



3

DEPARTMENT OF
FINANCE

BUDGET DIVISION

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 14
915 I STREET
SACRAMENTO, CA
95814-2696

916-449-5845

October 16, 1990

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

**SUBJECT: IMPLEMENTATION OF SIDEWALK REPAIR PAYMENT ASSISTANCE
PROGRAM**

SUMMARY

The 1990-91 budget includes funding for a sidewalk repair payment assistance program. This report recommends use of a payment plan to implement this program.

BACKGROUND

The City Council approved inclusion of \$40,000 in general fund money for a sidewalk repair payment assistance program in the FY 90-91 budget and directed staff to report back regarding implementation plans.

Under the current system, which requires the cost of sidewalk repair to be borne by the abutting property owner, approximately \$800,000 in sidewalk repairs are identified each year at about 800 property locations. The \$1,000 average cost represents repairs at all types of properties (commercial and industrial as well as residential). Residential sidewalk repairs average \$550 - \$750 but range widely. Residential repairs represent a majority of total identified sidewalk repair costs.

Property owners are notified and given the option to repair the sidewalk themselves or have the City perform the repairs; most choose the latter option. The City's Street Division contracts for these repairs, which totaled \$660,000 in FY 89-90, and the contractor bills the property owner. If the property owner fails to pay the bill, the contractor is paid by the City and the Street

Division invoices the property owner. In FY 89-90, \$75,000 in repairs were paid by the City and invoiced to the property owner.

Twice a year, outstanding invoices are identified by the Revenue Division and lien hearing notices are sent to the property owners. The process from first invoice to lien takes from three to eighteen months. In a typical year, liens are placed on about two dozen properties.

While no formalized payment assistance program has been established for sidewalk repair, payment plans have been provided on a case-by-case basis. Based on a financial evaluation form that requests information on household income and expenses, property owners who are able to demonstrate financial hardship to the Enforcement and Collection Supervisor have been allowed to pay off the repairs over time. Currently, payment plans are provided for fewer than ten property owners each year.

For a more formal payment assistance program, possible eligibility criteria include:

(a) Available to all owners of single-family owner-occupied residential properties.

(b) Available only to residential property owners eligible for the Utility Users Tax Rebate. To qualify, the head of the household must be at least 62 years old or totally and permanently disabled, and have a total gross household income of \$25,000 or less. Approximately ten percent of property owners would qualify for payment assistance based on these criteria. This option provides a way to restrict eligibility using existing, standardized, need-based criteria, but would exclude some residents who do not meet the criteria yet would have serious difficulty paying a large unanticipated bill.

(c) Available to residential property owners on a case-by-case basis. This option involves more staff time, but enables any property owner with demonstrated need to receive assistance. It is estimated that roughly twenty percent of property owners would qualify under this alternative.

Payment assistance policy options include a no-interest payment plan and a postponed payment program. A payment plan would allow property owners to pay their sidewalk repair bill in installments. The length of the payment schedule could be established based on need and the total cost of the repair. An example of alternative payment schedules for a \$650 repair bill is shown below:

<u>Length of Payment Schedule</u>	<u>Monthly Payment</u>
1 year	\$54
2 years	\$27
3 years	\$18

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION ESTABLISHING A PAYMENT PLAN POLICY FOR SIDEWALK REPAIR

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, THAT:

- (1) A no-interest payment plan policy is established for city-authorized sidewalk repairs
- (2) All property owners who qualify for the City's Utility User's Tax Rebate program automatically qualify for a payment plan for sidewalk repairs abutting their property
- (3) All other property owners requesting a sidewalk repair payment plan based on financial hardship shall be evaluated for qualification by the Director of Finance or designee, and
- (4) The payment schedule and other terms for all payment plans shall be determined by the Director of Finance or designee.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____