



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow

SUBJECT: Electric Vehicle Charger
Overstay Fee

DATE: May 1, 2025

Approved

Date:

5/7/25

COUNCIL DISTRICT: 3

RECOMMENDATION

Adopt a resolution setting forth the Master Parking Rate Schedule for municipal on-street and off-street parking facilities to authorize the City Manager or her designee to set and adjust the rate for an overstay fee for the use of electric vehicle charging stations, and repealing Resolution No. RES2024-346.

SUMMARY AND OUTCOME

Adoption of this resolution will enable the City of San José (City) to collect an electric vehicle (EV) charger overstay fee that would be imposed when a vehicle remains parked at a City EV charger after the vehicle is fully charged and a one-hour grace period has expired. Overstays that extend for hours and/or occur repeatedly prevent others from accessing the charger, a significant problem in many of the City's downtown garages. The intent of the fee is to encourage higher charger turnover in locations where there is high demand for charging. The fee would not be imposed between 7 p.m. and 8 a.m.

Staff plans to pilot the overstay fee at the City's Fourth and St. James garage. If the program increases access to the City's chargers by significantly reducing overstays, staff will implement it at other City sites where overstays are a problem. The overstay fee is one of a variety of strategies staff is pursuing to expand access to charging and ensure it is equitable. Several of these strategies were outlined in the Electric Vehicle Fleet and Charging Infrastructure Update provided to the Transportation and Environmental Committee on December 2, 2024.

BACKGROUND

In February 2018, the City Council adopted *Climate Smart San José*, which established a path for the City to achieve the Paris Accord's 2050 greenhouse gas reduction targets. The plan included a variety of ambitious emission reduction strategies, including expediting the adoption of EVs, defined as battery electric vehicles and plug-in hybrid electric vehicles. To meet Climate Smart's greenhouse gas-reduction targets, San José sought to increase the percentage of registered battery electric vehicles and plug-in hybrid electric vehicles in the city from 3% in 2018 to 14% by 2025 and 32% by 2030.

In 2021, the City Council set a goal to be carbon neutral by 2030. The City's *Pathway to Carbon Neutrality by 2030*, adopted in 2022, identified four strategies to achieve that goal. One of those was sharply accelerating EV adoption rates. The *Pathway's* EV target is 79% to 88% of registered vehicles by 2030, a more than two-fold increase over Climate Smart's 32% goal. The *Pathway's* range depends on the degree to which the City reduces greenhouse gas emissions by lowering vehicle miles traveled.

One of the persistent barriers to wider EV adoption is charging inaccessibility. According to a 2021 California Energy Commission survey, 79% of plug-in hybrid electric vehicles and battery electric vehicle owners live in unattached single-family homes.¹ That is not surprising given that charging at home is the least expensive and most convenient way to charge. But even those who can charge at home rely on public charging. A 2023 survey by Plug In America found that 86% of EV owners can charge at home, but more than half still rely on public chargers on a weekly basis.²

Public charging is essential for those who cannot charge at home, which includes most people who live in rental properties, particularly multi-family complexes. Forty-four percent of housing in the city is rental property. Public charging is also critical to the City's efforts to convert its fleet. Currently, nearly 12% (or 250) of the City's fleet vehicles are battery electric vehicles and plug-in hybrid electric vehicles, both of which require charging.

More than a third (36%) of the City's 286 charging ports (103 ports) are located downtown, in the City's garages and lots. They are used by City fleet vehicles, City employees, and the public. In recent years, staff has heard increasing complaints from members of all three user groups about not being able to access the City's chargers when needed. There are several reasons for this: insufficient numbers of chargers to meet growing demand; broken or malfunctioning chargers; and vehicles that remain parked at a charger long after their charging session has ended. City staff is working on the first two issues. This memo focuses on the third – charger overstay – which staff has confirmed is a significant issue.

¹ <https://www.energy.ca.gov/data-reports/surveys/california-vehicle-survey/housing-type-pev-ownership>

² <https://pluginamerica.org/wp-content/uploads/2023/05/2023-EV-Survey-Final.pdf>

ANALYSIS

In February 2025, staff analyzed two years of usage data for the City's downtown EV chargers. Overstay time – also known as 'idle time' – was calculated by subtracting the length of time the vehicle was actively charging from the total time the vehicle was plugged into the charger. This calculation was made on every charging session that occurred at the City's downtown chargers between January 2023 and December 2024. The conclusion, as detailed below: overstay sessions are an issue at all City downtown garages and involve both fleet and privately owned vehicles.

Privately owned vehicles

More than a third of the time (35%), privately owned vehicles were plugged into a downtown City charger, and the vehicle was not actively charging. Private vehicles accounted for one-third of total overstay time across the downtown garages-- an annual loss of approximately 50,000 hours of potential charging time. Most of those hours (99% in 2023; 97% in 2024) were generated by overstays lasting more than one hour. Overstays exceeding 24 hours were rare, less than 1%.

Fleet vehicles

For City fleet vehicles, the majority (87%) of the time a vehicle was plugged into a charger, the vehicle was not actively charging. Over the two years, fleet vehicles accounted for two-thirds of total overstay time across the downtown garages-- an annual loss of approximately 100,000 hours of potential charging time. The vast majority of those lost hours (83% in 2023 and 78% in 2024) were due to overstays exceeding 24 hours. This impacts other fleet vehicles, employees, and members of the public as these chargers are often shared by both driver groups.

Staff spoke to other local jurisdictions in the region and state about strategies they were employing to reduce overstay rates. Many had adopted overstay fees – imposing a per-hour or per-minute fee on drivers whose vehicle remained plugged in, either after a set number of hours (for example, three or four hours) after the charging session had begun, or some period after the charging session had ended (for example, 30 minutes). In the latter case, the 30-minute delay served as a grace period.

Rates ranged from \$1 per hour to \$1 per minute. Some agencies capped their fee. (See table below.) The chargers send text messages to the owners alerting them when their vehicle is fully charged and when their grace period/time limit is about to expire.

Local Agency	Time Limit/Grace Period	Overstay Rate
Mountain View	20 minutes after charging <i>ends</i>	\$3/hour
Palo Alto	3 hours after charging <i>begins</i>	\$2/hour (except 5 PM 8 AM)
Santa Clara County	4 hours after charging <i>begins</i>	\$1/hour Capped at \$50
Contra Costa County	4 hours after charging <i>begins</i>	\$3/hour
Berkeley	4 hours and 15 minutes after charging <i>begins</i>	\$1/ <i>minute</i> Capped at \$30
Santa Monica	10 minutes; 2-3 hours after charging <i>begins</i>	\$1/ <i>minute</i> Capped at \$53 (except 9 PM- 8 AM)
Temple City	30 minutes after charging <i>ends</i>	\$2/hour

Private EV charging companies such as Electrify America and Tesla impose high overstay fees and short grace periods to encourage quick turnover at their fast chargers. Electrify America’s “idle” fee is \$0.40 per minute. Drivers are given 10 minutes to move their vehicle before the idle fee is imposed. Tesla’s idle fee is \$0.50 per minute when a Supercharger station is at least 50% full. The fee doubles to \$1.00 per minute when the station is at 100% capacity. Tesla provides a five-minute grace period before the fee kicks in.

In fall 2023, staff conducted a survey of EV drivers who parked in the City’s downtown garages to better understand their experience with City chargers and their thoughts about an overstay fee. Flyers with a link to the survey were left on the windshields of all EVs, including plug-in hybrids, parked in the garages, whether or not the vehicle was plugged into a charger. In addition, staff spoke to the San José Downtown Residents Association, Downtown Business Association, and the San José chapter of the Electric Auto Association to ask for their feedback and to share information about the survey with their members. This was not a scientific, random sample survey. We do not know if the views of the 84 people who responded are similar to those who did not. But their responses provide a sense of the views held by some EV drivers. Below is a short summary of the findings.

- **Charger Access:** Approximately half (52%) of survey respondents said they could access a City charger in Downtown San José “all” or “most of the time.” The remainder (48%) said they “sometimes,” “rarely,” or “never” were able to do so.

- **Opinion on Overstay Fee:** 56% of respondents said they support or strongly support an overstay fee; 27% said they opposed or strongly opposed; 17% were neutral.
- **When Overstay Starts:** 65% of respondents said they thought the overstay fee should begin after a vehicle is fully charged; 20% preferred after the vehicle had been plugged into a charger for four hours.
- **Grace Period:** 96% of respondents thought there should be a grace period, with a slight preference for one hour (33%), followed by 15 minutes (27%), and 30 minutes (24%).
- **Fee Amount:** 32% of respondents said that a \$5 per hour fee would prompt drivers to move their vehicle after it had finished charging; 27% recommended \$3 per hour; and 25% voted for \$1 per hour. Most of the remaining 13% sought much higher rates.

Staff also considered the City of Mountain View's experience in conceptualizing San José's overstay fee. Mountain View applies its fee after a charging session is completed, offers a 20-minute grace period, and imposes a \$3 per hour overstay fee. After implementing its fee in 2020, Mountain View's overstay rate did not change appreciably. Prior to the overstay fee, 11% of charging sessions exceeded 20 minutes; after the fee was imposed, the percentage was 10%.

Staff is proposing to pilot the overstay fee in the Fourth and St. James garage to take a more deliberative approach to its implementation, identify and resolve potential issues, and optimize the program's design. This garage has one of the highest overstay rates for both fleet and privately-owned vehicles. Staff will alert drivers and departments about the program before it is initiated. They will work closely with department fleet managers to identify means to ensure that their vehicles are moved in a timely manner to avoid the fee. Staff will monitor charger usage and survey drivers and fleet managers during the pilot to determine where the program is working and what aspects may need to be modified, including but not limited to the hourly rate. If the program is successful – if overstays over one-hour are noticeably reduced and more drivers are accessing the City's chargers – staff will expand the program to other City sites where overstays are an issue.

Recommendation

Based on the analysis above, staff recommends the fee be:

- Imposed after charging session is finished: Doing so will enable drivers of older EVs with slower battery uptake as well as newer, faster-charging vehicles to get a full charge before their return commute trip.
- Hourly fee and grace period: Staff is proposing a \$5 per hour to motivate drivers to move their vehicle when their charging session is done. Coupling the fee with a one-hour grace period provides a balance between drivers who say having to

move their vehicle mid-day would be inconvenient and drivers who are inconvenienced by not being able to access the City's chargers.

- Capped: The fee would be capped at the \$25 maximum parking fee imposed in many of the City's garages.
- Overnight exception: The fee would not be imposed between 7 p.m. and 8 a.m. to make it easier for residents to access the City's chargers at night. It would also ensure that fleet vehicles charging overnight are not penalized when staff is not available to move the vehicle. The fee would kick in if the vehicle is not moved by 8 a.m.
- Piloted in employee garage: If the program is successful, staff will expand the program to other City sites where overstays are an issue.

Racial Equity Impact Analysis

Downtown San José has a high percentage of residents that are people of color, are low income, and rent their housing. Studies have found that most California EV owners to date are higher income, higher education, and owners of single-family homes. According to a 2023 analysis by CalMatters of EV ownership in California,³ EVs "are almost nonexistent in Black, Latino, low-income and rural communities." Providing greater access to public, affordable charging in downtown San José would enable those living in rental housing to transition to an EV, particularly as costs for new EVs and the availability of used EVs increase.

Climate Smart San José Analysis

This proposal facilitates mobility choices other than single-occupancy, gas-powered vehicles. It also reduces fossil fuel consumption and increases use of renewable energy. Both of these actions are consistent with the Climate Smart plan.

EVALUATION AND FOLLOW-UP

If the proposal is approved, the Department of Transportation will conduct a pilot program in the Fourth and St. James garage. Staff will analyze overstay rates to determine the effectiveness of the program and conduct a user survey to determine if any program adjustments are necessary. If successful, staff will consider expanding the program to other City sites where overstays are an issue. The results and determination whether and where to expand the program will be shared with the Director of Transportation.

³ <https://calmatters.org/environment/2023/03/california-electric-cars-demographics/>

COST SUMMARY/IMPLICATIONS

The cost to the City depends on the degree to which the overstay fee spurs behavior change, particularly among City fleet managers. In the latter case, funds would move from City departments to the City's Parking Fund.

ChargePoint, the City's EV charging vendor, has proposed collecting the overstay fee, withholding 10% of the funds collected to provide that service, and remitting the remainder to the City. If a \$5 per hour fee was applied to all the City's downtown chargers for overstay in excess of one hour, during the hours between 8 a.m. and 7 p.m., and:

- There was no change in overstay rates, the fee would generate approximately \$440,000 per year, roughly split between private and fleet vehicle overstay (private vehicles: \$204,000; fleet: \$236,000).
- If overstay were reduced by 50%, the fee would generate approximately \$217,000 per year (private vehicles: \$118,000; fleet: \$102,000).
- If overstay were reduced by 75%, the fee would generate approximately \$109,000 per year (private vehicles: \$59,000; fleet: \$51,000).

City fleets have a disproportionate number of exceedingly long overstay; 26% of fleet overstay in 2024 exceeded 24 hours, compared to 1% for private vehicles. One fleet overstay was ten days long. The pilot will enable staff to work with the City's fleet managers to establish systems to minimize if not entirely avoid overstay and fees. It will also allow staff to study the implications of the fee on fleet management costs and behavior.

Staff recommends that funds generated by the overstay fee be retained by the Parking Fund, which pays for the maintenance and operation of the City's downtown chargers. Those chargers currently operate at a deficit. Any budget action to appropriate costs and recognize revenues would take place in a future budget process.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office; City Manager's Budget Office, Planning, Building and Code Enforcement Department; and the Public Works Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the May 20, 2025 City Council meeting.

In fall 2023, the Department of Transportation spoke about the proposed overstay fee to the Downtown Residents Association, the Downtown Business Association, and the San José chapter of the California Electric Auto Association. The Department also posted flyers on all battery-electric and plug-in hybrid electric vehicles parked in the City's downtown garages to gather information from their owners about their experience using the City's chargers and their feedback on the possibility of an overstay fee.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Statutorily Exempt, File No. PP17-005, CEQA Guidelines Section 15273, Rates, Tolls, Fares, and Charges.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
John Ristow
Director, Transportation Department

For questions, please contact Laura Stuchinsky, Associate Transportation Specialist/
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