

AD HOC ON COVID-19 RECOVERY AND NEIGHBORHOOD INVESTMENT COMMITTEE REPORT relative to funds for utility debt relief for low-income customers, and an equitable distribution mechanism for said funds.

Recommendations for Council action, pursuant to Motion (Martinez - De León):

1. INSTRUCT that the Chief Legislative Analyst (CLA) and the City Administrative Officer (CAO) work with the Los Angeles Department of Water and Power (LADWP) to determine and report back in 10 days on the appropriate amount of money the City can provide the agency for the purposes of utility debt relief.
2. INSTRUCT that the LADWP report back in 20 days on a plan to distribute these funds via an equitable distribution mechanism that eliminates any barriers for low income households and promotes long-term affordability. LADWP should then report back to the City Council in the future on the effectiveness of this allocation.
3. Publicly SUPPORT, by the City of Los Angeles and LADWP, a \$2 billion allocation in the State budget for unpaid water and power utility bills and REQUEST the State to provide these funds to the City for these purposes.
4. INSTRUCT that the LADWP waive all late fees and penalties and extend the shutoff moratorium through the end of the year.
5. INSTRUCT that the LADWP implement long-term affordability strategies such as bill stabilization programs, streamlined enrollment for discount and energy savings programs, and arrearage management programs.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY:

At a special meeting held on August 24, 2021, the Ad Hoc on COVID-19 Recovery and Neighborhood Investment Committee considered Motion (Martinez - De León) relative to determining the amount of money the City can provide to the LADWP for the purposes of utility debt relief for low income customers, and a plan for an equitable distribution mechanism of said funds.

As stated in Motion (Martinez - De León), everyday people across the City continue to fall further behind on their utility bills. However; because of existing laws, LADWP is limited in how

they can handle this debt. Propositions 218 and 26 restrict the agency from using its own funds to subsidize customers and the Charter prevents mass debt relief or writing off debt. For this reason, it is imperative for LADWP to receive funding to provide utility debt relief for low-income customers. In 2020, the City Council authorized \$50 million in CARES funding for utility debt relief. Since then, new federal funds have been made available to the City through the American Rescue Plan.

After providing an opportunity for public comment, the Committee recommended to adopt on consent Motion (Martinez - De León). This matter is now submitted to the Council for consideration.

Respectfully submitted,

AD HOC COMMITTEE ON COVID-19 RECOVERY AND NEIGHBORHOOD INVESTMENT

MEMBER	VOTE
MARTINEZ:	YES
HARRIS-DAWSON:	ABSENT
PRICE:	YES
CEDILLO:	ABSENT
O'FARRELL:	YES

LC 08/24/21

-NOT OFFICIAL UNTIL COUNCIL ACTS-