

## Staff Direction – Utility Affordability Analysis

I am directing staff to return to Council with a formal utility affordability analysis related to the proposed sewer and stormwater rate increases.

This work should be completed with the involvement of a qualified housing or public-finance economist, or a comparable expert with demonstrated experience in household affordability and cost-burden analysis. Staff may coordinate this work using a combination of City resources, the City's existing utility rate consultant, and outside expertise as appropriate.

At a minimum, the analysis should include:

### 1. Household bill impacts

A clear presentation of combined sewer and stormwater bills, in actual dollars, for representative households over time under the adopted rate scenario, including low-use, average-use, and higher-use households.

### 2. Affordability and cost-burden impacts

An evaluation of how those combined utility costs affect households across income levels and housing types, including homeowners and renters, and an estimate of how many additional households are likely to become cost-burdened as a result of the proposed rate increases.

### 3. Methodology and data transparency

Use established affordability frameworks and publicly available income and housing data, and clearly describe the assumptions, data sources, and limitations of the analysis so it is transparent and understandable to the public.

#### 4. Mitigation options within legal constraints

Identification of legally permissible options the City could consider to reduce harm, including but not limited to payment flexibility, hardship policies, customer assistance programs funded outside the rate base, partnerships with nonprofit organizations, and communication strategies.

#### 5. Council discretion and tradeoffs

A clear explanation of what flexibility exists with respect to project timing, rate structure, and implementation pacing, and the financial and operational tradeoffs associated with those options.

#### 6. Timeline, scope, and cost

A proposed timeline and estimated cost for completing the analysis, including whether the work can be completed using existing contracts or would require additional authorization.

I am asking that this analysis be brought back to Council in a public session so it can be reviewed and discussed openly before further action.