



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Josh Rowan
Director, Oakland
Department of
Transportation

SUBJECT: Parking Enforcement and Revenue -
SUPPLEMENTAL

DATE: April 3, 2025

City Administrator Approval


Jestin Johnson (Apr 4, 2025 08:31 PDT)

Date: Apr 4, 2025

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report Regarding Department Of Transportation Parking Enforcement Operations And Parking Revenues.

REASON FOR SUPPLEMENTAL

This supplemental report answers questions raised by Councilmembers at the Finance & Management Committee at its January 14, 2025 meeting. Questions and answers below relate to parking operations and revenues and are grouped into three general areas: Parking Enforcement Operations, Towing Operations and Metered Parking.

1. Parking Enforcement Operations

1a. Restoring Parking Enforcement: Citation Issuance and Revenues

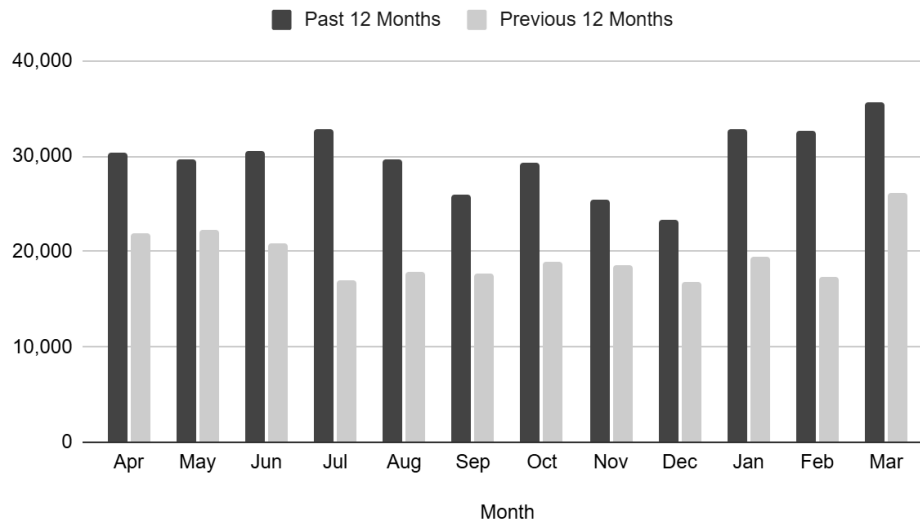
In December, City Council adopted [Resolution 90585 C.M.S.](#), which included direction to “restore parking enforcement” by filling vacancies and having as many Parking Control Technicians (PCT) available assigned to general and street sweeping enforcement duties, this as a contribution to broader budget balancing efforts.

In the second week of January, the Parking Enforcement Unit (PEU) welcomed six new PCTs. Additionally, the number of PCTs acting in the Vehicle Enforcement Unit (VEU) was reduced from fifteen to seven. The net result of these actions was to increase the number of PCTs available to enforce beats and street sweeping maps from thirty-three (33) to forty-seven (47).

Chart 1 below illustrates the impact of these actions, showing a year over year increase in total citation issuance of 123,730 or 53%. Results from the first quarter of the calendar year also show that the trend is up: citation issuance exceeded thirty-thousand in each of the first three months of calendar year 2025 for the first time in years and represents a 61% increase over the same period in 2024.

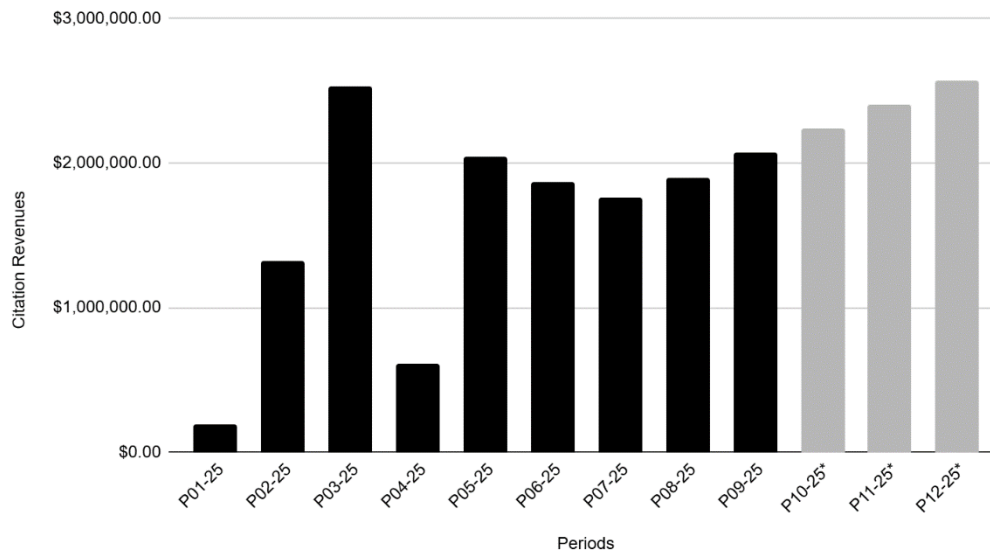
Efforts are underway to fill the remaining eight vacant PCT positions, which will put the PEU at full strength going into the next fiscal year.

Chart 1: Citation Issuance, Recent 12 Months vs. Previous 12 Months



The trend in citation issuance is up and is expected to remain around 35,000 per month until the unit achieves full strength, at which point monthly citation issuance should average around 40,000. Chart 2 below illustrates the impact of these actions on citation revenue, including actual year to date through March (P9-25) and the projected trend through the last quarter of the current fiscal year.

Chart 2: Citation Revenues, Actual YTD and Trend*



Citation revenues follow citation issuance, lagging a month or two. There are three ways to project what citation revenues will be for Fiscal Year 2024-2025: flatline projection, averaging the first nine months and multiplying by twelve; latest quarter projection, averaging the last three months and multiplying by six and then adding the first six months; and trending projection, assuming that revenues will continue to increase month over month by approximately \$165,000 as they have the past three months and then adding the first nine months.

Projection Method	Estimated Citation Revenues
Flatline	\$19,049,427.52
Latest Quarter	\$20,016,558.63
Trending	\$21,508,014.30

Combining the current fiscal year appropriation for citation revenues of approximately \$18 million with the additional \$3.6 million assumed in December to balance the current year revenue shortfall gives a target of approximately \$21.6 million.

1b. Enhancing Parking Enforcement: Expenses and Revenues for Proposals

The original information report included a series of proposals designed to both meet parking enforcement needs, including Parking Enforcement dispatch, and generate new net revenues for the General Purpose Fund (GPF).

In **Attachment A**, these proposals are presented alongside their recurring expenses and revenues. A one-time expense of \$660,000 is needed to cover the costs of equipping the additional staff with vehicles, radios, citation handhelds and other necessary startup equipment. Once fully implemented, the combined fiscal impact of the enhanced parking enforcement services is estimated to be approximately \$2.2 million in net revenues annually.

2. Abandoned Auto Towing Operations

3a. Recovering Costs

Beginning in January 2023, OakDOT's Vehicle Enforcement Unit (VEU) took over abandoned auto and related operations from the Oakland Police Department (OPD). VEU prioritizes the recovery of stolen vehicles and the removal of burned out and blighted vehicles from historically underserved communities. As a result of a court decision in July 2023, booting and towing of scofflaws (vehicles with five or more parking citations) was suspended. An [informational report on the VEU's first year of operations](#) was brought to and accepted by City Council in May of 2024.

The total cost of the VEU is approximately \$2 million. This expense was moved from the General Purpose Fund to Fund 2218 as part of the Fiscal Year 2024-2025 Midcycle Budget.

The VEU is currently not a cost recovering operation. The elimination of scofflaw tows resulted in the loss of an important revenue generating activity, previously budgeted at \$1 million annually.

The [Fiscal Year 2024-2025 Master Fee Schedule](#) includes fees related to “Vehicle Releases”. There are also fees payable to the City in its current agreement for towing services with Auto Plus Towing (APT). The following table summarizes five sources of revenue related to towing:

	Amount	Unit	Payee
Release Fee	\$175	Per vehicle	Registered Owner
Referral Fee	\$54	Per vehicle	Auto Plus Towing
Contract Admin Fee	\$174,000	Annual set	Auto Plus Towing
Gross Revenue Fee	4%	Annual variable	Auto Plus Towing
Late Arrival Fee	\$100	Per late arrival	Auto Plus Towing

OakDOT staff estimate that the VEU could recover approximately \$500,000 from these fees and are currently working with OPD staff to enforce the late arrival fee.

3b. Building Capacity

In March of 2024, the City Council adopted [Resolution 90166 CMS](#) in support of the City’s tow operations including the appropriation of funds from Measure BB, Local Streets and Roads Fund 2218. Other updates include:

- Staff negotiated and executed a two-year agreement with Autura Tow Platform, with the aim of increasing the efficiency of tow operations. The project is currently on hold while staff work to better understand the additional benefits that the platform will bring over and above the platform currently used by APT. A meeting is scheduled for mid-April with Autura in San Francisco to learn from SFMTA’s experience with the platform.
- Since July 2024, VEU has been organizing one and often two overtime shifts per week to address the backlog of requests for abandoned auto services. A total of \$250,000 was set aside to cover costs for addressing the backlog through overtime. The total overtime costs spent through the end of March was not available at the time this report was completed, but staff are preparing to share that figure at the committee meeting.
- A Program Analyst I position, which is a critical resources for VEU operations, was unfrozen and moved into Fund 2218. Interviews to fill the position on a permanent basis are scheduled for later in April.

- The resolution also authorizes the City Administrator to negotiate and enter into contracts for towing services, so long as there is no net cost to the city. Staff continue to explore how to take advantage of this authorization, including ways that Radius Recycling could establish a large yard to process and store vehicles supporting multiple tow operators.

3. Metered Parking

3a. Recovering Credit Card Fees On Metered Parking

As part of the Fiscal Year 2024-2025 Midcycle Budget, City Council adopted a new Master Fee Schedule that included a “Credit Card Convenience Fee” that would be used to recover the cost of credit card processing fees. This fee was implemented by the Finance Department through the city’s point of sale system (POS). For fees processed outside of POS, this effort to recover credit card costs is ongoing.

Staff is working with our parking meter vendors to determine how such a credit card convenience fee can be incorporated into parking meter transactions. Challenges include:

- Technically, it is not possible to charge a percent on meter fees on the City’s single-space and multi-space meters, making it necessary to charge a flat fee such as twenty-five cents. This would be applied uniformly whether the amount of parking paid for was \$1 for twenty minutes of parking or \$6 for two hours of parking.
- On mobile parking payment apps, the user is already agreeing to pay a “convenience fee” of between twenty-five and forty-cents to the app provider. Adding the twenty-five cent credit card recovery fee will result in total convenience fees of fifty- to seventy-cents.

Unless the City’s convenience fee is added to all parking meter transactions, parkers will be incentivized to use coins more often than credit cards or mobile parking payment apps. Doing so would be counterproductive, as coin payment is the costliest form of meter payment for the City, while mobile payment is the least costly. It costs the City more than two dollars to collect each dollar in coins put into a parking meter, while credit card payments cost about twelve cents and mobile payments about six cents per dollar.

3b. Coinless Metered Parking Concept

In 2021, staff brought an [informational report](#) to City Council that offered a suite of data-informed parking reform strategies. One of those strategies recognized the fact that since the City introduced credit-card enabled multispace parking meters in 2005 and mobile parking payment options in 2012, the percentage of parking meter sessions using coins went from one hundred percent to as little as ten percent in some districts. The report includes seven pages of information and analysis, including an equity analysis that highlights the fact that some of Oakland’s neighborhoods continue to use coins more than others and that measures should be taken to address the needs of the unbanked and underbanked.

Staff is not proposing a coinless initiative at this time but expects to be prepared to bring an updated analysis on the strategy later this year and in time for the next mid-cycle budget process.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report Regarding Department Of Transportation Parking Enforcement Operations And Parking Revenues.

For questions regarding this supplemental report, please contact Michael Ford, Parking & Mobility Division, at (510) 238-7670.

Respectfully submitted,

Megan Wier

* Megan Wier, Acting For Josh Rowan

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Attachments:

Attachment A – Enhancing Parking Enforcement, Expenses and Revenues