

Collections Policy & the Sidewalk Repair Program

City Council Meeting
January 6, 2026

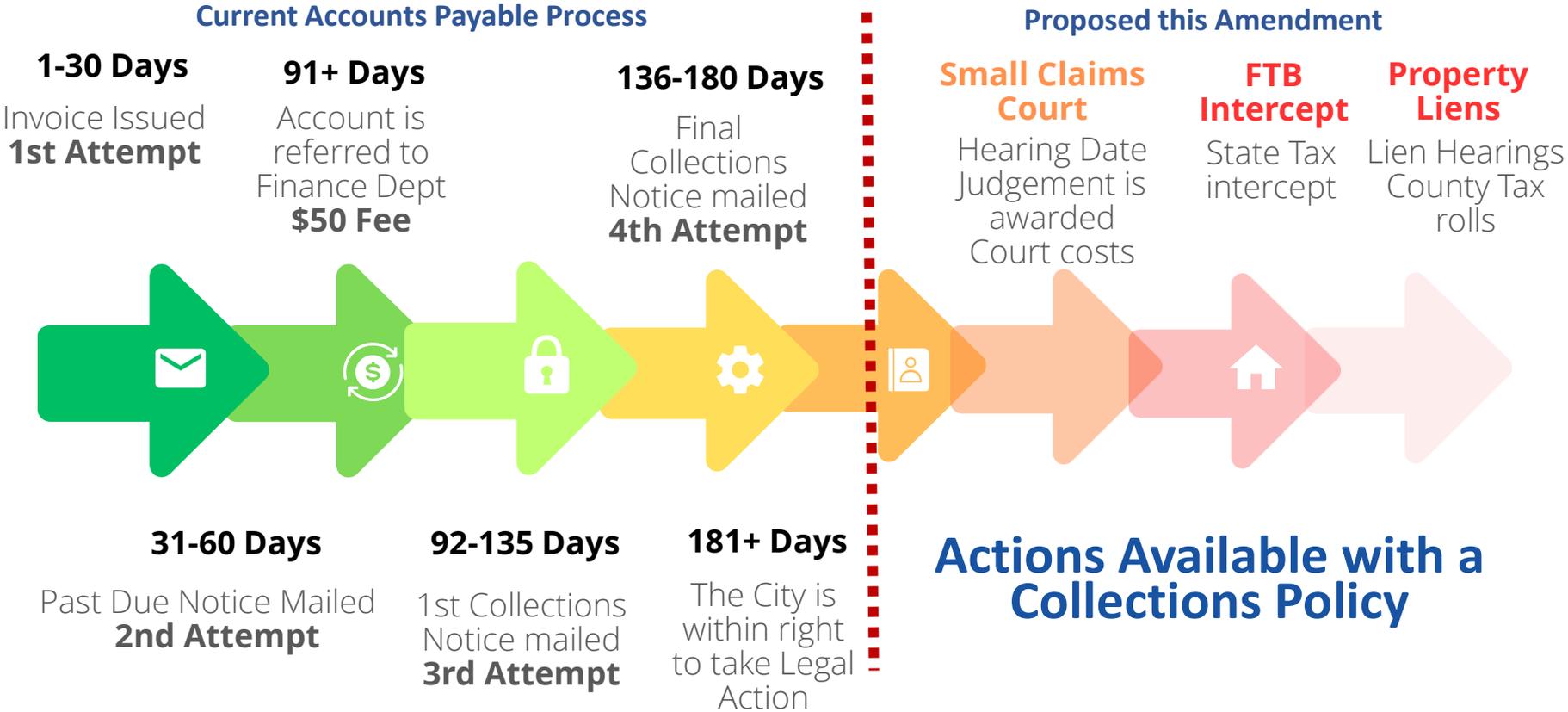


Why a Collections Policy?

- Increase in collections – potentially \$550,000 annually as discussed in October 2025 Fiscal Sustainability workshop
- Improved transparency across departmental collections activities
- Fairness through City-wide consistent treatment for all delinquent collections
- Best practice and aligns with other Bay Area city collection procedures
- Options for payment plans and waivers for residents facing financial hardship



Billing: Accounts Payable & Collections



***Hardship policies, payment plans, and appeal processes, ensure residents and businesses have fair opportunities to resolve outstanding balances throughout the process.**



Enforcement Process



Invoice Issued

30 Days to Pay



Past Due Notice Sent

**Additional 60 Days
to pay**

**First CCU Notice
Includes \$50 Fee**

30 Days to pay

Final CCU Notice

**Additional 30 Days to
pay with Final Due Date**



**Most Accounts
Resolved By This Time**

**Payment in Full or
Payment Plan Started**



**Legal Action –
Last Resort**

**Options: Small Claims,
State Intercept, or Lien**

Potential Revenue from Collections

As of June 30, 2025, the City had more than **\$1.4 million** in outstanding unpaid fees across multiple departments.

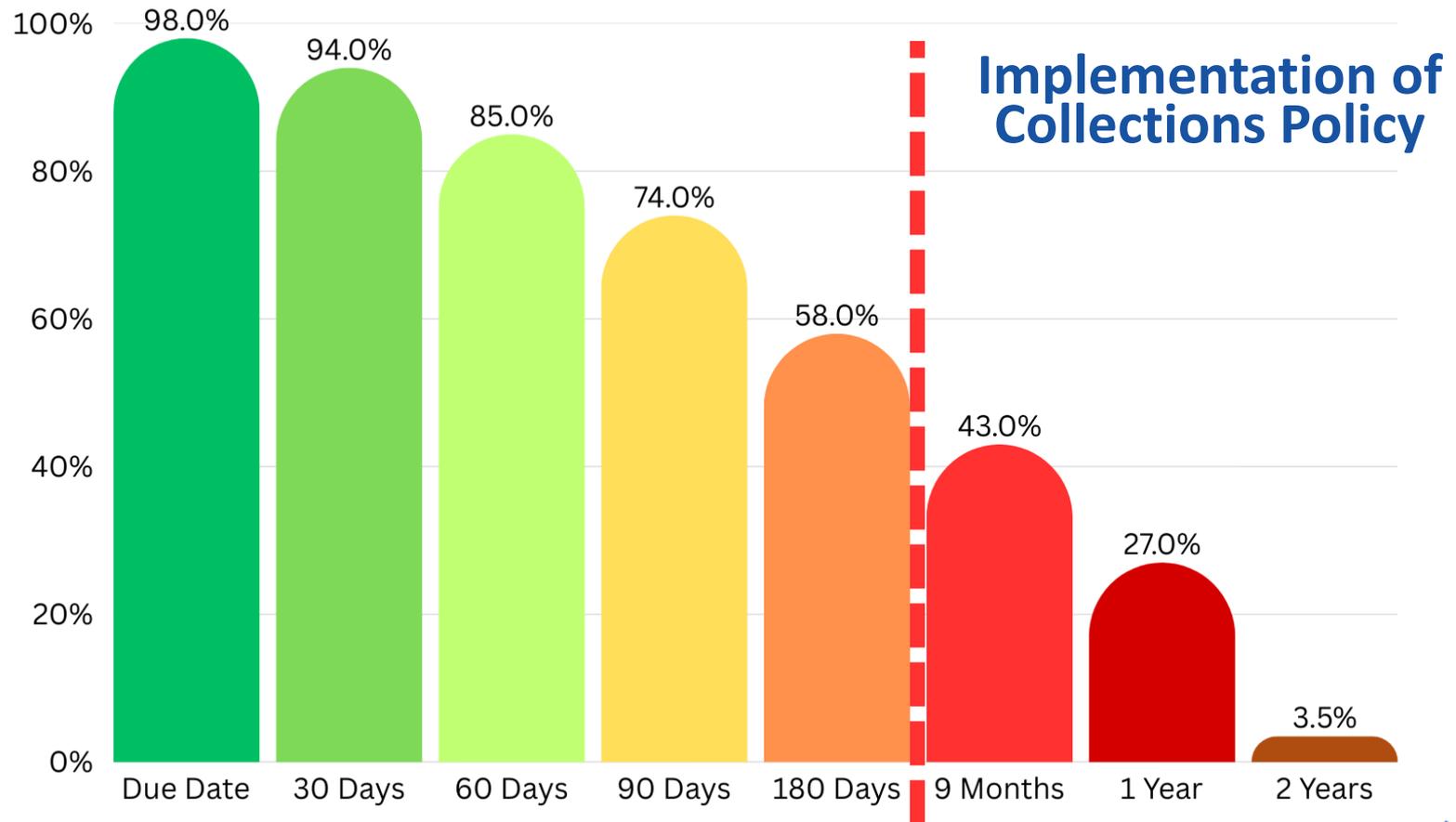
\$600,000 of these debts are owed to the General Fund

Department/Program	FY 23-24	FY 24-25	Total
Business License (General Fund)	\$219,455	\$38,614	\$258,069
Fire Prevention (General Fund)	\$73,000	\$302,000	\$375,000
APD False Alarms (General Fund)	\$10,000	\$17,000	\$27,000
Rent Program	\$209,000	\$261,000	\$470,000
Traffic Mitigation*	\$183,000	\$0	\$183,000
Zero Waste Program	\$0	\$40,000	\$40,000
Code Enforcement	\$5,000	\$10,000	\$15,000
Sidewalk Program**	N/A	\$86,000	\$86,000
Clean Water Program	TBD	TBD	TBD
Total:	\$699,455	\$754,614	\$1,454,069

As these bills age, they become harder to collect.



Reduced Collections Recovery with Age



DATA SOURCE: CCLA



Comparable Cities - Collections Procedures

City	Internal Collections Process	Third Party Collection Agency	Types of Delinquent Revenue	Use of Property Tax Liens	State Tax Intercept Program
Berkeley	Revenue Collection Division	None	<ul style="list-style-type: none"> • Taxes & Fees • Citations • Fines & Penalties 	Yes	Yes
Concord	Finance Department	<ul style="list-style-type: none"> • HdL Companies 	<ul style="list-style-type: none"> • Taxes & Fees • Citations • Fines & Penalties 	Yes	Yes
Dublin	Finance Department	<ul style="list-style-type: none"> • HdL Companies 	<ul style="list-style-type: none"> • Taxes & Fees • Citations • Fines & Penalties 	Yes	Yes
Emeryville	Finance Department	<ul style="list-style-type: none"> • HdL Companies • MuniService s/ Avenue 	<ul style="list-style-type: none"> • Taxes & Fees • Citations • Fines & Penalties 	Yes	Yes
Hayward	Finance Department	RFP issued in 2024	<ul style="list-style-type: none"> • Taxes & Fees • Citations • Fines & Penalties 	Yes	Yes
San Leandro	Finance Department	<ul style="list-style-type: none"> • HdL Companies 	<ul style="list-style-type: none"> • Taxes & Fees • Citations • Fines & Penalties 	Yes	Yes



Why proactively enforce Revenue Collections?

Revenue Opportunity

Helps recover funds that are rightfully owed to the city that would otherwise be lost.

Standard Best Practice: All cities maintain a delinquent revenue process, making it a common and accepted government function. GFOA best practice.

Improves Cash Flow and Budget Stability

Brings in revenue that can be used for current or future needs, reducing budget gaps and reliance on reserves.

Equitable and Flexible

Establishes and enforces collections, discourages non-payment and promotes fairness among taxpayers and fee payers. Hardship policies, payment plans, and appeal processes provide residents and businesses fair opportunities to resolve outstanding balances.



Sidewalk Repair Program

Tonight, City Council is considering an introduction of an ordinance amending sections of the Alameda Municipal Code related to sidewalk repair procedures.



The sidewalk system is a vital component of the City's infrastructure and plays an essential role in City life.



As conduits for pedestrian movement and access, they enhance connectivity and promote walking.



As public spaces, they activate streets socially and economically.



Safe, accessible, and well-maintained sidewalks are fundamental to mobility and healthy communities.

Sidewalk Repair Program

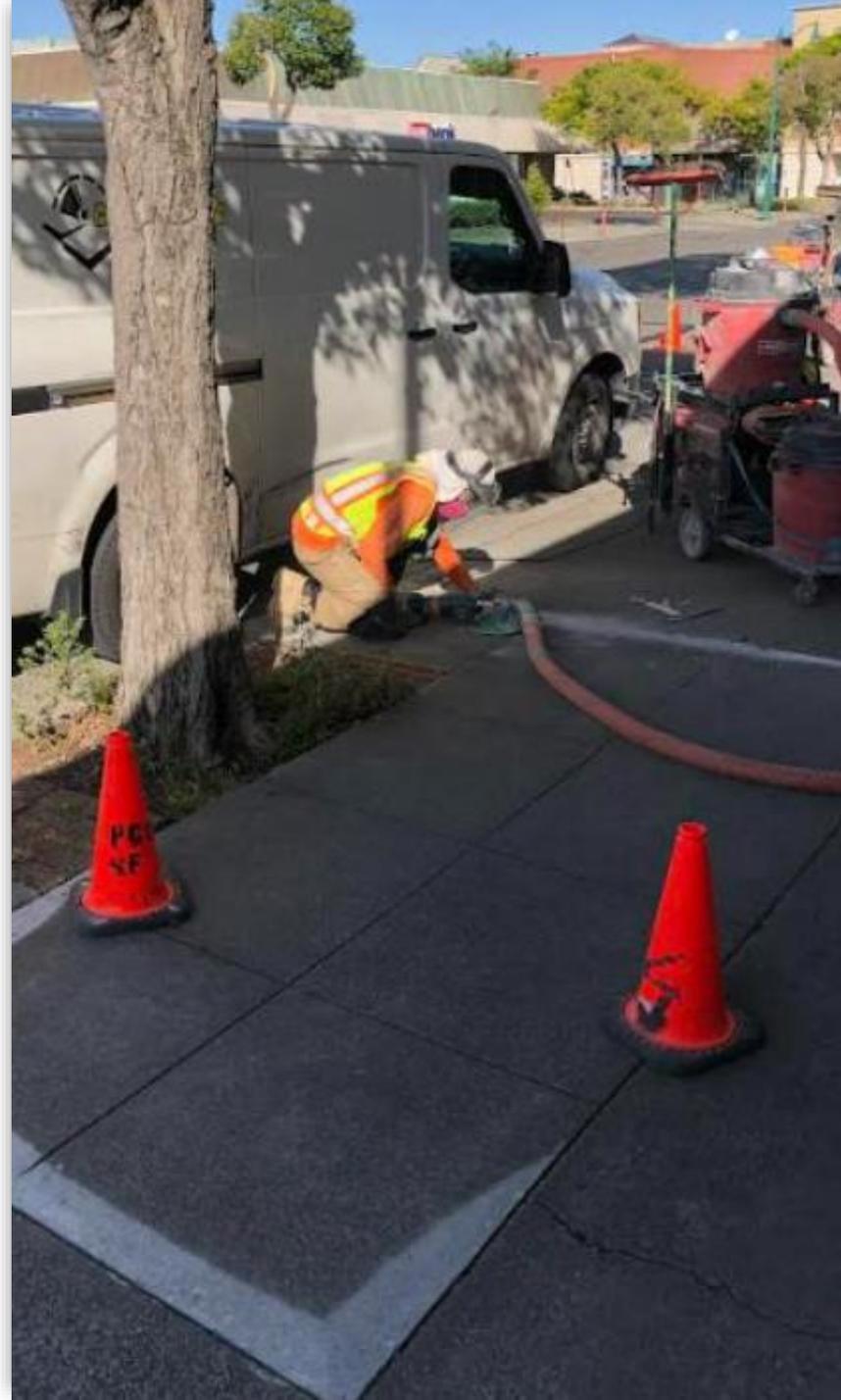
Although adjacent property owners bear primary responsibility for sidewalk condition and repair by state law, the City has a long-standing practice of repairing sidewalk damaged by street trees. The sidewalk program consists of three components:

- Temporary repairs (concrete cutting and/or asphalt patches) made to sidewalks
- Removal and replacement of sidewalk damaged by street trees
- Notification to property owners informing them of their responsibility to repair sidewalk damage not caused by street trees



Recent Program Changes to Promote More Sidewalk Repair

- Temporary repairs to reduce tripping hazards at a low cost. These do not fix underlying causes but extend sidewalk life before full replacement.
- Temporary repair option for all eligible conditions, not just those caused by a street tree, saving owners time and money.
- February 2025, pilot program launched to increase compliance for non-tree damaged sidewalk replacement:
 - Owners can elect City perform work and be invoiced.
 - Financial assistance available for hardship cases (full or partial coverage).
 - So far, over 70% participation rate in having the City do the work.



Pilot Program Enforcement



- To reduce City liability and prevent public injury, if a property owner does not respond to multiple repair notifications, the City proceeds with the repair to eliminate the hazard and subsequently invoices the property owner.
- To date, many owners have paid upon receiving the invoice, even if they did not formally opt into the program. In other cases, owners remain non-responsive and invoices remain unpaid.

Proposed Ordinance



Codifies City's authority to establish and administer a program, like the pilot program, that allows the City to perform required sidewalk repairs under a voluntary agreement and be reimbursed by the property owner.



Codifies City's ability to offer financial assistance at multiple points in the process

- at initial repair notification
- If City completes work due to non-responsiveness and issues an invoice



Codifies City's authority to offer payment plans.



Authorizes the City to initiate a collections process on delinquent accounts related to sidewalk repair costs.

- 15 delinquent accounts went through collections process and 3 properties paid in full and 4 others under a payment plan.



For properties still delinquent after collections, ordinance allows, but does not require, the City to issue a notice of special assessment for the repair cost. This authority is already granted in California state law; however, the ordinance details a clear process for doing so.

Future Pilot Program Update to Council

- Early data from the pilot program is promising:
 - A significant increase in compliance, with over 70% of properties choosing the voluntary City-performed repair option.
 - 6% of accounts - 11 properties of 176 noticed - remain delinquent.
- Staff suggest implementing the pilot program for another a year and returning to Council with more robust program metrics, lessons learned, and recommendations regarding long-term continuation.



Staff Recommendation Update

- 1) Staff recommendation in staff report: Adopt the Ordinances and Collections Policy as proposed
- 2) Revised staff recommendation: Adopt the Civil Action ordinance, as proposed, and direct staff to implement a one-year collections pilot program for delinquent sidewalk accounts with no liens. Staff will return to City Council with program metrics after one-year. Direct staff to revise the Sidewalk Ordinance and Collections Policy to remove reference to liens. Adopt the Collections Policy with directed revisions.
 - Staff will return in February with a first reading of the revised sidewalk ordinance reflecting these changes.