

THIS PRINT COVERS CALENDAR ITEM NO.: 12

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Approving an increase to the annual and six-month fee for Contractor permits to recover additional revenue associated with use of permits at parking meters.

SUMMARY:

- Contractor permits allow licensed construction or pest control services to park without parking meter payment and are exempt from time limits in parking meter and Residential Parking Permit (RPP) areas. The contractor permit allows the vehicle to be parked in any legal parking spot and is not limited to parking spots near construction.
- The fee includes the costs of SFMTA permit administration and meter revenue recovery.
- The current cost of the contractor permit is based on a meter recovery rate of \$18.00 per day, while the actual meter recovery rate has increased since the time the cost of the contractor permit was set to \$23.00 per day.
- The SFMTA is proposing to increase the annual fee from \$2,412 to \$3,074 and the six-month fee from \$1,206 to \$1,537, consistent with the higher meter recovery rate.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DIRECTOR



DATE

March 27, 2025

SECRETARY



March 26, 2025

ASSIGNED SFMTAB CALENDAR DATE: April 1, 2025

PURPOSE

Approving an increase to the annual and six-month fee for Contractor permits to recover additional revenue associated with use of permits at parking meters.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

The proposed item supports the following SFMTA Strategic Plan goal:

Goal 10: Position the agency for financial success.

The proposed item project supports the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.

DESCRIPTION

Implemented in 1982, the San Francisco Transportation Code authorizes the SFMTA to issue parking permits to licensed Contractors for the purpose of conducting construction or pest control services in San Francisco. (Transp. Code §906.) These permits allow holders to park without payment or being subject to time limits in parking meter and Residential Parking Permit (RPP) areas. A maximum of eight permits may be issued per company. These permits facilitate efficient building service operations that do not lend themselves to pre-planned and time constrained work. The contractor permit allows the vehicle to be parked in any legal parking spot and is not limited to parking spots near construction.

The permit fee is set at a rate that covers the cost to the SFMTA of administering the program as well as lost meter revenue, known as the meter recovery rate. The recovery rate is calculated by applying the average hourly rate weighted by the number of meters at that hourly rate. Approximately 3,000 permits were issued in Fiscal Year 2024.

The current permit fee is based on a meter recovery rate that assumes permits are used fifty percent of the time in parking meter areas at a rate \$18.00 per day. Since the time the contractor permit fee was set, the meter recovery rate has increased to \$23.00 per day. This rate is derived by calculating the rates per hour weighted by the number of meters at that hourly rate. This revised methodology is more accurate than the previous methodology because it reflects current actual charges that permit holders would pay if they were required to make payment at meters.

Annual Permit Fee	Current Cost/Permit	Proposed Cost/Permit
SFMTA Labor and Materials	72.00	84.00
Meter Revenue Recovery*	2,340.00	2,990.00
Total	\$2,412.00	\$3,074.00

* (Daily Meter Rate x Five Days/Week x 52 Weeks)/50%

The SFMTA is proposing to increase the annual permit fee from \$2,412 to \$3,074 and the six-month permit fee from \$1,206 to \$1,537 to recover the estimated actual meter revenue. The six-month fee is calculated as 50% of the annual fee. While this change represents a 27% increase in the permit fee, the cost per business day of this permit is equivalent to \$12 per weekday (an increase of \$2.50 per day), which is low when compared to the benefit. Holding a contractor permit removes the risk for permit holders of receiving parking meter or RPP citations, the costs of which could greatly exceed the annual permit cost. This change may result in a slight decrease in permits issued if current permit holders determine that their usage does not meet this level and revert to direct parking meter payment.

PUBLISHED NOTICE

Charter Section 16.112 requires published notice and a hearing before the SFMTA may institute or change any schedule of rates or charges which affect the public. In compliance with Charter Section 16.112 and state law, advertisements were placed in the City's official newspaper, the San Francisco Examiner, beginning on March 20, 2025 to provide notice that the Board of Directors will hold a public hearing on April 1, 2025 to consider the proposed increase to the Contractor parking permit fee.

STAKEHOLDER ENGAGEMENT

Notices were sent to approximately nine hundred active permit holders on February 25, 2025 to inform them of the proposed increase fee and to solicit feedback. Staff also met with a representative from the San Francisco Electrical Contractor's Association to review the basis for the increased fee. In response to the communications, three e-mails were received in opposition of this proposal as of March 14, 2025.

ALTERNATIVES CONSIDERED

Historically, the SFMTA has increased the basis for meter revenue recovery by \$1.00 a year. Staff considered continuing this approach until the full meter recovery rate was reached in approximately five years. Staff concluded, however, that maximizing recovery on these permits in the short-term is important given the current fiscal environment.

FUNDING IMPACT

Increasing this fee to recover additional parking meter revenue will generate approximately \$1.7 million a year.

ENVIRONMENTAL REVIEW

On February 27, 2025, the SFMTA, under authority delegated by the Planning Department,

PAGE 4. .

determined that the proposed increase to the Contractor fee is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney’s Office has reviewed this calendar item.

RECOMMENDATION

Staff recommend approving an increase to the annual and six-month fee for Contractor permits to fully recover lost meter revenue associated with the use of these permits.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Under Transportation Code Section 906, Contractor permits allow licensed construction or pest control services to park without parking meter payment and are exempt from time limits in parking meter and Residential Parking Permit (RPP) areas; and,

WHEREAS, The contractor permit allows the vehicle to be parked in any legal parking spot and is not limited to parking spots near construction; and,

WHEREAS, The fee includes the costs of SFMTA permit administration and meter revenue recovery; and,

WHEREAS, The current cost of the contractor permit is based on a meter recovery rate of \$18.00 per day, while the actual meter recovery rate has increased since the time the cost of the contractor permit was set to \$23.00 per day; and,

WHEREAS, The SFMTA is proposing to increase the annual fee from \$2,412 to \$3,074 and the six-month fee from \$1,206 to \$1,537, consistent with the higher meter recovery rate; and,

WHEREAS, On February 27, 2025, the SFMTA, under authority delegated by the Planning Department, determined that the proposed amendments to Transportation Code, Division II is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves the increase for the annual Contractor Parking Permit from \$2,412 to \$3,074 and from \$1,206 to \$1,537 for a six-month permit and directs staff to publish the new fees consistent with the Transportation Code.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 1, 2025.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency