



## Legislation Text

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File #: 20-0496, Version: 1

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Recommendation to adopt resolution authorizing time-limited COVID-relief proposals for residential and business property owners, by various City Departments, including Development Services, Financial Management, Fire, and Public Works; under the direction of the City Manager. (Citywide)

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 COVID-19 pandemic. This was followed on March 16, 2020 by a "Safer at Home Order for Control of COVID-19" (Health Order) issued by the City's Health Officer to enact protective measures to slow the spread of COVID-19. These actions have saved lives, but have also created significant economic hardships to many families, businesses, and government operations. On March 17, 2020, the City Council requested the City Manager to work with all relevant departments to evaluate the feasibility of implementing an economic relief package for working families and small businesses affected by COVID-19.

On April 14, 2020, staff from the Economic Development Department presented a comprehensive COVID-19 relief package to the City Council, which subsequently approved staff's recommendations to implement many of the proposals in that package. At the meeting, on a separate agenda item, the City Council also directed the City Manager to work with appropriate City departments to evaluate the feasibility of implementing a temporary suspension of the Proactive Rental Housing Inspection Program (PRHIP) and business licensing renewal fees for residential rental property and commercial property owners impacted by COVID-19; and, to find additional financial relief or incentives at the local level for residential and commercial owners impacted by revenue loss due to COVID-19.

The Development Services, Financial Management, Fire, and Public Works Departments have each assessed their services, fees, and approval processes to identify relevant relief for working families and small businesses. The City Attorney has determined that implementation of these measures will require City Council adoption of a Resolution for most of the benefits, and a Zoning Code amendment for two of the benefits. Accordingly, a Zoning Ordinance Amendment is proposed for Planning measures 1 and 2 below and is scheduled for City Council consideration on June 2, 2020. All remaining items are included in this recommended action.

### **Development Services Department**

#### Planning

1. Extend the expiration period of existing entitlement approvals by 24 months, all approvals not expired on January 1, 2020, will now expire 24 months beyond their original expiration date.
2. Extend the entitlement expiration period for new project approvals issued on or after June 2, 2020, to 36 months.
3. Allow deferral of 50 percent of the Conditional Use Permit (CUP), or other entitlement application fees greater than \$1,000, for projects submitted from June 2, 2020 through December 31, 2020. Fifty (50) percent of the fee would be required to be paid at the time of application, and the remaining 50 percent of the fee would be required to be paid prior to the scheduled public hearing date, or prior to a final project determination. This deferral is not applicable to environmental fees or noticing fees. This benefit provides an average deferral of approximately 90 days.

### Building and Safety

1. For all plans submitted, or plans to be submitted, on or before December 31, 2020, extend the plan review period from 12 months to 18 months.
2. Extend all building permits already issued, or to be issued, through December 31, 2020, from a 24-month expiration to a 36-month expiration period.
3. For all building plan checks submitted on or after June 2, 2020 through December 31, 2020, allow projects with a valuation of less than \$100,000, to defer payment of building plan check fees until building permit issuance.
4. Establish a process at the Permit Center to allow fee payments by phone, via a secure credit card transaction process, until an on-line payment system can be implemented.

### Code Enforcement

1. For administrative citation Warning Notices issued between March 1, 2020 through August 31, 2020, extend the compliance period from 30 days to 60 days, except for violations regarding weeds, trash, debris, and graffiti. Warning Notices for weeds, trash, debris, and graffiti will maintain a 30-day compliance period.
2. Extend the compliance period for all citations issued between March 1, 2020 through August 31, 2020, from 30 days to 60 days. Citations for weeds, trash, debris, and graffiti will maintain a 30-day compliance period.
3. Defer the due date of Proactive Rental Housing Inspection Program (PRHIP) fees for 60 days. Invoices for PRHIP fees are mailed to property owners annually in mid-October with a 45-day payment period which requires payment by the end of November. This provision would extend the payment period by 60 days and payment of PRHIP fees would be due by January 31, 2021.

*Note: Response to life/safety issues will remain a priority for Code Enforcement staff.*

## **Fire Department**

1. For all plans submitted for Fire plan check on or after January 1, 2020 through December 31, 2020, extend the plan review period from 12 months to 18 months.
2. Extend all Fire construction permits issued on or after January 1, 2020 through December 31, 2020, from a 24-month expiration to a 36-month expiration period.
3. Allow an extension of the annual inspection fee balance due dates by 60 days. Associated compliance dates cannot be changed as they involve life safety. Extension requests will be processed on a case-by-case basis, at the request of the property owner.

## **Financial Management Department**

1. Waive penalty fees for all late payments on all business license taxes, including commercial property licensees and residential property licensees from March 16, 2020 through August 31, 2020. Penalties will be assessed on bills that are late as of September 1, 2020.

## **Public Works Department**

### Public Walkway Occupancy Permits

1. For all parklet and sidewalk dining permits that expire on or after January 1, 2020 through December 31, 2020, applicants can defer payment of the renewal fee for 10 months from date of permit expiration.
2. For all new parklet and sidewalk dining permits submitted on or after June 2, 2020 through December 31, 2020, allow applicants to defer payment of the plan check and permitting fees for 10 months from date of application submission.

### New Development Permits

1. For all new residential and commercial building plan review applications submitted on or after June 2, 2020 through December 31, 2020, projects with a valuation of less than \$100,000, can defer payments of plan check and application fees until permit issuance.
2. For all new residential and commercial building plan review applications submitted on or after June 2, 2020 through December 31, 2020, projects with a valuation of over \$100,000 are required to pay 50 percent of the plan review fee at the time of

application submittal. The remaining 50 percent of the plan review fee will be due at the time of permit issuance.

## ENVIRONMENTAL REVIEW

No change in environmental impacts is expected as a result of the proposed actions, which generally defer payment of applicable fees and extend the period of entitlement for previously approved development projects. Approved development was evaluated previously under the California Environmental Quality Act (CEQA). Any new development utilizing the proposed benefits are subject to individual environmental review, and are generally within the scope of what was analyzed in the certified Program Environmental Impact Report (EIR) prepared for the General Plan Land Use Element, which found significant and unavoidable impacts related to air quality, global climate change, noise and transportation, and will not result in any new significant impacts. None of the conditions require a new subsequent or supplemental environmental impact report, as stated in Section 21166 of the Public Resources Code or in Sections 15162 or 15163 of the CEQA Guidelines. This EIR (03-16) is on the City's website at <http://www.longbeach.gov/lbds/planning/environmental/reports>. Additionally, pursuant to the California Environmental Quality Act (CEQA), Article 5, Section 15061 and the State CEQA Guidelines, it can be seen with certainty that the proposed benefits will not have the potential for having a significant effect upon the environment and, therefore, the activity is not subject to CEQA.

This matter was reviewed by Assistant City Attorney Michael J. Mais on May 8, 2020 and by Budget Manager Julissa Jose-Murray on May 11, 2020.

## EQUITY LENS

The City has incorporated the Equity Toolkit into this recommendation as requested by the City Council on April 21, 2020. This recommendation will provide fee relief and permit extensions to Long Beach families and businesses impacted by revenue loss due to COVID-19. Implementation of these measures will also assist with economic recovery as the "Safer at Home Order" is lifted.

City Council action is requested on June 2, 2020, to provide immediate economic relief to working families and businesses impacted by the COVID-19 emergency.

The recommended COVID-19 relief proposals are a combination of penalty waivers and delays; fee deferrals; and time extensions for permits, entitlements and plan review periods that benefit affected applicants, permittees, and business and property owners. To the extent possible, these proposals have been structured to provide relief to businesses while minimizing the fiscal impact to the City.

Penalty Waivers and Delays: The waiver of late fees for business license taxes, proposed by Financial Management, will have a fiscal impact on the General Fund Group. However, due

to the uncertainty regarding the number of businesses that will continue to operate, the fiscal impact cannot be quantified at this time.

**Discontinuation of Citations:** Discontinuing the proactive issuance of parking citations on private property by Code Enforcement will result in a loss of revenue to the General Fund Group. Extending compliance periods prior to the issuance of an administrative citation may either increase compliance or delay the collection of revenue possibly to FY 21. However, since Code Enforcement's revenue for the first two quarters of the fiscal year outpaced the budget, a discontinuation of citations at this point in the year will not adversely impact budgeted revenue levels for FY 20.

**Fee Deferrals:** Fee deferrals for the Development Services, Public Works and Fire Departments will not affect staffing or other departmental resources but will affect the timing of the City's receipt of affected fees, thereby reducing revenue collection in FY 20. Some plan-checked projects may not proceed to the permitting phase. In the limited number of cases where this occurs, the Development Services Fund Group and the General Fund Group would forego the plan check fees that would otherwise have been collected. Similar to Business License-related revenues, there are too many uncertainties at this time to predict the amount of the potential loss.

**Permit Extensions:** The Development Services and Fire Departments have proposed extensions to the time expiration of certain permits. The number of permits that may be extended is difficult to determine at this time. The automatic extensions will result in a loss of revenue in the Development Services Fund Group, which accrues charges for extensions. However, the Fire Department does not charge for extensions, so the General Fund Group will not experience a loss in revenue.

This recommendation has a nominal staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council Priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

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