



Staff Report

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**File #:** 24-0051

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 01/17/2024

**TO:** Honorable Mayor and City Council Members

**FROM:** Utilities Department

**SUBJECT:**

RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF THE CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT DIRECT PAY AGREEMENT 23Y-5046

**EXECUTIVE SUMMARY:**

This staff report asks the City Council to adopt a resolution approving and authorizing the execution of the Direct Pay Agreement 23Y-5046 with the California Department of Community Services and Development. Approval of this action will enable the Utilities Department to directly receive grant funds to be applied as credits for qualified residential electric accounts.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Adopt Resolution No. 2024-002, approving and authorizing the execution of California Department of Community Services and Development Direct Pay Agreement 23Y-5046.
- b. Authorize the City Manager, or his designee, to execute the Agreement and any related documents or extensions consistent with or in furtherance of the City Council's actions hereunder.
- c. Authorize the City Manager, or his designee, to prepare and process any budgetary adjustments to receive and record Low-Income Home Energy Assistance Program funds.

**BACKGROUND & HISTORY:**

The Low-Income Home Energy Assistance Program (LIHEAP) is a federally funded program aiming to assist eligible households struggling to financially meet their energy needs. This program is administered by the California Department of Community Services and Development (CSD). One component of LIHEAP is to provide one-time utility payment assistance per program year to

qualifying residential customers who have difficulty paying their electric bills. The 2024 LIHEAP program year is effective from November 1, 2023, through July 31, 2025. The amount of utility payment assistance is determined based on household size, total household gross income, the cost of energy within the county of residence, and funding availability. Approved applicants can receive a benefit of up to \$3,000 that can cover past-due balances, current charges, fees, and taxes. Qualification and other support services are performed by the Community Action Partnership of Riverside County (CAP Riverside) on behalf of CSD. CAP Riverside will also make eligibility determinations for other LIHEAP support programs in addition to utility billing assistance.

**ANALYSIS:**

Previously, qualified customers receive LIHEAP assistance in the form of a dual-party check from the State Controller's Office. The customers are required to send the check to Corona's Utility Billing Division, within the Utilities Department (UD), to apply toward their account's outstanding balance. Approval of the proposed Agreement permits UD to receive LIHEAP funds directly from the State Controller's Office and apply them to customer accounts. This will alleviate the administrative burden placed upon qualified customers receiving this funding from having to remit this payment to the UD. Therefore, staff recommends adoption of Resolution No. 2024-002, approving and authorizing the execution of the Direct Pay Agreement 23Y-5046 for the purpose of receiving direct payment from the State to the Utilities Department qualifying customer accounts. If approved, this Agreement is effective until March 31, 2026.

**FINANCIAL IMPACT:**

Approval of the recommended actions may result in a budget appropriation and an offsetting revenue budget in the amount awarded to eligible customers in the Low-Income Assistance Program Operating and Maintenance Project Number 76621 in the Electric Utility Grant/Agreement Fund 579.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines of the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action requests to approve the Low-Income Home Energy Assistance Program Direct Pay Agreement with the California Department of Community Services and Development and there is no possibility that adoption of this resolution and approval of said agreement will have a significant effect on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** JACQUELINE ZUKERAN, UTILITY BILLING AND ADMINISTRATION MANAGER

**REVIEWED BY:** TOM MOODY, DIRECTOR OF UTILITIES

**Attachments:**

1. Exhibit 1 - Resolution No. 2024-002