

Date: August 6, 2021

To: Thomas B. Modica, City Manager



From: John Gross, Interim Director of Financial Management



For: Mayor and Members of the City Council

Subject: **COVID-19 Relief Payment Plan Program Update**

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On [March 9, 2021](#), the City Council authorized the extension of COVID-19 relief programs for parking citations and most business-related and general fees, including health and fire fees, and established a citywide COVID-19 Relief Payment Plan Program for individuals and businesses. These programs have been very successful in helping our residents and businesses through the pandemic. In parking impacted areas, 1,841 temporary parking permits have been issued and almost 20,000 street sweeping citations waived. In addition, 65,000 bills and citations have had payments deferred, with over 2,000 payment plans established to allow residents more time to pay and, in some cases, avoid late fees and penalties. As approved by the City Council, regular efforts to collect debt are resuming, but are being done with great care and consideration, focusing on the use of payment plans and avoiding placing undue burdens on residents and businesses if possible. This memorandum provides an overview and details on the relief that has been offered and the payment plan programs that have been established, as well as a review of the normal collection processes.

### **Overview**

On March 4, 2020, the City declared local health and City emergencies to strengthen the City's preparedness and ability to respond to the COVID-19 pandemic. The City issued a Health Order shortly thereafter, which has been updated regularly to reflect changes directed by the State of California and County of Los Angeles. These actions saved lives, but at the same time, the combination of the pandemic and the Health Orders have created economic hardships for families, workers, and businesses.

At the direction of the City Council, the City has taken several concrete steps to aid businesses and individuals impacted by the COVID-19 pandemic and the associated Health Orders:

- Beginning June 9, 2020, and throughout the last year, the City Council has authorized and extended several COVID-19 relief programs.
- The deferral of payment for business license taxes and fees and the Street Sweeping Program was extended through June 30, 2021.
- The new COVID-19 Relief Payment Plan Program began on April 1, 2021 for parking citations, and on July 1, 2021 for most business-related and general fees, including health and fire fees.

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- Assistance continues to be provided through grant programs, emergency loans, technical assistance, unemployment insurance benefit support, and special permitting. For example, the Business License Tax and Fee Grant Program, which started on July 26, 2021, provides a grant for taxes and fees for eligible businesses impacted by the COVID-19 pandemic.

Collectively, these programs allowed payment for taxes and fees to be postponed and paid gradually, interest-free, and penalty-free through a payment plan program for those experiencing COVID-19 hardships. As the programs end, the outstanding balance will eventually need to be paid. For those who enrolled in the COVID-19 Relief Payment Plan Program and complied with its terms and conditions, late fees and penalties were waived, and substantial time was given to complete the payments.

### Updates on COVID-19 Relief Programs

#### Street Sweeping Relief Program

The City Council authorized the Street Sweeping Relief Program to provide individuals in parking impacted areas the opportunity to temporarily receive free parking permits for various City-owned lots. The program also provided relief for individuals with outstanding street sweeping parking citations who were also experiencing COVID-19 hardships. Through this program, residents had the ability to appeal street sweeping citations and request a waiver for citations issued between May 18, 2020 and June 30, 2021. The program has been successful, and as of July 16, 2021, 1,841 temporary parking permits have been issued and 19,863 street sweeping citations waived, representing \$1.5 million in assistance.

#### COVID-19 Relief Payment Plan Program

Customers who were eligible for the COVID-19 Relief Payment Plans were notified through mailed special notices. The notices were sent in advance of the application period to allow customers the maximum opportunity to participate in the program. The notices encouraged customers to take advantage of the program to avoid incurring late fees and penalties. The program has been successful and resulted in the establishment of 2,082 payment plans as of July 16, 2021.

Bill Types	# of Notices Sent	# Active COVID-19 Relief Payment Plans	Paid in Full	Total Payments Received
Business and General Fees	10,028	95	10	\$7,660
Parking Citations	48,000	1,973	307	\$121,006
Ambulance Services	7,000	14	-	\$150
<b>TOTALS</b>	<b>65,028</b>	<b>2,082</b>	<b>317</b>	<b>\$128,816</b>

### **Next Steps**

On June 15, 2021, the State of California lifted the Stay Home Order, phasing out many executive actions while paving the way to ongoing economic recovery and allowing a return to business as usual with some health and safety restrictions. After July 1, 2021, the regular payment, penalty, and collection processes were put in place, but operations are still driven by compassion and a balancing of our responsibility to collect on delinquent debt while considering the hardships many continue to face due to the impacts of the pandemic. The City will continue to make concerted efforts to provide our customers with flexibility in repaying outstanding debt. Staff have proactively reached out to customers through various methods to communicate information on delinquent debt and notified them of the impending resumption of late fees and penalties. Customers will continue to have options available to avoid incurring those fees. Every effort has been made throughout the pandemic to provide customers with exceptional customer service and provide multiple avenues to address outstanding debt.

As we resume normal collection efforts, late fees and penalties will apply to parking citations that have been issued and these fees and penalties will not be enrolled in the COVID-19 Relief Payment Plan. Collection efforts include sending delinquent/unpaid parking citations to the State Franchise Tax Board Intercept Program (FTB) and the external collection agency. A Department of Motor Vehicles (DMV) hold will continue to be placed against vehicle registrations for owners of vehicles that do not apply for an eligible payment plan and have an outstanding parking citation balance.

The application period for the COVID-19 Relief Payment Plan Program closes August 13, 2021 for both business-related and general fees. After that time, we will resume regular collection efforts and begin assessing late fees as appropriate. Collection efforts include sending delinquent/unpaid business licenses, permits, fees, ambulance, and other miscellaneous accounts to the external collection agency. As part of our collection efforts, we may seek judgments through court action and send reminder notices to debtors with outstanding balances and/or judgments. Accounts with a judgment will be sent to the FTB and the external collection agency. Utility bills are being addressed separately, and a memo will be released in the near future with information on the amount of overdue utility bills, the current assistance programs offered, and future plans to address the overdue utility bills.

If you have any questions, please contact Amanda Hall, Commercial Services Bureau Manager, at (562) 570-6242.

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