



Finance Committee

City of Arts & Innovation

TO: FINANCE COMMITTEE MEMBERS DATE: JUNE 13, 2018

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: IMPLEMENTATION OF PARKING CITATION PAYMENT PLAN PROGRAM -
DIRECT SUBMITTAL

ISSUE:

Review and provide input on the implementation of a parking citation payment plan program and related payment plan processing fees.

RECOMMENDATIONS:

That the Finance Committee recommend that City Council:

1. Approve the implementation of parking citation payment plan program phase one;
2. Approve an update to the FY 2018-19 fees and charges for Public Works to include a new user fee for qualified low-income persons to participate in a payment plan; and
3. Provide direction and input to staff as to implementation of the low-income payment plan for collecting delinquent parking penalties.

BACKGROUND:

Assembly Bill 503, which was effective January 1, 2018, amended Section 40220 of the Vehicle Code to require that local jurisdictions offer a low-income payment plan in order to assign license plates with delinquent parking penalties to the Department of Motor Vehicles registration hold program. The intent of this new law is to remove barriers that prevent Californians from registering their vehicles when their delinquent parking citations fines are added to the cost of registering a vehicle.

The new law also establishes a number of other administrative changes, including establishing a maximum processing fee of \$5 for initial setup of payment plans for registered owners meeting low-income eligibility requirements and \$25 for all others. For persons who meet the low-income requirements, the plan shall have a \$25 minimum payment per month, exclusive of the initial setup fee, for up to 18 months and the City is to waive any late penalties if the plan is completed. Notice of the availability of this program is required to appear on the original citation and subsequent notices of the unpaid parking citation. Currently, Public Works does not offer formal

parking citation payment plans but staff will, on a case-by-case basis, make an arrangement that will allow additional time to pay parking fines.

DISCUSSION:

A parking citation payment plan program arrangement will not cancel parking citations, instead it will allow motorists to pay their parking citations in installments. Due to the unknown number of applications to be processed, the payment plan program will be implemented in two phases. The first phase will comply with the change in the state law by implementing the installment plan for persons who meet the low-income requirements as indicated in Section 40220 of the California Vehicle Code. The availability for others to apply for an installment plan shall be phase two. Phase two will require that staff evaluate the workload, make program adjustments and prepare to process additional payment plan applications.

Citation Payment Plan Program

The public will be made aware of the payment plan via several outlets. Effective July 1, 2018, all parking citations issued and subsequent letters mailed to the registered owner will include language to notify the recipient of the option to apply for an installment plan, subject to conditions. In addition, the City's website will provide all the relevant information with a direct link to the application form and instructions. All applications are to be submitted in person with the required documentation.

Eligibility will be determined upon receipt of the application and supporting documents showing conditions are met as set forth in Section 68632 (a) of the Government Code, as required by Section 40220 of the California Vehicle Code. The applicants granted a payment plan will be those who receive public benefits under one or more programs, such as Supplemental Nutrition Assistance Program, Social Security Income, Medi-Cal, and other similar public programs. In addition, an applicant whose monthly income is 125% or less of the current poverty guidelines published in the Federal Register by the United States Department of Health and Human Services shall also be granted a payment plan. The Citation Payment Plan Application Instructions shall include all the qualifying conditions.

Initially, Public Works will administer the installment plan in-house. Staff will review the applications and supporting documentation to determine if the applicant qualifies for an installment plan. Upon approval, the registered owner will be sent a confirmation letter of approved plan and installment schedule.

The table below summarizes the program requirements for each implementation phase.

Parking Citations Payment Plan		
	Phase 1 Low-Income	Phase 2 Standard
Application Fee	\$5 Fee added to citation fine	\$25 Due at time of application
Application Deadline	60 days after citation issuance or 10 days after hearing result*	Prior to delinquent status
Plan Term	Up to 18 months	3 months for \$100-\$499 6 months for \$500 and more
Minimum Payment/Month	\$25	\$33
Max Number of Plans/Calendar Year	No maximum (unlimited)	2
Max Value Per Plan/Year	No maximum	\$1,000
Concurrent Plans Allowed	Yes (unlimited)	No
Late Penalty/Fee Reduction	Yes (fees reinstated if plan is not completed)**	No
Default/Missed Payment	45 days grace period	Not applicable

* One-time exception granted after DMV registration hold has been placed.

**Low-income applicants may receive one late-fee waiver per calendar year.

In addition to notifying the driver who received the parking citation, the Public Works Department proposes to implement a public information campaign to notify the public of the payment plan by publishing an article in the local newspaper and posting an informational message on social media sites such as Facebook and mySidewalk.

Prior to implementation, City Council will be asked to adopt a resolution establishing the fee for the processing of applications by low-income persons to determine whether they qualify to enroll in the payment plan.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Current business practices do not capture low-income data. Therefore, estimates cannot be developed as to the level of interest and related workload volume. Staff will monitor and evaluate payment plan performance and report back to the Finance Committee after 12 months of data has been collected related to phase one.

Prepared by: Kris Martinez, Public Works Director

Certified as to

Availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer

Approved by: Al Zelinka, FAICP, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Parking Citation Payment Plan Application Instructions and Application
2. Presentation