

CITY COUNCIL STUDY SESSION

Discussion and direction on donation program for utility rate assistance.

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Utilities

DIRECTION NEEDED FROM COUNCIL**DIRECTION**

Staff is seeking Council direction regarding an ordinance to establish the Neighbors Helping Neighbors donation-funded utility rate assistance program.

RECOMMENDATION

Direct staff to return with an Ordinance to amend Bellevue City Code section 24.10, establishing the Neighbors Helping Neighbors donation-funded utility rate assistance program.

BACKGROUND & ANALYSIS

Council asked staff to explore implementing a donation program that allows community members to make donations in support of Bellevue utility rate relief programs. Utilities is in the process of implementing a new billing system with the ability to accept donations. Utilities' current billing system does not have this capability. In preparation for the new billing system, Utilities staff has evaluated existing rate relief programs, assessed other utility donation programs, and developed a proposed program for receiving donations and leveraging those donations to support utility rate relief.

Existing Bellevue Utilities Relief Programs

Bellevue has three utility relief programs:

- Utility Rate Relief: provides a 70% 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 relief 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, and

- Newly retired seniors who did not qualify for rate assistance based on the prior year's income.

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.

Proposed Program: Neighbors Helping Neighbors

The proposed program creates an opportunity to provide new funding for existing utilities rate relief programs and addresses the gap in the programs by providing assistance to all low-income customers who have an urgent shutoff notice.

Qualification:

- Current low-income status, and
- Not receiving the 70% discount from the Utility Rate Relief program, and
- Have an urgent shutoff notice.

Assistance:

Up to two months' reduction on the basic utility bill.

- Up to \$333 in 2023.
- Up to \$1,000 credit in 2023 if qualified for both donation funds and Emergency Assistance Program.

Funding:

Donations - recurring on the bill 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.

Environmental Services Commission Review and Recommendation

The proposed program was presented to the Environmental Services Commission for consideration in April 2023. The Commission unanimously recommended the proposed program to Council. The recommendation letter from the Commission is included as Attachment A.

Next Steps

- Receive Council direction to proceed with the proposed program.
- Develop a communications plan, including:
 - Inform customers and community members of the donation program and donation options.
 - Inform customers of program assistance availability.
- City Donation Policy amendments to align with Council direction.
- Council approval of ordinance.
- Complete technical implementation with Utilities' new billing system.

POLICY & FISCAL IMPACTS

Policy Impact

The recommended policy is consistent with Council's vision and priorities, specifically as it aligns with the strategic target of Achieving Human Potential, with an emphasis on achieving equitable access to services.

State Law:

The Revised Code of Washington (RCW) 35.21.100 authorizes cities to accept donations. RCW 35.92.020(5) authorizes municipal utilities to provide assistance to low-income persons in connection with services provided. The Washington State Constitution, Art. VIII, sec. 7, authorizes governments to provide support to the poor and infirm.

City Code:

Bellevue City Code 24.10.070 authorizes Utilities to establish a donation program for rate relief.

The new donation-funded program for temporary assistance for low-income customers with an Urgent / Shutoff Notice will require changes to Code to enact. If so directed, staff will bring an ordinance to Council to enact the required changes to Code.

City Financial Policy:

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 provide for receiving 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 fiscal impact of the proposed Neighbors Helping Neighbors donation program for rate assistance is summarized in Table 1:

Table 1. Fiscal Impact

	2023	2024
Initial Program Seeding	\$50,000	
Maximum Program Match	\$50,000	\$50,000
Total	\$100,000	\$50,000

Funding is available in the adopted Utilities budget for the initial program seeding and program match. 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. Direct staff to return with an Ordinance to amend Bellevue City Code section 24.10, establishing the Neighbors Helping Neighbors donation-funded rate assistance program.
2. Provide alternate direction to staff.

ATTACHMENTS

- A. Recommendation from Environmental Services Commission

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N/A