	Cost	Other Impacts	Values	Additional Materials
<u>OPTION A: STATUS QUO</u> • Expand program outreach to get to the budgeted goal of 10,000 currently eligible participants. • Outreach should focus on areas with high rates of shutoffs. • Program should include an assessment after reaching budgeted goal.	• The current average benefit per participant is about $550 plus administrative costs of about $30 per participant. The foregone revenue for expanding from 8,000 to 10,000 participants would be about $1.1 million at current rates. Both Water and BES have confirmed that no new administrative support would be needed.	• Currently, Water Bureau and BES have different budgeting techniques for the program. • Water Bureau annually budgets for 10,000 participants. Any unused funds that result from less than the budgeted number of participants falls to ending/beginning balance which is incorporated into the rate model. • BES adjusts its budget annually based on participation in the prior year. Increasing the program by 2,000 participants would result in a rate increase of 0.21% or $0.14 on monthly utility bill.	• Ensure discount program reflects city's equity plan • Fulfil original intent of program/carry forward original intent of City's equity commitment. • Focus of outreach in East Portland and other areas with high-shut offs brings equity lens. • Water hasn't mapped participants by neighborhood to compare to shutoff map but is working with PSU to get better demographic data. • Assessment to evaluate impact on equity. Did increased targeted outreach affect shut-off rates in East Portland and other high shut-off areas? Did targeted outreach help reach underserved populations?	Water Bureau map of shutoffs City of Portland Citywide Racial Equity Goals and Strategies Outreach plan being developed by Water Bureau for collaboration with community and other organizations to reach budgeted amount. Add bureau strategy when available.
<u>OPTION B: EXPANSION</u> • Expand the current program by 13,000 additional low-income customers that reside in multi-family regulated units. • Possible rate increase for 27,000 estimated low-income residents in market rate rental units. • Funding for the additional customers would be *funded through rate increase.*	• Original report included estimate of about $7.5 million of foregone revenue for benefit costs for this expansion. Updated estimate from Water and BES is $7.8 million. • There also would be additional administrative costs for staff and a cost for system changes to track information about multifamily units not currently collected.	• Increased rates might have net negative impact on desired outcomes. • Negative impact on low-income renters in market-rate multifamily units since rates are charged irrespective of income. • This would result in a rate increase of about 3.7% or $1.73 on monthly utility bill. This includes the foregone revenue for both bureaus but does not include admin costs which would depend on program implementation.	• Tries to address inequities of discount currently available only for individually metered units. • The negative impact of increased rates could be particularly acute for customers that are just above the eligibility guidelines or are low income in market rate rental units. • This may make equity worse for some customers. • Question of to whom does the benefit accrue and who pays?	Low-Income Discount Report Appendix D of 2015 and Appendix H, Federal Register" of 2015 Low-Income Discount Report (for EPA provisions) Legal Opinion April 21, 2000. *Options for Structuring a Program to Provide Financial Assistance to Nonprofit Providers of Low Income Housing*

	Cost	Other Impacts	Values	Additional Materials
<u>OPTION C: PHASE OUT</u> End discount program with 6 year phase out (in step with minimum wage increase)		• Currently unsubsidized customers would realize small rate benefit. • Roughly 8,000 current participants would lose an average of $552 in bill assistance per year.	• Current program is inequitable and other options may be better. • Small rate benefit would reduce housing burden for low-income residents not currently receiving benefit. • Loss of benefit may impact customers on fixed-incomes harder than other customers.	
<u>OPTION D:</u> Expand program outreach beyond goal of 10,000 participants to reach additional 15,000 eligible single-family households.	• BES and Water estimate $8.8 million in foregone revenue for 15,000 more participants. • An expansion of 15,000 participants would require an estimated 2 to 3 additional staff and result in about $415,000 in administrative costs.	• This would result in a rate increase of about 4.2% or roughly $2.00 on monthly utility bill. This includes the foregone revenue for both bureaus and an estimate for administrative costs.	• Exacerbates existing inequities of the program, increasing the burden on non-participating low-income customers.	Use assessment recommended as part of recommendation Option A to identify successful outreach efforts or modify those that were less successful.

	Cost	Other Impacts	Values	Additional Materials
• **<u>OPTION E:</u>** Expand the current program by 13,000 additional low-income customers that reside in multi-family regulated units. • No benefit for 27,000 estimated low-income residents in market rate rental units. • Funding for the additional customers would be funded *within current program budget without need to increase rates for expansion. This would decrease the average benefit.*	• Current foregone revenue for 8,000 participants at average benefit of $552 = about $4.4 million. • Increasing participants to 21,000 within existing budget would decrease average benefit to about $210 per participant. • There also would be additional administrative costs for staff and a cost for system changes to track information about multifamily units not currently collected.	• Increases administrative burden and costs. • Spreads benefit more thinly, potentially having a net negative impact on desired outcomes by not providing sufficient benefit to keep people in their homes. • How would this affect the currently participants who currently budget with the assumption of the existing discount? • How would this impact new registrants who came into the program assuming one level of discount but may now receive much lower discount?	• Does this increase or decrease equity? • The expansion may increase equity between those living in individually metered units and those in multi-family non-individually metered units but doesn't address market-rate rental units.	Low-Income Discount Report Appendix D of 2015 and Appendix H, Federal Register" of 2015 Low-Income Discount Report (for EPA provisions)

	Cost	Other Impacts	Values	Additional Materials
• **OPTION F:** Expand the current program by 13,000 additional low-income customers that reside in multi-family regulated units. • No benefit for 27,000 estimated low-income residents in market rate rental units. • Funding for the additional customers would be funded from General Fund.	• No additional cost through rate structure. • Funding for this expansion is estimated to be $7.8 million or roughly 1.5% of general fund.	• General Fund is a constrained resource. Using this as a funding source would require prioritization and would bump other spending. This could potentially make funding for the program unreliable, as it would be susceptible to cuts in downturn years.	• City Council could use general fund for programs that better address equity issues. • Renters in regulated units are already receiving more benefits relative to renters in market-rate units. Using general fund for this expansion could displace other programs that could benefit market-rate renters	
OPTION G: Provide discount to estimated 27,000 low income renters who don't live in subsidized housing or receive separate bills.	• BES and Water estimate $16 million in foregone revenue for 27,000 more participants. • There also would be additional administrative costs for staff and a cost for system changes to track information about multifamily units not currently collected.	• Potentially administratively very difficult and costly. • Limited options for implementation because of EPA requirements. • Administratively difficult to ensure benefit accrues to renter and not landlord.	• Directly creating more affordable housing or increasing short-term rental assistance is likely a better option than trying to administer and enforce a pass-thru program.	

	Cost	Other Impacts	Values	Additional Materials
OPTION H: Increase subsidies/vouchers not related to utility relief to low income renters. Funding would be transferred from the General Fund to either the Portland Housing Bureau or outside partner to administer the benefit.	• Depends on program scope and parameters.	• General fund resources are constrained and highly competitive; many other priorities including assistance to low-income renters (e.g. Short-Term Rental Assistance).	• If this program is targeted only to renters, there could be some equity issues relative to homeowners.	Low-Income Discount Report Appendix F, "Oregon Affordable Housing Tax Credit" Home Forward's Short-Term Rental Assistance Program
OPTION I: Create a program for current customers to opt-in to a surcharge on their current utility bill.	• Administrative costs would be relatively low but looking at other similar programs the revenue potential would likely be small.	• Increases administrative burden and costs. • Potentially does not result in resources sufficient to meet program goals. • Potentially opens door for other donation appeals. • Might offer opportunity to match donations with other benefactors.	• Most progressive and transparent option. • May provide flexibility for highest and best use (with limitations to water-related programs: shutoffs, expansions of discount to more single family home customers and potentially some renters, crises assistance.	PGE's HEAT Program City of Columbia, Missouri's CASH and HELP programs
OPTION J: Continue to run the program as-is with the existing level of outreach, no change in eligibility, and the current level of resources.	• No increase in administrative costs; forgone revenue would change with annual rate changes and increases or decreases in number of participants.	• Renters whose rents are impacted indirectly through the utility costs paid by landlords would not be eligible for this benefit that is available to individuals that pay their bills directly.	• There are equity issues with the current program. • Disadvantaged communities may have unequal access to the program.	Water Bureau map of shutoffs