



TO: Elizabeth A. Pauli, City Manager
FROM: Francine Artis, Interim Customer Services Manager, Tacoma Public Utilities
Michael P. Slevin III, P.E., Director, Environmental Services
COPY: City Council and City Clerk
SUBJECT: Resolution - Amending Income Eligibility for the Emergency Assistance Program -
May 17, 2022
DATE: May 12, 2022

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SUMMARY AND PURPOSE:

A resolution amending the income eligibility for the Emergency Assistance Program and reallocating funds from the Bill Credit Assistance Program to the Emergency Assistance Program to allow more households to qualify for assistance with outstanding utility balances accrued prior to March 31, 2022.

BACKGROUND:

The Bill Credit Assistance Program (BCAP) is funded by the City Council through the Tacoma Public Utilities (TPU) and the Environmental Services Department budgets. BCAP is available to eligible electricity, drinking water, sanitary sewer, stormwater, and solid waste utilities customers, and provides assistance in the form of a utility bill credit up to \$564 annually, which is applied to the utility account each time the bill is paid in full and on time.

As of January 1, 2020 the BCAP household income eligibility levels are set at not more than 60 percent of the area median income (AMI); prior to then, the eligibility level was not more than 150 percent of the federal poverty guidelines established by the U.S. Department of Health and Human Services.

During the state of emergency declared in response to COVID-19, the City Council adopted Resolution Nos. 40575 and 40596, establishing a new Emergency Assistance Program (Program). The Program uses funds allocated to BCAP, but by setting eligibility levels at not more than 200 percent of the federal poverty guidelines, allowed households beyond those served by the BCAP to become potentially eligible for assistance.

In order for more households to utilize the Program to obtain assistance to be used to retire outstanding balances, TPU and Environmental Services are requesting that the City Council approve a change to the Program income eligibility requirement from 200 percent of the poverty guidelines established by the U.S. Department of Health and Human Services to 80 percent of the area median income (AMI) and to approve reallocation of BCAP funds from Power, Water, and Environmental Services to the Program and to delegate to the City Manager and Utilities Director the authority to determine the appropriate manner for reallocation of such funds.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

An emergency related moratorium on utility disconnections was in place up to March 31, 2022. Accounts with outstanding balances as of March 31, 2022 have been automatically placed on 24-month extended payment plans, which will remain in place so long as the customer remains up to date on the payment plan installments and on current utility charges.

Requests for customer assistance through the existing Emergency Assistance Program have demonstrated the need to serve additional households beyond those currently eligible for assistance under the Program or under BCAP. This



resolution will allow more households to qualify for the Program and to receive financial assistance for past due utility bills.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

This resolution will allow more low-income households to be eligible for financial assistance for past due utility bills by amending the eligibility criteria of the Emergency Assistance Program from 200 percent of the poverty guidelines established by the U.S. Department of Health and Human Services to 80 percent of the AMI.

Livability: Equity Index Score: Moderate Opportunity

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Explain how your legislation will affect the selected indicator(s).

This resolution will provide financial assistance toward utility bills for Tacoma Public Utilities and Environmental Services customers with incomes at or below 80 percent of the AMI.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
Take no action.	Unutilized assistance dollars would roll into fund balance for all utilities.	Financial assistance would not be available for new households.

EVALUATION AND FOLLOW UP:

Staff will provide updates to the City Council on the total amount of assistance distributed and the number of households served.

STAFF/SPONSOR RECOMMENDATION:

TPU and Environmental Services recommend the Council approve changing the income eligibility requirement for utility funds in the Emergency Assistance Program from not more than 200 percent of the poverty guidelines established by the U.S. Department of Health and Human Services to 80percent of the AMI, that the Council approve the use of the funds currently budgeted to BCAP for low-income assistance for the Emergency Assistance Program, and that the Council delegate to the City Manager and the Utilities Director authority to determine the appropriate reallocation of the existing BCAP funds in order for additional households to be potentially eligible for assistance in response to the state of emergency.



FISCAL IMPACT:

The amount of BCAP funds that are currently expected to be repurposed by the Director of Utilities and the City Manager to the Emergency Assistance Program is a total amount of \$2,746,595.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. Fund 4200 – Solid Waste		Various	\$154,977
2. Fund 4300 - Wastewater		Various	\$111,968
3. Fund 4301 - Stormwater		Various	\$54,542
4. Fund 4600 - Water		Various	\$357,530
5. Fund 4700 - Power		Various	\$2,067,578
TOTAL			\$2,746,595

Are the expenditures and revenues planned and budgeted in this biennium’s current budget?

YES

Are there financial costs or other impacts of not implementing the legislation?

NO

Will the legislation have an ongoing/recurring fiscal impact?

NO

Will the legislation change the City’s FTE/personnel counts?

NO