


CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: June 13, 2016

To: The Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds,  General Manager
Department of Transportation

SUBJECT: **REVIEW OF PARKING CITATION FINES, AND FEASIBILITY OF A TIERED FINE STRUCTURE AND VARIABLE FINE AMOUNTS BY AREA (CF 15-1450-S1)**

SUMMARY

This report is in response to a council motion (CF 15-1450-S1) instructing the Los Angeles Department of Transportation (LADOT), along with the City Administrative Officer (CAO), to report on the existing parking citation fine schedule for driver compliance, and evaluate the feasibility of implementing a tiered parking citation fine structure and variable citation amounts in areas of the City with performance-based pricing.

RECOMMENDATIONS

That the Council, subject to the concurrence by the Mayor:

1. AUTHORIZE the General Manager of LADOT to establish a Homeless Parking Citation Community Service Pilot Program that would permit the performance of community service in lieu of payment of a parking penalty;
2. DIRECT the General Manager to establish the written rules and guidelines for this program pursuant to California Vehicle Code (CVC) Section 40215(7); and
3. DIRECT the General Manager to report back within 120 days on the pilot program and any further recommendations for a community service program that would incorporate low income motorists.

BACKGROUND

In June 2014, Mayor Garcetti engaged a group of stakeholders to discuss opportunities to improve the parking experience throughout the City. This group, called the Los Angeles Parking Reform Working Group (LAPRWG), was subsequently formed with residents, business owners and representatives of different organizations. Over the course of seven months, the LAPRWG reviewed and analyzed a wide variety of potential parking reforms. The LAPRWG released their comprehensive report and recommendations for consideration in 2015. Among the recommendations were the suggestions to reduce parking fines so as not to be too burdensome for low income residents and adopt a tiered fine schedule for non-safety related citations. Subsequently on December 8, 2015, a council motion was

introduced to 1) report on the existing parking citation fine schedule with data that supports the relationship between driver compliance and the citation amount; and 2) the feasibility of implementing a tiered parking citation fine structure and variable citation amounts in areas of the City with performance-based pricing (LA Express Park).

DISCUSSION

The enforcement of parking rules and the issuance of citations to those who violate the law is a fundamental part of a successful on-street parking operation. Without effective parking enforcement and sufficient fine amounts, drivers are not adequately incentivized to follow the law. Parking violations need to be carefully set in order to maintain a balance between encouraging compliance without being overly punitive and deterring people from parking.

CVC Section 40203.5, which governs how parking fines are set, states “to the extent possible, issuing agencies within the same county shall standardize parking penalties.” The City of Los Angeles has a wide range of citation amounts ranging from among the lowest to the highest in the county depending on the type of violation (Attachment A). Analysis shows that citation distributions in Los Angeles are largely comparable to other cities. Attachment B shows the top violation distribution. Nearly half of all citations issued in the City are attributed to street cleaning and expired meters. The remaining types of citations account for a small percentage each: 20% are for free flow traffic violations, 17% are nuisance violations, and 1% are public safety violations.

Socio-Economic Analysis

In order to ensure that parking citation distribution across the City is equitable and not disproportionately issued to a specific socio-economic group, LADOT performed an analysis of citation issuance. The analysis found no strong correlation between socio-economic status and citation issuance. Ticketing for parking violations across the city is correlated to population density, not income. If the City decides to increase or decrease fines, it would affect groups from all socio-economic backgrounds. The fiscal impact would be greater on the low-income groups as the fine constitutes a larger share of their total income.

Relationship between Parking Compliance and Citation Amount

The Los Angeles Parking Reform Working Group stated in their report that parking citations should only be used to encourage compliance, and that fine amounts should be set only as high as necessary to accomplish that goal. Fines, they note, should never be used to generate revenue. But other critical factors also contribute to deterrence. The notion of deterrence rests on a series of assumptions about how motorists recognize, interpret, and react to the potential of a citation and subsequent attempts to collect it. The key questions in evaluating whether a system is properly deterring dangerous or unwelcome behavior include:

- *What is the financial incentive for parking contrary to the law?* Many decisions are a function of arbitrage, the rate for parking on-street and potentially receiving a fine versus the opportunity cost of paying for off-street parking.

- *What is the likelihood of being cited for violating a parking ordinance?* As noted above, the higher the probability of being cited, the higher the deterrent value. If the probability of receiving a violation is low, it will be harder to deter undesirable driving behavior.
- *What is the penalty for violating said law?* The larger the fine or penalty (including the impact on a motorist's ability to use his or her car or drive), the more likely drivers will be deterred from committing the violation.

Many motorists internalize the risks and benefits associated with committing infractions and elect behaviors based on that evaluation. Therefore, effective deterrence relies substantially upon perception. The perception of ample enforcement and penalties should lead to drivers rejecting certain courses of action as being too risky or too expensive. But if there is lack of enforcement, including few determinations of liability and weak collections, or if fines fail to correlate with the egregiousness of a violation, drivers may misinterpret the parking environment. In fact, they may not be deterred at all. Though citations are unpopular, motorists will change behavior when enforcement is an anticipated consequence.

Deterrence is not the only objective, though. There is an additional fiscal and social impact of parking violations. Every vehicle that overstays a meter during peak periods reduces the business of a merchant or restaurant. Every second spent searching for parking or stuck in parking-related congestion affects a motorist's experience. Double parking is a potential traffic obstruction and thus affects other people's safety. Illegally parked cars affect the health, safety, and compliance of other people, no matter how they travel.

Fines are about more than deterrence. They are about compensating the public through the government, and that is a key component of what government does. In most cities like Los Angeles, a portion of fine revenue helps support law enforcement, road improvements, and other investments that benefit everyone.

Typically, fines in the United States increase based on the egregiousness of the violation. Citations are primarily designed to:

1. Discourage public nuisance (preferential parking district violation, parking too far from curb, etc.);
2. Encourage free flow traffic and commerce (no parking, no stopping/standing, expired meters, street cleaning, etc.); and
3. Protect public safety and promote access (parking on a sidewalk or in a fire lane, disability parking, etc.).

Considering the volume of parking citations that the City issues each year (approximately 2.6 million), it is difficult to argue for a reduction in fines. For example, the amount of an expired meter violation rose from \$40 in 2006, to \$63 in 2012 to encourage driver compliance. Nearly half a million citations are issued per year for meter violations and are presently not serving as an adequate deterrent. Further, in a study performed in 2011, the parking enforcement capture rate for expired meters remains low at 25% meaning 75% of expired meters are not ticketed. According to noted parking academic Professor Donald Shoup, "Reducing [meter] fines for overstaying the meter in front of [a] store is going to ensure

there won't be an open space. If current fines don't prevent people from overstaying at meters, then a lower fine will make it even likelier people will overstay meters."

Options

1. Maintain the Status Quo

No change to the existing parking citation fine structure or amounts.

2. Reduced Parking Fines for Street Cleaning and Expired Meter Citations

Two citations that account for nearly half of the parking enforcement citations issued in the City are street cleaning (26%) and meter violation/expired meter (23%). The citations are among the highest in the county with street cleaning at \$73 and expired meter at \$63 (see Table 1). In the interest of making a widespread impact and bringing these citations in line with adjacent jurisdictions such as Los Angeles County, Santa Monica, and West Hollywood, these fines should decrease by \$10 each.

Table 1: Top two issued parking citations in Los Angeles along with the respective fines for other local jurisdictions.

Jurisdiction Violation	LA City	Beverly Hills	Santa Monica	West Hollywood	Long Beach	LA County
Expired Meter	\$63	\$58	\$53	\$53	\$49	\$53
Street Cleaning	\$73	\$90	\$64	\$63	\$50	\$63

Variation of the fine amount for the two violations has significant impact on the total citation revenue received by the City. The estimated annual citation revenue loss would be:

- First Year: \$5.48 million for street cleaning and \$4.85 million for expired meter for a total of \$10.33 million.
- Second Year (factoring in penalties and collections): Additional \$1.04 million for street cleaning and \$1.18 million for expired meter for a total of \$2.22 million.
- Total citation revenue loss from one year of reduced fines: \$12.55 million.

Expired Meter Fine Reduction – Turnover Impacts

The reduction in expired meter citation by \$10 may compromise the intended positive outcomes of the City's demand-based parking program, LA Express Park. In parts of the City with a high parking demand such as the Financial District in Downtown LA, private off-street parking rates can range from \$30 to \$47 for all-day parking. The reduction in the citation amount makes it more comparable to some private off-street facilities making it more appealing to park on-street all day and take the chance of getting cited. Prolonged occupancy of on-street parking will reduce the turnover of spaces and decreased turnover will comprise the economic vitality of the area and reduce the benefits presented by LA Express Park.

3. Tiered Fine Structure

This concept involves adopting an escalated (tiered) fine structure in which fines become progressively higher with each additional violation within the same violation category within the same year. This penalizes the chronic violators but poses a number of economic and operational challenges.

In Los Angeles, a small percentage of motorists receive more than one citation per year (less than 13%) (See Table 2).

Table 2: Breakdown of repeat violators for all meter and street cleaning violations FY 2014-15.

		Number of Repeat Violators					Total Violations
		One	Two	Three	Four	Five or More	
All Violations*	# of Citations	1,465,252	300,302	113,316	54,196	63,990	1,997,056
	% of Violators	87.24%	8.94%	2.25%	0.81%	0.76%	100.00%
Meter Citations	# of Citations	318,576	79,040	28,509	12,884	15,170	454,179
	% of Violators	85%	11%	3%	0.90%	0.80%	100.00%
Street Cleaning Citations	# of Citations	329,819	107,534	45,300	22,432	24,880	529,965
	% of Violators	81%	13%	4%	1.40%	1.20%	100.00%

* Does not include rental and fleet citations.

If the tiered pricing structure lowers the initial citation with the expectation that subsequent citations would be priced higher to help ensure compliance and recuperate revenue loss, then the second and subsequent citation tiers must be priced in the hundreds or thousands of dollars. Incrementally harsher sanctions will do little to curb recidivism as recidivism is already relatively low in the City. Punishing recidivists more harshly may disproportionately impact those most in financial need and unable to pay.

Logistically, implementing a tiered fine structure borders on infeasible in the short-term. In California, the license plate stays with the vehicle, rather than the owner of the vehicle. Currently, the only information retrieved from DMV is registered owner information. Additional integration and/or information requests would need to be obtained from the DMV that identifies if the registered owner has changed within a period of time. The DMV does not currently provide this information. Obtaining that information from the DMV would be an additional overnight request process, potentially delaying the calculation of the fine structure and in turn, delaying the payment for the citation. Since citation data is attached to a specific plate, there will be significant programming effort (if at all possible) in identifying motorists that have multiple vehicles who receive multiple citations. Receiving information from DMV regarding a registered owner change may be difficult as well. DMV considers any change (i.e. removing/adding of middle initial) as a different registered owner – this can have further processing and revenue impacts in cases where the registered owner has changed minor information.

There are other operational and customer service challenges associated with the tiered fine structure. Rental cars and fleet vehicles would experience similar challenges as identified above with identifying the correct violator and what tier of violation they would incur. For freight delivery vehicles such as FedEx and UPS, the citation amounts would increase exponentially under this structure.

Additional programming is necessary to ensure individuals receive the correct violation amount on their printed citation considering the person may have contested citations or those under investigation. Dismissed citations may result to retroactive manual adjustments in assigning the correct tier violation. In other words, drivers could not be assessed the higher fine until their first violation is upheld and paid.

in full. Currently, the system has a set fine and penalty schedule for the same violation. Having different fine amounts and penalty schedules for the same violation will cause undue confusion for motorists.

At present, the City has an 86% payment rate on parking citations, one of the highest nationally for large city parking programs. Changes to process a tiered citation will delay the collection process and have a much wider revenue impact than the initial lowered fines. Citation collection for the parking program is best depicted by a bell curve. Revenue may fall if the fine amounts are set too high or too low. For instance, a 100% increase in fine amount for a repeat offender does not necessarily create 100% increase in collection revenue. Instead, payment rates will drop if the new fine amount is set too high.

Geocoding Boundaries for LA Express Park

The complexities described above are multiplied when the City implements the tiered pricing concept in a defined area. The City may need to define specific parking enforcement routes or beats, or perhaps geo-code the locations where tickets are being issued to determine whether or not the tiered structure applies to the citation. Recently, LA Express Park expanded from Downtown Los Angeles to Westwood Village. With the program's continued expansion, the City will need to similarly adjust the geographic scope and consistently modify the parameters for implementing the tiered violation.

4. Other Options

LADOT is either using or exploring other options to help motorists pay citations and to avoid receiving parking citations. Options include:

- a. *Installment Payment Plan (IPP)* – Currently, LADOT allows a motorist that attends an administrative hearing, and that can provide satisfactory evidence of an inability to pay the parking penalty in full, the option of enrolling in an IPP. LADOT is now developing a program, pursuant to the CVC that would allow a motorist to enroll in an IPP at any stage of the three stage citation issuance process (issuance, initial review, administrative hearing). A motorist that enrolls in an IPP has all collection activities suspended as long as he or she remains in compliance with the program.

The current program, along with the new program, will allow a motorist to pay a 40% down payment, followed by two additional payments of 30% over the course of 60 days. Below is an example of how the program works for a typical street sweeping citation:

Total Citation Amount	= \$73
40% (Initial payment)	= \$29
30% (30 days later)	= \$22
30% (30 days later)	= \$22

- b. *Homeless Parking Citation Community Service Pilot Program* – Over the past two months, LADOT staff has been working with the City Attorney's Office and the Mayor's Office to develop a community service program for homeless individuals with open and unpaid parking citations. This program would allow homeless individuals, as defined in Title 42 of the Public Health and Welfare Code, with open and unpaid parking citation to perform community service in-lieu of paying the outstanding parking fine amounts. LADOT

anticipates the development of the rules and guidelines for the pilot program within the first quarter of Fiscal Year 2016-17.

- c. *Community Service Program for Low Income Motorists* – Using a similar model as the Homeless Parking Citation Community Service Pilot Program, LADOT plans to offer a community service program for low income motorists who qualify using the guidelines established by the Department of Housing and Urban Development. This program would be developed following the implementation of the homeless pilot program.
- d. *Relaxed Street Sweeping Enforcement* – LADOT and the Bureau of Street Services (BSS) are working closely with the Mayor's Office and CAO to implement a technology solution between street sweepers and parking enforcement officers. This will enable text notifications to residents and notify parking enforcement officers of when they can and cannot ticket in line with the City policy to not ticket when street sweeping does not occur or if the street sweeper has already passed. This technology solution includes incorporating global position system tracking on all street sweeping vehicles; improving communication between sweeping vehicles, traffic control officers, and the public; and examining the feasibility of creating a digital street cleaning notification system for subscribers. In the meantime, LADOT does not enforce parking in a street sweeping area when that route has been canceled by BSS and cancels or refunds tickets issued in error.

FISCAL IMPACT STATEMENT

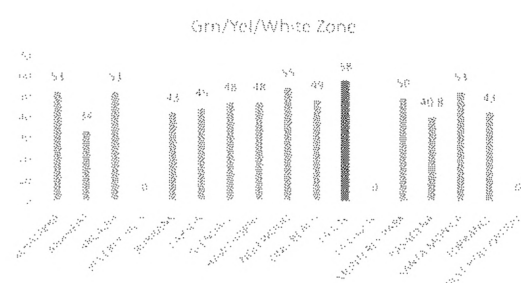
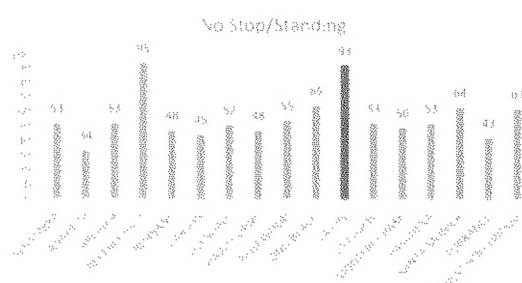
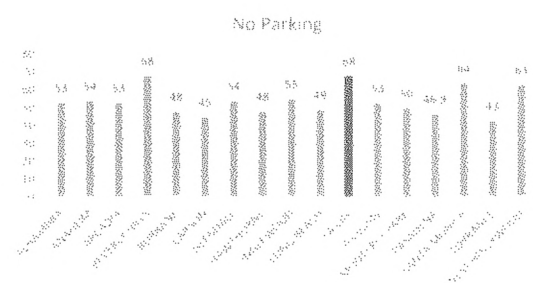
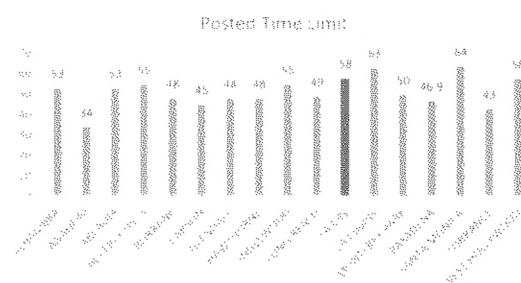
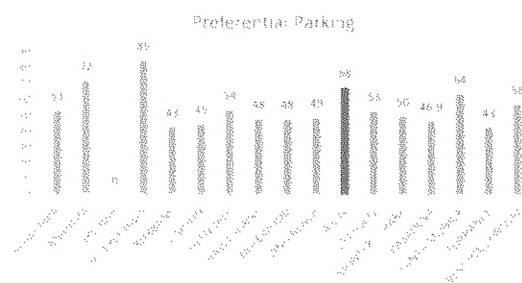
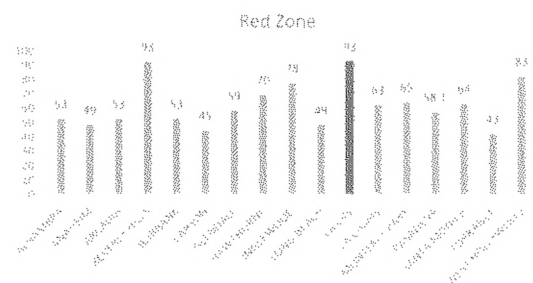
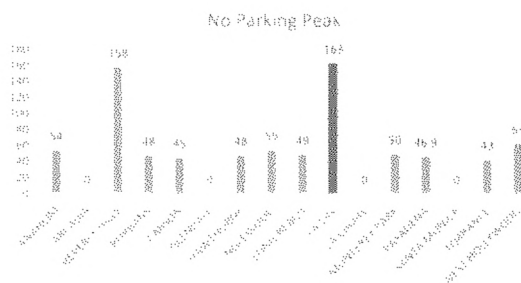
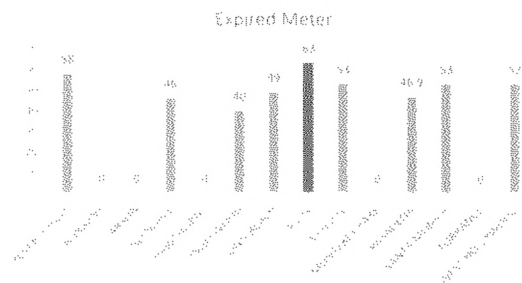
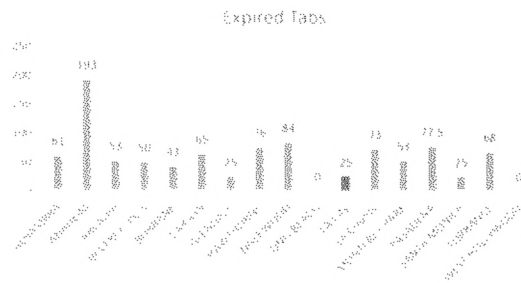
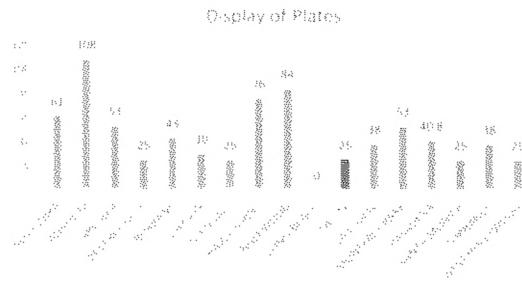
Depending on the option selected, there may be a significant impact to the General Fund with decreased citation revenue ranging from \$0 to \$12.55 million per year.

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Attachments

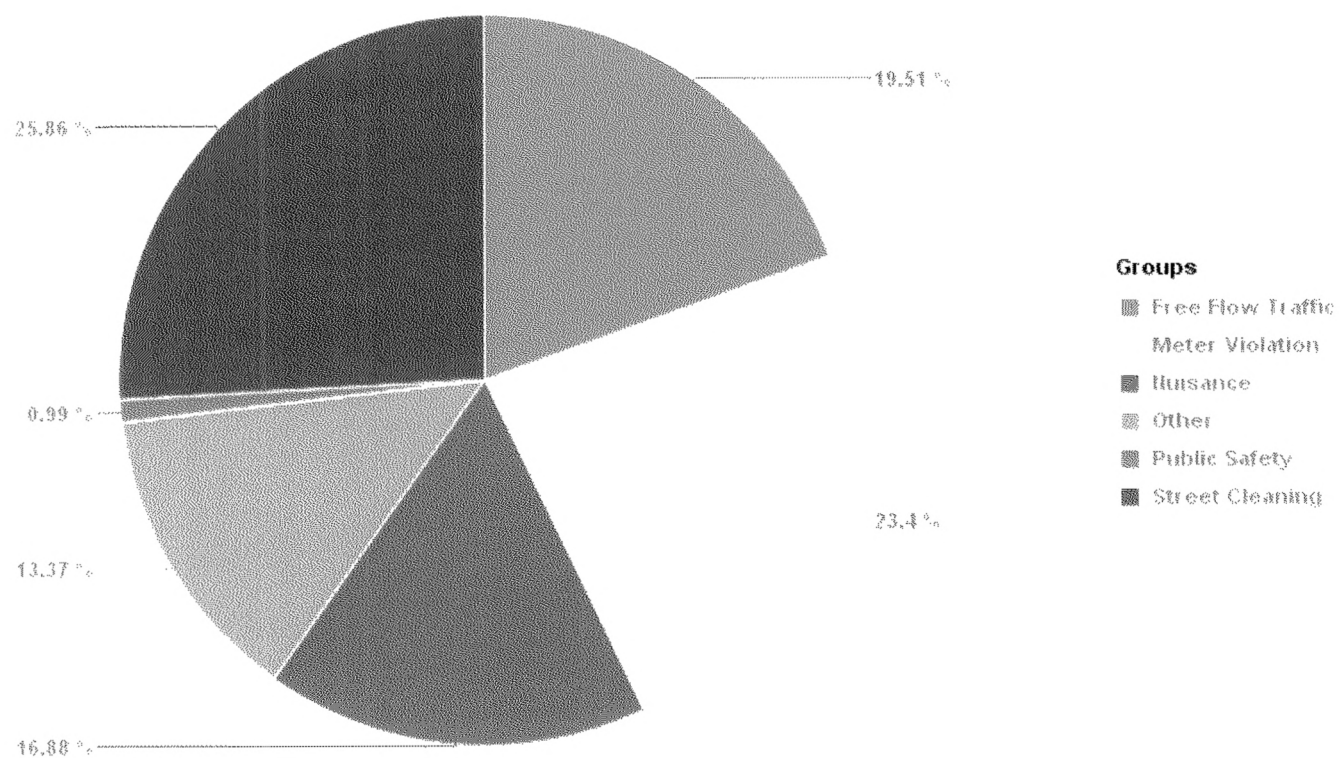
ATTACHMENT "A"

Comparison of Parking Citation Amounts FY 2015



FY 2014/15

Violations by Group



MOTION

"Parking Reform: Fair Fines"

Parking in Los Angeles is a uniquely universal frustration for residents in neighborhoods, customers shopping at local businesses and visitors experiencing Los Angeles for the first time. Far too often, people in Los Angeles feel like the way parking tickets are issued, and the cumbersome process by which they are collected, is a symbol of a government that is on their backs instead of on their sides.

In June 2014, Mayor Garcetti engaged a group of citywide stakeholders to discuss opportunities for the City to improve parking management. The Los Angeles Parking Reform Working Group (LAPRWG) was subsequently formed with residents, transportation, and planning/land use industry experts. The members divided themselves into two subcommittees to focus on two broad areas of parking - Management & Administration and Policy & Strategy. Over the course of seven months, the LAPRWG reviewed and analyzed a wide variety of potential parking reforms. The LAPRWG released their comprehensive report and recommendations for consideration in 2015.

The LAPRWG made a series of recommendations that can help improve parking processes in Los Angeles. Using these recommendations as a starting point for this necessary conversation, the City Council should take further action to reform parking in Los Angeles, including ensuring that the City does not set the parking violation schedule to fund other city services rather than at a level that focuses solely on achieving driver compliance.

I THEREFORE MOVE that the Council direct the Department of Transportation and the City Administrative Officer (CAO) to report on the existing parking citation fine schedule with data that supports the relationship between driver compliance and the citation amount.

I FURTHER MOVE that the Department and the CAO report on the feasibility of implementing a tiered parking citation fine structure and variable parking citation amounts in areas of the City with performance-based pricing (LA Express Park).

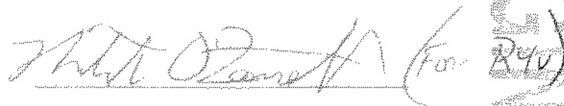
PRESENTED BY:



MIKE BONIN

Councilmember, 11th District

SECONDED BY:

 (For Rev)

OFFICE OF THE CLERK
CITY OF LOS ANGELES

