



# City of San Leandro

## 2024 Stormwater Fee Study

March 4, 2024

City Council Meeting



# AGENDA

- Background
- Storm Drain Master Plan
- Financial Needs
- Proposed Rates – Two Scenarios
- Proposition 218 Process
- Timeline



# BACKGROUND

- The City is proposing an amendment to the current Stormwater Fee because additional dedicated funding is needed to:
  - Remove trash and pollutants from rain runoff using sustainable methods;
  - Repair and maintain critical pipes and pump stations; and,
  - Invest in the highest-priority storm drainage infrastructure projects for the City's aging infrastructure



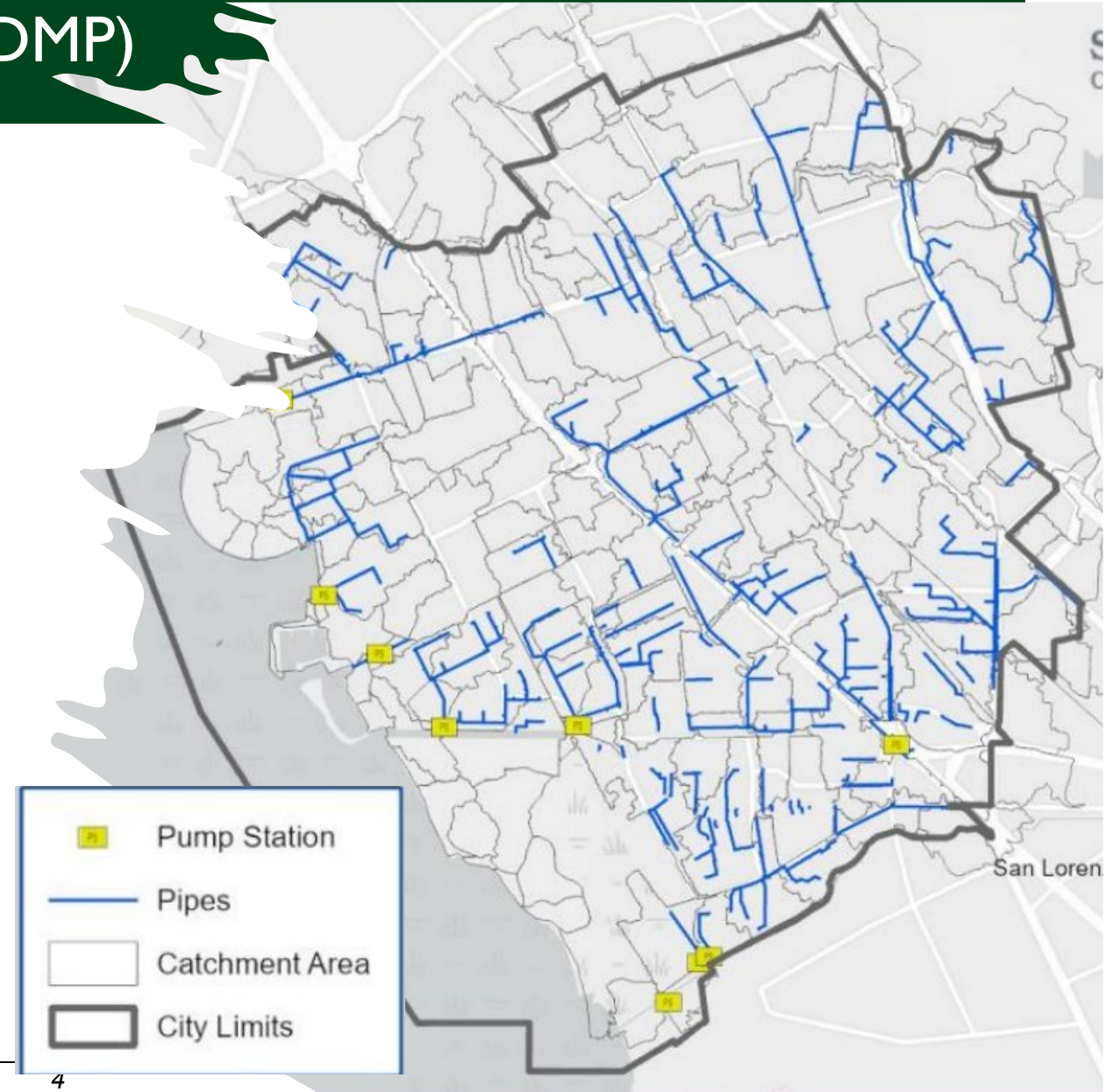
# BACKGROUND

- Current Storm Water Fee established in 1993 to meet Clean Water Act requirements and manage Storm Water System
  - Current Fee generates approximately \$1.07 million annually; Fee has not been increased since 1993
  - Costs for pollution control, O&M, monitoring and reporting, and capital needs continue to increase
  - Costs have exceeded revenues in recent years
- April 2023, Council directed staff to proceed with Proposition 218 revenue measure
- May 2023, Council approved a consulting agreement with HF&H for implementation of the Prop 218 noticing and voting process
- September 2023, Council approved funding for consulting work to develop a Storm Drain Master Plan (SDMP)
- February 2024, preliminary results of the SDMP, cost-of-service study, proposed funding level, and resulting fees presented to Facilities & Transportation Committee



# STORM DRAIN MASTER PLAN (SDMP)

- February 2024, Schaaf & Wheeler presented the results of the SDMP study, which,
  - mapped the City's storm drain system;
  - evaluated flood risks, considers climate adaptability; and,
  - recommended actions and prioritized capital projects needed to maintain the system and meet Water Board regulations.
- The SDMP identified the financial needs of the system and is the basis for establishing the amended Stormwater Fee





# FINANCIAL NEEDS

Priority	Description	Estimated Cost
<b>Capital Improvement Projects</b>		
Very High	Mitigate the most frequent, recurring flooding issues and the most severe system deficiencies with the greatest impact to properties. Includes installation of 177 small and 6 large trash capture devices to meet MRP requirements by June 2025	\$8,240,000
High	Mitigate areas of frequent, but less damaging flooding areas where extensive deficiencies are identified in the SDMP model.	\$24,010,000
Medium	Mitigate areas where moderate and/or isolated capacity deficiency is identified by the SDMP model or known to occur.	\$24,590,000
Low	Mitigate isolated capacity deficiencies identified in the SDMP model that have the least potential impact on properties, or areas where the benefit of City projects is limited by the capacity of ACFCF facilities. Includes a \$10,000,000 cost for a new pump station on Neptune Ave.	\$22,750,000
Subtotal - Capital Projects		\$79,590,000

<b>Annual Operating and Maintenance Costs</b>	
Trash Capture Devices Maintenance	\$200,000
Compliance	\$540,000
Street Cleaning	\$780,000
Pipe Cleaning	\$100,000
Green Infrastructure	\$100,000
General Fund Repayment	\$107,000
Other Operations & Maintenance	\$140,000
Subtotal - Operations & Maintenance	\$1,967,000



# VERY HIGH AND HIGH PRIORITY PROJECTS

Priority	Project	Pipe Length (ft)	Estimated Cost
Very High	1 Williams St, Aurora Drive to Marina outfall	1,170	\$ 1,631,000
	20 San Leandro Boulevard / Best Avenue	1,083	\$ 671,000
	51 Aurora Dr connecting pipe	827	\$ 440,000
	52 Trash Capture installation by June 2025	--	\$ 5,500,000
High	37 Williams St from ACFCD pipes	2,267	\$ 1,842,000
	2 Nicholson and Republic	1,627	\$ 1,319,000
	3 Williams / Sundberg / Marina Blvd	1,678	\$ 1,014,000
	5 Hesperian Blvd and branching systems	717	\$ 666,000
	6 Bancroft Ave	2,877	\$ 2,867,000
	7 East 14 <sup>th</sup> St north of channel	1,978	\$ 1,354,000
	8 East 14 <sup>th</sup> St south of Channel	1,159	\$ 899,000
	9 Lakeview Dr system in northeast of City	3,598	\$ 2,330,000
	17 Hubbard Ave to Washington Manor Park	7,430	\$ 6,759,000
	21 Estabrook St	594	\$ 350,000
	22 Reed and 143 <sup>rd</sup>	1,141	\$ 974,000
	23 Lark St	283	\$ 246,000
	26 Washington Pump Station Piping	1,344	\$ 827,000
	32 West of Mendocino/Laverne Dr	675	\$ 940,000
	52 Wicks Blvd	1,510	\$1,620,000



# MEDIUM AND LOW PRIORITY PROJECTS

Medium	38 Williams / Sundberg / Marina Blvd	2,254	\$ 1,942,000
	4 West of Upton Ave	1,400	\$ 914,000
	39 Hesperian Blvd and branching systems to the	1,901	\$ 1,228,000
	10 Belvedere Ave and Flagship St	3,201	\$ 2,648,000
	11 Farallon Dr and Wicks Blvd	4,633	\$ 3,864,000
	12 Willow Ave South	746	\$ 434,000
	14 Corvallis St North	2,054	\$ 1,346,000
	15 Corvallis St South	1,090	\$ 729,000
	16 Portola Dr, Figueroa Dr, Arguelo Dr	1,502	\$ 1,233,000
	18 Washington Ave	4,607	\$ 2,770,000
	19 Carmel Way and Monterey Blvd to Serra Dr	400	\$ 370,000
	46 Lark St	1,290	\$ 819,000
	24 Central Ave	177	\$ 131,000
	25 Martell Ave	311	\$ 130,000
	27 Beatrice St	843	\$ 567,000
	28 Fargo Ave	1,408	\$ 914,000
	29 North of Manor Blvd (west)	838	\$ 418,000
	30 Off Lewelling Blvd and Farnsworth	3,475	\$ 2,941,000
	31 South of Stenzel Park	347	\$ 275,000
	33 Inverness St	87	\$ 65,000
	35 Nimitz Fwy near Teagarden St	825	\$ 851,000

Low	40 Hesperian Blvd and branching systems to the	7,996	\$ 4,983,000
	41 Belvedere Ave and Flagship St	1,645	\$ 1,336,000
	42 Farallon Dr and Wicks Blvd	444	\$ 276,000
	13 Willow Ave North	2,210	\$ 1,422,000
	43 Portola Dr, Figueroa Dr, Arguelo Dr	1,927	\$ 1,140,000
	44 Hubbard Ave to Washington Manor Park	560	\$ 235,000
	45 Carmel Way and Monterey Blvd to Serra Dr	2,050	\$ 1,280,000
	47 Off Lewelling Blvd and Farnsworth	1,368	\$ 882,000
	48 West of Mendocino/Laverne Dr	683	\$ 349,000
	49 Inverness St	538	\$ 325,000
	34 Teagarden St to east side of Nimitz Fwy	503	\$ 292,000
	50 Nimitz Fwy near Teagarden St	324	\$ 225,000
	36 Neptune PS (195 cfs)	--	\$ 10,000,000





# STORMWATER FEE AMENDMENT METHODOLOGY

- Establish Annual Revenue Need
- Calculate Single Family Equivalent (SFE)
  - Average impervious surface area, by parcel size
- Calculate Non-Single Family land use equivalents (SFE per acre)
  - Apartments
  - Commercial
  - Municipal
  - Schools
  - Parks
  - Golf Courses
  - Vacant Parcels - Developed



# FINANCIAL NEEDS

Cost Description	Estimated Current Cost	Less: Costs Funded by Other Sources	Net Cost	Net Annual Cost	
				Fund All Projects	Fund High and Very High Projects Only
Operations & Maintenance					
Trash Capture Devices Mainteance	\$200,000	\$0	\$200,000	\$200,000	\$200,000
Compliance	\$540,000	\$0	\$540,000	\$540,000	\$540,000
Street Cleaning	\$780,000	\$0	\$780,000	\$780,000	\$780,000
Pipe Cleaning	\$100,000	\$0	\$100,000	\$100,000	\$100,000
Green Infrastructure	\$100,000	\$0	\$100,000	\$100,000	\$100,000
General Fund Repayment	\$107,000	\$0	\$107,000	\$107,000	\$107,000
Other Operations & Maintenance	\$140,000	\$0	\$140,000	\$140,000	\$140,000
O&M Subtotal	\$1,967,000	\$0	\$1,967,000	\$1,967,000	\$1,967,000
Capital Improvement Projects					
Very High Priority Projects	\$8,240,000	(\$3,749,000) <sup>1</sup>	\$4,491,000	\$424,447 <sup>2</sup>	\$424,447
High Priority Projects	\$24,010,000		\$24,010,000	\$800,333 <sup>3</sup>	\$800,333
Medium Priority Projects	\$24,590,000		\$24,590,000	\$819,667 <sup>3</sup>	
Low Priority Projects	\$22,750,000		\$22,750,000	\$758,333 <sup>3</sup>	
Capital Subtotal	\$79,590,000	(\$3,749,000)	\$75,841,000	\$2,802,780	\$1,224,780
Total Annual Revenue Requirement				\$4,769,780	\$3,191,780

<sup>1</sup> Estimated contribution from CalTrans (\$2,749,000) and State grant (\$1,000,000) for the installation of trash capture devices

<sup>2</sup> Reflects bond-financing Very High Priority Projects (15-year term, 4.5% interest rate)

<sup>3</sup> Reflects PAYGo funding amortized over 30 years

Annual Revenue Need



# SINGLE FAMILY EQUIVALENT (SFE)

- Sampled 3% of all Single-Family Parcels
- Average Impervious Surface Area of Medium Size Parcels = 3,067 sq. ft.

Single-Family Residential (SFR) Parcel Sizes	Parcel Size Range (square footage)	# of Parcels	% of SFR Parcels	Average Impervious Surface Area	SFE per Parcel
Small	< 3,200	1,193	6%	1,602	0.52
Medium	3,200 to 7,200	16,111	79%	3,067	1.00
Large	> 7,200	3,094	15%	4,617	1.51
		20,398	100%	9,287	

- Rates are derived for each non-Single Family land use type based on how they compare to the SFE

$$SFE \text{ Per Acre} = \frac{(43,560 \text{ square feet per acres}) \times \text{Average \% of Impervious Area}}{3,067 \text{ square feet of Impervious Areas per SFE}}$$



# NON-SINGLE FAMILY CALCULATION – SFE PER ACRE

$$SFE \text{ Per Acre} = \frac{(43,560 \text{ square feet per acres}) \times \text{Average \% of Impervious Area}}{3,067 \text{ square feet of Impervious Areas per SFE}}$$

Land Use Category		# of Parcels	# of Parcels Sampled	Total Acres Sampled	Total Acres Impervious		
					Area		Impervious Area
Single-Family Residential							
Small	< 3,200 sq. ft.	1,193	36	1.9	1.3	1,602	sq. ft.
Medium	3,200 to 7,200 sq. ft.	16,111	484	58.7	33.7	3,067	sq. ft.
Large	> 7,200 sq. ft.	3,094	93	20.7	9.8	4,617	sq. ft.
Non-Single-Family Residential							
Apartments/Condos		2,036	61	49.2	35.1	71.3%	
Commercial/Municipal		1,929	58	22.1	19.4	87.6%	
Schools		19	19	151.3	83.9	55.4%	
Parks		35	35	90.8	15.1	16.6%	
Golf Courses		6	6	239.5	4.2	1.8%	
Vacant - Developed Parcels		299	Not Sampled				
Undeveloped Parcels/Open Space		447	Not Sampled				

Non-Single Family Land Use Category	Acres	% Impervious	SFE per Acre
Apartments/Condos	1,288	71.3%	10.13
Commercial/Municipal	2,258	87.6%	12.44
Schools	150	55.4%	7.87
Parks	72	16.6%	2.36
Golf Courses	240	1.8%	0.25
Vacant - Developed Parcels	176	1.8%	0.25



# ANNUAL STORMWATER FEE CALCULATION

## Fund ALL Projects

Land Use Category	SFEs	Medium SFE Rate	Proposed Fee FY 2024-25	Current Fee	Additional Monthly Cost
	a	b	c = a * b	d	e = (c - d)/12
<b>Single-Family Residential</b>			<b>\$ per parcel</b>	<b>\$ per parcel</b>	
Small < 3,200 sq. ft.	0.52	\$74.61	<b>\$38.96</b>	\$26.33	\$1.05
Medium 3,200 to 7,200 sq. ft.	1.00	\$74.61	<b>\$74.61</b>	\$26.33	\$4.02
Large > 7,200 sq. ft.	1.51	\$74.61	<b>\$112.31</b>	\$26.33	\$7.17
<b>Non-Single-Family Residential</b>			<b>\$ per Acre</b>	<b>\$ per Acre</b>	
Apartments/Condos	10.13	\$74.61	<b>\$755.79</b>	\$157.98	
Commercial/Municipal	12.44	\$74.61	<b>\$928.13</b>	\$210.64	
Schools	7.87	\$74.61	<b>\$587.17</b>	N/A	
Parks	2.36	\$74.61	<b>\$176.08</b>	N/A	
Golf Courses	0.25	\$74.61	<b>\$18.65</b>	N/A	
Vacant - Developed Parcels	0.25	\$74.61	<b>\$18.65</b>	N/A	
Undeveloped Parcels/Open Space			<b>No Charge</b>	N/A	

## Fund High and Very High Projects

Land Use Category	SFE Rate	Medium SFE Rate	Proposed Fee FY 2024-25	Current Fee	Additional Monthly Cost
	a	b	c = a * b	d	e = (c - d)/12
<b>Single-Family Residential</b>			<b>\$ per parcel</b>	<b>\$ per parcel</b>	
Small < 3,200 sq. ft.	0.52	\$49.92	<b>\$26.07</b>	\$26.33	<b>(\$0.02)</b>
Medium 3,200 to 7,200 sq. ft.	1.00	\$49.92	<b>\$49.92</b>	\$26.33	\$1.97
Large > 7,200 sq. ft.	1.51	\$49.92	<b>\$75.15</b>	\$26.33	\$4.07
<b>Non-Single-Family Residential</b>			<b>\$ per Acre</b>	<b>\$ per Acre</b>	
Apartments/Condos	10.13	\$49.92	<b>\$505.70</b>	\$157.98	
Commercial	12.44	\$49.92	<b>\$621.02</b>	\$210.64	
Municipal	12.44	\$49.92	<b>\$621.02</b>	N/A	
Schools	7.87	\$49.92	<b>\$392.88</b>	N/A	
Parks	2.36	\$49.92	<b>\$117.81</b>	N/A	
Golf Courses	0.25	\$49.92	<b>\$12.48</b>	N/A	
Vacant - Developed Parcels	0.25	\$49.92	<b>\$12.48</b>	N/A	
Undeveloped Parcels/Open Space			<b>No Charge</b>		





# PROPOSED ANNUAL STORMWATER FEES

Land Use Category	Current Fee	Proposed Fee – Option 1 (Fund All Projects)	Proposed Fee – Option 2 (Fund High/Very High Projects)
Single Family – Small (<3200 sf)	\$26.33 per parcel	\$38.96 per parcel	\$26.07 per parcel
Single Family – Small (3200-7200 sf)	\$26.33 per parcel	\$74.61 per parcel	\$49.92 per parcel
Single Family – Small (>7200 sf)	\$26.33 per parcel	\$112.31 per parcel	\$75.15 per parcel
Multi Family	\$157.98 per acre	\$755.79 per acre	\$505.70 per acre
Commercial/Industrial	\$210.64 per acre	\$928.13 per acre	\$621.02 per acre
Municipal	N/A	\$928.13 per acre	\$621.02 per acre
Schools	N/A	\$587.17 per acre	\$392.88 per acre
Parks	N/A	\$176.08 per acre	\$117.81 per acre
Golf Courses/Vacant Developed	N/A	\$18.65 per acre	\$12.48 per acre
Undeveloped/Open Space	N/A	N/A	N/A



The Prop 218 property-related fee process requires two distinct steps:

Step 1

Public Notice mailed to all property owners, followed by a Public Hearing 45 days later. Assuming no majority protest,

Step 2

Ballot mailed to property owners, including basis for fee and amount of fee, followed by a Public Hearing 45 days later

If a simple majority (50% + 1) vote “yes”, the fee can be adopted by the City Council.



## NEXT STEPS

- April 2 – Council to consider issuance of Proposition 218 notice with proposed Stormwater Fee
  - Staff Recommends Option 2 – Fund High and Very High capital projects only
- Notice mailed no later than April 5
- May 20 – Council hold Public Hearing; If no majority protest (50%+1), Council considers whether to proceed with the balloting for the proposed amended fee
- Ballots mailed no later than May 24
- July 8 – Ballots due to City Clerk by 5pm
- July 15 – Council certifies ballots results and considers adoption of fee if majority of votes received are “yes”
- Updated Stormwater Fee implemented in FY 2024-25 Tax Assessments

