



City of Phoenix

General Information Packet

Thursday, January 13, 2022

phoenix.gov

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Equity and Affordability - Status of City Services Bill Delinquencies, Outreach and Assistance Programs

This report provides information regarding delinquencies for City Services bills (water, sewer, solid waste and miscellaneous taxes and fees), outreach efforts made to date, as well as the various customer assistance programs that have been implemented by the City of Phoenix. This work is one element of a multi-faceted strategy to balance water affordability for residents and the need for stable revenues to assure funding for water quality and system reliability, the foundation of public health and economic vitality.

Summary

An update on the delinquencies for City Services bills (water, sewer, solid waste and miscellaneous taxes and fees) and the status of the customer assistance programs is provided in **Attachment A**.

The Water Services Department has provided information to customers in an effort to assist them through COVID-19 related financial issues. The Water Services Department ran several campaigns including *Multiple Ways to Pay* and *Helping You Get Back on Track*. Staff also promoted Project Assist, the Deferred Payment Arrangement and ARPA Financial Assistance programs. All materials were presented in English and Spanish. Additionally, staff mailed over 15,000 individual letters to all delinquent customers detailing information on financial assistance and options for deferred payment arrangements. Staff also called over 3,000 individual customers in December 2021 and continued into January 2022. The IVR On-Hold system included information on financial assistance from September 2021 - October 2021. Financial assistance information was also shared with the Human Services Department to disperse to various community centers in Phoenix. The various programs and the ways they were promoted to customers are also summarized, along with detailed information regarding delinquency amounts prior to COVID-19 and the impact of the customer assistance programs in **Attachment B**.

Responsible Department

This item is submitted by Deputy City Manager Karen Peters and the Water Services Department.

Attachment A



City of Phoenix

1/10/2022 Update – Part I: City Services Bill Delinquencies & Customer Assistance Programs by the Numbers

Total Dollars in Delinquency



\$10,954,238
Across 19,864
All Accounts

Average Deferred Payment Arrangement (DPA) Balance: \$801



Average Residential without DPA Outstanding Balance: \$331

Total Customer Assistance Provided



\$5,814,327
Disbursed to
14,343 Accounts

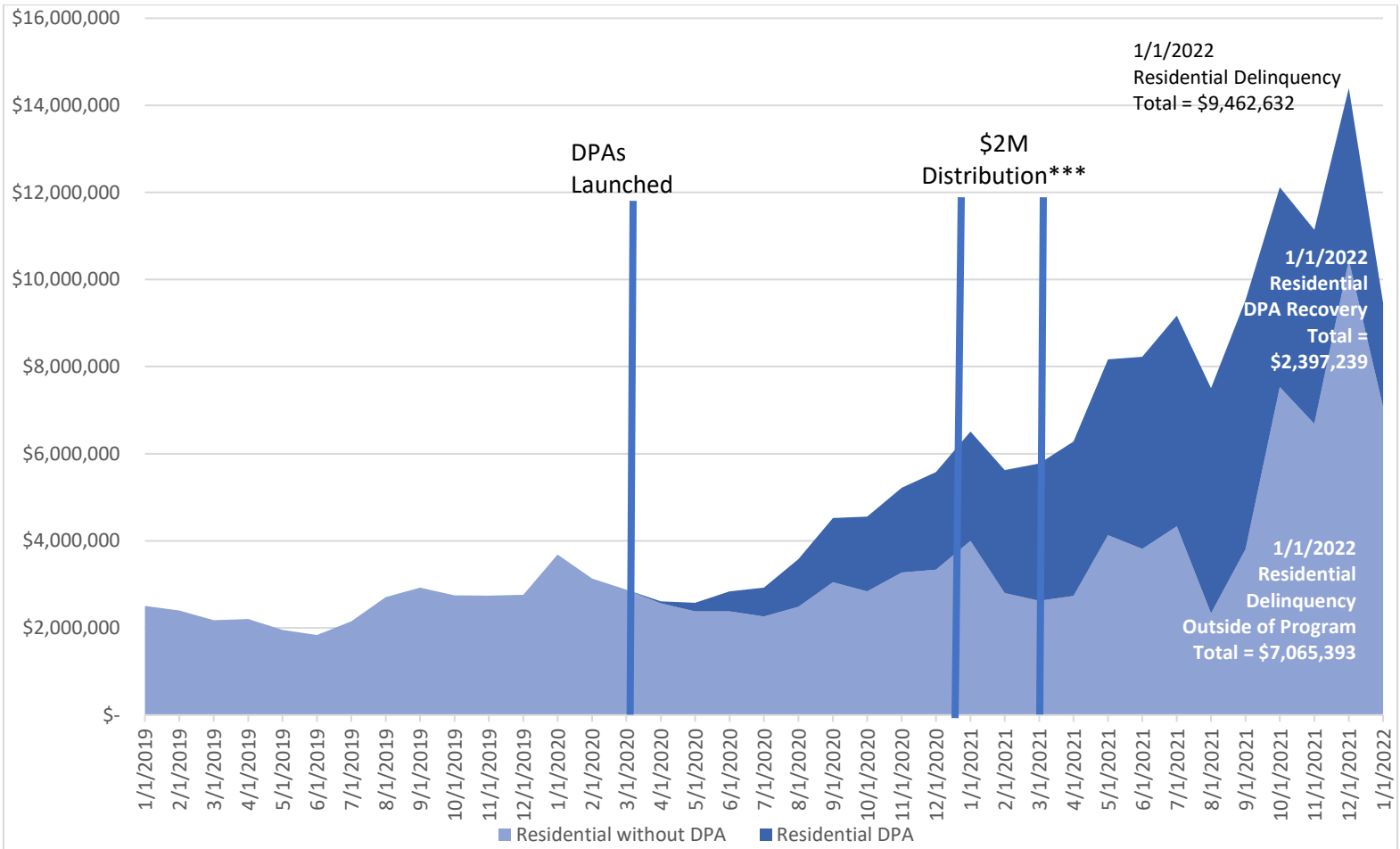
| Week Ending | Customer Type | Residential with DPAs | Residential without DPAs | Commercial | Total |
|------------------------|--|-----------------------|--------------------------|-----------------|-------------------|
| 1/10/2022 (Current) | # of Accounts (Weekly % Change) | 7,695 (-3%) | 11,765 (30%) | 404 (-5%) | 20,441 (13%) |
| | Total Delinquency (Weekly % Change) | \$6,166,300 (-4%) | \$3,890,722 (28%) | \$897,216 (34%) | \$11,915,323 (7%) |
| 1/3/2022 | # of Accounts | 7,942 | 9,057 | 425 | 18,052 |
| | Total Delinquency | \$6,424,264 | \$3,038,368 | \$670,696 | \$11,146,502 |

**Prior to March 2020, DPAs had not been implemented.*

| Customer Assistance Program Data | # of Accounts | % Change | Funding Distributed | % Change |
|---|---------------|-----------|---------------------|------------|
| Emergency Rental Assistance | 1,033 | 11% | \$941,701 | 10% |
| Low Income Household Water Assistance Program | 163 | 15% | \$49,657 | 29% |
| ARPA Deferred Payment Arrangement Recovery | 470 | 30% | \$298,363 | 108% |
| FY 2021-22 (Traditional) Project Assist - \$700,000 | 1,054 | 8% | \$384,682 | 7% |
| Other Non-City Funded Assistance | 3,430 | 1% | \$637,479 | 3% |
| FY 2020-21 (Traditional) Project Assist** | 2,338 | 0% | \$700,000 | 0% |
| C.A.R.E.S. Act Funded Residential Grants** | 1,921 | 0% | \$576,300 | 0% |
| C.A.R.E.S. Act Funded Commercial Grants** | 277 | 0% | \$226,145 | 0% |
| Council Funded Project Assist COVID-19 Credits** | 3,657 | 0% | \$2,000,000 | 0% |
| Total Customers Assisted | 14,343 | 7% | \$5,814,327 | 17% |

***At this time, no additional funding is anticipated.*

1/10/2022 Update – Part II: City Services Bill Delinquencies by the Numbers



Notes:

*** \$2 million in Council Funded Project Assist COVID-19 Credits began distribution on 12/17/2020 to residential customers. Funding was exhausted on 3/2/2021.

\$5 million in ARPA funding began distribution in October 2021 to residential customers.

Attachment B



City of Phoenix

DELINQUENCY STATUS

As of Jan. 10, 2022, the total City Services residential delinquency amount was \$10,057,022 for 19,460 accounts, including uncollected Payment Arrangements (PAs).

Table A1 shows the breakdown of the City Services delinquencies, including both residential and commercial accounts. As shown in **Table A2** this compares to \$1,910,748 residential delinquency in September 2019. Historically the delinquency level has been approximately \$2 million-\$3 million.

To aid Single-Family Residential (SFR) customers experiencing financial hardship, a Deferred Payment Arrangement (DPA) program was launched in March 2020 that allows SFR customers to self-identify and enroll in a DPA. The arrangement protects the customer from delinquency action and assures no financial penalty, such as late fees, will be charged. Customers enrolled in a DPA were not required to make a payment on current and accumulating billing, or initiate installment payments. Activation of these deferred arrangements has been ongoing as residents experience financial hardship during the pandemic. The DPA program ended Sept. 30, 2021, with a balance of \$10,298,430 for 11,139 accounts.

As a result of the COVID-19 pandemic, the City is not shutting off customers for delinquency. Instead, Water Services has deployed a low-flow device program for delinquent accounts. This program provides enough water for basic sanitation and cooking.

Table A1: Delinquency Update (1/10/2022)

| Type of Customer | Total Accounts | Total Dollars |
|---|----------------|---------------------|
| Residential Delinquency without a Payment Arrangement | 11,765 | \$3,890,722 |
| Enrolled in a Payment Arrangement* | 7,695 | \$6,166,300 |
| Commercial Delinquency | 404 | \$897,216 |
| Total | 19,864 | \$10,954,238 |

*Includes accounts enrolled in the DPA Recovery Program.

Table A2: Historic Delinquency (9/1/2019)

| Type of Customer | Total Accounts | Total Dollars |
|-------------------------|----------------|--------------------|
| Residential Delinquency | Not Tracked | \$1,588,767 |
| Commercial Delinquency | Not Tracked | \$321,981 |
| Total | - | \$1,910,748 |

Attachment B

ASSISTANCE PROGRAMS

More than 14,343 City Services customers have received over \$5.8 million in assistance since the COVID-19 pandemic began. The assistance programs have provided relief to customers and favorably impacted delinquency balances. Some customers have received assistance from multiple programs.

A. Ongoing (Traditional) Project Assist Program Partnership

The Water Services, Public Works and Human Services departments partner to provide City Services bill assistance to low-income SFR residents. The Project Assist program allocated \$700,000 in assistance in fiscal year 2020-21 to aid eligible customers by providing financial assistance in an amount up to \$400 within a 12-month period. This program is funded annually by the Water Services and Public Works departments. Fiscal Year 2022 to date, 1,054 customers have been approved for assistance with their City Services bill for a total of \$384,682, for a total of 1,084,682 from July 1, 2020 to present.

B. C.A.R.E.S. Act

C.A.R.E.S. Act funding began in July 2020. Funds were applied to eligible customer accounts and notification was received from City-contracted third-party administrators or, in the case of commercial assistance, the Community and Economic Development Department. Funding covered past due balances incurred between March 1, 2020 to Dec. 30, 2020. Qualified residential customers received \$300 toward their City Services bill and commercial customers received up to three months of their City Services bill. A total of \$795,245 in C.A.R.E.S assistance was disbursed to 2,174 City Services customers, with SFR customers receiving \$569,100 and commercial customers receiving \$226,145. These numbers are included in customer assistance reporting from City contractor Wildfire.

Residential Account Eligibility Criteria (Verified by Wildfire partner agencies):

- *City of Phoenix resident.*
- *Adversely impacted by the COVID-19 pandemic.*

Commercial Eligibility Criteria (Verified by Arizona Community Foundation and Community and Economic Development):

- Business has been operating in the City of Phoenix since Jan. 1, 2019;
- The commercial City Services account was current prior to March 1, 2020;
- Gross sales declined by at least 25 percent as a result of COVID-19 in March 2020 and April 2020 compared to March 2019 and April 2019; and
- Applicant agreed to provide financial data verifying the economic hardship suffered as a result of COVID-19.

C. Council-Funded Project Assist

City Council allocated an additional \$2 million to the Project Assist program for residential customers. Distribution of funds began Dec. 17, 2020 and concluded on

Attachment B

March 2, 2021 when funds were exhausted. The 10-week initiative assisted 3,657 customers.

Council-Funded Project Assist Criteria:

- *City of Phoenix SFR customer;*
- *Residential property is located within Phoenix taxable boundaries;*
- *A minimum of 18 months of consecutive service;*
- *Active account with an arrears balance;*
- *No water theft or tampering;*
- *No fees, such as returned check or tampering fees;*
- *Payments must have been made on the account;*
- *High water use accounts (average 50 CCFs or greater) were ineligible;*
- *Multiple SFR accounts were ineligible; and*
- *Property management and commercial accounts were ineligible.*

D. Emergency Rental Assistance (ERA) Program

The Emergency Rental Assistance (ERA) program is an active and ongoing customer assistance program. ERA 1.0, which began on March 15, 2021, allocated \$51.1 million in assistance; ERA 2.0 allocated an additional \$55.3 million which the City began disbursing in Oct. 2021. This program aids low-income renters impacted by the COVID-19 pandemic with up to 15 months of arrears and three months of prospective rent and utility assistance. The assistance covers the City Services bill as well as other utilities. Since initiated, 1,033 customers have been approved for assistance with their City Services bill for a total of \$941,701.

ERA Program Criteria:

- *Must be a Phoenix resident;*
- *Must be a renter;*
- *Income at or below 80 percent of Area Median Income, or \$63,200 for a family of four;*
- *Qualified for unemployment benefits or experienced a reduction in income or other financial hardship due to COVID-19;*
- *Demonstrating risk of homelessness or housing instability; and*
- *Applies to rent and utility bills incurred between March 13, 2020 and December 31, 2021.*

The State-driven system has distributed ERA Funds to 3,430 accounts totaling \$637,478.63.

E. Deferred Payment Arrangements (DPAs)

The DPA program ended Sept. 30, 2021, with a balance of \$10,298,430 for 11,139 accounts. As of Jan. 10, 2022, the outstanding balance has been reduced to \$2,223,289 for 2,651 accounts.

DPAs resulted in some accounts accumulating a high balance. As of Jan. 10, 2022, the highest balance on a single payment arrangement was \$8,909. Many customers are having difficulty paying the monthly installment financial obligation and monthly bill.

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Additionally, there has been misuse of the program. For example, in several cases a customer has activated new service and established a DPA, but eventually closed the account without ever making a payment. These situations result in delinquent amounts that are referred to external collection agencies.

F. Low Income Household Water Assistance Program (LIHWAP)

Incorporated in the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act (ARPA), the Low-Income Household Water Assistance Program (LIHWAP) provides emergency water and wastewater billing assistance to low-income households. LIHWAP funds is being distributed through the Arizona Department of Economic Security. The program is intended to follow procedures established by the Low-Income Household Home Energy Assistance Program (LIHEAP) to expedite distribution of funds. LIHWAP *only* covers water and sewer services. LIHWAP *cannot* be applied to solid waste or tax delinquencies. Starting in October of 2021, Water Services has distributed \$49,657 to 163 customers through the State-administered LIHWAP program.

ASSISTANCE PROGRAM IMPACTS AND OBSERVATIONS

- Some customers were delinquent and months behind on their bill but have been making payments after receiving funding so that their account does not fall behind again.
- Some customers have not made a payment toward subsequent bills following receipt of assistance.
- Many customers did not make any payments in more than 22 months and continue to struggle with resuming payment arrangements in accordance with required terms.

COUNCIL-DIRECTED ARPA ASSISTANCE

On Sept. 7, 2021, the Phoenix City Council approved the use of \$5 million in federal American Rescue Plan Act (ARPA) funds for the Deferred Payment Arrangement (DPA) Recovery Program. Deferred Payment Arrangements, or DPAs, were established during the onset of the COVID-19 pandemic to allow delinquent customers to defer their balances and future monthly charges to an upcoming date and would allow for up to 12 months to payback the full amount.

In an effort to assist those facing financial hardship as a result of COVID-19, the DPA Recovery Program was established. If a DPA customer pays one-third of their outstanding DPA balance over the agreed-upon payment plan, ARPA funding will be directly applied to the remaining two-thirds. At the start of the program only customers enrolled in a DPA program by Oct. 1, 2021, were eligible. Starting Jan. 1, 2022, most delinquent SFR customers were made eligible for the program. As of Jan. 10, 2022, \$208,363 has been allocated to 470 accounts. Some customers are still in the process of making their one-third payment in accordance with the plan. We anticipate that program results will continue to grow and help customers.

COMMUNICATION PLAN

The Water Services Department has provided information to customers on assistance programs available for COVID-19 related financial issues.

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In September and October 2021 staff mailed over 15,000 individual letters to delinquent customers detailing information on financial assistance and options for deferred payment arrangements. Staff also called over 3,000 individual customers in December 2021 and continued into Jan. 2022 offering payment arrangements and payment assistance. The IVR On-Hold system included information on financial assistance from September 2021 through October 2021. Financial assistance information was also shared with the Human Services Dept. to disperse to various community centers in Phoenix.

The table below outlines other methods that the Water Services Department has attempted to communicate and reach out to our customers. The Water Services Department ran several campaigns including Multiple Ways to Pay, and Helping You Get Back on Track. Staff also promoted Project Assist, the Deferred Payment Arrangement and ARPA Financial Assistance programs. All materials were presented in English and Spanish.

| Program | Phoenix at Your Service (PAYS) | Bill messages | Social media | Grocery TV individual impressions |
|--------------------------------------|---------------------------------------|--------------------------|---|---|
| Project Assist | December 2020 | Dec. 2020 | Dec. 2020-Jan 2021 | X |
| Multiple Ways to Pay | February 2021 | March-June 2021 | June-July 2021 216 impressions @PHXWater | X |
| ARPA Financial Assistance | March 2021 and June – July 2021 | June–July 2021 | Starting Jan. 14, 2022 | Starting Jan. 14, 2022 |
| Helping You Get Back on Track | July – September 2021 | X | September – December 2021 12,935 impressions @PHXWater 3,404 impressions @cityofphoenixAZ | July – September 2021 English: 472,000 individual impressions Spanish: 582,000 individual impressions |
| Deferred Payment Arrangement program | September 2021 | September – October 2021 | September 2021 404 impressions @PHXWater | X |

Attachment B

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NEXT STEPS

The Water Services Department will continue to communicate with residential customers currently behind on payments on the status of their accounts and provide current information regarding available customer assistance funds. Staff is working to optimize the ongoing Council-directed \$5 million in ARPA assistance and, effective January 2022, to incorporate other PAs into the program to provide the two-thirds assistance when the initial one-third in monthly payments are received.



Emergency Rental Assistance Program Weekly Update

This report provides information on the current status of the Emergency Rental Assistance Program.

Summary

The attached memo (**Attachment A**) provides current updates of the Emergency Rental Assistance Program.

Responsible Department

This item is submitted by Deputy City Manager Gina Montes and the Human Services Department.

Attachment A



City of Phoenix

To: Jeff Barton
City Manager

Date: January 13, 2022

Through: Gina Montes
Deputy City Manager

From: Marchelle Franklin
Human Services Director

Subject: WEEKLY EMERGENCY RENTAL ASSISTANCE PROGRAM REPORT

This memo outlines current updates of the Emergency Rental Assistance (ERA) Program. Cumulative program expenditures total \$63,025,077 which includes ERA 1.0 and ERA 2.0 expenditures. The average financial assistance per household is currently \$7,300 and 99% of ERA 1.0 funds have been disbursed.

ERA Program Data

The table below shows ERA 1.0 Program data for the last three weeks. Of the cumulative amount, Wildfire has served 2,837 households and has disbursed \$22 million of program funds.

| Time Period | Households Served | Residents Served | Ineligible Applications | Total Expenditures |
|--------------------------|-------------------|------------------|-------------------------|---------------------|
| <i>March 8 – Dec. 18</i> | 6,023 | 15,477 | 1,504 | \$45,783,686 |
| Dec. 20 – Dec. 24 | 3 | 10 | 9 | \$24,986 |
| Dec. 27 – Jan. 1 | 2 | 2 | 6 | \$12,686 |
| Jan. 3 – Jan. 8 | 16 | 31 | N/A | \$64,525 |
| Total | 6,044 | 15,520 | 1,519 | \$45,885,883 |

The table below shows ERA 2.0 Program data.

| Time Period | Households Served | Residents Served | Ineligible Applications | Total Expenditures |
|-------------------------|-------------------|------------------|-------------------------|---------------------|
| <i>Oct. 4 – Dec. 18</i> | 2,022 | 5,534 | 40 | \$13,646,860 |
| Dec. 20 – Dec. 24 | 164 | 458 | 1 | \$1,066,298 |
| Dec. 27 – Jan. 1 | 159 | 420 | 1 | \$1,041,062 |
| Jan. 3 – Jan. 8 | 193 | 501 | 2 | \$1,384,974 |
| Total | 2,538 | 6,913 | 44 | \$17,139,194 |



Weekly Community Spread Benchmark Report

This report provides City Council with an update regarding the status of the current community spread benchmark indicators tracked by the City of Phoenix related to COVID-19 as requested at the Dec. 2, 2020 Formal Meeting. This information represents the latest data released by the Maricopa County Department of Health Services on Jan. 13, 2022.

Summary

On March 3, 2021 the Arizona Department of Health Services (ADHS) revised the Community Transmission indicators and Community Risk Levels based on CDC guidance, establishing a new Current Overall Risk level to their reporting charts. ADHS and Maricopa County are now only reporting on two benchmarks to reflect community spread, past reports included three benchmarks.

The attached memo (**Attachment A**) provides an indicator dashboard as well as a comparison between the two benchmark statistics tracked by ADHS, Maricopa County and the City: percent positivity rate of COVID-19 cases each week, and new cases per 100,000 individuals. Both the positivity rate and new cases per 100,000 categories remain in the high transmission category. Over the past week, the positivity rate has increased and new cases per 100,000 has increased.

Responsible Department

This item is submitted by Assistant City Manager Lori Bays.

Attachment A



City of Phoenix

To: Jeffrey Barton
City Manager

Date: January 13, 2022

From: Lori Bays
Assistant City Manager

Subject: WEEKLY COMMUNITY SPREAD BENCHMARK REPORT

This memo communicates the community spread benchmarks within the City of Phoenix.

| Indicator | Low Transmission | Moderate Transmission | Substantial Transmission | High Transmission |
|--|------------------|-----------------------|--------------------------|-------------------|
| | Blue | Yellow | Orange | Red |
| Total new cases per 100,000 persons in the past 7 days | 0-9 | 10-49 | 50-99 | ≥100 |
| Percentage of NAATs (PCR) that are positive during the past 7 days | <5.0% | 5.0%-7.9% | 8.0%-9.9% | ≥10.0% |

City staff has evaluated key metrics comparing the current weekly benchmarks to that of the previous week, as well as the benchmark status as reported on Sept. 6, 2020. The chart below provides metrics as reported by Arizona Department of Health Services and Maricopa County:

| Current Overall Risk Level: | | High Transmission |
|-----------------------------|-----------------|--------------------|
| Week of | Positivity Rate | New Cases/ 100,000 |
| 6-Sept-20 | 4.81% | 29.27 |
| 30-Dec-21 | 18.67% | 335.87 |
| 6-Jan-22* | N/A | N/A |
| 13-Jan-22 | 38.83% | 1,463.96 |

*No data reported.

The positivity rate and the new cases per 100,000 category, tracked by the Arizona Department of Health Services, remain in the high transmission category. Over the past week, the positivity rate increased and new cases per 100,000 has increased.