

RESOLUTION NO. 2022-0100

Adopted by the Sacramento City Council

April 12, 2022

Resolution Establishing the City of Sacramento Storm Drainage Property-Related Fee Service Rates and the Storm Drainage Property Fee Fund

BACKGROUND

- A. Articles XIII C and XIII D of the California Constitution (Proposition 218) establish various procedures for the approval of taxes, assessments, and property-related service fees by local government agencies.
- B. For the imposition or increase of storm drainage service rates that are “property-related fees” within the meaning of Proposition 218, Proposition 218 requires that a notice describing the proposed fee or fee increase and establishing a date, time and location of a public hearing on the proposed fee or fee increase (held not less than 45 days after the notice is mailed), be mailed to the record owner of each parcel subject to the proposed fee or fee increase. Under Section 13.02.040(C) and Section 3.44.100(B) of the Sacramento City Code, for fees or fee increases proposed by the City of Sacramento, the public hearing is held by the City’s Utilities Rate Advisory Commission.
- C. At the public hearing, Proposition 218 requires that all protests filed against the proposed fee or fee increase be considered, and the agency may not approve the proposed fee or fee increase if written protests against the proposed fee or fee increase are presented by owners or tenants of a majority of the affected parcels (only one protest is allowed per parcel).
- D. Proposition 218 requires a special ballot election for storm drainage property related fees. While water, wastewater, and solid waste fees are exempted from this requirement, storm drainage fees require the additional step of allowing property owners the opportunity to vote on proposed fees or increases to existing fees. The proposed fee or increase may be approved if greater than 50% of the property owners, who submit ballots, vote “yes” as a result of the ballot election. The proposed fee or increase shall not be approved if 50% or more of property owners, who submit ballots, vote “no” as a result of the ballot election.
- E. In December 2021, protest mailers were sent to all current Department of Utilities drainage customers. In January 2022, about two percent of City property owners --

who are not currently Department of Utilities storm drainage customers but would be subject to the new fee -- were sent a protest mailer. The protest mailer: (i) described the proposed storm drainage property related fee; (ii) provided the date, time and location of the public hearing when the proposed fee would be heard by the City's Utilities Rate Advisory Commission; and (iii) provided notice that an owner or tenant had the right to file a written protest against the proposed rate increases at or before the time set for public hearing.

- F. The City's Utilities Rate Advisory Commission held the public hearing on January 26, 2022 and considered all protests against the proposed storm drainage property related fee as well as all testimony and other information presented by City staff and members of the public.
- G. As of the conclusion of the public hearing, written protests against the proposed storm drainage property related fee were not received for a majority of the parcels that would be subject to the proposed fee.
- H. Upon conclusion of the public hearing, the City's Utilities Rate Advisory Commission recommended that the City Council act to submit the proposed storm drainage property related fee to property owners for a vote.
- I. The City Council considered the Utilities Rate Advisory Commission's recommendations and all other information presented and in the public record and authorized the Department of Utilities to conduct the Storm Drainage property related fee ballot election on February 1, 2022.
- J. On February 9, 2022, ballots were mailed to all property owners who would be receiving storm drainage services and subject to the proposed fee. Property owners had until March 16, 2022 at 4:30 pm to mail or drop off completed ballots to the City Clerk's Office.
- K. Ballots were tabulated and certified by SCI Consulting Group (see Exhibit B) from March 17 – 24, 2022 resulting in 52.3% with "yes" votes and 47.7% with "no" votes.
- L. A new accounting fund needs to be created in accordance with Proposition 218 for the new storm drainage property related fee.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Based on the information presented to it and upon all information in the public record, and pursuant to Public Resources Code Section 21080(b)(8), the City Council finds that the approval and imposition of the storm drainage property related fee approved and imposed in Section 2 of this resolution are exempt from the California Environmental Quality Act and finds that the increased rates are for the purpose of:

1. Providing funds to meet capital improvement expenses, including associated operations and maintenance expenses, and employee wage rates and fringe benefits.
2. Permitting the generation of necessary cash flow to finance maintenance of the City’s utility service systems and meeting financial reserve needs and requirements.
3. Funding the purchase or lease of necessary supplies and equipment for the maintenance of capital improvements.

Section 2. The City Council certifies the Storm Drainage Property Related Fee ballot election results as recommended by the City Clerk.

<u>Yes</u>	<u>22,178</u>	<u>No</u>	<u>20,229</u>
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Section 3. The Storm Drainage property related fee service rate schedule shown on Exhibit A to take effect on July 1, 2022 is hereby approved and imposed.

Section 4. The City Manager, or designee, may perform a billing assessment for parcels subject to either the current storm drainage fee based on room count, or for the fee described in Exhibit A based on the extent to which the parcel is determined to contribute to the Storm Drainage System. If the City Manager or his designee determines that a parcel owner is being over-billed for storm drainage services rendered to the parcel, the City Manager or designee may reduce the storm drainage fees consistent with the principles contained in the Storm Drain Utility Property Related Fee Study.

Section 5. This resolution adopting the storm drainage rate schedule shown on Exhibit A is approved by two-thirds vote of the City Council pursuant to Health and Safety Code section 5471.

Section 6. The City Manager, or designee, is hereby authorized and directed to create a new accounting fund to be known as the Storm Drainage Property Fee Fund.

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Exhibit A - Storm Drainage Service Rate Schedule

Adopted by the City of Sacramento City Council on April 12, 2022, by the following vote:

Ayes: Members Ashby, Guerra, Harris, Jennings, Loloee, Schenirer, Valenzuela, Vang, and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy
Date: 2022.04.18 13:41:56
-07'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

EXHIBIT A

CITY OF SACRAMENTO

STORM DRAINAGE SERVICE RATE SCHEDULE

I. STORM DRAINAGE PROPERTY RELATED FEE – MONTHLY RESIDENTIAL

Residential fees are calculated by multiplying the average gross square feet by the impervious surface coefficient (ISC), multiplied by \$0.0016458333 monthly. Single-family parcels are placed into one of three tiers based upon parcel gross area and Multi-family parcels are placed into one of their tiers based upon density.

Single-family #1:	\$3.13
<ul style="list-style-type: none">• Parcel gross area less than 1/10 acre• Average gross square feet: 2,878, ISC: 0.66	
Single-family #2:	\$5.94
<ul style="list-style-type: none">• Parcel gross area equal to and greater than 1/10 acre and less than 1/4 acre• Average gross square feet: 6,681, ISC: 0.54	
Single-family #3:	\$10.78
<ul style="list-style-type: none">• Parcel gross area equal to and greater than 1/4 acre• Average gross square feet: 18,718, ISC: 0.35	
Multi-family #1:	\$0.67 per unit
<ul style="list-style-type: none">• 50+ units per acre (high density):• Average gross square feet: 489, ISC: 0.84	
Multi-family #2:	\$2.41 per unit
<ul style="list-style-type: none">• 11-50 units per acre (medium density):• Average gross square feet: 2,093, ISC: 0.70	
Multi-family #3:	\$5.84 per unit
<ul style="list-style-type: none">• 1-10 units per acre (low density):• Average gross square feet: 6,845, ISC: 0.52	
Minimum Rate Per Parcel	\$1.00

EXHIBIT A

II. STORM DRAINAGE PROPERTY RELATED FEE – MONTHLY NON-RESIDENTIAL

Non-Residential fees are calculated by multiplying the parcel's gross square feet by the impervious surface coefficient (ISC) listed below, multiplied by \$0.0016458333 monthly.

Non-Residential Property Type	ISC
Exempt	0.00
Agriculture	0.04
Golf, Park, Cemetery, Miscellaneous, & Vacant	0.10
Airport & Common Areas	0.30
Public & Utilities	0.44
Office, Recreational, Church & Welfare, & Personal Care & Health	0.80
Industrial, Retail, and Commercial	0.86
Minimum Rate Per Parcel	\$1.00