

**CITY COUNCIL AGENDA TOPIC**

Utility Bill Assistance Program Expansion

Lucy Liu, Director

Scott Edwards, Deputy Director

Matt Hobson, Fiscal Manager

*Utilities Department*

**EXECUTIVE SUMMARY****DIRECTION**

Briefing on the affordability of the City's water, sewer, storm and surface water, and solid waste services for households in Bellevue. Four policy options are proposed to expand the long-term Utility Bill Assistance (UBA) program, including the Environmental Services Commission's recommendation for City Council consideration. The Commission's recommendation includes adjustments to the short-term and solid waste bill assistance programs to align with the changes to the long-term assistance program.

**RECOMMENDATION**

Consider directing staff to incorporate the Commission's Utility Bill Assistance program expansion recommendations into the submitted budget and utility rates to be considered by the City Council as part of the upcoming biennial budget.

**BACKGROUND/ANALYSIS**

Safe and affordable utility services are essential for public safety and health as well as thriving communities. However, many households across the United States struggle to pay their utility bills. In 2024, the U.S. Environmental Protection Agency (EPA) estimated 12.1 to 19.2 million households do not have access to affordable utility services. There is no universal approach to measure affordability, as the cost of utility services, income distribution, demand, and rate structures vary widely from one utility to the next. Based on recent best practice research, city staff estimate there are 10,000 to 15,000 households in Bellevue experiencing a utility bill affordability challenge.

Consistent with many utilities across the country, Bellevue Utilities is evaluating policy options to close the affordability gap while maintaining reliable and safe services for the community. Policies that promote affordability must be appropriately balanced with the financial requirements for operating and maintaining utility systems, including aging infrastructure replacement, maintaining regulatory compliance, while ensuring predictable and stable future rate increases.

**Current Program Overview**

Bellevue's Utility Bill Assistance (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 programs support our most vulnerable customers, particularly very low-income seniors, very low-income individuals with permanent disabilities, and households experiencing short-term financial hardship. In 2025, the city supported about 1,100 participants through these programs.

The five UBA programs include:

- **Utility Bill Discount (Long-Term):** Provides a 70% discount for seniors (62+) or permanently disabled households with annual income at or below 50% of area median income (AMI) -- \$62,850 for a two-person household in Bellevue.
- **Utility Bill Rebate (Long-Term):** Provides a 70% annual rebate check for those with the same income-qualified, age or disability qualifications as the Utility Bill Discount program. This program serves those who live in apartments or other multi-family complexes who do not directly pay a utility bill.
- **Tax Rebate (Long-Term):** Provides an annual check, which subsidizes utility occupational taxes. Discount and Rebate program applicants are automatically enrolled in this program and receive a check (~\$150) at the end of the year. This program is available to any household in Bellevue that qualifies as very low-income.
- **Emergency Assistance (Short-Term):** Provides one-time support for households experiencing financial shock (e.g., job loss, death in family, divorce). Program eligibility requires monthly income at or below 50% of AMI -- \$5,238 for a two-person household in Bellevue. Eligible households receive support providing up to four months of utility bill relief. A household can receive this support once every three years.
- **Neighbors Helping Neighbors (Short-Term):** Community-funded support providing up to two months of utility bill relief to qualifying households at or below 50% of AMI who are past due on their utility bill. A household can receive this support once every year. Neighbors Helping Neighbors is funded by donations from the community and to encourage donations, the Utility matches community donations up to \$50,000 per year.

Policy Framework to Expand Long-Term Water, Sewer, and Stormwater Utility Bill Assistance Program  
City staff coordinated with the Environmental Services Commission at the January 2026, March 2026, and May 2026 meetings to develop a framework and criteria to expand the current long-term assistance program. The policy 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.

The Commission evaluated several policy options that responded to four program 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 Long-Term Utility Bill Assistance Program

Table 1 summarizes four policy options to expand the long-term assistance and includes key program characteristics such as estimated eligible households, assumed participating households, monthly assistance amount, additional 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 current program is also summarized to provide context for the policy options.

**Table 1:** Summary of Long-Term Water, Sewer, and Stormwater Utility Bill Assistance Policy Options

	<b>Current Program</b>	<b>Option A</b>	<b>Option B</b>	<b>Option B1<sup>1</sup> ESC Recommended</b>	<b>Option B2<sup>2</sup></b>
<i>Eligible Population</i>	<i>Senior/Disabled 50% AMI</i>	<i>Senior/Disabled 80% AMI</i>	<i>All 50% AMI</i>	<i>All 80% AMI</i>	<i>All 80% AMI</i>
<i>Estimated Eligible Households</i>	4,000	6,000	10,000	15,000	15,000
<i>Estimated Participating Households</i>	1,000	1,500	2,500	3,800	3,800
<i>% Area Median Income (AMI)</i>	50%	80%	50%	80%	80%
<i>% Utility Discount</i>	70%	70%	50%	35% / 70%	40% / 70%
<i>Annual Bill Assistance - Discount</i>	\$1,645	\$1,645	\$1,176	\$828 / \$1,645	\$936 / \$1,645
<i>Annual Bill Assistance – Rebate</i>	\$948	\$948	\$684	\$480 / \$948	\$540 / \$948
<i>Monthly Bill Assistance - Discount</i>	\$137	\$137	\$98	\$69 / \$137	\$78 / \$137
<i>Monthly Bill Assistance - Rebate</i>	\$79	\$79	\$57	\$40 / \$79	\$45 / \$79
<i>Additional Annual Cost</i>		\$800,000	\$1,900,000	\$2,400,000	\$2,700,000
<i>Rate Increase</i>		0.4%	1.0%	1.2%	1.3%
<i>Monthly Impact to SFR Bill</i>		\$0.93	\$2.33	\$2.79	\$3.03

1 Note: 70% assistance to Senior/Disabled at or below 50% AMI; 35% assistance to all other eligible households

2 Note: 70% assistance to Senior/Disabled at or below 50% AMI; 40% assistance to all other eligible households

**ESC Recommendation for Long-Term Water, Sewer, and Stormwater Bill Assistance Programs**

Depicted in Table 1, the ESC recommended to expand the long-term water, sewer, and stormwater Utility Bill Assistance program in 2027 to all households up to 80% of AMI and establish a two-tier benefit that maintains assistance at 70% of basic utility costs for seniors/disabled households at or below 50% of AMI, and provides assistance at 35% of basic utility costs to all other eligible households.

**ESC Recommendation for Short-Term Water, Sewer, and Stormwater Bill Assistance Programs**

The ESC recommended that any change to the income eligibility criteria for the city’s long-term Utility Bill 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.

**ESC Recommendation for 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. The ESC recommended that the city expand the solid waste bill assistance program in 2027 by providing rebates to qualifying multi-family residential solid waste households. 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 & FISCAL IMPACTS**

### **Policy Impact**

RCW 35.92.020(5), RCW 35.67.020, and RCW 74.38.070 authorize the city to provide utility services at reduced rates for low-income senior citizens and other low-income citizens.

Bellevue municipal code 24.10.030(A) establishes the age and disability criteria for households to qualify for the long-term utility bill assistance program. City code 24.10.030(C) establishes the income criteria and bill assistance amount for qualifying households in the long-term bill assistance program. City code 24.10.060 and 24.10.065 establish the income criteria for the short-term assistance programs. Based on City Council direction, staff would provide amendments for consideration that would align these sections of the municipal code with the selected policy option.

The city's comprehensive financial policies (7.10.2.6) authorize the Utilities Department to offer rate assistance programs for low-income customers as permitted by state law and city policy.

### **Fiscal Impact**

Changes to the long-term and short-term assistance programs would require adjustments to the utility service charges and annual operating budgets for the utilities as referenced in Table 1. These adjustments would be considered as part of the 2027-2028 biennial budget process.

## **OPTIONS**

1. Direct staff to incorporate the Commission's Utility Bill Assistance program expansion recommendations into the submitted budget and utility rates to be considered by the City Council as part of the upcoming biennial budget.
2. Provide alternative direction to staff.

## **ATTACHMENTS**

- A. ESC Recommendation to City Council on Expanding Utility Bill Assistance Programs

## **AVAILABLE IN COUNCIL LIBRARY**

N/A