

Parking Benefit Districts

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New York has a parking problem. As Manhattan Borough President Mark Levine described it, “Anyone who’s ever looked for a parking spot in Manhattan knows all too well, it is a brutal and time-consuming process.”

To end this brutality, New York State is considering legislation allowing cities to establish permit parking districts that charge residents up to \$30 a month (\$1 a day) for parking on the street. Unfortunately, this policy will not work well in large parts of New York City.

Permit parking districts are not suited to neighborhoods where residents greatly outnumber the curb parking spaces. New York’s Upper West Side, famous for its parking problems, has eighteen residents per unmetered curb space. Suppose just half the residents are willing to pay a dollar a day for a permit to park on some of the most expensive land on Earth. The demand for these permits will be nine times greater than the supply of curb spaces. If the number of permits is limited to the number of curb spaces, a few lucky residents will get permits to park as long as they want for almost nothing, while all the others don’t get to park at all. Nonresidents, service workers, and other short-term parkers are also frozen out.

To avoid these problems, some cities have established *parking benefit districts* that charge market-clearing prices to balance the supply and demand for scarce curb spaces and spend the revenue to pay for added public services on the metered blocks. For example, the parking benefit district in Boulder, Colorado, uses its meter revenue to buy transit passes for all downtown workers and residents. Drivers who park on the street subsidize commuters who ride the bus.

Cities can charge the lowest prices that will leave one or two curb spaces open at every time on every block, so the spaces are both well-used and readily available. If the revenue pays for public services that residents want and will get only if the city charges for curb parking, market prices make political sense.

Parking benefit districts provide much more than a few open curb spaces and better public services. On busy streets with free and crowded curb parking, drivers must circle the block until they eventually find an open spot. This cruising for scarce curb parking congests traffic, pollutes the air, increases carbon emissions, and endangers cyclists and pedestrians. New Yorkers have even lost their lives in fights over free curb spaces.

A six-month study in a fifteen-block area of the Upper West Side found that cruising for free parking created 366,000 excess miles driven per year. Prices for curb parking high enough to create one or two open spaces on every block will end this cruising and all the harm it does, ranging from wasting drivers’ time to accelerating climate change. As if in a Hollywood movie about the good life in Manhattan, drivers will always see an open curb space waiting for them at their destinations.

Parking benefit districts work best in densely populated neighborhoods where (1) curb spaces are overcrowded, (2) public services are undersupplied (3) most residents do not own a car or park off-street. The Upper West Side fits these three criteria.

If the Upper West Side became a parking benefit district, how much revenue would the curb lane generate, and what could the money buy? Off-street parking prices on the Upper West Side range from \$35 to \$147 a day, with a median of \$62 a day (\$2.60 an hour). If the Upper West Side's 12,300 now-unmetered curb spaces could also earn \$62 a day, they would earn \$278 million a year.

Suppose the city uses this \$278 million to buy transit passes for every household in the Upper West Side. An MTA transit pass costs \$33 a week, so buying a transit pass for each of the Upper West Side's 111,000 households would cost \$189 million a year. The city could spend some of the remaining \$89 million a year to clean and maintain the Upper West Side's fifteen subway stations. Drivers who park on the streets would improve life for many more people who travel underground. Curb parking would subsidize public transit, and the fare-free transit would stimulate ridership.

Parking benefit districts can be established only on blocks where a majority of residents sign a petition requesting one. On blocks with many more people than curb spaces, most residents will probably want free public transit. Drivers who park at the curb will become paying guests, not freeloaders.

Fare-free transit will help many more poor people than free curb parking now does. For two reasons, free parking is a poor way to help poor people. First, 73 percent of households in the Upper West Side do not own a car, so free parking doesn't help any of them. Second, the median income of car-owning households (\$200,000 a year) is almost double that of car-free households (\$105,000 a year). People who are not poor get most of the parking subsidy, and most poor people get no subsidy.

To ensure geographic equity, the city can spend equal revenue per capita for added public services in all the parking benefit districts. Higher-income neighborhoods with higher parking prices would subsidize lower-income neighborhoods with lower prices. Dedicating some of the revenue to the City Councilmembers' discretionary budgets to pay for public services in their districts would also spread the revenue equally among all districts and increase the political appeal to elected officials.

All things considered, parking benefit districts are fairer and more efficient than free curb parking. Crowded curb parking is a great opportunity disguised as an insoluble problem. Like urban alchemy, parking benefit districts can convert crowded curb parking into better lives for most people.