

TRANSPORTATION COMMITTEE REPORT relative to expanding economic hardship relief programs for persons who received parking fines.

Recommendations for Council action:

1. DIRECT Los Angeles Department of Transportation (LADOT) to:
 - a. Increase the low-income installment payment plans qualifying criteria of household income to 150% of the Federal Poverty Rate to expand access to the payment plans.
 - b. Develop standards for a separate general installment payment plan that allows any motorist to qualify, regardless of income.
2. AUTHORIZE the LADOT to continue the Unemployment Penalty Waiver and Citation Amnesty Programs until December 31, 2021.

Fiscal Impact Statement: The LADOT reports that the City's parking citation program is estimated to generate approximately \$94 million in General Fund revenue in Fiscal Year (FY) 2020-21, which is a decrease of nearly \$22 million or 19% compared to FY 2019-20. The COVID-19 related parking relief programs resulted in citation discounts of approximately \$1.5 million (\$1.1 million for Early Pay LA; \$200,000 for the Unemployment Penalty Waiver, and \$200,000 for Citation Amnesty) over the first eight months of implementation. At the current participation rates of these programs, LADOT estimates a total revenue loss of \$2.25 million the current fiscal year.

LADOT goes on to report that expanding requirements for installment payment plans will improve revenue generation as data shows that existing payment plans with flexible options reduced default rates by nearly 75%. Increasing participation will extend revenue collection over a greater period of time. Creating an installment payment plan for standard non-hardship motorists may increase revenue generation because the requirement to establish auto payment will reduce the likelihood for default. The cost to establish this program is between \$75,000 and \$100,000 for programming development costs. This amount could vary depending on anticipated Request for Proposal responses from potential processing agency bidders in FY 2021-22.

LADOT will develop a cost estimate and revenue impact related to creating a general installment payment plan regardless of qualifying income and will consider requesting new resources for FY 2022-23.

Community Impact Statement: Yes

For:

Arroyo Seco Neighborhood Council

Hollywood Studio District Neighborhood Council

Silver Lake Neighborhood Council

SUMMARY

In a report to Council dated June 8, 2021, LADOT discusses the Department's economic hardship relief programs for persons who received parking fines.

On October 15, 2020, LADOT resumed parking enforcement for most violations that Council and the Mayor suspended during the initial months of the COVID-19 pandemic. Several existing programs for people experiencing economic hardship, including for people experiencing homelessness and low-income households, were immediately available to assist motorists during the onset of the pandemic. To broaden financial support for individuals experiencing hardship, LADOT, implemented three new equity-based parking citation relief programs:

1. Citation Amnesty Program - Grants motorists a one-time opportunity to reduce late fees owed on parking citations over three years old.
2. Unemployment Penalty Waiver - Allows registered vehicle owners who lost their job during the COVID-19 pandemic to have accrued parking citation penalties removed upon submission of proof of unemployment benefits.
3. Early Pay LA - An incentive program that provides a \$20 discount to those who make early citation payments within 48 hours from the issuance date on eligible violations only.

Pursuant to Council instruction, LADOT reviewed its economic hardship relief programs, and compared payment plans locally and among other metropolitan cities such as Chicago, Philadelphia, San Francisco, and Washington D.C. San Francisco has broader qualifying income levels for participation: 200% or less of the current Federal poverty guidelines. Los Angeles requires 125% or less of the current Federal poverty level. To broaden participation rates, LADOT proposes increasing the monthly income criteria to 150% of the Federal poverty level from the existing 125% of the Federal poverty level.

LADOT recommends continuing the citation payment amnesty program and the unemployment penalty waiver. The early payment program did not experience a significant increase in participation and the Department recommends it be discontinued.

At its meeting held June 15, 2021, the Transportation Committee discussed this matter with LADOT staff. The LADOT representative discussed the parking citation economic hardship relief programs and summarized the findings presented in the Department report. Committee members urged the Department to consider raising the qualifying income level for participation to 200%. A suggestion was made to evaluate the potential to means test the installment payment plan program. Committee recommended that Council approve the LADOT report recommendations.

<u>MEMBER</u>	<u>VOTE</u>
BONIN:	YES

KORETZ: YES
BUSCAINO: ABSENT
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Respectfully Submitted,

TRANSPORTATION COMMITTEE

-NOT OFFICIAL UNTIL COUNCIL ACTS