

THIS PRINT COVERS CALENDAR ITEM NO. : 10.4

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing changes to the rental fees for vintage street cars, and amending the Transportation Code, Division II, Sections 301 and 305 to: reduce the special collection fee for failure to timely pay or contest citations; establish a low income boot removal fee; make renters of towed vehicles eligible for first tow and low income reduced administrative fees; and revise low income towing fees.

SUMMARY:

- On April 3, 2018, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors approved modifications to a number of fees and fines as part of the Fiscal Year (FY) 2019 and FY 2020 budget process.
- Since the adoption of the budget, and based on stakeholder feedback received during the budget process, staff have evaluated additional modifications to existing fees.
- Staff have also negotiated a new contract for collections services for delinquent parking and transit citations that has resulted in a lower fee for services.
- The SFMTA's goal is to implement these additional modifications to existing fees by July 1, 2018, in conjunction with the fee modifications approved as part of the budget.
- Pursuant to Charter Section 16.112 and the SFMTA Board's Rules of Order, advertisements were placed in the City's official newspaper to provide notice of the May 15th public hearing.
- The SFMTA has determined the proposed fee modifications are statutorily exempt from the California Environmental Quality Act (CEQA).
- The proposed action is the Approval Action as defined by the S.F. Administrative Code Chapter 31.

ENCLOSURES:

1. SFMTAB Resolution
2. Division II Transportation Code Amendment

APPROVALS:

	DATE
DIRECTOR 	5/8/2018
SECRETARY 	5/8/2018

ASSIGNED SFMTAB CALENDAR DATE: May 15, 2018

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PURPOSE

Authorizing changes to the rental fees for vintage street cars, and amending the Transportation Code, Division II, Sections 301 and 305 to: reduce the special collection fee for failure to timely pay or contest citations; establish a low income boot removal fee; make renters of towed vehicles eligible for first tow and low income reduced administrative fees; and revise low income towing fees.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item supports the following Strategic Plan Goal:

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

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

DESCRIPTION

As part of the FY 2019 and FY 2020 budget process, modifications to a number of fees and fines were considered and adopted by the SFMTA Board of Directors on April 3, 2018. Since the adoption of the budget, and based on stakeholder feedback received during the budget process, staff have evaluated additional modifications to existing fees and completed final negotiations for a new contract to collect special collections fees for delinquent citations,. The SFMTA's goal is to implement these additional modifications to existing fees by July 1, 2018 in conjunction with the fee changes approved as part of the budget.

The proposed modifications to existing fees are described below.

Rental Fees for Vintage Street Cars

The SFMTA's vehicle charter program allows private individuals and groups to rent Muni vehicles for special occasions, group events, or filming. The SFMTA is committed to ensuring the program does not negatively impact normal transportation service. During the FY 2019 and FY 2020 budget process, the rental fee for vintage street cars, which require two operators, was separated from the rental fee for historical street cars to reflect the higher preparatory and operating costs for the vintage vehicles. After further review of the rental fees and based on feedback from customers, staff are proposing lower fees than what were proposed in the budget. The proposed changes are shown in the following table.

Description	Current Fee	FY 2019 Proposed Effective July 1, 2018	FY 2020 Proposed Effective July 1, 2019
Vintage Street Car Two-Hour Minimum Rental Fee	\$384.50	\$985.00 \$680.00	\$995.75 \$689.00
Vintage Street Car Each Additional Hour Rental Fee	\$192 .25	\$492.50 \$340.00	\$497.75 \$344.50

Special Collections Fee

The SFMTA charges a \$49 special collections fee to recover the costs for third parties and SFMTA to perform certain services related to the collection of delinquent parking and transit citations, including outbound calling, noticing, and customer service related to these accounts. Historically, these collection services have been included in the scope of services of a comprehensive citations processing and permit contract administered by PRWT Services, Inc. (PRWT), which expires in November 2018. Included in the existing contract is a 37% collection fee on the total value of the account collected.

In its re-procurement of the services provided under the PRWT contract, the SFMTA separated the collection services from the larger contract and issued a corresponding request for proposals (RFP). Instead of a percentage-based collection fee, the SFMTA required a flat fee per citation collected. After the release of the RFP, the City and County of San Francisco’s Treasurer/Tax Collector’s Office (Treasurer), which provides collections services for most City Departments, including San Francisco General Hospital, expressed interest in this contract and indicated their ability to provide the collection services at a comparable cost.

The SFMTA will enter into a work-order agreement with the Treasurer to take over special collections effective August 1, 2018. A cost recovery analysis was conducted based on the Treasurer’s proposal and internal resources required to support this program and it was determined that the special collections fee should be reduced from \$49 to \$40. This change requires an amendment to Section 301 of the Transportation Code, Division II.

Low Income Boot Removal and Towing Fees

The SFMTA has been actively participating in discussions with stakeholders regarding the impact that fees and fines have on low income customers in our community. Changes to the SFMTA’s citation payment plan and community service fees and participation rules, adopted by the SFMTA Board of Directors in January 2018, reflected a number of recommendations that came out of these discussions, as do these proposed changes to the boot removal and towing fees.

The California Vehicle Code authorizes local jurisdictions to immobilize, or “boot”, vehicles that have five or more delinquent citations. The SFMTA charges a cost recovery fee to customers to remove the boot. This fee includes labor, vehicle, equipment and other costs

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associated with running the boot removal program. Effective July 1, 2018 the full boot removal fee will be \$505.

Stakeholders have expressed concern that the full fee places a heavy burden on low income customers and advocated for a similar discount to that which is offered for tow fees. To that end, the SFMTA is proposing to establish a \$100 boot removal fee for low income customers, a reduction from the \$505 full fee in Fiscal Year 2019 and \$515 in Fiscal Year 2020. This change requires an amendment to Section 301 of the Transportation Code, Division II.

The SFMTA currently offers a discount on the administrative tow fee for first-time and first-time/low income customers. The current first-time low income administrative tow fee is \$86 compared to the full fee of \$261. This fee is in addition to a minimum \$229 tow fee paid to the SFMTA's towing vendor. The SFMTA is proposing further reductions to eliminate the administrative fee and the "first-time tow" condition associated with this reduction. In addition, the SFMTA is proposing to waive charges associated with the use of special equipment such as a dolly or flatbed tow truck when removing a vehicle. Effective July 1, 2018, these fees would be \$74.50 and \$99.25, respectively. This change requires an amendment to Section 305 of the Transportation Code, Division II.

These discounted low income boot removal and tow fees will apply to customers who currently receive benefits from designated low income social service programs, such as CalFresh, Medi-Cal or Supplemental Social Security Income, or demonstrate an annual income at, or below, 200% of the Federal Poverty Level. Eligibility for these programs will be consistent with the SFMTA's Lifeline and low income Community Service and Payment Plan programs.

STAKEHOLDER ENGAGEMENT

Over the past two years, SFMTA staff have been meeting with various stakeholder groups including the Coalition on Homeless, Lawyers' Committee for Civil Rights, and Bay Area Legal Aid as part of the Municipal Fees and Fines Task Force. At the conclusion of the task force's work, staff continued to meet on a regular basis with these groups to discuss issues impacting low income customers. The changes to the boot and tow fees are a result of these discussions, as well as direct customer feedback. The reduction of the special collections fee resulting from the separation of the service from the overall citations processing contract also support the goals of reducing the burden of these fees on low income customers.

ALTERNATIVES CONSIDERED

Staff considered postponing these fee modifications until the next budget process, however, it was determined that proceeding at this time was more beneficial in order to meet both policy and cost recovery goals.

FUNDING IMPACT

Rental Fees for Vintage Street Cars – None. This fee is cost recovery.

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Special Collections Fee – None. This fee is cost recovery.

Low Income Boot Removal Fee – Reducing the boot removal fee for low income customers will result in an annual revenue loss of approximately \$80,000.

Low Income Tow Fees – In order to minimize the fiscal impact of the further reduction in the low-income tow fees, the first-time, full (i.e. non low-income) administrative fee was increased by \$4 in FY 2019 and \$14.75 in FY 2020.

PUBLISHED NOTICE

Charter Section 16.112 requires published notice and hearing before the SFMTA may institute or change any fare, fee, schedule of rates, or charges which affect the public. The SFMTA Board of Director's Rules of Order require that the advertisement run for at least five days, with the last publication not less than 15 days prior to the public hearing.

In compliance with both Charter Section 16.112 and the SFMTA Board of Director's Rules of Order, advertisements were placed in the City's official newspaper, to provide published notice for the May 15, 2018 Board meeting. The advertisements ran in the City's official newspaper on April 19, 22, 25, 26, and 29, 2018.

ENVIRONMENTAL REVIEW

The proposed fee changes are subject to the California Environmental Quality Act (CEQA), as the policy changes could affect fees, fares, rates, and charges. CEQA provides a statutory exemption from environmental review for the establishment, modification, structuring, restructuring, or approval of rates, tolls, and other charges under California Public Resources Code section 21080(b)(8) and CEQA Guidelines, Title 14 of the California Code of Regulations section 15273, if these rates, tolls, and other charges will be used to meet operating expenses, including employee wage rates and fringe benefits, or purchase or lease supplies, equipment, or materials.

On February 13, 2018, the SFMTA, under authority delegated by the Planning Department, determined (Case Number 2018-002861ENV) that proposed fee changes are statutorily exempt from environmental review under Title 14 of the California Code of Regulations section 21080(b)(8) and CEQA Guidelines, Title 14 of the California Code of Regulations section 15273 because the anticipated revenues will be used to meet SFMTA operating expenses, including employee wage rates and fringe benefits, or to purchase or lease supplies, equipment, or materials.

The SFMTA CEQA determination is on file with the Secretary to the SFMTA Board of Directors. The proposed action is the Approval Action as defined by the S. F. Administrative Code Chapter 31.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

None.

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

RECOMMENDATION

SFMTA staff recommend that the SFMTA Board of Directors authorize changes to the rental fees for vintage street cars, and amend the Transportation Code, Division II, Sections 301 and 305 to: reduce the special collection fee for failure to timely pay or contest citations; establish a low income boot removal fee; make renters of towed vehicles eligible for first tow and low income reduced administrative fees; and revise low income towing fees.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, As part of the FY 2019 and FY 2020 budget process, modifications to a number of fees and fines were considered and adopted by the SFMTA Board of Directors on April 3, 2018; and,

WHEREAS, Since the adoption of the budget, and based on stakeholder feedback received during the budget process, staff have evaluated additional modifications to existing fees and completed final negotiations for a new contract for the collection of special collections fees for delinquent citations; and,

WHEREAS, The SFMTA's goal is to implement these additional modifications to existing fees by July 1, 2018 in conjunction with the fee changes approved as part of the budget; and,

WHEREAS, The SFMTA is proposing changes to the rental fees for vintage street car, and amendments to Transportation Code, Division II, Sections 301 and 305 to reduce the special collection fee for failure to timely pay or contest citations, establish a low income boot removal fee, make renters of towed vehicles eligible for first tow and low income reduced administrative, and revise the low income towing fees; and,

WHEREAS, In compliance with both Charter Section 16.112 and the SFMTA Board of Director's Rules of Order, advertisements were placed in the City's official newspaper, to provide published notice for the April 3, 2018 board meeting, and ran on March 8, 11, 14, 15 and 18, 2018; and,

WHEREAS, The proposed fee changes are subject to the California Environmental Quality Act (CEQA); the CEQA Guidelines provide an exemption from environmental review for the establishment, modification, structuring, restructuring or approval of rates, tolls, and other charges, if these rates, tolls, and other charges will be used to meet operating expenses, including employee wage rates and fringe benefits, or purchase or lease of supplies, equipment, or materials. (Cal. Code Regs., Title 14, Section 15273); and,

WHEREAS, On February 13, 2018, the SFMTA, under authority delegated by the Planning Department, determined (Case Number 2018-002861ENV) that these fees are statutorily exempt from environmental review and,

WHEREAS, The proposed action is the Approval Action as defined by the S. F. Administrative Code Chapter 31; and,

WHEREAS, The SFMTA Board finds that the proposed fee changes are for the purpose of the establishment, modification, structuring, restructuring, or approval of rates, tolls, or other charges, and that the rates, tolls, and other charges will be used to meet operating expenses, including employee wage rates and fringe benefits, or purchase or lease of supplies, equipment, or materials; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and are incorporated herein by reference; now be it

RESOLVED, That the SFMTA Board of Directors authorizes changes to the rental fees for vintage street cars; and be it further

RESOLVED, That the SFMTA Board amends the Transportation Code, Division II, Sections 301 and 305 to: reduce the special collection fee for failure to timely pay or contest citations; establish a low income boot removal fee; make renters of towed vehicles eligible for first tow and low income reduced administrative fees; and revise low income towing fees.

I certify that the foregoing resolution was adopted by the SFMTA Board of Directors at their meeting of May 15, 2018.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

RESOLUTION NO.

[Transportation Code – Division II Fees and Penalties]

Resolution amending Transportation Code, Division II, Sections 301 and 305 to: reduce the special collection fee for failure to timely pay or contest citations; establish a low income boot removal fee; make renters of towed vehicles eligible for first tow and low income reduced administrative fees; and revise low income towing fees.

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. Articles 300 of Division II of the Transportation Code are hereby amended by revising Sections 301 and 305 to read as follows:

SEC. 301. LATE PAYMENT; SPECIAL COLLECTIONS AND BOOT REMOVAL FEE.

Except as otherwise specified in this Code, the SFMTA may charge the following penalties and fees to persons to whom civil citations have been issued or to owners of cited vehicles for failure to either pay the citations or to contest the underlying citations by the due date affixed to the notice of violation. These fees include a DMV registration hold fee. The penalties and fees shall be as follows:

Schedule	FY 2019 Effective 7-1-2018	FY 2020 Effective 7-1-2019
After the 1st payment due date	\$33	\$35
After the 2nd payment due date	\$47	\$49
Special Collection Fee (after the 2nd payment due date)	\$4049	\$4049
Boot Removal Fee	\$505	\$515
<u>Low Income Boot Removal Fee*</u>	<u>\$100</u>	<u>\$100</u>

* Customers whose vehicles have been booted are eligible for the Low Income Boot Removal Fee only if they demonstrate (1) their participation in an eligible program for low income families, or (2) that their annual household income is less than or equal to 200% of Federal Poverty Level. The SFMTA shall publish the list of eligible low income programs on its website.

SEC 305. TOWING AND STORAGE FEES.

(a) **Fees.**

(1) The SFMTA shall charge the registered owner of a towed vehicle, ~~or the registered owner's agent claiming a~~ the towed vehicle, or the renter of a towed vehicle, the following fees to reimburse the City for its costs related to the removal, storage, sale, or release of vehicles towed from the public right-of-way, public property, or private property:

Fee Type	Fee Amount Effective July 1, 2018	Fee Amount Effective July 1, 2019
SFMTA Administrative Fees		
Administrative Fee (other than First Tow or First Tow /Low Income)	\$283.75	\$298.75
First Tow (reduced fee available only to registered owner <u>of towed vehicle,</u> or registered owner's agent claiming the towed vehicle, <u>or renter of towed vehicle</u>)	\$186.75 <u>200.75</u>	\$196.50 <u>211.25</u>
First Tow /Low Income (reduced fee <u>waiver</u> available only to registered owner <u>or renter of towed vehicle</u>)	\$93.75 <u>98.75</u>	\$98.75 <u>98.75</u>

* * * *

(A) The SFMTA shall charge the registered owner or the registered owner's agent claiming the towed vehicle the First Tow reduced administrative fee only if the vehicle has not previously been towed by the SFPD or SFMTA while registered to its current owner. The SFMTA shall charge the renter of the towed vehicle the First Tow reduced administrative fee only if the SFPD or SFMTA has not previously towed any vehicle registered to or rented by the renter of the towed vehicle.

(B) The SFMTA shall ~~charge the registered owner of the towed vehicle~~ waive the First Tow/Low Income reduced administrative fee, and shall waive any applicable dolly or flatbed fees, and the storage fees that would otherwise accrue during the first 24 hours and two consecutive calendar days thereafter that the vehicle is stored only if ~~the vehicle has not~~

~~previously been towed while registered to its current owner, and~~ registered owner or renter of the towed vehicle demonstrates (1) his or her participation in an eligible program for low income families or individuals, (2) that his or her annual household income is less than or equal to 200% of the Federal Poverty Level. The SFMTA shall publish the list of eligible low income programs on its website.

(C) Neither the First Tow nor the ~~First Tow/Low Income~~ reduced administrative fees under subsection (A) and (B) above shall be available ~~if the~~ to either a registered owner of a towed vehicle's or a registered owner's agent claiming a towed vehicle if the towed vehicle's registered owner is a business, including but not limited to a partnership, for-profit corporation, or non-profit corporation, or if the registered owner rents the towed vehicle to other persons as part of a peer to peer, person to person, or other social car sharing enterprise.

(D) A renter of the towed vehicle shall be eligible for the First Tow or Low Income reduced administrative fees under subsection (A) or (B) above only if the towed vehicle's rental agreement identifies the renter as the vehicle's driver.

* * * *

Section 2. Effective and Operative Dates.

(a) This ordinance shall become effective 31 days after enactment. Enactment occurs when the San Francisco Municipal Transportation Agency Board of Directors approves this ordinance.

(b) The operative date of this ordinance is July 1, 2018. The amendments to Sections 301 and 305 of the Transportation Code made by Section 1 of this ordinance are intended to be additive to the revisions to those sections made by the SFMTA Board of Directors in approving Resolution No. 180403-057 in the 2018-2020 budget.

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 (understood to include amendments to Sections 301 and 305 enacted as part of Resolution No. 180403-057) 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: _____
ISIDRO A. JIMENEZ
Deputy City Attorney

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of May 15, 2018.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency