

March 9, 2021

**R-14**

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager, or designee, to extend the deferral of payment for business license taxes and fees and the Street Sweeping Relief Program through June 30, 2021, to establish a citywide COVID-19 Relief Payment Plan Program for individuals and businesses, and coordinate accounts receivable collections in conjunction with the COVID-19 Relief Payment Plan Program beginning April 1, 2021 for Parking Citations and July 1, 2021 for most business-related and general fees, including health and fire fees. (Citywide)

**DISCUSSION**

On March 4, 2020, the City of Long Beach (City) declared local health and City emergencies to strengthen the City's preparedness and ability to respond to the COVID-19 pandemic. This was followed on March 16, 2020 by a Health Order to enact protective measures to slow the spread of COVID-19. Since that time, the City's Health Orders have been updated regularly to reflect changes directed by the State of California and County of Los Angeles. These actions are saving lives but at the same time, the combination of the pandemic and Health Orders create economic hardships for families, workers, and businesses. At the direction of the City Council, the City has taken a number of substantive steps to aid businesses and individuals impacted by the COVID-19 pandemic and the associated Health Orders.

On June 9, 2020, the City Council authorized several COVID-relief proposals, including the deferral of payment of business license taxes and fees for those businesses experiencing significant pandemic related issues. On November 17, 2020, the City Council extended this program through March 31, 2021. Through this program, payment for these taxes and fees may be postponed, but will eventually need to be paid after the program expires. In addition to this program, other 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 provides a grant for taxes and fees for eligible businesses impacted by the COVID-19 pandemic.

Street sweeping is an important health service that helps keep pollutants from washing into waterways and aids in the prevention of flooding and standing water. On May 17, 2020, in recognition of both the importance of maintaining street sweeping and providing relief to residents impacted by the pandemic, the City Council authorized the establishment of the Street Sweeping Relief Program to provide individuals in parking impacted areas the opportunity to temporarily receive free parking permits for various City lots. This helps keep vehicles from parking along roadways to allow street sweepers to be more effective. The program also provides some relief for individuals impacted by street sweeping parking citations and are experiencing COVID-19 hardships. Adjustments such as limiting the number of dismissals per vehicle will be made to this program to encourage residents to take advantage of free parking opportunities being offered by the City or find alternate solutions to park their vehicle.

As the pandemic continues, it is recommended that the City Council approve an extension of these programs and institute a COVID-19 Relief Payment Plan Program to allow individuals and businesses to make interest-free and penalty-free payments over time for parking citations and most business-related and general fees, including health and fire fees incurred during the pandemic and are experiencing COVID-19 hardships. For those that enroll in the COVID-19 Relief Payment Plan Program and comply with its terms and conditions, late fees and penalties will continue to be waived and substantial time will be allowed to complete the payments. For those not impacted, the normal payment, penalty and collection processes will be in place. The COVID-19 Relief Payment Plan Program will be administered centrally through the Financial Management Department with the addition of temporary staff.

If after June 30, 2021, there remain substantial ongoing pandemic impacts, staff will likely recommend a continuation of the payment deferral programs and the Street Sweeping Relief Program. The COVID-19 Relief Payment Plan Program will remain available to those experiencing COVID-19 hardships for most taxes and fees incurred during the pandemic.

This matter was reviewed by Assistant City Attorney Amy R. Webber and Revenue Management Officer Geraldine Alejo on February 22, 2021.

#### TIMING CONSIDERATIONS

City Council action is requested on March 9, 2021, to ensure time for providing information to residents and businesses and timely implementation.

#### EQUITY LENS

The City has incorporated the Equity Toolkit into this recommendation as requested by the City Council on April 21, 2020. For many, the pandemic has the potential to exacerbate existing racial, economic, health, education, and gender inequities. In response, the programs outlined in the recommendation are designed to help businesses and individuals most impacted by COVID-19. This recommendation will provide financial relief and payment plan options to individuals and businesses impacted by revenue loss due to COVID-19 and support the City's economic recovery efforts.

#### FISCAL IMPACT

The recommendation will extend the expiration date of the existing business license taxes and fees payment deferral program from April 1, 2021 to June 30, 2021. There is no cost anticipated with extending this payment deferral program. Through this program, payments will be postponed, with payment due after the program expires. In addition to a deferral program for business license taxes and fees, the recommendation will also extend the Street Sweeping Relief Program through June 30, 2021. The program includes free parking and provides some relief for individuals impacted by street sweeping parking citations who are experiencing COVID-19 hardships. There is no anticipated cost associated with offering free parking and street sweeping parking citation dismissals for those experiencing COVID-19 hardship. The estimated revenue loss to extend the Street Sweeping Relief Program is currently estimated at \$350,000 for the period of April 1, 2021 to June 30, 2021. Actual revenue loss will be based on the number of eligible requests for dismissal. The anticipated revenue loss from offering free parking is anticipated to be minimal or none as lots have been historically underutilized.

Finally, establishing a COVID-19 Relief Payment Plan Program will allow individuals and businesses to make interest-free and penalty-free payments over time for parking citations and most business-related and general fees, including health and fire fees incurred during the pandemic. For those not impacted, the normal payment, penalty and collection processes will be in place. By implementing the COVID-19 Relief Payment Plan Program, approximately \$2.5 million in revenue due in FY 21 will be postponed to FY 22. However, in general, the institution of a payment plan may result in increased payment collection that would not otherwise have been paid if a payment plan were not an option. The annual cost to administer the new COVID-19 Relief Payment Plan Program is estimated at \$100,000 and includes temporary staffing and materials. These costs will be funded from \$6 million in CARES Act funding effectively carried over into FY 21. An appropriation increase to carry over the funding into FY 21 will be requested as part of a future citywide budget appropriation adjustment.

This recommendation has significant staffing impacts beyond the normal budgeted scope of duties, some of which will be absorbed within existing management and administration staffing. Additional staffing required, including temporarily hiring one or two staff, will be funded with requested CARES Act funding. The program is consistent with existing City Council priorities concerning the pandemic.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS

INTERIM DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA  
CITY MANAGER