

Local Nonprofit Affordable Housing Programs

Service Connection Fee Waiver

Cathy Melton – April 5, 2021

Why we're here today

- Board expressed interest in program
- Existing program established in 1995; qualification thresholds last updated in 1999 and have not kept up with local housing programs
- Staff recommends adjustments to result in more effective utilization

No action requested today – feedback appreciated

Current PUD policy

- Single family residence purchased from a nonprofit 501(c)(3) organization
- Homebuyer income threshold of 150% of Federal Poverty Limit (FPL)
- 200 Amp or smaller electric service
- Participant must enroll in Equal Pay Program, deposits waived initially
- Participant subject to all Utility Service Regulations

~1 home per year qualify for the fee waiver (~\$1,700)

Community housing programs

- Organizations have similar qualifiers and include a combination of the following:
 - Income thresholds vary from program to program
 - Habitat for Humanity = 60% Area Median Income
 - Upper Valley MEND = 80% Area Median Income
 - Community Land Trust = 50% Area Median Income
 - Credit score minimums
 - Monthly limits on debt-to-income level
 - Employment/proof of income
 - Completion of volunteer time assisting with related projects

Low-income threshold comparison

	PUD	Columbia Valley Affordable Homeownership	Habitat for Humanity	Upper Valley MEND	Chelan Valley Housing Trust
# in Household	150% FPL	50% AMI	60% AMI	80% AMI	110% AMI
1	\$19,320	\$24,300	\$29,160	\$38,850	\$53,460
2	\$26,130	\$27,800	\$33,362	\$44,400	\$61,160
3	\$32,940	\$31,250	\$37,500	\$49,950	\$68,750
4	\$39,750	\$34,700	\$41,640	\$55,500	\$76,340
5	\$46,560	\$37,500	\$44,996	\$59,950	\$82,500

FPL = Federal Poverty Level
 AMI = Area Median Income

Opportunities for improvement

- Remove PUD administration challenges such as:
 - Keeping pace with local housing programs, instead rely on their program income limitations and verification effort
 - Tracking from construction to purchase required to ensure Equal Pay enrollment and security deposit restrictions, instead eliminate these program elements
- Include policy requirements in a standard and convenient location
 - Electric Line Extension Policy
 - Fees & Charges

Proposed PUD policy

Service connection fees may be waived for:

- Single family residences
- 200A or less
- Sold to low-income homebuyers by 501(c)(3) organizations
- Homebuyers must qualify as low-income through the associated housing program
- Eligible Service Connection Fees are as specified in the District's Fees & Charges schedule
- Additional line extension costs and/or applicable Fees & Charges, and all other Utility Service Regulations apply

Next Steps

- Gather feedback from today; adjust as needed
- April 19, 2021 - Resolution to update policy with program changes discussed today or as adjusted