



Legislation Details (With Text)

File #: REPORT 20-0631 **Version:** 1 **Name:**
Type: Action Item **Status:** Consent Calendar
File created: 9/17/2020 **In control:** City Council
On agenda: 9/22/2020 **Final action:**
Title: CONFIRM CITY MANAGER/DIRECTOR OF EMERGENCY SERVICES ORDER NO. 2020-12 IMPLEMENTING EMERGENCY MEASURES TO TEMPORARILY DEFER PAYMENT OF CITY BUSINESS TAXES DURING THE COVID-19 PANDEMIC (City Attorney Michael Jenkins)

Sponsors:

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Date	Ver.	Action By	Action	Result
9/22/2020	1	City Council		

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of September 22, 2020**

**CONFIRM CITY MANAGER/DIRECTOR OF EMERGENCY
SERVICES ORDER NO. 2020-12 IMPLEMENTING EMERGENCY
MEASURES TO TEMPORARILY DEFER PAYMENT OF CITY
BUSINESS TAXES DURING THE COVID-19 PANDEMIC
(City Attorney Michael Jenkins)**

Recommended Action:

Staff recommends that the City Council confirm City Manager/Director of Emergency Services Executive Order No. 2020-12 (**Attachment 1**) temporarily suspending City of Hermosa Beach Municipal Code sections 5.04.190, 5.04.200 and 5.04.240 to defer payment of City business taxes and waive interest and penalties for any business that ceased all business operations between March 16 and 31, 2020 and has been entirely closed and remains closed as of the date of the Order due to the COVID-19 pandemic.

Executive Summary:

As a result of state and county stay-at-home orders enacted to curb the spread of COVID-19, some local businesses have completely ceased all business operations since March when these orders were first issued. These businesses have suffered a significant loss of revenue and many may not be able to fully recover. Staff recommends City Council confirm City Manager/Director of Emergency Services Executive Order No. 2020-12, that is intended to mitigate the economic hardship these

businesses have endured as a result of the pandemic by deferring the payment of City business taxes, and waiving all interest and penalties of businesses that meet the requirements of this Order.

Background:

On March 15, 2020, the City Council of the City of Hermosa Beach (“City”) declared a state of local emergency in response to the global pandemic caused by a respiratory disease which has been named “COVID-19”. At a special meeting on March 16, 2020, the City Council adopted Resolution No. 20-7230, approving and confirming the declaration of emergency.

On March 19, 2020, the Governor of the State of California, issued Executive Order N-33-20 an Order of the State Public Health Officer ordering all individuals living in California to stay home or at their place of residence except as needed to maintain continuity of operations of outlined federal critical infrastructure sectors.

Evidence in late April and early May demonstrated that state and local orders slowed the increase of community transfer of the disease by limiting interactions amongst people. As a result, on May 7, 2020, Governor Newsom, announced a four-staged framework, titled “Resilience Roadmap” that is intended to guide the state’s gradual modification of its Safer at Home Order to reopen California. The state also issued industry specific guidance to help specified businesses reopen under new restrictions, which require businesses to, among other things, implement social distancing measures.

In line with the State’s health guidance, the Los Angeles County Public Health Officer issued a revised Order on May 13, 2020 entitled “Continuation of Safer at Home Order that begins to move the County of Los Angeles into Stage 2 of the County’s Roadmap to Recovery,” that authorized some limited retail and outdoor recreation venues to reopen subject to among other things, social distancing measures to prevent the further spread of COVID-19. The Order was updated again on May 26th, May 29th, June 11th and June 18th, 2020 to continue to allow the gradual reopening of additional sectors including bars, hair salons, personal care services, gyms and fitness facilities subject to social distancing measures. The May 29th Order for example, permitted restaurants and food facilities to remain open and offer limited dine-in seating. The Order also encouraged restaurants to expand outdoor seating where possible in compliance with local zoning codes to comply with social distancing requirements.

In the following weeks, the State and County have experienced a sharp increase in confirmed COVID -19 cases and hospitalizations, and the timing of these increases is in line with the reopening of “high risk” businesses where individuals may congregate with members who are not part of the same household and remove their face coverings to eat and drink. As a result, the County Health Officer issued a revised Order on July 1, 2020 to backtrack on the County’s gradual reopening to prohibit indoor dining and order the immediate closure of bars, wineries and winery tasting rooms.

On August 28, 2020, the State Health Officer issued a new order that sets forth an updated “blueprint” that is intended to guide the gradual reopening of businesses and activities in the state

while reducing the increased community spread of the disease. The new framework is entitled, “California’s Plan for Reducing COVID-19 and Adjusting Permitted Sector Activities to Keep Californians Health and Safe”. Under this updated framework, every county in California is assigned to a tier based on how prevalent COVID-19 is in each county and the extent of community spread- Purple (Widespread), Red (Substantial), Orange (Moderate) and Yellow (Minimal). The color of each respective tier indicates what sectors may reopen. As of the date of this report, Los Angeles County is in the Purple Tier. The County Health Officer most recently amended its County-wide order on September 4, 2020 to incorporate the state’s new blueprint.

Although, recent public health data demonstrates the infection and hospitalization rates are down, COVID-19 continues to pose a significant threat to the public health and safety of City residents. There is still no vaccine proven to combat the disease and recent evidence demonstrates how rapidly the disease may spread through person-to-person contact and by those in close proximity. As of the date of writing this report, there are 255,049 confirmed cases and 474 deaths in the County.

Emergency Measures Adopted to Assist Local Businesses

The spread of COVID-19 is an unprecedented event, and the State and County’s understanding of how the disease spreads continues to evolve. As a result of state and local stay at home orders enacted to curb the spread of the disease, a significant number of local businesses were forced to close. The rapid, immediate and unexpected loss of revenue from this unexpected closure is devastating to local businesses.

The City has adopted several measures intended to assist in the economic recovery of local businesses:

- May 26, 2020: Executive Order No. 2020-05 temporarily suspended City of Hermosa Beach Municipal Code Sections 17.26.050 (B), (C) and 17.44.030 regarding off-street parking requirements for commercial and business uses to implement a temporary permit for outdoor dining/seating and outdoor retail display.
- June 29, 2020: Executive Order No. 2020-08 permitted bars, wineries, breweries wine tasting rooms, and food facilities to reopen subject to the County’s industry-specific re-opening protocols.
- July 17, 2020: Executive Order No. 2020-09 temporarily suspended Hermosa Beach Municipal Code sections 17.26.050(B), 17.44.030 and 17.38.550 to temporarily permit gyms, fitness facilities, hair salons and barbershops to operate outdoors.
- July 28, 2020: Urgency Ordinance No 20-1415U temporarily suspended Hermosa Beach Municipal Code Sections 17.26.050(B), 17.44.030, 17.38.550(B) and 17.08.020(D)(14) regarding uses permitted within commercial zones, off-street parking requirements for commercial and business uses within commercial zones, and home occupation permits to allow specified businesses to operate outdoors and to allow home occupations to continue to operate and pursue their livelihoods without maintaining a physical office location as required under the Zoning Code.

- August 25, 2020: Executive Order No. 2020-11 implemented temporary lane closures on Hermosa Ave. to facilitate outdoor recreation and to allow for any commercial purpose that would require a temporary permit for outdoor dining/seating and outdoor retail display.

The City of Hermosa Beach desires to continue to implement emergency measures to assist in the economic recovery of local businesses and provide much needed financial relief to City businesses as they reopen.

Analysis

The public health community's response to COVID-19 has required residents to remain at home as much as possible. This has resulted in a slow-down of the local economy. Although, such orders have been gradually modified to permit the reopening of specified businesses subject to new modifications, not all businesses have been permitted to do so, or have the ability to adapt their operations to the new modifications. As a result, some local businesses have completely ceased all business operations since March when the State and County stay-at-home orders were first issued. These businesses have suffered a significant loss of revenue and many may not be able to fully recover.

City Manager/Director of Emergency Services Executive Order No. 2020-12 is necessary to mitigate the economic hardship these businesses have endured as a result of the pandemic. Deferring the payment of City business taxes and waiving all interest and penalties would provide much needed financial relief to local businesses that meet the requirements of this Order.

Executive Order No. 2020-12 temporarily suspends City of Hermosa Beach Municipal Code sections 5.04.190, 5.04.200 and 5.04.240 to defer payment of City business taxes and waive interest and penalties for any business that ceased all business operations between March 16 and 31, 2020 and has been entirely closed and remains closed as of the date of the Order due to the COVID-19 pandemic.

Pursuant to Hermosa Beach Municipal Code section 2.56.060(A) the City Manager/Director of Emergency Services may issue rules and regulations reasonably related to the protection of life and property as affected by such emergency provides however that such rules or regulations must be confirmed at the earliest practical time by the City council.

Fiscal Impact:

The City of Hermosa Beach initially incurs all costs related to the City's response to the COVID-19 Pandemic, but will submit requests for cost recovery to the California Office of Emergency Services (CalOES), either directly, or through the Los Angeles County Office of Emergency Management, (LACoOEM), the local reporting agent.

Attachments:

1. City Manager\Director of Emergency Services Executive Order No. 2020-12.

Respectfully Submitted by: Michael Jenkins, City Attorney

Legal Review: Michael Jenkins, City Attorney

Approved: Suja Lowenthal, City Manager