

Agenda Report

May 2, 2022

TO: Honorable Mayor and City Council

THROUGH: Municipal Services Committee (April 26, 2022)

FROM: Water and Power Department

SUBJECT: ADOPT A RESOLUTION APPROVING PARTICIPATION IN THE LOW INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3) (Common Sense Exemption);
2. Adopt a resolution approving participation in the Low-Income Household Water Assistance Program.

BACKGROUND:

The Water and Power Department ("PWP") recommends participating in a new state-administered program that provides support to customers requiring assistance to pay past due water and wastewater utility bills. The California Department of Community Services and Development ("CSD") is administering the federally funded program called the Low-Income Household Water Assistance Program ("LIHWAP"). The program will provide one-time financial assistance in the form of a utility bill credit to low-income households to reduce water and wastewater arrearages accrued prior to and during the COVID-19 pandemic.

The new federally-funded Low Income Household Water Assistance Program ("LIHWAP") will provide one-time financial assistance to low-income Californians to help manage their residential water and wastewater utility costs. This program will help low-income households pay down their outstanding water and wastewater bills.

The U.S. Department of Health and Human Services ("HHS") administers LIHWAP at the federal level, including the allocation of LIHWAP funds to the states. California has been allocated a total of \$116 million to provide assistance through the LIHWAP. California Governor Gavin Newsom designated the CSD as the administering agency

for LIHWAP in California. CSD has been serving low-income communities in the state for more than fifty years.

CSD administers a number of federal programs including the long-standing Low-Income Household Energy Assistance Program ("LIHEAP"). PWP has participated in the LIHEAP program for more than twenty years. Consistent with federal guidance provided by HHS, LIHWAP guidelines are modeled on existing LIHEAP procedures, systems, and practices. To help administer the program locally throughout the state, CSD partners with a network of non-profit and local government organizations, called Local Service Providers ("LSPs") dedicated to reducing poverty by helping low-income individuals and families. CSD has partnered with HORNE, LLC to disburse funds from the LIHWAP to the local agencies.

In October 2021, City Council approved PWP's participation in two other state programs, the California Arrearage Payment Program ("CAPP") and the California Water and Wastewater Arrearage Payment Program ("CWWAPP"). Both CAPP and CWWAPP are different from LIHWAP in that qualifying arrearages in those programs were open to both residential and commercial customers of any income level, and assistance applied only to delinquent balances accrued between March 4, 2020 and June 15, 2021. PWP successfully applied to the CAPP and CWWAPP programs and has completed the application of bill credits to qualifying customers as defined by the requirements for both programs.

The federal funding provided under the LIHWAP will serve as a complimentary resource to CWWAPP and CAPP by offering another form of assistance to qualified low-income households that are continuing to experience difficulty making payments for residential water and wastewater services.

The LIHWAP program is available for a limited time exclusively to residential, low-income customers. Additionally, LIHWAP financial assistance for qualified customers will apply to past due water and wastewater bills incurred prior to or during the COVID-19 pandemic. Similar to LIHEAP (but unlike the CAPP and CWWAPP), qualified customers are responsible for applying directly to the LIHWAP through a LSP. For Pasadena, the Maravilla Foundation ("Maravilla") serves as the LSP for the LIHWAP and LIHEAP programs.

Eligible customers will apply for assistance through Maravilla, who in turn will work directly with HORNE, LLC to remit payments to the City for approved customers. To be eligible to participate in LIHWAP, total household income must be at or below 60 percent of the state median income, or a member of the household must be a current recipient of benefits from LIHEAP, CalFresh or CalWORKs. Eligible customers can receive a one-time benefit of up to \$2,000 to cover water and wastewater arrearage balances including late fees, reconnection fees, and other charges.

PWP will actively reach out to participants in the existing LIHEAP to provide education and assistance for applying to the LIHWAP, including the City Manager's Newsletter,

Pasadena InFocus, notices posted at community centers, social media, and the City's website.

CSD is implementing LIHWAP in two phases:

- Phase 1 (April/May 2022): CSD is contracting with LSPs to roll out the program. Through its third-party partner for funds disbursement, HORNE LLP, CSD will begin working with participating water and wastewater utilities to execute direct payment agreements to apply the customer-requested aid to their respective PWP accounts.
- Phase II (May/June 2022): LSPs will begin accepting applications from eligible households. The program will operate through August 31, 2023. Customers who are able to pay some or all of their bills will be encouraged to do so.

Along with this federal funding, PWP also offers a number of bill assistance support for low-income customers. To learn more visit <https://PWPweb.com/LowIncome>.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

The proposed actions have been determined to be exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b)(3), the common sense exemption (formerly the "general rule") that CEQA only applies to projects that may have an effect on the environment. Where it can be determined with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The proposed programs are financial assistance programs and do not propose any physical changes to the environment and, thus, have no possibility to result in a significant effect on the environment. Therefore, these programs are exempt from CEQA per Section 15061(b)(3).

FISCAL IMPACT:

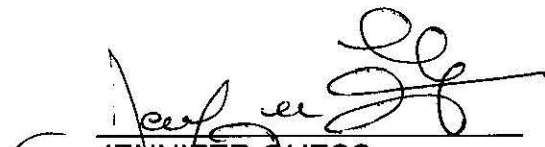
There is no direct fiscal impact for Pasadena to participate in the LIHWAP program. Based on the program guidelines, a qualified customer could receive maximum assistance up to \$2,000 based on the CSD's determination of eligibility. It is not known at this time how many of Pasadena's qualified water and wastewater customers will apply for assistance through the LIHWAP program. PWP will implement a program to actively reach out to current participants in the LIHEAP to educate and assist with the application process for the LIHWAP.

Respectfully submitted,


JEFFREY KIGHTLINGER
Interim General Manager

Prepared by:

Concurred by:


JENNIFER GUESS
Acting Government and
Customer Relations Manager


MATTHEW E. HAWKESWORTH
Director of Finance

Approved by:


CYNTHIA J. KURTZ
Interim City Manager