

## **Utility Billing Relief Program**

### **Annual Report to Council**

**February 2023**

#### **Program Overview**

Since the City began increasing water and sewer charges to pay for needed infrastructure upgrades in 2012, there have been a growing number of homeowners struggling to keep up with the rising costs of their utility bills. This has led to increased delinquencies, growing debts, and rising numbers of homeowners at risk of having their water disconnected for nonpayment.

Given this reality, when she took office, Mayor Lightfoot announced that no one should lose access to water simply because they cannot afford the bill, prompting the creation of the Utility Billing Relief (UBR) Program.

Founded on the same principles as the Federal/State Low-Income Home Energy Assistance Program (LIHEAP), UBR provides low-income residents with a reduced rate on their water, sewer, and water and sewer taxes, as well as debt relief for those who demonstrate they can manage the reduced rate bills for one year. Benefits for UBR participants include:

- A 50% reduction on water, sewer, and water and sewer tax rates
- Halt late payment penalties and debt collection actions
- Debt forgiveness after successfully completing one year with no accrued past due balance

To qualify for UBR, residents must be the owner of a single-family home or two-flat and be responsible for their City utility bill. Once their utility account can be verified as eligible, they must demonstrate that they meet the Federal income requirement for LIHEAP, which is currently generally at or below 200 percent of the Federal poverty level guidelines. In keeping with the City's Welcoming City Ordinance and ensuring undocumented residents have the same access to relief as any other resident, proof of residency status is not a requirement.

Operating in partnership with the Community and Economic Development Association of Cook County (CEDA), who operates LIHEAP in Cook County, the UBR program takes advantage of their expertise and extensive network of partner organizations to conduct outreach and enroll homeowners.

#### **Major Milestones**

UBR launched in the midst of a pandemic, and as a result, faced unique challenges while attempting to reach and enroll residents. In response, the City launched a multi-pronged campaign to identify and engage these residents.

Beginning in March 2020, the City and CEDA launched their first wave outreach program focused on homeowners who have received LIHEAP in the past year. Over the course of three months, CEDA mailed letters to more than 8,000 homeowners with documented LIHEAP eligibility, asking them to confirm if they wish to enroll.

At the beginning of the pandemic, like many organizations in the City, CEDA was forced to temporarily halt in person activity including enrollments at their intake sites and develop an alternative. By May 2020, CEDA resumed LIHEAP intake by phone, with applicants submitting their

documentation by email or online. CEDA quickly moved to include UBR applicants in their process by June 2020. This opened up enrollment to all qualifying residents regardless of whether they had received LIHEAP in the past, including those who may not be eligible for LIHEAP due to residency status.

Also in June 2020, the City launched the first of two online UBR applications for residents. This initial application was again focused on LIHEAP recipients and provided them with a shortcut to completing a full application by requiring only a match of the LIHEAP recipient with their utility account.

In November 2020, the City launched a full online application, allowing homeowners who have not received LIHEAP to complete a full application and submit all of their required documentation online.

In April of 2021, the City, in partnership with CEDA, launched a campaign to ensure UBR participants are aware of any past due balance that might keep them from successfully completing their program year and of their ability to re-enroll for a subsequent program year if they are still eligible. Participants receive several letters in the months leading up to the end of their program. Within the last month of their program year participants receive automated calls and emails. During the last week of their program year participants who still have a past due balance receive live calls to remind them to become current so that they can successfully complete the program.

In October of 2021, UBR was extended from a pilot program to a permanent program. Customers who have not failed to successfully complete a program year more than once, who continue to be eligible for UBR, and who reapply can continue to receive the benefits of UBR.

## **Results**

From inception through December 29, 2022, 19,968 unique homeowners have enrolled in UBR, and many have successfully completed the program and re-enrolled for subsequent program years. There have been 31,498 total enrollments into the UBR program since inception. As of the end of December 2022, the average amount of debt forgiven per household is \$1,080, while the average amount of debt forgiven for a household enrolling in UBR for the first time is \$1,404. From inception through the end of 2022 a total of \$17.5 million in past due debt has been forgiven, while another \$9.3 million is currently set aside and can be forgiven if participants complete a year of enrollment with zero past due on their utility bills. Participants have also saved an additional \$14.8 million by receiving reduced rates during their program years. Overall, 92 percent of participants completed the program successfully and achieved debt forgiveness.

## **Outreach**

Through the course of 2020, the City and CEDA initiated systematic efforts to connect with advocates, community organizations, and Aldermanic offices to share information on UBR and ask for assistance with reaching potentially eligible populations. City staff held 19 aldermanic briefings and trained aldermanic staff from 19 wards with significant low-income and minority populations on the program, including how to help residents navigate the online application. In addition to CEDA's network of more than 50 partner organizations that assist residents with the application process, CEDA held five virtual town halls reaching more than 600 additional organizations and residents. To further build program awareness, the City used social media, digital billboards, webinars and other forms of engagement to expand outreach efforts. CEDA has also been

leveraging its social media platform to reach additional residents and targeted eligible clients not already enrolled with email outreach.

In 2021 and 2022 many of the same methods of outreach were employed, such as leveraging CEDA's network of partner organizations, social media, digital billboards, and webinars. CEDA also continued to do a great deal of targeted outreach to customers who had recently received LIHEAP benefits, were living in a qualifying property, and had a past due balance, by sending thousands of easy-to-complete mailed letters to these customers. This allowed for expedited enrollment into UBR for these customers. Members of the Department of Finance also attended several virtual town hall-style meetings hosted by aldermen to discuss UBR and answer questions. The Comptroller gave several presentations where she discussed UBR program benefits and explained how to apply.

In addition, several new methods of outreach were employed in 2021 and 2022. In July 2021 and August 2022, DOF sent out thousands of postcards to customers with past due balances living in properties which were potentially eligible for UBR notifying them of the program and how to apply. In October 2021 and March 2022, the City partnered with the CTA to make customers riding the CTA aware of UBR through use of "over the seat" advertisements. In September and October of 2022, the City partnered with CEDA to promote UBR on the exterior of CTA busses and on CTA train platforms. The train platform advertisements contained QR codes which enabled customers to easily use their mobile devices to navigate to a web portal to find more information and begin the application process. All CTA advertisements were deployed City-wide in order to reach all populations.

Also in 2022, we were able to incorporate in-person methods of outreach. We attended in person events hosted by Aldermen, the City Clerk, and several community organizations. We provided information about UBR at the Mayor's Community Safety Town Hall meetings. All in all, we attended more than a dozen events where we provided information about UBR and answered questions about the program in 2022.

### **Demographics**

Of the households enrolled in UBR, 48 percent identify as African American, and 31 percent identify as Hispanic. Households headed by women make up 60 percent of those enrolled and 46 percent of enrolled households are seniors. Please see the exhibits at the end of this document for more detailed information about demographics related to both UBR enrollees and UBR applicants.

### **Current Status and Next Steps for UBR**

As of the date of this report the UBR program is nearing the completion of its third year. It has been an extremely successful program, as evidenced by 19,968 households participating in the program, 92 percent of enrollees successfully completing the program, and their collective achievement of over \$17.5 million in savings through debt forgiveness and an additional \$9.3 million in savings through rate reductions.

That said, the pandemic and economic conditions continue to create a need for UBR in Chicago. The City and CEDA continue to conduct outreach to try to ensure that all Chicago homeowners who might qualify for the program are aware of it, as well as to encourage households completing a year in the program to apply to continue if they continue to be eligible.

Additionally, the City is currently working to make modifications to its systems and processes to comply with amendments to Municipal Code of Chicago 11-12-530, the ordinance requiring full payment certificates. These amendments were passed during the 2023 budget cycle to allow for customers in specific situations to transfer a property to a UBR-eligible recipient without requiring full payment of the charges at the time of the transfer. Customers who are in UBR and are transferring the property to another low-income individual, properties where the property owner has passed away, and customers who are transferring a property as a result of a divorce case may be eligible to take advantage of this change. The party receiving the property will be required to apply for UBR, will be pre-qualified, and then will be enrolled in UBR once the property transfer is confirmed with the City. Amendments to MCC 11-12-530 take effect on April 1, 2023.

The success UBR has seen would not have been possible without the partnership and expertise CEDA provided. Utilizing CEDA's vast knowledge and network of organizations dedicated to providing utility assistance to Chicago residents led to better understanding of the populations this program is intended to aid and greatly expanded the City's ability to reach those residents who may benefit. Members of City Council have also been key partners in promoting the benefits of UBR within their communities and assisting with enrollment. We are grateful for everyone's contributions to the success of this important program.

# **EXHIBITS**