

CITY COUNCIL AGENDA TOPIC

Ordinance amending chapter 24.10 of the Bellevue City Code to establish an assistance program to help low-income customers with delinquent accounts; to authorize the Utilities Department to receive donations to help fund said program and other similar programs; to provide for severability; and to establish an effective date.

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Utilities

EXECUTIVE SUMMARY**ACTION**

This Ordinance establishes a new assistance program, Neighbors Helping Neighbors, to help low-income customers with delinquent accounts. The Ordinance also allows the Utilities Department to more efficiently accept donations to fund the new program and all other programs authorized under chapter 24.10 BCC.

RECOMMENDATION

Move to adopt Ordinance No. 6772.

BACKGROUND/ANALYSIS

The City Council previously asked staff to explore implementing a donation program that allows community members to make donations in support of Bellevue utility customer assistance programs.

Utilities is in the process of implementing a new billing system, which has the ability to accept donations. Utilities' current billing system does not have this capability. In preparation for the new billing system, Utilities staff evaluated existing customer assistance programs, assessed other utility donation programs, and developed the Neighbors Helping Neighbors program to be funded in part by donations. This program, Neighbors Helping Neighbors, was presented to Council on June 5, 2023, and Council directed staff to return with an ordinance to implement said program.

Existing Bellevue Utilities Customer Assistance Programs

Bellevue currently has three utility customer assistance programs:

- Utility Rate Relief: provides a 70 percent discount on basic water, sewer, and stormwater service to low-income seniors and low-income disabled residents. This program serves both single-family households and tenants in multifamily dwellings.
- Emergency Assistance Program: waives up to four months of basic utility bills for low-income customers experiencing a financial shock.
- Utility Tax Relief: provides an annual tax rebate to low-income households.

Gap in assistance identified:

Based on the evaluation of Bellevue's existing utilities customer assistance programs, a gap has been identified in serving customers who need temporary assistance due to a shutoff notice, but do not meet the eligibility terms of the existing programs. The most common situations where this arises are:

- Customers with ongoing high medical costs.
- Working families with limited financial resources.
- Newly retired seniors who did not qualify for rate assistance based on the prior year's income.

In addition, the utilities department does not have a mechanism to accept donations to fund new programs. With the new billing system, such a mechanism will be available.

Donation Program Best Practices

Utilities staff contacted neighboring cities and utility districts, as well as larger utilities in the state, to evaluate best practices regarding donation programs. Most neighboring cities have not yet established formal donation programs for rate relief, but larger cities such as Seattle and Spokane, as well as larger non-water utilities such as Puget Sound Energy have these programs.

Of the utilities with established donation programs, staff observed consistent best practices:

- Unique branding to communicate the purpose of the program to both applicants and potential donors.
- Ability to accept recurring donations on the utility bill and one-time donations online.
- Dedicate the program for temporary relief, as donation revenues are variable and uncertain, and may not be sufficient to fund ongoing rate discount programs.

Neighbors Helping Neighbors Program

The proposed Ordinance creates a new program that addresses the gap in the programs by helping all low-income customers who have a delinquent account.

Qualifications:

- Be a direct billing customer;
- Reside at the address receiving utility service;
- Current low-income status (at or below 50 percent AMI), and
- Not receiving the 70 percent discount from the Utility Rate Relief program, and
- Have a delinquent account.

Assistance:

Up to two months' reduction on the basic utility bill. The basic utility bill is defined in Bellevue City Code 24.10.020, and includes:

- Water service based on average indoor water usage, as estimated based on average winter consumption for single-family residences.
- Sewer service based on average indoor water usage, as estimated based on average winter water use for single-family residences.
- Storm service based on the typical lot size and development levels for single-family residences.

Funding:

Donations - recurring or one-time donations - will be the primary funding source. Because the amount and timing of donations is difficult to predict, Utilities proposes to initially seed the program with \$50,000 and match donated funds up to an additional \$50,000 per year. Assistance through the program will be provided on a first-come, first-serve basis. These policies will balance program availability while avoiding rate impact from the new program.

The magnitude of assistance and amount of benefit offered will be evaluated as part of each budget cycle going forward.

Other Code Changes

As Neighbors Helping Neighbors is a new program, and does not offer ongoing rate relief similar to Bellevue City Code 24.10.020, the proposed Ordinance amends the chapter to clarify that any donations received be applied to the benefit of all assistance programs authorized by the City (including the newly established Neighbors Helping Neighbors program), and that said assistance programs are contingent on the availability of sufficient funds - allowing the Department to suspend any programming, if/when funding is not available. All assistance provided will be done on a first come, first served basis.

Environmental Services Commission Review and Recommendation

The proposed program and funding was presented to the Environmental Services Commission for consideration in April 2023. The Commission unanimously recommended the proposed program to Council.

Next steps:

- Implement the needed communications plan and materials, including:
 - Send information to customers and community members of the donation program and donation options.
 - Publish materials on how to donate.
 - Send messages and marketing materials to utilities customers of program assistance availability.
- Amend the City financial policy to align with Council direction, to allow for receipt of donations through the new customer billing system.
- Complete technical implementation with Utilities' new billing system.

POLICY & FISCAL IMPACTS

Policy Impact

The recommended Ordinance is consistent with state law and council priorities. RCW 35.21.100 allow cities to accept donations, while RCW 35.92.020(5) and RCW 35.67.020(5) expressly authorize public utilities to provide assistance programs to low-income persons in connection with utilities services. Moreover, the recommended policy advances the Council's vision and priorities as it aligns with the strategic target of leveraging data and technology to enhance community engagement, equity, and accountability, with an emphasis on achieving equitable access to services.

City Financial Policy

The City of Bellevue has an approved financial policy for Donation Policy and Procedures. These policy and procedures were written with one-time donations in mind and will need to be updated to receive recurring donations on the utility bill. If so directed, staff will work with the Director of Finance and Asset Management to update these policies to reflect accepting recurring donations on the utility bill.

Fiscal Impact

The total funding for this program in 2024 consists of \$50,000 of initial seed funding, and \$50,000 of potential matching funds, as described above. The funding for this program in 2024 was adopted as part of the 2023-2024 mid-biennium budget update.

Because this is a new program, Utilities will re-evaluate the funding level necessary to support the program goals as part of each future budget based on both donation levels and rate of applications for assistance.

OPTIONS

1. Adopt the Ordinance amending chapter 24.10 of the Bellevue City Code to establish an assistance program to help low-income customers with delinquent accounts; to authorize the Utilities Department to receive donations to help fund said program and other similar programs; to provide for severability; and to establish an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS

A. Strike Draft – Amendments to Chapter 24.10 of the Bellevue City Code
Proposed Ordinance No. 6772

AVAILABLE IN COUNCIL LIBRARY

N/A