

# Five Reasons Baltimore Needs an Income-Based Water Affordability Program

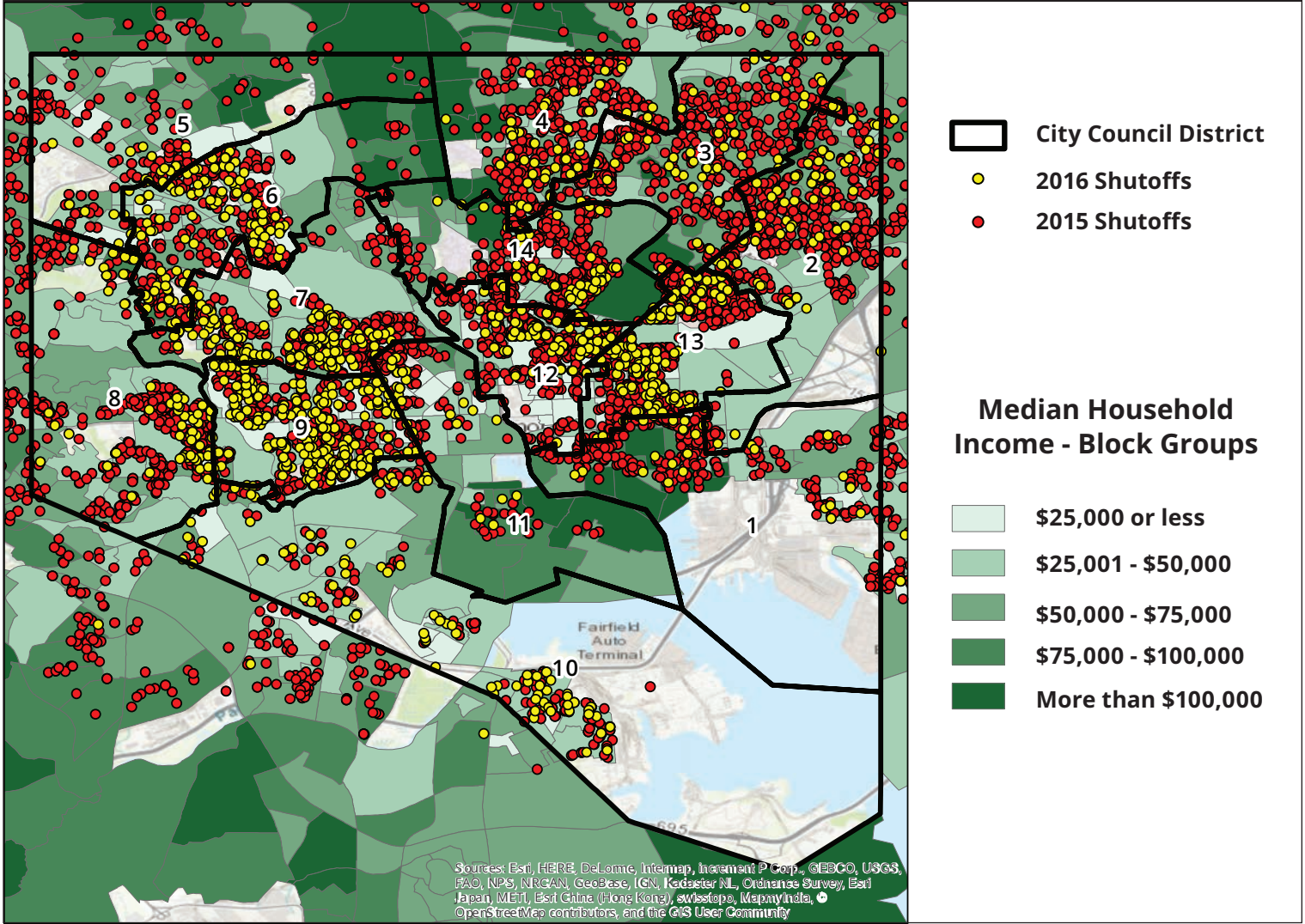
The Baltimore City Council must take urgent action to avert an impending water affordability crisis. Many residents have lost their homes or access to running water in their homes simply because they cannot afford to pay the city's ever-increasing water rates. When households cannot afford to pay their water bills, the city shuts off their water service or sends their homes to tax sale. The city needs a water affordability program.

1. **Water rates have more than quadrupled since 2000.** In 2000, a typical household using 5 units (hundred cubic feet) of water a month paid \$177 annually for water and sewer service.<sup>1</sup> By July 2017, a household using the same amount of water paid \$788 a year.<sup>2</sup>
2. **Water bills are unaffordable for about one-third of households.** The United Nations considers water bills to be unaffordable if they exceed 3 percent of a household's income; in Baltimore, the typical water bill in 2017 was unaffordable for the 78,000 households that make less than \$25,000 a year.<sup>3</sup>
3. **Baltimore plans to invest \$2 billion in its water and sewer systems from 2017 to 2022.**<sup>4</sup> This will likely lead to more rate increases.
4. **Baltimore shut off about 6,600 city households for nonpayment in 2015 and 2016.**<sup>5</sup> Based on the average household size,<sup>6</sup> these shutoffs affected as many as an estimated 16,300 people in Baltimore City.
5. **Baltimore sold liens to about 1,700 owner-occupied homes at tax sale due to unpaid water bills between 2015 and 2017.**<sup>7</sup> Investors can foreclose on owner-occupied homes if homeowners do not pay the costs, fees and interest within nine months.<sup>8</sup>



**Support Affordable Water Service for All.** Baltimore needs an income-based affordability plan that would cap the water bills of low-income households at a level that they can afford to pay. This comprehensive solution would help ensure that every household in the city has access to affordable water service.

## 2015 TO 2016 WATER SHUTOFFS



SOURCE: Baltimore City DPW; U.S. Census. 2011-2015 American Community Survey (ACS) 5-year estimates.

## Endnotes

- Food & Water Watch calculation based on Baltimore City (Md.). Official Statement. Project and Refunding Revenue Bonds (Water Projects) Series 2000-A. June 15, 2000 at 19; Baltimore City (Md.). Official Statement. Project and Refunding Revenue Bonds (Wastewater Projects) Series 2000-A. June 15, 2000 at 17.
- Food & Water Watch calculation based on Baltimore City. Board of Estimates. Agenda. July 27, 2016 at 109; Baltimore City. Water Billing Rates and Fees. Available at <http://publicworks.baltimorecity.gov/Water-Bill-Rates-and-Fees>. Accessed August 8, 2017.
- United Nations Development Programme. (2006). *Human Development Report 2006*. UN Development Programme: New York, NY at 11 and 66; U.S. Census Bureau. 2011-2015 American Community Survey 5-Year Estimates. Table S1901. Income in the Past 12 Months. American FactFinder. Accessed August 8, 2017.
- Baltimore City (Md.). Official Statement. Series 2017 Water Bonds and Wastewater Bonds. January 27, 2017 at 62 and 80.
- Food & Water Watch calculation based on data from Phillips-Farley, James. Baltimore City Department of Public Works. Response to Maryland Public Information Act Request. November 20, 2015; Clemmens, Brent M. Baltimore City Department of Public Works. PIA request - Water service disconnections - final response. February 23, 2017.
- U.S. Census Bureau. QuickFacts. *Baltimore city, Maryland*. Available at <https://www.census.gov/quickfacts/fact/table/baltimorecitymarylandcounty,MD/PST045216>. Accessed August 8, 2017.
- Wenger, Yvonne. "Unpaid water bills trigger tax sales for Baltimore homeowners." *Baltimore Sun*. May 5, 2017; Duncan, Ian. "Baltimore starts fund to help people who get behind on water bills and taxes." *Baltimore Sun*. June 21, 2017.
- Baltimore City (Md.). "Tax Sale Process." Available at <http://taxsale.baltimorecity.gov/tax-sale-process>. Accessed August 7, 2017.