ Excluding parking meters located along North Embarcadero, Tuna Harbor, Ruocco Park, Embarcadero Marina Park North, Embarcadero Marina Park South, the Crescent area, Spanish Landing, and Shelter Island, which are operated by the Port of San Diego.

² SDMC §86.0123 states: “...The City Manager shall set the rate of a parking meter, consistent with achieving the 85 percent target utilization rate, based upon parking utilization data and community input as set forth in Council Policy No. 100-18; except that, whenever the Council of the City of San Diego, by resolution or ordinance, sets the parking meter rate, the effective rate shall be the rate set by the Council.”

³ Two CPDs – La Jolla and Old Town – currently do not having parking meters in their communities.

FISCAL/POLICY ANALYSIS

Historical Parking Meter Revenue Collection and FY 2025 Budgeted Allocations

Parking meter revenue has generally increased over the last several fiscal years, though it has not returned to pre-pandemic levels. FY 2021 represented a particular low point primarily due to the suspension of parking meter enforcement which coincided with regional stay-at-home orders that were issued by the State.

Historical Parking Meter Revenue	
Fiscal Year	Revenue
2019	\$11,645,173
2020	\$8,469,205
2021	\$6,124,078
2022	\$8,849,090
2023	\$9,545,439
2024	\$9,776,702

For FY 2025, \$9.6 million in parking meter revenue is budgeted in the Parking Meter Operations Fund. Administration of the program, including personnel expenditures for the Sustainability & Mobility (which operates the CPD Program) and City Treasurer Departments (which administers Parking Meter Operations), as well as funds to operate and maintain existing parking meters within the City is budgeted at approximately \$4.8 million. After accounting for funding necessary to administer the program, the remaining funds are split between the CPDs and the City in accordance with Council Policy 100-18, at 45% (\$2.2 million) and 55% (\$2.6 million), respectively.

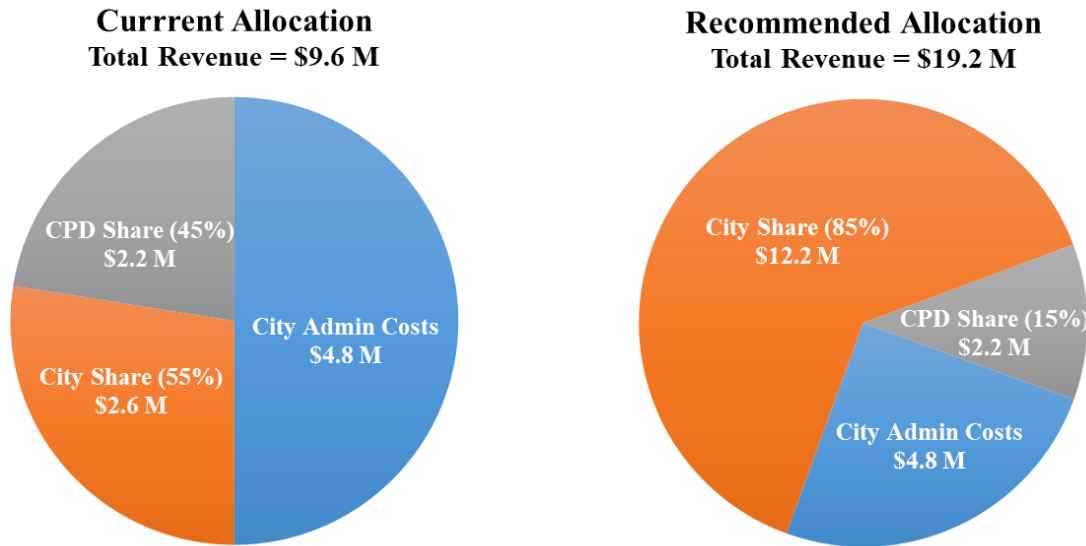
Proposed Parking Meter Fee Increase and Implementation

Under this proposal, parking meter fees would double Citywide, with most fees increasing by \$1.25 per hour to \$2.50 per hour. The City Treasurer indicated that implementing new rates on parking meters is a relatively easy process which can be effectuated quickly, within 24 hours. Our Office has also confirmed with the City Treasurer that no California Coastal Commission actions are necessary; while certain meters in Pacific Beach are located in a Coastal Commission Overlay Zone, the City is able to adjust parking meter fees in this Zone without California Coastal Commission approval.

Were the Council to approve the proposed parking meter fee increase effective February 1, 2025, \$4.0 million in new revenue could be collected through the remainder of FY 2025, and at least \$9.6 million annually beginning in FY 2026. Given that the City’s program administration costs should not be impacted by this action, 100% of all new parking meter revenue would be available for use, subject to the current allocation share under Council Policy 100-18. Absent council action to waive or amend the Council Policy, the City’s portion of new revenue (55%) would amount to \$2.2 million over the remainder of FY 2025 and \$5.3 million in FY 2026. That said, our Office also recommends waiving Council Policy 100-18 so that the current CPD funding level is maintained on a dollar basis while the City is allocated 100% of the increase for FY 2025.

The Mayor’s Office indicates that staff expect to bring a comprehensive package of Parking District reforms for Council consideration later this fiscal year, which is anticipated to include adjustments to Council Policy 100-18 which would apply to subsequent fiscal years, as well as other potential adjustments to enhance parking related revenues and services. Nevertheless, our Office believes it is prudent to implement the proposed fee increase now so that the City can benefit from the enhanced revenue generation while still allowing sufficient time for all other parking management policy considerations to be more carefully considered by staff before they are brought

for Council consideration. Should the Mayor’s comprehensive package of amendments be delayed beyond June 2025, the Council will still have the opportunity to waive or amend Council Policy 100-18 and implement our Office’s recommended revenue reallocation, as reflected in the figure below, when it considers the CPDs’ FY 2026 Annual Plans and Budgets in June.



Benchmarking

The following table summarizes parking meter rates charged by other comparable jurisdictions, including the Port of San Diego which operates parking meters on tidelands located within the City of San Diego.

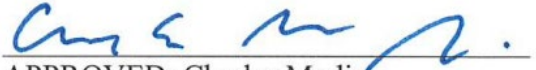
Jurisdictions	Parking Meter Hourly Rates	Notes
Los Angeles	\$0.50 - \$6.00	Demand-responsive pricing
San Francisco	\$0.50 - \$11.00	Demand-responsive pricing
San Jose	Most parking meters charge \$2.00 per hour	Special event rates can vary between \$0 and \$25 depending upon the event.
Sacramento	\$2.00 - \$4.50 based on tired pricing	A flat rate of \$20 is charged during certain special events.
Oakland	\$1.00 - \$4.00	Most meters charge \$3.00 per hour.
Port of San Diego	\$1.00 - \$2.50 depending on the specific location	All meters are located in Downtown San Diego.

CONCLUSION

Our Office recommends Council approve the proposed parking meter fee increase on January 27th. This proposal is estimated to generate \$4.0 million in new parking meter revenue through the remainder of FY 2025, and at least \$9.6 million annually beginning in FY 2026. As is discussed above, Council should also consider waiving Council Policy 100-18 so that this additional revenue can be used for eligible costs currently borne by the General Fund. The Council will have the opportunity to take any additional or subsequent action before the end of FY 2025 when the Mayor brings forward his proposed package of parking district reforms, and/or when the Council considers the CPDs' FY 2026 Annual Plans and Budgets in June.



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