


**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL MEMORANDUM**

Date: October 21, 2021

To: Honorable City Council  
c/o City Clerk, Room 395, City Hall  
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds, General Manager   
Department of Transportation

Subject: **PROGRESS OF LOW-INCOME PAYMENT PLANS FOR MOTORISTS WITH PARKING FINES**

**SUMMARY**

This report summarizes Los Angeles Department of Transportation's (LADOT's) efforts to improve low-income payment plans offered to motorists who received parking fines and the plan to enhance motorist payment options (Council File 13-0586).

**RECOMMENDATION**

That the City Council RECEIVE and FILE this report.

**BACKGROUND**

On September 21, 2021, City Council instructed LADOT to report on the progress of low-income payment plan functionality. The City of Los Angeles has long offered parking citation payment plans for eligible low-income individuals. In July 2018, LADOT expanded the Installment Payment Plans (IPP) to eligible low-income motorists whose financial situation qualifies them under the guidelines in the Federal Register by the United States Department of Health and Human Services under the authority of paragraph (2) of Section 9902 of Title 42 of the United States Code. Qualified individuals must fall within the monthly income of 125% or less of the current poverty guidelines, and/or receive public assistance benefits. If qualified, a motorist may be eligible for one of three available IPPs:

1. General IPP - Motorists can enroll at any point during the citation lifecycle. The amount due can be paid in installments over a three-month period with a first installment of 60% of the total due, followed by two installments of 20% of the total remaining.
2. Extended Low-income Plan (ELP) - Motorists with under \$500 in base fines can pay monthly installments over 24 months, California Department of Motor Vehicles (DMV) restrictions are lifted, and penalties are waived.
3. Extended Low-income Plan Plus (ELP+) - Motorists with over \$500 in base fines can pay monthly installments over 24 months, and DMV restrictions are lifted.

To broaden participation rates for payment plans, LADOT, with City Council approval, increased the monthly income criteria to 150% of the Federal poverty level beginning in July 2021. By increasing the eligible income limits, more low-income motorists qualify for an IPP.

In addition to payment plans, LADOT provides eligible residents with innovative payment relief programs to alleviate the financial strain of parking citation debt. For example, LADOT offers the Community Assistance Parking Program (CAPP) for individuals experiencing homelessness. CAPP allows participants to reconcile parking citations through volunteer community service or through enrollment in a homeless service program. As of September, about 1,500 motorists with approximately 5,000 parking citations benefitted from this program.

LADOT also implemented three new equity-based parking citation relief programs in 2020 as a response to the COVID-19 pandemic. These programs include the following:

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. City Council retired Early Pay LA on June 30, 2021 (Council File 20-1365).

LADOT's parking payment relief programs are among the most progressive options available across the country. In 2020, LADOT received the National Parking Association's Innovative Organization of the Year Award for parking initiatives benefiting low-income and economically disadvantaged motorists, including those affected by the COVID-19 pandemic. In 2021, LADOT staff won the 2021 Professional Excellence Award for Innovation awarded by the International Parking and Mobility Institute.

## **DISCUSSION**

To further expand payment plan options for City residents and visitors, LADOT asked Conduent, the City's contractor for citations processing and collections, to explore additional technology to supplement and enhance the current IPP program. Conduent is currently working with a subcontractor on a potential pilot program that will allow motorists to access a new payment platform and mobile-friendly website to view account balance, sign-up for a customized payment plan, and pay with a variety of payment methods including credit/debit card, Google Pay, Apple Pay, and ACH. Motorists can also update contact information, receive automated short messaging service (SMS) reminders (texts) and receipts upon consent, and request an extension of a payment plan or make other adjustments. Conduent is finalizing a scope of work and the pilot is expected to begin in the first quarter of 2022. To use the payment platform, the payment plan subcontractor will assess a per-transaction fee for payments that will be passed onto the motorist. Participants can access customer service support by phone to ensure timely responses to their questions about payment plans.

To promote the new payment option, Conduent will advertise through social media and online resources, and will coordinate media opportunities through various stakeholders that work with low income communities regarding the announcement and availability of the program.

LADOT expects the pilot to last between three to six months to establish proof of concept for the technology, evaluate data integrity, and measure its ease of use with the public. At the end of the pilot, LADOT will determine if it was successful and decide if the pilot should continue. The results of the pilot will demonstrate how to manage the new payment plan technology, as the service deliverable will be included in the upcoming Request for Proposals (RFP) for parking citation processing and collections services.

#### **FISCAL IMPACT STATEMENT**

There is no fiscal impact as this report is informational. However, the cost to implement the pilot program is still unknown and subject to negotiation with Conduent.

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