



PHRGE Briefing Paper:

*How Five Creative Water Utilities Are
Assisting “Hard-to-Reach” Renters as
Water Rates Rise*

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About the Authors:

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Zain Walker, NUSL '24, and Martha F. Davis, University Distinguished Professor of Law, Northeastern University, are the lead authors of the report. Additional comments and feedback were provided by Laura Senier, Associate Professor of Sociology and Health Sciences, Northeastern University, and Sharon Harlan, Sharon Harlan, Professor Emeritus at Arizona State University and affiliated faculty member in NU's Departments of Health Sciences and Sociology/Anthropology. Sanea Lamas, NUSL '24, provided additional research assistance.

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How Five Creative Water Utilities Are Assisting “Hard-to-Reach” Renters as Water Rates Rise

Water costs have risen dramatically in the past decade – up 43% from 2012 to 2021, outpacing other household utilities.¹ Recognizing the difficulties that rising rates may pose for customers, many water utilities have implemented modest Customer Assistance Programs (CAPs) to help those who have trouble keeping up with their increasing water bills. While well-intentioned and helpful for those who qualify, most of these CAPs leave out a significant group of water consumers who are also affected by rising rates, e.g., renters.

Nationally, most CAPs offered by water utilities are for homeowners who pay for their water bill directly, called ratepayers.² But unlike owner-occupied homes, the vast majority of rental units in the country are not separately metered.³ In the absence of separate metering, water utility companies do not bill consumers directly, but instead bill the property as a whole, with the landlord being responsible for paying the water authority.⁴ Without direct billing, tenants are not eligible for most CAPs offered by water utilities, leaving out the roughly 21.6 million households that are not ratepayers.⁵ In industry terms, these renters are “hard-to-reach” from a customer assistance perspective.⁶ Yet their fundamental need for household water, and their human right to water, is the same as that of the ratepayers who received CAP assistance.

The impact of rising water rates on renters can be significant, even though it is indirect. According to Saunders et al., “the general result of higher utility bills on rental property is an increase in rent. Unless restricted by local, state, or federal rule, most landlords will pass

¹ *Up 43% Over the Last Decade, Water Rates Rising Faster than Other Household Utility Bills*, Bluefield Research, Aug. 23, 2021, <https://www.bluefieldresearch.com/ns/up-43-over-last-decade-water-rates-rising-faster-than-other-household-utility-bills/>.

² U.S. ENV'T'L PROT. AGENCY, DRINKING WATER AND WASTEWATER UTILITY CUSTOMER ASSISTANCE PROGRAMS 7 (2016) (noting that the most popular CAPs in the country are direct bill discounts, followed by flexible terms and temporary assistance, all of which are only available to those who pay for their water directly).

³ Scott J. Rubin, *Water Costs and Affordability in the United States: 1990 to 2015*, 110 J. AM. WATER WORKS ASS'N 50 fig. 2 (2018).

⁴ Martha Davis, *Hidden Burdens: Household Water Bills, “Hard-to-Reach Renters,” and Systemic Racism*, 52 SETON HALL L. REV. 1461, 1485 (2022).

⁵ JANET CLEMENTS ET AL., WATER RSCH. FOUND., CUSTOMER ASSISTANCE PROGRAMS FOR MULTI-FAMILY RESIDENTIAL AND OTHER HARD-TO-REACH CUSTOMERS 3 (2017).

⁶ *Id.*

increases in water and sewer rates along to their tenants.”⁷ The authors add that increased rent due to rising water utility bills “can be as harmful to low-income households as is the increase in water rates itself.”⁸

Further, rising water costs can have a particularly significant impact on hard-to-reach renters because on average they face more economic or other life challenges than the general population.⁹ For example, hard-to-reach households have lower incomes, a higher poverty rate, and are more likely to receive government assistance.¹⁰ Hard-to-reach renters are also more likely to face other challenges that compound their inability to absorb rising costs, such as limited language proficiency, disabilities, and poor access to information.¹¹

Importantly, there is also a racial dimension to the issue that the neutral term “hard-to-reach” obscures. Renters are disproportionately Black and Hispanic, a disparity which, according to Christopher Herbert of the Joint Center for Housing Studies at Harvard University, is tied to “hundreds of years of slavery and discrimination that have left Black Americans with lower incomes, less wealth, fewer college degrees, and a higher likelihood of being raised in a single-parent household than their white counterparts.”¹² With lower rates of homeownership, Black and Hispanic populations are more likely to be hard-to-reach renters, meaning they also have less access to effective CAPs than their white counterparts.

Reaching renters who are bearing the brunt of rising water costs is not simple. Utilities must be creative and persistent to develop ways to assist renters who are not billed directly by utilities. But some utilities have done the work to establish effective programs for these hard-to-reach renters. Given racial disparities in homeownership in many parts of the country, developing water assistance programs that can be accessed by renters as well as homeowners is an important policy goal that enhances racial equity within water systems and counters the racist policies that have suppressed homeownership for BIPOC communities.

The table below provides an overview of five water assistance programs across the country that have been developed to assist hard-to-reach renters. It is our hope that this information will prompt other utilities and advocates to prioritize the expansion of customer assistance programs to reach this vulnerable group of water consumers.

⁷ MARGOT SAUNDERS ET AL., WATER AFFORDABILITY PROGRAMS (1998).

⁸ *Id.*

⁹ Clements, *supra* note 5.

¹⁰ *Id.* at 8.

¹¹ *Id.* at 7; *see generally* JOHN CROMWELL ET AL., WATER RSCH. FOUND., BEST PRACTICES IN CUSTOMER PAYMENT ASSISTANCE PROGRAMS 119 (2010).

¹² Davis, *supra* note 4, at 1491.

| City/Date Implemented | Who Applies/Benefits | Eligibility | Discount | Program Funding | Legal Background | Partnerships |
|---|--|--|--|--|--|--|
| Seattle, WA (1990)^j | Tenant applies; receives credit on electric bill ⁱⁱ | 1) Renter in multifamily dwelling 2) Have Seattle City Light or Public Utility bill in your name 3) Household income is at or below 70% of state's median income or receiving SSI ⁱⁱⁱ | \$41.12/mo ^{iv} | Director of finance reimburses light fund from water fund ^v | Enacted through amendment to municipal code ^{vi} | Seattle City Light, Human Services Dept. |
| Austin, TX (2021)^{vii} | Automatic or tenant applies; receives credit on electric bill ^{viii} | 1) Reside in multifamily dwelling that receives services from AW 2) Receive financial assistance from AE CAP ^{ix} | \$17/mo included on AE monthly bill ^x | \$4m reimbursed to AE by AW ^{xi} | Established through budget amendment ^{xii} | Austin Electric |
| New York City, NY (2017)^{xiii} | Landlord applies; receives credit on yearly water bill ^{xiv} | 1) Building rent is affordable to families within 60% of AMI 2) Meets HDP/HDC regulatory requirement 3) Meets DEP/NYCWB water conservation requirements 4) Current on DEP/DOF bills 5) Building contains 4 or more units ^{xv} | \$250/yr on water or sewer bill ^{xvi} | \$10m ^{xvii} | Established by the Water Board through its rate determination ^{xviii} | DEP, HDC, HDP |
| Portland, OR (2018) | Tenant applies; receives credit for rent payment ^{xix} | 1) Live in a multifamily dwelling 2) Occupied unit for at least 1 year 3) 60% MFI or below 4) Located within PWD service area 5) Pay water indirectly through rent 6) No duplicative rent assistance ^{xx} | \$650/year ^{xxi} | \$600,000, funded by BES and Home Forward ^{xxii} | Enacted through budget amendment ^{xxiii} | Home Forward, BES |
| District of Columbia (2021)^{xxiv} | Landlord applies; receives credit on water bill, 90% of which must be used for tenant charges ^{xxv} | 1) Landlord applies and is eligible 2) Tenant must: a. Reside in AHU b. Meet income requirements through DOEE, LIHEAP, or participation in other assistance programs ^{xxvi} | Up to \$2,000 per unit/year ^{xxvii} | \$7m set aside by DC Water from cash surplus ^{xxviii} | Established through emergency rulemaking by DC Water ^{xxix} | None |

Abbreviations:

AE: Austin Electric

AHU: Affordable Housing Unit

AMI: Average Monthly Income

AW: Austin Water

BES: Bureau of Environmental Services (Portland)

CAP: Customer Assistance Program

DEP: Department of Environmental Protection (NYC)

DOEE: Department of Energy and Environment

DOF: Department of Finance (NYC)

HDC: Housing Development Coalition (NYC)

HDP: Housing Preservation and Development (NYC)

LIHEAP: Low-income Home Energy Assistance Program

MFI: Median Family Income

NYCWB: New York City Water Board

PWD: Portland Water Bureau

SSI: Social Security Income

ⁱ Seattle, Wash., Ordinance 115424 (Oct. 30, 1990).

ⁱⁱ Seattle, Wash., Mun. Code § 21.76.040, § 21.76.050 (2016).

ⁱⁱⁱ Seattle, Wash., Mun. Code § 21.76.030 (2016).

^{iv} Calculated by adding the effective 2022 rate credits for water, wastewater, and drainage as found at <https://www.seattle.gov/utilities/your-services/discounts-and-incentives/utility-discount-program>.

^v Seattle, Wash., Mun. Code § 21.76.050 (2016).

^{vi} *Supra*, note i.

^{vii} Austin, Tex. Mun. Ordinance 20201210-003 (Dec. 10, 2020).

^{viii} The program is automatically applied to tenants who are already CAP customers under AE; AUSTIN WATER, WATER & WASTEWATER COMMISSION REVIEW AND RECOMMENDATION (Nov. 17, 2020).

^{ix} See *Utility Bill Discounts*, CITY OF AUSTIN UTILITIES (Mar. 22, 2022) <https://coutilities.com/wps/wcm/connect/occ/coa/util/support/customer-assistance/utility-bill-discounts> (describing AE CAP eligibility); Erik Luna, *Austin Water Multifamily Customer Assistance Program Discount Receives Council Approval*, AUSTINTEXAS.GOV <https://www.austintexas.gov/news/austin-water-multifamily-customer-assistance-program-discount-receives-council-approval> (describing AW multifamily assistance program implementation).

^x *Id.*

^{xi} *Id.*

^{xii} *Supra*, note vii.

^{xiii} Minutes of the Meeting of the New York City Water Board, N.Y.C. WATER Bd. (June 16, 2017).

^{xiv} MULTIFAMILY WATER ASSISTANCE PROGRAM FOR AFFORDABLE HOUSING FREQUENTLY ASKED QUESTIONS, N.Y.C. HOUS. PRES. AND DEV. (Nov. 18, 2021); N.Y.C. WATER Bd., WATER AND WASTEWATER RATE SCHEDULE 37 (July 1, 2016).

^{xv} RATE SCHEDULE, *supra* at xv.

^{xvi} *Supra*, note xvi.

^{xvii} NEW YORK CITY WATER AND WASTEWATER RATE REPORT, N.Y.C. WATER Bd. (May 2016).

^{xviii} *Supra*, note xvi.

^{xix} Amelia Templeton, *Portland Utility Bureaus Will Help Renters at Risk of Eviction*, OPB, (May 22, 2018), <https://www.opb.org/news/article/portland-utility-bureaus-help-renters-at-risk-eviction/>.

^{xx} *Id.*

^{xxi} *Id.*; *Financial assistance for residents in multifamily housing*, PORTLAND.GOV, <https://www.portland.gov/water/water-financial-assistance/multifamily-housing-financial-assistance>.

^{xxii} BUREAU OF ENVIRONMENTAL SERVICES, FY 2018-19 REQUESTED BUDGET 128 (Jan. 2018).

^{xxiii} *Id.*

^{xxiv} D.C. Mun. Regs. tit. 21, § 4102 (2021)

^{xxv} D.C. Mun. Regs. tit. 21, §4102.10(e)(5) (2021).

^{xxvi} D.C. Mun. Regs. tit. 21, §4102.10(e)-(f) (2021).

^{xxvii} D.C. Mun. Regs. tit. 21, § 4102.10(h) (2021).

^{xxviii} *Supra*, note xxvi.

^{xxix} *Id.*