Portland Utility Board
May 19, 2016, 10:30am – 12pm
Springwater Conference Room, The Portland Building

PUB Members: Cindy Dietz, ex officio
Gwynn Johnson
Janet Hawkins
Kendra Smith
Meredith Connolly

Staff: Ryan Curren (Office of Equity and Human Rights)
Cecelia Huynh (Director of Finance and Support Services, Water)
Claudio Campuzano (Principal Analyst, City Budget Office)
Ryan Kinsella (Senior Analyst, City Budget Office)
Jenny Scott (Auditor’s Office)

Public: Carol Cushman (League of Women Voters)

I. Call to Order, Introduction of Any Audience Members

Jenny Scott introduced herself and told the subcommittee members that she is working on audit of discount programs.

II. Conversation with Ryan Curren from the Office of Equity and Human Rights

Janet and Meredith provided background on the work and conversations of the PUB Subcommittee to date in order to give Ryan some context for the conversation.

Ryan mentioned that he had some experience with the program in Seattle. He highlighted program versus outreach issues and their relationship.

Ryan presented a Racial Equity Toolkit that could be used for program design and evaluation. The tool starts with the end – i.e. the outcome. Ryan identified the differences between intergenerational poverty and acute poverty. Racial equity has a strong emphasis on the structural approach. Outcomes would be moving out of low-income or stabilizing households. Rather than looking at opt-in program options, they went to housing authority to automatically enroll eligible households.

Ryan noted that opt-in programs are disproportionately subscribed by white households due to greater familiarity with government programs and trust in government. Outreach to immigrant and refugee populations is important. The key is having community partners with trust and connections in those communities.
The next step is identifying who is burdened by the proposed policy solution. Are there unintended consequences? Ryan’s background is in the housing program and utility program that expanded into housing authority. He worked with a council member who championed the program in Seattle.

Meredith had several questions. She noted that the PUB doesn’t have data on racial composition of benefiting population and was curious about whether Ryan has information on that.

Janet noted that the Water Bureau had done a pilot with Home Forward with voucher holders renting in single family homes.

Communities of color are overrepresented in regulated, low-income units. Efficiencies could be gained by working to enroll those residents.

There are 6,000 units in Home Forward portfolio, roughly 4,000 in Multnomah County. In Seattle, they made buildings eligible and all residents received a group discount. There was an identified goal to stabilize tenants and eventually move them out of subsidized housing to free it up to become available to other low-income tenants.

Ryan and Janet discussed the value and challenges of outreach through community partners.

Meredith noted that Water reaches out to connect with those at risk of shut-off to the program. Ryan followed-up on the idea of targeting neighborhoods where shut-offs are higher, particularly in neighborhoods where communities of color are represented to a greater degree and historically redlined areas. A historical review could be beneficial to identifying areas to target for outreach.

Janet brought a map of shut-offs.

Kendra noted that shut-offs are more likely to be in neighborhoods with greater proportion of single family homes. Ryan noted that multi-family is far outpacing single family construction. Between that and the fact that Portland is becoming more and more diverse means that the program will continue to be challenged to be more equitable.

Meredith highlighted concerns about the impacts of winding down the program.

Expansion or retraction, Ryan noted that you are going to want to engage those that are most impacted. Programs like this are an effort to try and create a progressive rate structure – equal not necessarily being equitable.

Gwynn asked about the primary purpose and improving the outcomes. People have ‘relied’ on the program and asked about the idea of providing stability and economic mobility.

Ryan responded that some recipients are capable of economic mobility – this is the goal. But for some people – seniors, those with serious disabilities – the goal is focused more on stability. He noted that elimination of the program would likely impact both goals.
Gwynn noted that continued data analysis would allow for some identification of impacts of the program on meeting the stability and mobility goals.

Meredith highlighted that there is an inequity of expanding to just regulated housing.

Kendra asked about charging different meters differently based on income, acknowledging water and sanitation is a public right. The idea would be that as rents go up, they would lose the discount. Meredith asked about passing discount on to tenants.

Ryan noted that EPA and HUD have relationships at regional level and that they’ve been working together for a long time to try and problem-solve interagency barriers. Meredith suggested that that was worth pursuing.

Meredith reminded the group that expanding the program would spread the costs over a smaller base, thus having a larger impact on households on the cusp.

Ryan compared this to the issue of conservation. Meredith noted that the base charge is so large that savings doesn’t necessarily incentivize conservation.

Ryan noted that Steps #1 and #3 of the Racial Equity Toolkit seem like they might be useful for this group. He also noted that reaching out to most impacted residents will really help move good decisions forward.

Jenny from the Auditor’s Office noted that they are just starting fieldwork and hope to release their audit in the Fall.

Cindy asked if Ryan would share contacts of Seattle commissioners and housing contacts.

Carol asked if anyone knew the subsidy cost of the current program to an average household. Claudio suggested that the bureaus could develop that figure but that the order of magnitude is that the program currently costs about 1%-2% on the bill. Cecelia noted that several years ago, $1.30 on the combined bill. Likely up to around $1.50 now. This confirms the 1-2% estimate.

Meredith noted that people participating in the program were not as represented in the shut-off data. Janet and Meredith discussed whether the fees reflect the fully loaded costs of shut-offs. Cecelia agreed that the shut-offs are a money-losing proposition.

Kendra asked if there are other models for non-base/usage charges. Perhaps ones that include more progressive models.

Cecelia described different approaches to rate making, but noted that all are based on the cost to provide the service, noting that California utilities have been sued over conservation rate strategies.

Gwynn noted that the task may not be to ‘figure out what to do’ but rather to continue to explore the solutions that would require process and feedback.
Meredith would not want it to draw out for too long.

Claudio suggested that focusing on step #1 – determining desired outcomes of a revised program – might be the best use of the group’s time. This could be very useful to the commissioner in determining the direction of the program.

Janet highlighted the need for outreach and going out into communities. Jenny noted that the shut-off map is being updated.

Public comment was incorporated into discussion so no time was allocated specifically to public comment.

Cecelia said that previously multi-family units were not shut off. Now it can be done. But they don’t do it frequently. Notification of tenants of potential shut-off tends to generate payment from the landlord.

Kendra noted that bending the cost curve down over time would benefit all rate-payers. But this doesn’t get to deep poverty issues. She sees value of having base service. How do you develop policy that values that while maintaining equity?

Meredith noted that no specific updates for the full PUB are necessary except that they are gathering information and exploring the issue.

The meeting adjourned at 12PM.