

THIS PRINT COVERS CALENDAR ITEM NO. : 16

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Amending San Francisco Transportation Code, Division II to revise community service and payment plan processing fees for parking and transit citations, authorize certain fee waivers, and set an operative date of March 1, 2018.

SUMMARY:



- In January 2016, the SFMTA entered into a new contract to streamline the administration of the community service program and, at the same time, transferred payment plan processing in-house, revised processing fees and requirements, and adjusted service credit hours.
- Based on feedback from staff, the public, recommendations from the San Francisco Municipal Fees and Fines Task Force and requirements of Assembly Bill 503, effective January 1, 2018, the SFMTA is recommending changes to the processing fees for these programs.
- These proposed changes reflect a consolidation of feedback from internal and external stakeholders as well as new state law requirements.

ENCLOSURES:

1. SFMTAB Resolution
2. San Francisco Transportation Code Divisions II Ordinance

APPROVALS:

DATE

DIRECTOR	 _____	<u>1/8/2018</u>
SECRETARY	 _____	<u>1/8/2018</u>

ASSIGNED SFMTAB CALENDAR DATE: January 16, 2018

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PURPOSE

Amending San Francisco Transportation Code, Division II to revise community service and payment plan processing fees for parking and transit citations, authorize certain fee waivers, and set an operative date of March 1, 2018.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item supports the following Strategic Plan Goals.

Goal 3: Improve the environment and quality of life in San Francisco.

Goal 4: Create a workplace that delivers outstanding service.

This item does not directly support any Transit First Policy Principles.

DESCRIPTION

The City and County of San Francisco has long offered payment plans and community service in lieu of payment for parking and transit citations through a third-party vendor since these citations were processed by the courts. In January 2016, the SFMTA entered into a contract with JBR Partners to streamline the administration of the community service program and, at the same time, transferred payment plan processing in-house. A number of changes at that time including eliminating restrictions on processing of citations; increasing the time period for payment plan completion; adjusting service credit hours to be consistent with minimum wage requirements; and eliminating pre-payment requirements for certain fees.

Based on feedback from staff, the public, recommendations from the San Francisco Municipal Fees and Fines Task Force, and requirements of Assembly Bill 503, effective January 1, 2018, the SFMTA is recommending changes to the processing fees for these two programs.

Community Service In-Lieu of Payment Program

The SFMTA Community Service Program provides customers the option to perform community service in lieu of paying parking and transit citations. Customers enrolling in the Community Service Plan must first pay a processing fee that varies based on the total amount due for citations enrolled in that plan. It is required that 50% of the total community service hours be completed with the San Francisco Department of Public Works. The remainder of the required community service hours can be completed with an approved San Francisco non-profit agency. Participants' community service hourly service credit is set at San Francisco's minimum wage rate (currently \$14 per hour).

The proposed changes to the Community Service Program would lower the processing fees for all participants and increase the time period for completion for the largest citation amounts enrolled. Additionally, income eligible customers are permitted one fee waiver per calendar year.

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The table below summarizes the current fee and program requirements compared to the proposed changes.

Description	Current	Proposed*
Fees	<u>Amount Owed</u> Up to \$400 - \$78 \$401 to \$800 - \$104 \$801 to \$1,000 - \$155	<u>Amount Owed</u> \$150 or less - \$25 \$151 to \$300 - \$50 \$301 to \$600 - \$75 \$601 to \$1,000 - \$125
Timeline for Completion	6 - 14 weeks (depending on amount owed)	6-18 weeks (depending on amount owed)
Minimum Payment/Month	N/A	N/A
Max Number of Plans/Year	2	2
Max Value Per/Year	1,000	1,000
Concurrent Plans Allowed	No	No
Late Penalty/Fee Reduction	N/A	N/A
Deadline for Processing	Before vehicle is towed/booted	Before vehicle is towed/booted
Hourly Credit	\$14 per hour (\$15 effective 7/1/2018)	\$14 per hour (\$15 effective 7/1/2018)

* Low-income customers may receive one fee waiver per calendar year.

Payment Plan

Assembly Bill 503, effective January 1, 2018, amended Section 40220 of the Vehicle Code to require local jurisdictions to offer a low-income payment plan in order to assign license plates with delinquent parking penalties to the Department of Motor Vehicles registration hold program. The new law also establishes a number of other administrative changes, including establishing a maximum processing fee of \$5 for payment plans for customers meeting low-income eligibility requirements.* (and \$25 for all others), a \$25 minimum payment per month for up to 18 months, and waiving any late penalties if the plan is completed. Notice of the availability of this program is required to appear on the original citation. The SFMTA currently charges \$62 per plan and limits the repayment period to 14 weeks.

The proposed changes to the SFMTA’s Payment Plan Program are primarily designed to comply with this change to state law, as well as respond to specific recommendations from stakeholder groups participating in the Municipal Fees and Fines Task Force. The SFMTA is recommending that low-income customers be eligible for the \$5 payment plan if entered into (1) within 60 days after citation issuance, (2) 25 days after the conclusion of the SFMTA’s administrative hearing process, or (3) after the Department of Motor Vehicles places its first hold on the vehicle’s registration for delinquent

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parking penalties. The SFMTA proposes to waive the time requirements for entering into a low-income customer payment plan for the first 90 days after March 1, 2018.

The table below summarizes the current fee and program requirements compared to the proposed changes.

	Current	Proposed - Standard	Proposed - Low-Income*
Fees	\$62	\$25	\$5
Timeline for Completion	6 to 14 weeks (depending on amount owed)	6 to 18 weeks (depending on amount owed)	18 months
Minimum Payment/Month	N/A	\$25 (\$500 or less); \$50 (\$501 or more)	\$25 (\$500 or less); \$50 (\$501 or more)
Max Number of Plans/Year	2	2	No maximum
Max Value Per/Year	1,000	1,000	No maximum
Concurrent Plans Allowed	No	No	Yes (unlimited)
Late Penalty/Fee Reduction		N/A	Yes (fees reinstated if plan is not completed)
Deadline for Processing	Before vehicle is towed/booted	Before vehicle is towed/booted	Within 60 days of citation issuance or conclusion of review process**

*Low-income customers are defined as having income at 200% of the federal poverty level.

**One-time exception granted after DMV registration hold has been placed.

STAKEHOLDER ENGAGEMENT

The SFMTA participated in the Municipal Fees and Fines Task Force and has been meeting with Task Force members for the past six months to review and revise these proposals. Presentations were also made to the SFMTA Citizen’s Advisory Council.

ALTERNATIVES CONSIDERED

Additional recommendations of the Municipal Fees and Fines Task Force were considered, including waiving all fees for low-income customers, reducing fines and penalties and eliminating deadlines for payment plan enrollment. Staff believe these additional recommendations reflect an incremental approach and will allow for the evaluation of fiscal and administrative impact of the proposed

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changes prior to implementing additional changes.

FUNDING IMPACT

The total combined annual costs for these programs is approximately \$727,482. Based on the proposed fees and estimated enrollment, SFMTA staff estimate that the agency would recover approximately 21% of these total costs. A summary of the cost recovery analysis is below.

	Community Service Credit	Payment Plan	Total
Annual Cost (Labor)	\$441,878	\$285,605	\$727,482
Annual Fees Generated	\$125,000	\$30,000	\$155,000
Difference (\$) Costs vs. Fees	(\$316,878)	(\$255,605)	(\$572,482)
Difference (%) Costs vs. Fees	-72%	-89%	-79%

In addition to the administrative costs, the SFMTA community service program reduced citation revenue by approximately \$575,000 in Fiscal Year 2017. With lower processing fees, lost citation revenue will increase; however, it is unclear what percentage of these citation payments would have been received if no community service credit program was available. Lost revenue associated with waiving of late penalties under the new requirements for low-income payment plans is also unknown.

PUBLISHED NOTICE

Charter Section 16.112 requires published notice and hearing before SFMTA may institute or change any fare, fee, schedule of rates or charges which affect the public. The Board's Rules of Order require that the advertisement run for at least five days and not less than fifteen days prior to the public hearing. In compliance with both Charter Section 16.112 and the Board's Rules of Order, advertisements were placed in the City's official newspaper, the San Francisco Chronicle, to provide published notice for the January 16, 2018 public hearing. The advertisements ran in the San Francisco Chronicle for five consecutive days, starting on December 26, 2017.

ENVIRONMENTAL REVIEW

On November 27, 2017, the SFMTA, under authority delegated by the Planning Department, determined that the proposed changes to the San Francisco Transportation Code Division II is not a "project" pursuant to California Environmental Quality Act (CEQA) as defined in 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.

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OTHER APPROVALS RECEIVED OR STILL REQUIRED

None.

The City Attorney has reviewed this calendar item.

RECOMMENDATION

SFMTA staff recommends that SFMTA Board amend San Francisco Transportation Code Division II to revise community service and payment plan processing fees for parking and transit citations, authorize certain fee waivers, and set an operative date of March 1, 2018.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, In January 2016, the SFMTA entered into a new contract to streamline the administration of the community service program and, at the same time, transferred payment plan processing in-house, revised processing fees and requirements, and adjusted service credit hours; and

WHEREAS, Based on feedback from staff, the public, recommendations from the San Francisco Municipal Fees and Fines Task Force and requirements of Assembly Bill 503, effective January 1, 2018, the SFMTA is recommending changes to the processing fees for these two programs to reduce the economic burden on low-income and other individuals; and

WHEREAS, These proposed changes reflect a consolidation of feedback from internal and external stakeholders as well as new state law requirements; and

WHEREAS, Changes to the SFMTA's Community Service Program include lowering processing fees for all participants, increasing the time period for completion for the largest citation amounts enrolled, and authorizing one fee waiver per calendar year for income eligible customers; and

WHEREAS, Changes to SFMTA's Payment Plan include setting maximum processing fees of \$25 for standard plans (\$5 for low-income plans), establishing a \$25 maximum monthly payment, waiving any late penalties if the plan is completed, and extending the repayment period for up to 18 months for low-income individuals; and

WHEREAS, Low-income customers will be eligible for the \$5 payment plan if entered into (1) within 60 days after citation issuance, (2) 25 days after the conclusion of the SFMTA's administrative hearing process, or (3) after the Department of Motor Vehicles places its first hold on the vehicle's registration for delinquent parking penalties; and

WHEREAS, The SFMTA will waive the time requirements for entering into a low-income customer payment plan for the first 90 days after March 1, 2018; and

WHEREAS, On November 27, 2017, the SFMTA, under authority delegated by the Planning Department, determined that the proposed changes to the San Francisco Transportation Code Division II is not a "project" pursuant to California Environmental Quality Act (CEQA) as defined in 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; now, therefore be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors amends San Francisco Transportation Code Division II to revise community service and payment plan processing fees for parking and transit citations, authorize certain fee waivers, and set an operative date of March 1, 2018.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of January 16, 2018.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

RESOLUTION NO.

[Transportation Code – Community Service and Payment Plan Processing Fees]

Resolution amending the Transportation Code to revise community service and payment plan processing fees for parking and transit citations, authorize certain fee waivers, and set an operative date of March 1, 2018.

NOTE: Additions are single-underline Times New Roman; deletions are ~~strike-through Times New Roman~~.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 300 of Division II of the Transportation Code is hereby amended by revising Section 311, to read as follows:

Sec. 311. COMMUNITY SERVICE AND PAYMENT PLAN PROCESSING FEES.

(a) A fee to reimburse the SFMTA for costs associated with processing requests for community service in-lieu of payment for parking or transit violation citations. The amount for this fee shall be as set forth below.

Total Outstanding Fine/Penalty Amount	Processing Fee Effective 7-1-2016	Processing Fee Effective 7-1-2017
\$50 – \$400 <u>\$150 or less</u>	\$75	\$78 <u>\$25</u>
\$401 – \$800 <u>\$151 to \$300</u>	\$100	\$104 <u>\$50</u>
\$801 – \$1,000 <u>\$301 to \$600</u>	\$150	\$155 <u>\$75</u>
<u>\$601 to \$1,000</u>		<u>\$125</u>

(b) The SFMTA may grant a fee waiver once per calendar year for low-income customers whose income is at or below 200% of the Federal Poverty level.

(bc) A fee to reimburse the SFMTA for costs associated with establishing a payment plan for parking or transit violation citations. The amount for this fee shall be

~~\$60 and \$62.00 effective July 1, 2017~~ \$25 for standard payment plans, or \$5 for low-income customer payment plans if: entered into (1) within 60 days after citation issuance, (2) 25 days after the conclusion of the SFMTA's administrative hearing process, or (3) after the Department of Motor Vehicles has placed its first hold on the vehicle's registration for delinquent parking penalties.

(d) The SFMTA shall waive the time requirement for entering into a low-income customer payment plan for 90 days after the operative date of March 1, 2018.

Section 2. Effective and Operative Dates. This ordinance shall become effective 31 days after enactment, and operative on March 1, 2018. Enactment occurs when the San Francisco Municipal Transportation Agency Board of Directors approves this ordinance.

Section 3. Scope of Ordinance. In enacting this ordinance, the San Francisco Municipal Transportation Agency Board of Directors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, letters, punctuation marks, charts, diagrams, or any other constituent parts of the Transportation Code that are explicitly shown in this ordinance as additions or deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
JOHN I. KENNEDY
Deputy City Attorney

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency