CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: John Ristow

SUBJECT: **Amendment to the Master Parking Rate Schedule for Downtown Parking Meters**

DATE: June 1, 2026

Approved

Date: 6/9/26

COUNCIL DISTRICT: 3

RECOMMENDATION

Adopt a resolution to amending the City's Master Parking Rate Schedule for municipal on and off-street parking facilities to:

(a) Authorize parking meter operating hours of 9:00 a.m. – 9:00 p.m. Monday-Saturday, except Sundays and holidays at meters located within the Downtown core; and

(b) Authorize parking meter rates of $4 per hour at meters located within two blocks of a City parking garage.

SUMMARY AND OUTCOME

This action will extend the on-street metered parking hours of operation at meters located within the Downtown core, currently Monday through Saturday, 9:00 a.m. to 6:00 p.m., to paid parking from 9:00 a.m. to 9:00 p.m. The three-hour extension will impact approximately 1,600 of the roughly 2,500 citywide parking meters. Additionally, the hourly parking meter rate, currently set at $2 per hour, will be adjusted to $4 per hour at the approximate 900 parking meters located within two blocks of a City parking garage. These combined meter changes are expected to generate approximately $1.2 million in gross annual revenue. It is also anticipated that an additional $70,000 in citation revenues may be realized.

BACKGROUND

As part of the Fiscal Year 2026-2027 budget process, the Department of Transportation (DOT) developed a budget proposal for consideration that identified opportunities to enhance parking-related revenue while continuing to support businesses, customers, and visitors. The proposal focused on providing a range of parking options at varying price points and promoting regular turnover of parking spaces to improve availability for customers and visitors.

The City operates and maintains seven public parking garages and multiple surface parking lots that provide daily and event parking. Collectively, these facilities offer more than 6,000 off-street parking spaces, including approximately 3,600 spaces that provide up to 90 minutes of free parking. In addition, 2,500 on-street metered parking spaces offer convenient short-term parking throughout the downtown and surrounding areas.

Parking meter rates were last updated in 2014 as part of the transition from manual parking meters to smart meter technology. Similarly, the operating hours for most parking meters have remained unchanged for more than two decades.

ANALYSIS

Downtown parking demand has continued to evolve as residential growth, business activity, dining destinations, entertainment venues, and special events extend into evening hours. As a result, current parking meter hours of 9:00 a.m. to 6:00 p.m. no longer fully align with actual parking demand patterns, particularly within the Downtown core, where parking occupancy frequently remains elevated after 6:00 p.m.

Similarly, several of the city's highest-demand curbside parking areas continue to experience sustained occupancy levels while priced at $2 per hour. High occupancy reduces parking availability for customers and visitors. Parking pricing and operating hours are commonly used as parking management tools that help balance demand, improve turnover, and maximize the effectiveness of public parking assets.

The extension of parking meter enforcement hours from 6:00 p.m. to 9:00 p.m. will apply to approximately 1,600 metered spaces located throughout the Downtown core, which include the Downtown and South First Street / University meter districts (Attachment - Downtown and Downtown Core Meter Areas). A subset of these meters, approximately 900, that are located within two blocks of a City parking garage will experience a rate increase to $4.

Parking utilization patterns, benchmarking data from comparable parking programs, and financial impacts of the proposed changes were evaluated, as shown in the table below. Benchmarking data indicate that San José's current parking meter hours and rates remain below those of many comparable downtown districts.

Meter Days and Hours of Operation and Rates Benchmarking

City / Agency	Days of Operation	Hours of Operation	Rate
San Francisco (SFMTA)	Every day	9 a.m. - 10 p.m.	Up to $13 per hour
Oakland	Every day	8 a.m. - 6 p.m.	Up to $4 per hour
Sacramento	Every day	8 a.m. - 10 p.m.	Up to $6 per hour
San José – Current	Monday – Saturday	9 a.m. – 6 p.m.	$2 per hour
San José – Update	Monday - Saturday	9 a.m. – 9 p.m.	$2 - $4 per hour

EVALUATION AND FOLLOW-UP

No additional follow-up action with the City Council is expected at this time.

FISCAL IMPACTS

Collectively, these changes are expected to generate an estimated $1.2 million in additional annual revenue in the General Purpose Parking Fund that will be subsequently transferred to the General Fund. This increase has been accounted for in the development of revenue estimates for parking meters in the 2026-2027 Proposed Operating Budget. Nearby City parking garages in the Downtown core will continue to have free parking for the first 90 minutes, and rate schedules related to garage parking after 6:00 p.m. will remain unchanged at this time.

The Downtown Parking Rates and Hours[1] budget action, as described in the Transportation Department section of the 2026-2027 Proposed Operating Budget, identified the need to add 0.50 Parking and Traffic Control Officer position and various non-personal equipment to support the enforcement efforts associated with the meter hour extension.

COORDINATION

This memorandum was coordinated with the City Attorney's Office, City Manager's Budget Office, and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the June 23, 2026 City Council meeting.

[1] See page 779 in the 2026-2027 Proposed Operating Budget for additional details on the Downtown Parking Rates and Hours budget action.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

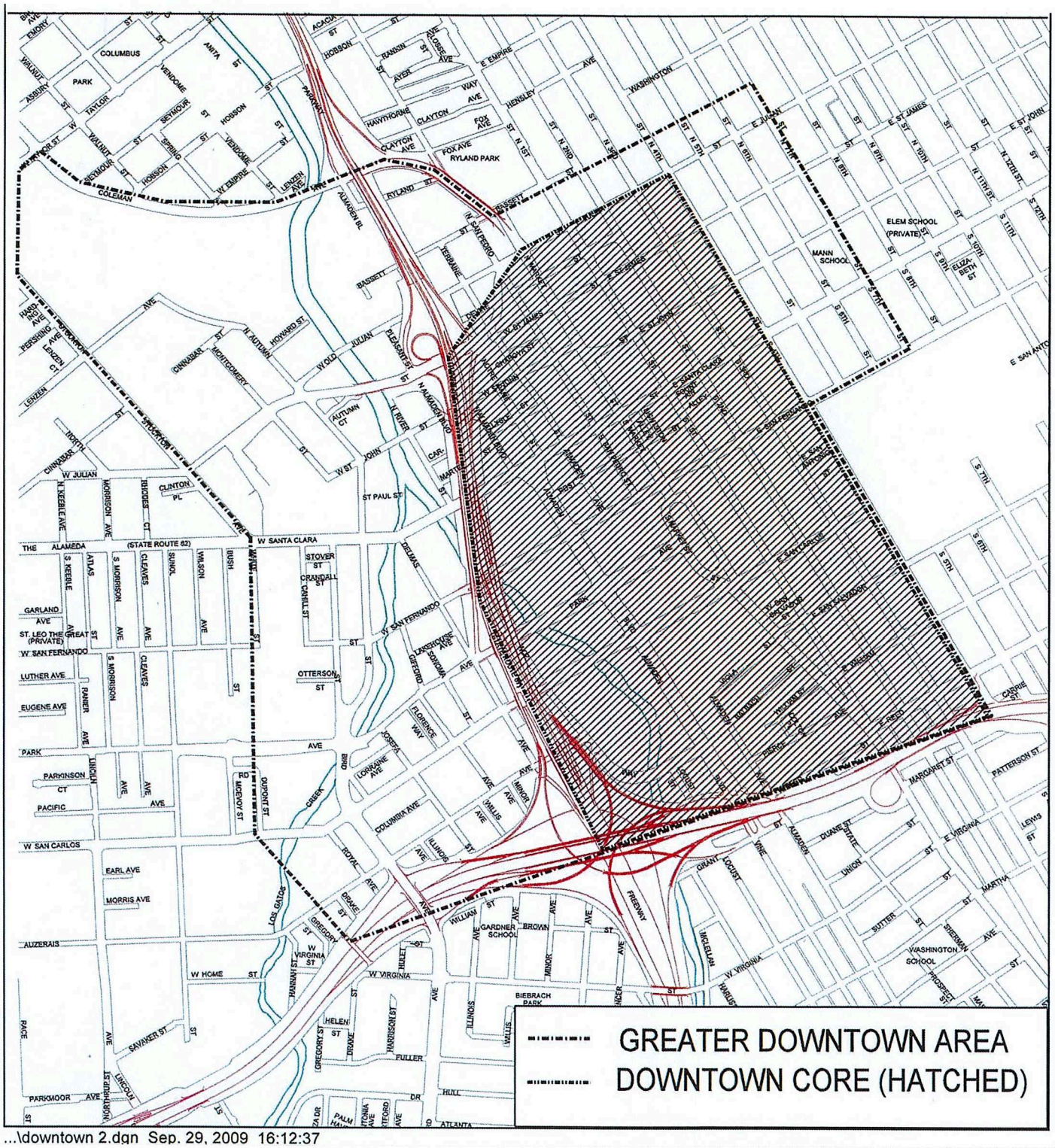
Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment.

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

For questions, please contact Heather Hoshii, Deputy Director, Transportation Safety, Operations, and Parking, Department of Transportation at heather.hoshii@sanjoseca.gov.

ATTACHMENT:
Downtown and Downtown Core Meter Areas

Downtown and Downtown Core Meter Areas