



Joint Labor-Management Committee Commute Options & Parking **COMMITTEE REPORT 22-20**

Date: September 8, 2022
To: JLMC-COP
From: Staff
Subject: Special Parking MOU Subcommittee Update

JLMC-COP Members	
Management	
Valerie Melloff, GSD, Chair	
Paula Dayes, Personnel, First Prov. Chair	
Patricia Huber, CAO	
Jay Kim, LADOT	
Employee Organization Primary Members	
Charles Leone, SEIU, Vice-Chair	
Leticia Gonzalez, AFSCME, Second Prov. Chair	
Esteban Lizardo, LIUNA	
Billy Brockway, LAPCOA	
Employee Organization Secondary Members	
Charley M. Mims, LAPMA	

PRESENTATION:

Informational update regarding activities of the JLMC-COP Ad Hoc Special Parking MOU Review Subcommittee.

DISCUSSION:

At its meeting on April 14, 2022, the JLMC-COP established the Ad Hoc Special Parking MOU Review Subcommittee (Special Parking MOU Subcommittee) to work with staff in bringing recommended benefit design and Special Parking MOU policy changes. This report provides an update on staff and Special Parking MOU Subcommittee discussions regarding parking benefit improvements.

Improvements in Alignment with the Free Parking Program

In 2020, the Department of General Services (GSD) issued a memo notifying the City workforce that employees may park at certain City-managed garages without holding a parking permit and free of charge. Said parking was issued on a first-come, first-served basis to the extent capacity is available. This policy continues to be in effect as of the date of this report. GSD is able to offer free parking at certain lots because a meaningful number of staff assigned to City offices continue to telecommute on a daily or intermittent basis. While this has been a helpful program during the pandemic, employees expressed concern about the unfairness of some employees continuing to pay for parking permits, while other employees are able to park for free. Additionally, in recent weeks, GSD has occasionally found the need to close the City Hall East garage to free parkers because of an increase in employees reporting to the Civic Center. It

should be noted that in these situations, permitted employees are still able to park in the lot. At the July 14, 2022 meeting of the JLMC-COP, member Valerie Melloff requested that the JLMC-COP consider whether an additional fee holiday would be feasible. Because a fee holiday would have an impact on the health of the Ridesharing Trust Fund (Fund), at its August 11, 2022 meeting, the JLMC-COP referred consideration of this item to the Special Parking MOU Subcommittee so it could evaluate a potential fee holiday alongside other policy decisions that may impact the Fund. The following items have been discussed by the Special Parking MOU Subcommittee:

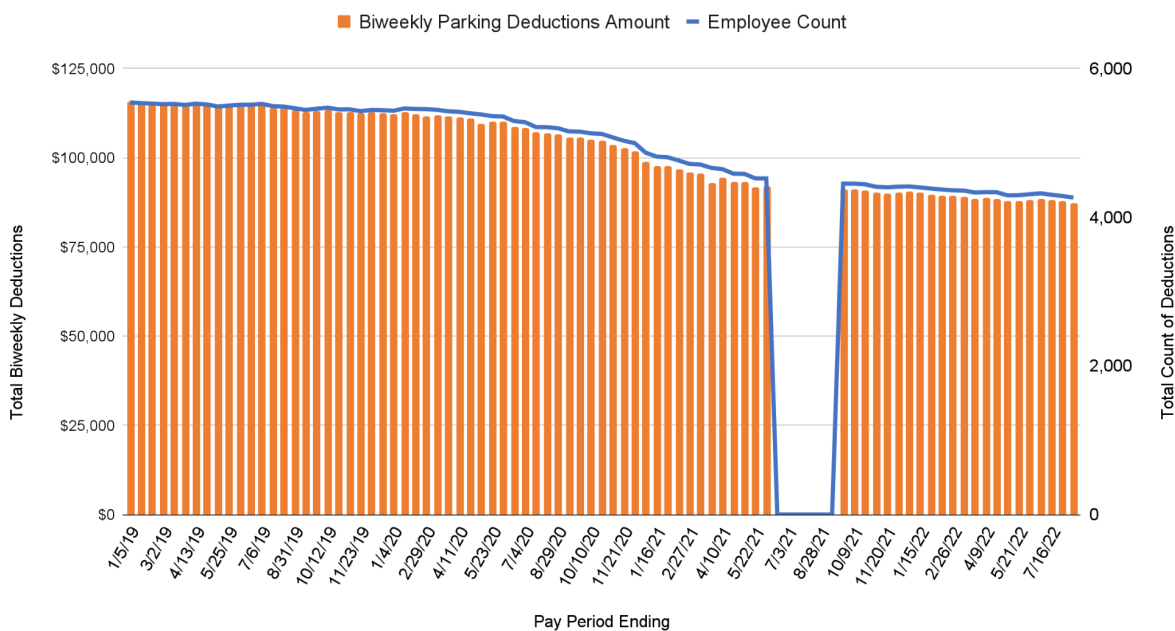
A. Fee Holiday Consideration

In 2021, the JLMC-COP approved a parking fee holiday for six consecutive pay periods (from the pay period ending June 19, 2021 to the pay period ending September 11, 2021). The fee holiday was intended to provide temporary relief to employees who continued to pay for their City-issued parking permits despite working remotely while non-permitted employees could avail themselves of the opportunity to utilize the temporary first-come, first-served free parking policy. The fee holiday cost the Fund approximately \$564,000 (approximately \$94,000 per pay period). The Fund was able to absorb the full cost of the fee holiday because there was a simultaneous decrease in expenditures from the Fund. Revenues collected through payroll for parking permits are deposited into the Fund for the exclusive use of paying transit subsidies and reimbursements. A steep drop-off in utilization of the COMMUTEwell Program's transit subsidy reimbursement program was temporarily experienced due to many employees working remotely and therefore not receiving transit incentives.

Since the fee holiday ended, transit subsidy utilization resumed and slowly began to increase as employees began returning to onsite work. As an additional incentive to use public transit for employees returning to the office, the JLMC-COP also approved a one-year increase in the subsidy amount from \$50 to \$100. The increased subsidy went into effect on July 1, 2022 and the subsidy requests for the first quarter of the fiscal year are due on October 17, 2022. At that time, staff will know the utilization of the new transit spending subsidy and have an understanding of the related impact on the Fund.

The Special Parking MOU Subcommittee discussed the possibility of offering an eight pay period fee holiday, which would cost approximately \$700,000 based on current parking fee deductions. As of June 30, 2022, the Fund balance was \$4,862,331. The Fund's primary revenue source is the parking permit fee deductions. Because many employees began telecommuting in 2020, some of those employees voluntarily canceled their permits, steadily decreasing parking revenue. The chart below shows that steady decline. At the start of 2019, each pay period generated approximately \$115,000 of Fund revenue. By August 2022, that number decreased to approximately \$87,000 per pay period, a drop of approximately 24%. During that same period, the number of paid permits dropped from an average of approximately 5,500 to approximately 4,300.

**Biweekly Parking Deduction and Employee Count
Pay Period Ending 1/15/19 through 8/13/22**



Based on the current balance of the Fund, it seems probable that the Fund can afford the fee holiday, but the the Special Parking MOU Subcommittee agreed that it would be prudent to wait to make a recommendation until October 2022 when the first quarter’s transit incentive requests are submitted and the ongoing costs of the transit incentive programs can be more accurately projected.

B. Provisional Parking Permits

In response to the growing demand for parking from those currently parking without charge, to address the issue of unequally borne parking costs, and the result of discussions with the Special Parking MOU Subcommittee, the COMMUTEwell Program staff will work closely with GSD to begin assigning *provisional* parking permits. A provisional parking permit is the same as a regular parking permit except that it can be rescinded at any time due to lot capacity constraints. To that extent, the concept of a provisional permit is authorized in the existing Special Parking MOU. A provisional parking permit would offer the following benefits:

- By holding a provisional parking permit, any employee can park in a lot even when the garage closes to the non-paying daily parkers.
- Most employees using the lot will be paying for parking. Non-paying employees can still park for free as space allows, but availability will not be guaranteed (which is currently the case).

- Because there will be additional paying permit-holders, the Fund will recoup lost revenue from permits canceled since 2020. That revenue can be used to sustain and expand transit incentive programs.
- An employee with a provisional permit will remain on the waitlist and their permit will be converted to a regular permit once space permits.
- Provisional permits can be rescinded if employees with regular permits return to City work sites on a more frequent basis.

Initially, the Provisional permits will only be issued for the City Hall East parking garage because this location has the most demand and capacity constraints. However, if the provisional permit model is effective, staff will work with GSD to expand it to other locations.

C. Surveying permit holders

Part of the challenge of the current parking arrangement is that employees' transit habits due to telecommuting have changed over the course of the pandemic. Employees have changed the frequency with which they report to City worksites and the days on which those visits occur. Additionally, departments have different requirements related to telecommuting than others. Some departments allow employees to telecommute on a full-time, regular basis, while other departments might require one, two, or three days in the office each week. To help the COMMUTEwell Program and GSD anticipate parking demand patterns, the COMMUTEwell Program will issue a survey to all current permit holders and those on the waitlists for parking permits. The survey will also gauge interest in alternative transportation benefits.

Other Special Parking MOU Considerations

The Special Parking MOU Subcommittee is discussing other program design decisions. One consideration is to broaden the eligibility for some transit incentive programs. Another consideration is to allow limited instances of eligibility for multiple concurrent parking/transit programs. The Special Parking MOU Subcommittee continues to discuss and develop other considerations along these lines. While parking rates have remained constant over the last 15 years, these broadened considerations may require modest increases in the parking rate structure some time in the future. Any recommendations by the Special Parking MOU Subcommittee are subject to approval by the full JLMC-COP.

Submitted by:



Daniel Powell, Senior Personnel Analyst II

Approved by:



Paul Makowski, Chief Management Analyst