

City Council Issue Summary

Subject: Adopt a resolution discontinuing the Senior Citizens and Disabled Persons Discount and the \$150 One-time Credit utility assistance programs and establishing the Low-Income Assistance and Crisis Voucher utility assistance programs.

Staff Member, Department: Dana Wilson, Utilities

Meeting Date: 9/20/2023


Action(s) Required:

- | | | |
|--|---|--|
| <input type="checkbox"/> Consent Agenda | <input type="checkbox"/> Ordinance First Reading | <input type="checkbox"/> Public Hearing |
| <input type="checkbox"/> Information/Direction | <input type="checkbox"/> Ordinance Second Reading | <input checked="" type="checkbox"/> Resolution |
| <input type="checkbox"/> Motion | | |

Recommended Motion:

I move to adopt the resolution discontinuing the Senior Citizens and Disabled Persons Discount and the \$150 One-time Credit utility assistance programs and establishing the Low-Income Assistance and Crisis Voucher utility assistance programs.

Issue / Council Decision & Discussion Points:

- Council is asked to approve the resolution to discontinue the existing Senior Citizen and Disabled Persons Discount and \$150 One-time Credit utility assistance programs and establish the Low-Income Assistance and Crisis Voucher utility assistance programs (“Programs”).
 - Programs will replace programs established in 1982.
 - Programs are inclusive of qualifying low-income customers receiving City of Bend water, sewer, and stormwater services. Existing programs are only available to low-income customers receiving water from the City of Bend who are either permanently disabled or over the age of 62.
 - Programs help prevent water service shutoff for delinquent customers and/or to reinstate services for customers already in shutoff status.
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- Cities throughout Oregon provide water, sewer, and stormwater discounts in their utility assistance programs for economically disadvantaged households. Access to economic security programs, such as utility assistance programs, have been shown to improve long-term outcomes for children and water service shutoff often has a disproportionate health impact on low- income households.
- Community partnership streamlines the application and enrollment processes and allows the City to reach customers more effectively.

Background:

In 1982, Bend City Council approved a low-income discount program and a one-time credit program for sewer service charges that provided a 50% discount for residential customers over the age 62, people with permanent disabilities, and customers in special hardship situations. Stormwater discounts were added to the discount program in 2007. There are currently 200 customers enrolled in the discount program and 10 customers have utilized the one-time credit since January 2021.

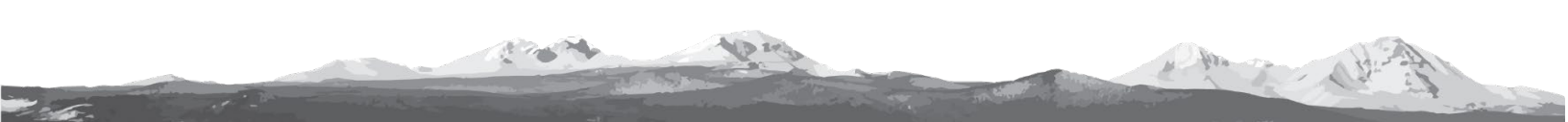
The 2021-2023 Council Goals workplan for Shared Prosperity included a strategy to increase economic opportunity, advancement, and resiliency by instructing staff to modernize the utility assistance program through community partnerships.

In 2021, the City partnered with a local non-profit, NeighborImpact, for third-party administrative to qualify customers for \$200,000 of Coronavirus State and Local Fiscal Recovery Funds and \$50,000 in donated funds to provide utility bill assistance for low-income residential customers in the City of Bend facing hardship because of the COVID-19 pandemic. Funds for COVID-19 Assistance Programs were exhausted by May 31, 2023.

On April 1, 2022, NeighborImpact received funding from the State of Oregon to distribute Low-Income Household Water Assistance (LIHWA) Program funds. The LIHWA Program is designed to provide low-income households with assistance for their drinking water and wastewater services costs. Households who are at or below 60% state median income (SMI) are eligible for the program. NeighborImpact processed 114 applications and distributed \$89,047 in crisis assistance under the LIHWA Program to City of Bend Utility customers between April 2022 and March 2024. Funding for this program ends March 31, 2024.

The City will discontinue both the Senior Citizen and Disabled Persons Discount Program and the \$150 One-time Credit on November 30, 2023, and replace them with the Low-Income Assistance and Crisis Voucher utility assistance programs.

The Low-Income Assistance Program will become effective upon adoption of this resolution and the Crisis Voucher Program will become available after LIHWA funding expires on March 31, 2024. Programs are available to all households with income at or below 60% area median income (AMI). Enrollment is expected to reach up to 2,000 low-income residential customers.



The purpose of the Programs is to provide financial assistance to all income qualifying residential customers receiving City of Bend utility services. The Programs will expand discounts past sewer and stormwater base fees to include water service base fees and allow the City to reach more customers by increasing eligibility from senior citizens and people with disabilities to include all income qualifying residential customers. The Programs will provide funding to help prevent water service shutoff for delinquent customers and/or to reinstate services for customers already in shutoff status.

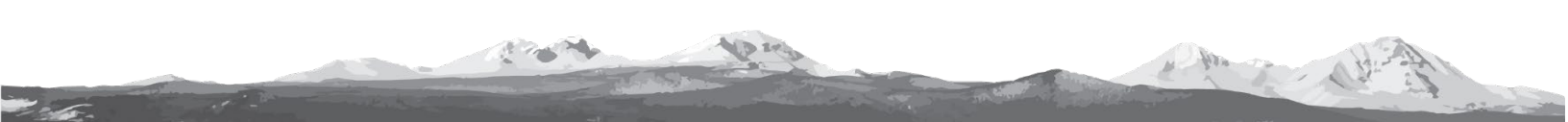
- **Low-Income Assistance Program (LIAP).** This will be a recurring bill discount program that provides a 50% reduction to the base fee charge for each residential water service (water, sewer, and stormwater) published in the City of Bend Fee Schedule. The discount does not apply to franchise fees, volume, or consumption charges. The amount of the discount will vary depending on services being provided and ranges from \$3.55 - \$23.75 per month. The LIAP will be available to all households with income at or below 60% Area Median Income (AMI). Customers must re-qualify and enroll for the discount annually. Households receiving Oregon Department of Human Services Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance to Needy Families (TANF) are considered automatically eligible but must still enroll and requalify annually.
- **Crisis Voucher Program.** This program will serve customers going through extraneous circumstances shown to be interfering with their ability to pay their utility bill. Examples include, but are not limited to, death, job loss, divorce, birth/adoption of a child, funeral expenses, or domestic violence. Qualifying customers will receive a bill credit equal to the amount owing at the time of application, up to a maximum of \$200. The maximum amount allowable is \$200 per 24-month period. This program will become available after Federal and State funding for the Low-Income Household Water Assistance (LIHWA) program expires on March 31, 2024. Customers will apply for assistance through specially trained intake counselors.

Budget and Financial Impacts:

Reductions in revenue to support the Low-Income Assistance Program have been financially modeled in the City's 30-year Utility Rate models and do not impact the City's current or long-term established rate strategy. Expenditures for the Crisis Voucher Program and third-party administrative services are included in the approved 2023-2025 biennial budget.

Community Outreach Process and Potential Impacts:

The City will be entering into a fixed term agreement with NeighborImpact to perform administrative services for outreach and verification services to notify and qualify customers. Interested customers will apply through their existing intake procedures that include reviewing the application, making the eligibility determination, and notifying the City of determination. When the contract with NeighborImpact expires in August 2025, the City will issue a formal request for proposal for third party administrative services to manage customer eligibility, verification, and recertification processes for utility assistance programs.



Information related to the discount will be made available to the public via printed material and on the City of Bend Utility Billing website and may be adjusted annually. Initial outreach will include phone calls, email, and flyers to the 200 customers currently enrolled in the Senior and Disabled Persons Sewer and Stormwater Discount Program. NeighborImpact will perform additional outreach through in-person events, press releases and electronic media. Once established, the terms and conditions of the Programs will be available on the City's website and upon request from the City's Utility Billing Division.

Department Director Review: Mike Buettner

Financial Review: Samantha Nelson

Legal Review: Michael Selkirk

Attachments:

- Resolution
- Exhibit A