



CITY OF CHICAGO • OFFICE OF THE MAYOR



FOR IMMEDIATE RELEASE

November 1, 2019

CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

MAYOR LIGHTFOOT ANNOUNCES UTILITY BILLING RELIEF PROGRAM TO END WATER SHUTOFFS FOR INABILITY TO PAY AND PROVIDE PATHWAYS TO COMPLIANCE

New initiative will bring debt relief and additional pathways to payment for residents struggling to pay city utility bills

CHICAGO – Mayor Lori E. Lightfoot today joined advocates, elected officials and members of the community to unveil the City's new Utility Billing Relief program. Set to begin in 2020, this new initiative will bring relief to residents struggling to afford utility payments and will improve billing policies to help reduce the cost for qualifying residents and allow opportunities for homeowners in debt to pay that debt off in an affordable way. Importantly, for Chicago's low-income homeowners this initiative will work to prevent the City's long-time practice of shutting off water supply due to a resident's inability to pay.

The reforms announced today are yet another piece of Mayor Lightfoot's financial justice agenda, which includes recently enacted reforms set create pathways out of debt and bring relief to low income Chicagoans, while starting to change regressive revenue collection practices.

"Today we are introducing a program that delivers on a promise I made to Chicago's residents. For far too long, too many residents have been forced to choose between paying for their water bill or other fundamental necessities," said Mayor Lori Lightfoot. "This program protects our residents, ensures access to basic human needs and builds on our commitment to reform our government toward ending systems that are punitive for those who can least afford it."

The Utility Billing Relief program will provide low-income residents of Chicago with a reduced rate on their water, sewer and water-sewer taxes without late payment penalties or debt collection activity, including water shut-offs. Debt relief will also be extended to those who demonstrate they can manage the reduced rate bills for one year, without any accrued balance. Developed with input by the City Council, advocates and other community leaders, these reforms are anticipated to help tens of thousands of people eligible for payment plans.

"I want to commend Mayor Lightfoot for taking large strides in assisting our most vulnerable residents and making our city more equitable overall," said Alderman Michael Scott, 24th Ward. "Having access to clean, reliable drinking water is a basic human right and



CITY OF CHICAGO • OFFICE OF THE MAYOR

I am pleased to see the City working to ensure our residents are no longer denied that right from inability to pay.”

Beginning next year, residents will have the opportunity to save 50 percent on water, sewer and water-sewer taxes moving forward, and after successfully completing the first 12 months of the program, any previous unpaid balances will be forgiven. It’s estimated that these changes could lower the average homeowner’s metered bill from \$53 to \$33 a month. The debt forgiveness provision of the new billing relief program will reward participants who can demonstrate a commitment to keep up with the more affordable bills while also alleviating the stress that comes with piling debt burdens.

With this program in place, the City can focus its collection efforts on those who can most afford it, and landlords will still be responsible for paying water bills. Consistent with other initiatives for fines and fees, for those who do not qualify for the reduced rate there are multiple plans for residents to choose from either a 6-, 12-, 18-, 24-month plan, accessible online. Any time a resident remains current on payments, they prevent a potential utility shutoff.

“AARP’s 250,000 members have told us that the rising cost of utilities—including water and sewer bills—are forcing older adults and their families to make difficult choices between groceries, medicine, and keeping their houses running,” said Mary Anderson, Chicago Director of AARP. “The Utility Bill Relief Program will be a significant step in helping older adults to remain in their homes. AARP thanks Mayor Lightfoot and the City Council for recognizing that these stresses on hard-working Chicagoans must not continue, and for working to identify and implement solutions.”

The amount of debt tied to water utility billing has seen a nearly 300 percent increase since 2011 with over \$330 million of overall debt today. This trend runs parallel to the recent rise in water rates, which have increased by 166 over this same time period. With much of the debt concentrated in many south and west side communities, the City has historically focused water enforcement practices, including water shutoffs, in these communities.

“MPC stands in strong support of Mayor Lightfoot’s leadership on this critical reform which will ensure water service as a basic human right, advance equity, and close the racial wealth gap,” said MarySue Barrett, President of the Metropolitan Planning Council.

The Utility Billing Relief program will operate in partnership with the Community and Economic Development Association (CEDA) of Cook County, who operates the Low-Income Home Energy Assistance Program (LIHEAP) in Cook County. It will leverage the expertise and experience of CEDA leaders and use its extensive network of partner organizations to conduct outreach and enroll homeowners starting in March 2020.

“We are pleased to be partnering with the City on this groundbreaking initiative to help residents most in need,” said Harold Rice, President and CEO of CEDA. “Our organization will be partnering with the City to ensure high-quality services are delivered to residents,



CITY OF CHICAGO • OFFICE OF THE MAYOR



leveraging our more than 50 years of operations, education and engagement of local residents.”

Chicago homeowners of single-family homes and two-flats must be income eligible for LIHEAP in order to qualify for the Utility Billing Relief program. In addition, the participant must be the property owner, reside at the address and have their name appear on the bill as the customer. Importantly, the utility Billing Relief Program will not require documentation of residency in keeping with our welcoming cities ordinance.

“It's expensive to be poor and we're pleased to be in partnership with the City and CEDA to deliver this program that will provide a financial safety net to our city's most vulnerable with dignity.”, said Brenda Palms-Barber, Executive Director of North Lawndale Employment Network, one of approximately 100 local partnering organizations of CEDA. "

Beginning March 1, 2020, Chicagoans can start applying for the Utility Billing Relief program, which will require that applicants provide the same documentation as needed for LIHEAP. To get more information please visit www.chicago.gov/UBR, email utilitybillrelief@cedaorg.net, text WATERBILL to 313131 or call (312) 795-8946 and leave your name and number.

The Utility Billing Relief program will also include a second phase that moves all households with a meter, currently on a bi-monthly billing schedule, and households without a meter on a six-month billing schedule to a monthly billing cycle. This will enable residents to better track their water usage while allowing greater predictability for household budgeting.

The proposal of the Utility Billing Relief program comes on the heels of Mayor Lightfoot's 2020 budget address, where she first announced this program and changes to the billing structure, now subject to City Council approval. The launch of this program positions Chicago to be a national leader in assisting residents with utility bill payments and debt relief, and it marks the third installment of Mayor Lightfoot's financial justice agenda, designed to increase equity throughout Chicago.

The next fines and fees reforms are set to take effect on November 15 - to learn more about how to get on a payment plan, please visit <http://www.chicago.gov/citystickerdebtrelief>

#