Ratepayer Affordability: Analysis and Project Update
Simone Hudson, Community Benefits Analyst
• Commission requested better information on affordability for this Rate Study
• Current affordability metric: combined water/sewer bill must be less than 2.5% of Median Household Income
• DataSF collaboration
• September 8, 2017 RFB Meeting:
  • Current programs
  • Preliminary analysis
• **Purpose of today’s presentation:**
  • DataSF analysis
  • Project goals
  • Next steps
Affordability: DataSF Analysis
Guiding Questions

• How many households are eligible for our Customer Assistance Program (CAP)?
  • Direct bill payer under 200% FPL

<table>
<thead>
<tr>
<th>Number of people in household</th>
<th>Total combined annual income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2</td>
<td>$32,480</td>
</tr>
<tr>
<td>3</td>
<td>$40,840</td>
</tr>
<tr>
<td>4</td>
<td>$49,200</td>
</tr>
<tr>
<td>5</td>
<td>$57,560</td>
</tr>
<tr>
<td>Each additional</td>
<td>Add $8,360</td>
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</tbody>
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• How many households are paying more than 2.5% of their household income on their water & sewer bill? What are their characteristics?
Affordability: DataSF Analysis
CAP-Eligible Customer Base

All San Francisco Households: 373,000

SFPUC Bill-Paying Households: 147,000

CAP-Eligible Households: 

Low-Income Households Under 200% of Federal Poverty Line: 111,000

Households Paying SFPUC Bill: 147,000

Households Under 200% of Federal Poverty Line: 111,000

Households Eligible for CAP: ?
Affordability: DataSF Analysis
CAP-Eligible Customer Base

All San Francisco Households: 373,000

- SFPUC Bill-Paying, Not CAP Eligible Households: 121,000
- CAP-Eligible Households: 26,000
- Under 200% FPL, Not CAP Eligible Households: 85,000

Current CAP enrollment: 1,180 accounts
Affordability: DataSF Analysis
Enrolled CAP Customers
• Using the American Community Survey, we can identify:
  • Who pays their water & sewer bill directly, including:
    • Their annual water & sewer bill payment
    • Their household income
  • We use this to calculate what share the water & sewer bill represents of their annual household income

\[
X = \frac{\text{Annual household water and sewer bill}}{\text{Annual household income}}
\]

• We define Water Cost Burdened (WCB) as \( X = >2.5\% \) of household income spent on combined water and sewer bill
About 13% of our accounts are Water Cost Burdened households.

Households paying above 2.5% of their HH income on water/sewer bills.

Source: IPUMS ACS 2015 5 year sample
Affordability: Water Cost Burdened Customer Base

Utility Bills

Water Cost Burdened households have higher water & sewer bills

source: IPUMS ACS 2015 5 year sample
Water Cost Burdened households have lower incomes

(source: IPUMS ACS 2015 5 year sample)
Affordability: Water Cost Burdened Customer Base

Notes on Reading Following Charts

• Universe is households that **pay their water bill**

• **Blue bars**
  • sum to 100%
  • represent Water Cost Burdened Households

• **Red bars**
  • sum to 100%
  • represent Non-Water Cost Burdened Households

• Chart allows comparison of the composition of WCB HHs and Non-WCB HHs
Affordability: Water Cost Burdened Customer Base

Household Size

Water Cost Burdened households are predominantly 1-3 people.
Affordability: Water Cost Burdened Customer Base

Household Type

WCB HHs are predominantly families and female-led households

Proportion of HH Types

- married-couple family household
- female householder, living alone
- female householder, no husband present
- male householder, living alone
- household type could not be determined
- male householder, not living alone
- male householder, no wife present
- female householder, not living alone

Percent

source: IPUMS ACS 2015 5 year sample
A larger share of WCB HHs are female-led compared to non-WCB HHS.
Affordability: Water Cost Burdened Customer Base

Linguistic Isolation

- **Linguistic Isolation** = Households in which no one age 14+ speaks English “very well” or better
- Almost a ¼ of WCB households are linguistically isolated compared to non-WCB HHs
People in households paying above 2.5% of their HH income on water/sewer bills
Affordability: Water Cost Burdened Customer Base

Age

Nearly ¼ of residents in burdened households are over 65

There is a larger share of residents over 65 in WCB HHs than in non-WCB HHs
People identifying as Asian, Hispanic, and Black make up a larger share of residents in WCB HHs compared to non-WCB HHs.
The Southeast area has a higher rate of burdened households. Large geographic regions may obscure burdened households in other areas.
Total = 26,000 CAP-eligible households
Affordability: DataSF Analysis

Key Takeaways

• Approx. 19,000 households are cost-burdened
  • Water & Sewer bill > 2.5% of household income
• Cost-burdened households are predominantly families and female-led households
• In cost-burdened households, as compared to non-burdened households, there is a higher share of residents who identify as:
  • Over 65
  • Asian, Hispanic, or Black
  • And a higher share of households that are linguistically isolated
• The Southeast has the highest rate of burdened households
Affordability

Project Goals

- Improve Assistance to Customers in Single Family Residences
- Evaluate Assistance to Multi-Family Customers
- Reduce Impact of Fees & Shutoff Policies
- Early Interventions for Customers at Risk of Water Shutoffs
Next Steps

- Examine streamlined enrollment & verification processes
- Work with Mayor’s Office on funding
- Develop outreach strategy
- Examine shutoff fees & policies
- Partner with Human Services Agency and Office of Financial Empowerment