



DATE: March 5, 2026

TO: Environmental Services Commission

FROM: Matt Hobson, Utilities Fiscal Manager
Hana Abdulrahman, Program Administrator

SUBJECT: Policy Options to Expand the Utility Bill Assistance (UBA) Program

ACTION REQUIRED

Staff is seeking the Commission's recommendation on policy options to expand the City's utility billing assistance (UBA) program.

BACKGROUND / ANALYSIS

Bellevue's UBA programs advance the City's mission of providing safe, reliable, and equitable utility services by reducing financial barriers for those struggling with utility bill affordability. The current programs support our most vulnerable customers, particularly low-income seniors, low-income individuals with permanent disabilities, and households experiencing short-term financial hardship. Specifically, the City's five UBA programs include:

- Utility Bill Discounts (long-term assistance)
- Utility Bill Rebates (long-term assistance)
- Utility Tax Rebates (long-term assistance)
- Emergency Assistance (short-term; up to four months of bill relief once every three years)
- Neighbors Helping Neighbors (short-term; up to two months of bill relief every other year)

Utilities staff provided an overview of the UBA program to the Commission at the January 8, 2026 meeting (**see Attachment A**). As part of the presentation, staff updated the Commission on recently completed and planned enhancements to the program including a streamlined application and renewal process, year-round windows for applying for assistance, and expanded community outreach. Staff also requested preliminary feedback on design factors that the Commission would like to use in the evaluation of policy options to expand the UBA program.

Based on the Commission's direction from the January meeting, staff developed program expansion options. These options were also informed by guidance from recent water utility industry affordability studies, utility assistance programs from across the region, and City of Bellevue assistance programs, including:

- 2024 US EPA Water Affordability Needs Assessment
- Comparable utility assistance programs (e.g., Puget Sound Energy, Seattle, Kirkland, Tacoma)
- City of Bellevue assistance programs (e.g., affordable housing, reduced recreation program fees)
- 2025 American Water Works Association (AWWA) industry benchmarking survey

Key Program Design Decisions

The policy options pivot on four design decisions:

1. Should the City expand the long-term Utility Bill Assistance program to all low-income households regardless of age or disability status?

2. Should the City increase the income eligibility criteria to match other programs provided by the City and other regional utility programs (e.g., Puget Sound Energy)?
3. Should the City reduce the assistance amount to mirror similar utility assistance programs in the region and to manage the funding requirements?
4. Should the City expand the program immediately or implement over a multi-year period to mitigate rate impacts?

Policy Options to Expand Utility Bill Assistance Program

Long-Term Assistance Program

This section summarizes the three policy options developed by staff to expand the long-term assistance program and includes the evaluation information requested by the Commission at the January 8, 2026 ESC meeting. Examples of the evaluation information include: eligible households, assumed participating households, annual assistance amount, annual program cost, required rate increase, and monthly bill impact to a typical single-family residential customer. The four options are organized from lowest rate impact to highest rate impact. The existing program is also summarized to provide context for the policy options.

- Status Quo: Program is available to **low-income senior/disabled households** with annual income **at or below 50% of area median income (AMI)**. Enrollees are provided a **70% utility bill credit** for basic utility costs.
 - Income Eligibility Criteria: Annual households at or below 50% of area median family income
 - Age or Disability Criteria: 62 years or older OR permanently disabled
 - Estimated Number of Eligible Households: 4,000
 - Estimated Number of Participating Households: 1,000 (assumes 25% subscription rate)
 - Annual Bill Assistance to Participating Household: \$1,645
- Option A (recommended by Bellevue Utilities): Expand program to **low-income senior/disabled households** with annual income **at or below 80% of area median income (AMI)** and **maintain assistance** at 70% of the utility bill. Evaluate expanding program to all low-income households as part of future budget processes.
 - Income Eligibility Criteria: Annual households at or below 80% of area median family income
 - Age or Disability Criteria: 62 years or older OR permanently disabled
 - Estimated Number of Eligible Households: 6,000
 - Estimated Number of Participating Households: 1,500 (assumes 25% subscription rate)
 - Annual Bill Assistance to Participating Household: \$1,645
 - Additional Annual Program Cost: \$1.4 million
 - 2027 Combined Utility Rate Increase: +0.7%
 - 2027 Increase to Typical Single-Family Residential Bill: +\$1.68
- Option B: Expand program to **all very low-income households** with annual income **at or below 50% of area median income (AMI)** and **decrease assistance** to 50% of the utility bill.
 - Income Eligibility Criteria: Annual households at or below 50% of area median family income
 - Age or Disability Criteria: N/A
 - Estimated Number of Eligible Households: 10,000
 - Estimated Number of Participating Households: 2,500 (assumes 25% subscription rate)
 - Annual Bill Assistance to Participating Household: \$1,176
 - Additional Annual Program Cost: \$2.3 million
 - 2027 Combined Utility Rate Increase: +1.2%
 - 2027 Increase to Typical Single-Family Residential Bill: +\$2.88

- **Option C:** Expand program to **all very low-income** households with annual income **at or below 50% of area median income (AMI)** and **maintain assistance** at 70% of the utility bill.
 - Income Eligibility Criteria: Annual household at or below 50% of area median family income
 - Age or Disability Criteria: N/A
 - Estimated Number of Eligible Households: 10,000
 - Estimated Number of Participating Households: 2,500 (assumes 25% subscription rate)
 - Annual Bill Assistance to Participating Household: \$1,645
 - Additional Annual Program Cost: \$3.5 million
 - 2027 Combined Utility Rate Increase: +1.8%
 - 2027 Increase to Typical Single-Family Residential Bill: +\$4.32

- **Option D:** Expand program to **all low-income** households with annual income **at or below 80% of area median income (AMI)** and **maintain assistance** at 70% of the utility bill.
 - Income Eligibility Criteria: Annual household at or below 80% of area median family income
 - Age or Disability Criteria: N/A
 - Estimated Number of Eligible Households: 15,000
 - Estimated Number of Participating Households: 3,800 (assumes 25% subscription rate)
 - Annual Bill Assistance to Participating Household: \$1,645
 - Additional Annual Program Cost: \$5.9 million
 - 2027 Combined Utility Rate Increase: +3.0%
 - 2027 Increase to Typical Single-Family Residential Bill: +\$7.21

Short-Term Assistance Programs

It is recommended that any change to the income eligibility criteria for the City’s long-term Utility Billing Assistance program is applied to the City’s short-term assistance programs (e.g., Neighbors Helping Neighbors and Emergency Assistance Program) to provide consistent qualification requirements for both short- and long-term assistance. Based on existing participation levels in the City’s short-term assistance programs, staff estimate that expanding the income eligibility criteria to these programs will not have a measurable impact to future utility rate adjustments.

Solid Waste Utility Bill Assistance Program

The City, through its contracted solid waste collection provider, also provides long-term utility bill assistance to single-family residential households with a solid waste account. It is recommended that the City expand the solid waste bill assistance program in 2027 by providing rebates to qualifying multi-family residential solid waste accounts. This change would provide a uniform assistance program across the City’s four utilities. The expansion of the solid waste assistance program would be funded by the annual administrative fees paid by the contracted solid waste hauler.

POLICY ISSUES

State law (RCW 74.38.070) authorizes the City to provide utility services at a reduced rate for low-income senior and low-income citizens provided that the reduced rate is granted uniformly to all qualifying customers. Bellevue City Code 24.10.030(C) authorizes Utilities to offer long-term utility billing assistance to seniors and permanently disabled individuals with annual income at or below 50 percent of the area median income. This section of the City Code would need to be revised for all options.

FISCAL IMPACT

The annual cost of each option would be funded by a combination of increased budgeted expenditures and reduced utility rate revenue. Indirect bill assistance would require an increase to budgeted expenditures while

direct bill assistance (e.g., bill credits to households that receive a bill from Bellevue Utilities) would decrease utility rate revenue. The annual combined increase to expenditures and reduction to utility rate revenue is \$1.4 million for Option A, \$2.5 million for Option B, \$3.5 million for Option C, and \$5.9 million for Option D.

NEXT STEPS

City staff are requesting a recommendation by the ESC for expanding the utility bill assistance program:

- Option A (recommended by Bellevue Utilities): Expand program to **low-income senior/disabled** households with annual income **at or below 80% of area median income (AMI)** and **maintain assistance** at 70% of the utility bill. Evaluate expanding program to all low-income households as part of future budget processes.
- Option B: Expand program to **all very low-income** households with annual income **at or below 50% of area median income (AMI)** and **decrease assistance** to 50% of the utility bill.
- Option C: Expand program to **all very low-income** households with annual income **at or below 50% of area median income (AMI)** and **maintain assistance** at 70% of the utility bill.
- Option D: Expand program to **all low-income** households with annual income **at or below 80% of area median income (AMI)** and **maintain assistance** at 70% of the utility bill.

Following the Commission's recommendation, the proposed changes to the UBA program would be presented to City Council for consideration in May ahead of the 2027-2028 proposed budget process.

If approved, the proposed changes would take effect in 2027.