# FAQ: Capacity charge affordability study

## Why is King County studying the capacity charge and its affordability?

King County Wastewater Treatment Division (WTD) is interested in better serving low-income customers and improving housing affordability. So we are looking at ways to provide assistance for customers with difficulty affording the capacity charge. WTD levies a 15-year, monthly capacity charge for new connections to the sewer system that helps WTD pay for our system of pipes, treatment plants and other facilities that serve a growing regional customer base.

## What is the current capacity charge rate?

The capacity charge for 2019 is \$64.50 per month per residential customer equivalent (RCE). A new single-family residence is considered one RCE. The cost for multi-family units is less. Details are available on our website: <u>https://kingcounty.gov/services/environment/wastewater/capacity-charge/faq.aspx</u>.

#### What is the decision-making process?

The King County Executive will send a recommendation to the King County Council in spring 2019. The Council may take action in June 2019. WTD will implement the decision later in the year.

What are the recommendations that the King County Executive and Council will consider? Washington 211: Connect customers to Washington 211 as a potential resource for a variety of services. Washington 211 is a network of call centers that offers health and human service information and referrals to anyone who dials 211. This option would require outreach and staff training, but would not

incur any significant costs.

*Expand payment plans*: Currently WTD offers a payment plan option that allows any customer with an overdue balance to arrange a plan to pay the full overdue balance along with any new charges within six months. This recommendation expands the length of time from six months to a full year to pay the balance due through monthly payments. There would be an option to break up quarterly bills into smaller, more frequent monthly payments to make it easier to manage on a monthly budget. This option targets customers facing temporary financial hardship. It would result in an estimated delayed annual revenue of \$100,000.

*Property lien placement*: This option allows eligible low-income customers enrolled in State and County property tax relief programs to defer payment on the balance owed until they sell the property. This option targets low-income homeowners. The estimated delayed annual revenue is \$1 million.

*Reduced charge for new affordable housing*: This option would reduce the capacity charge for eligible low-income housing by 50 percent. The existing eligibility criteria would expand to include all unit sizes (not just studio-sized units) and all housing structure types (not just multifamily buildings). This option targets affordable housing developers. The estimated forgone annual revenue is \$2.25 million.

You can find more information on the four options in the <u>full report</u>.

## Who was involved in the affordability study process?

The project team worked with representatives from low-income housing agencies, developers, local sewer agencies, Metropolitan Water Pollution Abatement Advisory Council, and staff from King County Wastewater Treatment Division.

# Who can I contact if I have questions about my capacity charge bill?

Contact King County WTD at 206-296-1450 or CapChargeEscrow@kingcounty.gov.