

Capacity Charge Affordability and Customer Assistance

Refined Options and Evaluation of Impacts

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Several approaches could contribute to WTD's customer assistance objectives

- ▶ Assist low-income customers most in need
- ▶ Support customers with temporary hardship
- ▶ Support availability of affordable housing



Project Timeline

- Nov 2018 Stakeholder engagement
MWPAAC: continued discussion/input
- Dec 2018 Recommendations and consideration by
WTD/DNRP and County Executive
- Q1/Q2 2019 Executive transmits ordinance to Council
- Q2 2019 Council consideration and approval
Continued collaboration with MWPAAC
- 2020 Implementation



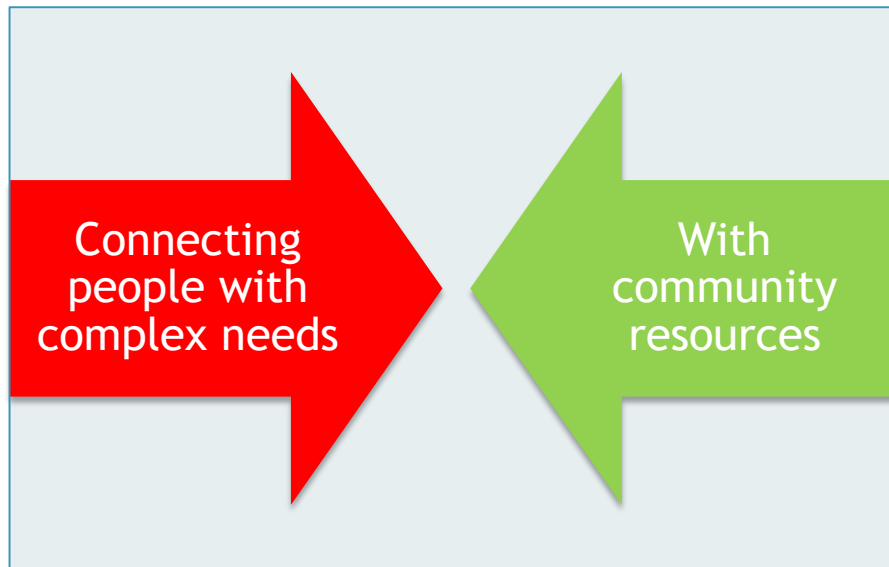
Refined Affordability Options

1. Connect customers with community support services
2. Delayed payment plans for customers with temporary hardship
3. Property liens for customers with ongoing inability to pay
4. Reduced charge for new, income-restricted, affordable housing



#1 Connecting customers with community support services

Program Objective: Connect any customer in need, regardless of their situation, with the full set of support services available in the community.





#2 Delayed payment plans for customers with temporary hardship

Program Objective: Provide a safety net for customers who cannot, due to a temporary issue, make a bill payment on time.

Sample Delayed Payment Plan Repayment Schedule

Quarterly Payment Period	Q1 (Deferred)	Q2	Q3	Q4	Q5	Q6	Q7	Q8
Percent of Bill Paid	0	100%	100%	100%	125%	125%	125%	125%



#3 Property liens for customers with ongoing inability to pay

Program Objective: Help preserve housing affordability for low-income homeowners, including

- Senior citizens
- Customers with disabilities
- Customers converting from on-site sewage systems

Customers could work with WTD to have capacity charge bills placed in lien against the property.

WTD could work with sewer agencies to identify needs and further opportunities.



#4 Reduced charge for new, income-restricted, affordable housing

Program Objective: Increase the supply of affordable housing by reducing building costs.

Current 50% RCE Discount Program Eligibility Criteria:

- Multi-family buildings
- For units 400 square feet or smaller
- Minimum 51% of building occupied by residents with incomes below 80% median income
- Rents in low-income units are restricted
- Legally enforceable covenant (50 years)



#4 Reduced charge for new, income-restricted, affordable housing

Potential expanded program eligibility criteria

Should we?

- Remove/change size
- Remove/change dwelling type
- Remove/change portion of building that needs to be dedicated to low-income occupancy
- What Income qualification for occupancy of 50%, 60%, or 80% Area Median Income should we include
- Legally binding covenant ensuring affordability for minimum # of years (40, 50, perpetuity)
- Publicly funded projects
- Non-profit/government/for-profit



Estimated benefits and costs for four options combined as a package

Summary of Estimated Total Benefits and Costs						
	Program Benefits			Program Costs		
	Households Assisted Annually	People Assisted Annually	Households Assisted 2020 - 30	Annual Delayed Revenue	Annual Foregone Revenue	Capacity Charge Increase
With 50% discount for affordable Housing	3500	6650	35,000	\$1.6 million	\$2.25 million	1.7% increase \$1.13/month



King County

Questions?

Thank you!

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