



CITY OF CHICAGO • OFFICE OF THE MAYOR



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MAYOR LIGHTFOOT LAUNCHES SIGNATURE CHICAGO UTILITY BILLING RELIEF PROGRAM

Initiative will help low-income residents come into compliance on water bill payments with potential for total debt forgiveness

CHICAGO — Mayor Lori E. Lightfoot today joined City Comptroller Reshma Soni and Harold Rice, CEO of the Community and Economic Development Association (CEDA) of Cook County to launch the Chicago Utility Billing Relief (UBR) Program. The initiative builds on Mayor Lightfoot's commitment to dismantling the City's historically regressive fines and fees structure and will help Chicago's most vulnerable residents come into compliance on City utility bill payments. The program is designed to reduce the cost of water and sewer portions of City utility bills, making them more affordable and preventing residents from having to make difficult choices between paying for utilities and other critical goods and services. Debt relief will be granted for residents that demonstrate an ability to manage the reduced rate bills for one year.

"The Chicago Utility Billing Relief Program represents our latest step in bringing long overdue financial support to residents who have struggled with their bills, forcing them to choose between paying for their water and other essentials, and in many cases succumb to debilitating debt," said Mayor Lightfoot. "We can no longer afford to hold back their potential or ours. Thanks to this program, Chicago's families and communities will now have a path forward towards compliance on payments, as well as the opportunity for total debt forgiveness, helping us build a Chicago that is more equitable, more inclusive, and more hopeful for generations to come."

The program operates in partnership with CEDA of Cook County, who operates the Low-Income Home Energy Assistance Program (LIHEAP). It leverages the expertise and experience of CEDA leaders and uses its extensive network of partner organizations to conduct outreach and enroll homeowners. Chicago homeowners of single-family homes and two-flats must be income eligible for LIHEAP to qualify for the Utility Billing Relief program. In addition, the participant must be the property owner, reside at the address and have their name appear on the bill as the customer.



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Importantly, the Utility Billing Relief Program will not require documentation of residency in keeping with our Welcoming Cities Ordinance. It provides low-income City of Chicago residents with:

- A reduced rate on water, sewer, and water-sewer tax;
- No late payment penalties or debt collection activity;
- Debt forgiveness after successfully completing one year with no past due balance.

“CEDA is leveraging more than 50 years of experience in operations, education and engagement in its partnership with the City and through its work to ensure high-quality services are continuously delivered to residents,” said Harold Rice, CEO of CEDA. “We are committed to working with the City to reduce poverty, revitalize low-income communities and empower residents now more than ever before especially during the unprecedented times that we currently face.”

The amount of debt tied to water utility billing has seen a nearly 300% increase since 2011 with over \$330 million of overall debt today. This trend runs parallel to the recent rise in water rates, which have increased by 166% over the same period in order to account for deferred investments on infrastructure that averaged over 80 years old. With much of the debt concentrated in many south and west side communities Utility Billing Relief is focused on helping these communities.

In late April, the City rolled out a soft launch of the Chicago UBR program, which focused specifically on residents that are already enrolled in the LIHEAP program. Over the past two months, the City has enrolled 3,315 residents into the UBR program after sending out communications to nearly 8,000 homeowners. Chicagoans already enrolled in the program are eligible to have \$2.9 million in debt forgiven if they remain compliant with payments for the next calendar year. To execute this successful soft launch, the City worked with CEDA to create a call center to service residents, send targeted mailings to residents and identify partner intake organizations to help residents with questions to get enrolled in the program.

“The UBR program is another example of our pursuit to find solutions to reform regressive policies that have disproportionately impacted our most vulnerable residents,” said Reshma Soni, City of Chicago Comptroller. “We’ve made progress in lifting the burden of debt borne from antiquated practices that led to income inequities, and the UBR program builds on these efforts, especially now when so many Chicago residents are crushed under the economic strains of the COVID-19 crisis.”

With this program in place, the City will be able to focus its collection efforts on those who can most afford it, and landlords will continue to be held responsible for



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paying water bills. Consistent with other initiatives for fines and fees, for those who do not qualify for the reduced rate there are multiple plans for residents to choose from either a 6-, 12-, 18-, 24-, 36-month plan, accessible online. Any time a resident remains current on payments, they prevent being subjected to debt collection efforts.

The UBR launch comes on the heels of Mayor Lightfoot's efforts to dismantle the City's regressive fines and fees system and the harmful enforcement practices that have historically impacted financially challenged communities at disproportionate levels. Last year, the Chicago City Council approved an initial fines and fees reform package which included input from dozens of advocacy groups and city departments, which were all members of the Fines, Fees & Access Collaborative, formed in December 2018 and led by City Clerk Anna M. Valencia.

The City has already provided critical relief to many residents through new practices which include: eliminating City sticker ticket debt for those who can least afford it; reduction of excessive late fees on the City Sticker program; elimination of license suspensions for non-driving violations; launch of a series of new payment plans that expand the options for paying off debt; and new pathways to compliance to help residents who are eligible avoid any number of the devastating consequences of onerous city debt – including water shut offs, tows and impoundment, and more.

Those who may need assistance with outstanding debt are encouraged to visit [Chicago.gov/newstartchicago](https://chicago.gov/newstartchicago) for more information on payment plans, hardship qualifications and other fines and fees related information. Residents can sign up for flexible utility bill payment plans online at [Chicago.gov/finance](https://chicago.gov/finance) and those looking for more information about UBR or to sign up can visit [Chicago.gov/ubr](https://chicago.gov/ubr).

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