

PRELIMINARY

Storm Drain Utility Fee

August 16, 2023

Prepared for:



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Section 1 INTRODUCTION

To ensure dedicated funding for its storm drain program, the City of Manhattan Beach (“City”) established a storm drain utility fee in May 1996. For the past several years, storm drain utility fee revenues have not been adequate to support the City’s stormwater enterprise and, as a result, the General Fund has had to contribute funds to cover the stormwater fund’s (“Stormwater Fund”) deficits. In FY 2023-24, the General Fund is anticipated to contribute more than \$3.6 million to the Stormwater Fund to cover operating and maintenance expenses, which were in excess of the current stormwater fee revenues. In addition, inadequate revenues generated by the current storm drain utility fee have necessitated the deferral of capital improvements to the storm drain system.

The purpose of this report is to:

- Review the requirements of Article XIID of the State Constitution (Proposition 218), the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 et. seq.) and Health & Safety Code Section 5470 et. seq. relating to requirements for the adoption of a property related fee for storm water.
- Ensure that the fee rate structure established is fair and equitable for the levying of the costs of the City’s Stormwater Enterprise.
- Develop a methodology for the calculation of fees for stormwater, which is based on the impervious area for each parcel developed for the Los Angeles County Flood Control District for Measure W.
- Outline the process for the approval and adoption of the new storm drain utility fee based on Proposition 218.

Exhibit A summarizes the process for establishing a new fee or charge.

Proposition 218 Requirements

The proposed storm drain utility fee is defined as a “property related fee” under Article XIID of the California Constitution (Proposition 218). Section 6.b of Proposition 218 has the following requirements for all “new, extended, imposed or increased” fees and charges:

- 1) “Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service.”
- 2) “Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.”
- 3) “The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.”
- 4) “No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on

potential or future use of service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with [the assessment section of this code].”

- 5) “No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services where the service is available to the public at large in substantially the same manner as it is to property owners.”

There have been a number of court cases related to property-related fees in the last few years; however, they have all focused on water rates or groundwater charges. The only substantive part of these cases that related to storm water fees is the requirement that the fees be based on the cost of service, that they must be proportional to the service received and that ballots for property related fees are not secret ballots. The City’s current rate structure complies with this requirement as does the new fee methodology recommended in this report.

Impact of Los Angeles County’s Safe Clean Water Program (Measure W)

The Safe, Clean Water Program (“Measure W” or the “Program”) was passed by voters on November 6, 2018. The County of Los Angeles’ (“County”) Measure W placed a 2.5 cents per square foot of impermeable surface parcel tax, which will generate \$300 million per year for the Los Angeles region, subject to reductions as provided for in a credit program and exemptions for parcels owned by qualifying low-income seniors. As outlined in the ordinance adopted by the Los Angeles County Board of Supervisors for Measure W, of the \$300 million that will be generated by Measure W, 40% or \$120 million will be allocated to cities within the County. It is estimated that the City of Manhattan Beach will receive \$410,000 annually from Measure W. Under the ordinance, of the funds which the City will receive, 30%, or \$123,000 may be used at the City’s discretion to use for programs in place prior to the adoption of Measure W. Table 1 included on the following pages includes information provided by City staff regarding the anticipated Regional Funding of Capital Improvement Projects, including SW21402 – 28th St Stormwater Infiltration Project and TMDL Trash Treatment Project, Peck Avenue Storm Drain Improvements, and Shelly Street Storm Drain Improvements. Regional Measure W funding, grant funding and local match needs are estimated at over \$41,900,000 in storm drain funds in the next five years. The funds collected will be managed by the Los Angeles County Flood Control District (“District”) and will be used to upgrade stormwater infrastructure to increase the region’s local water supply, improve water quality and protect public health. According to the Program, projects and programs by municipalities are required to include a water quality benefit; multi-benefit projects and nature-based solutions are encouraged. Eligible activities include, but not limited to, project development, design, construction, effectiveness monitoring, operations and maintenance (including operation and maintenance projects built to comply with 2012 MS4 permits), as well as for other programs and studies related to protecting and improving water quality in lakes, rivers and oceans.

Measure W parcel tax recipient municipalities are required to comply with certain provisions of the County Ordinance (Section 18.06) related to the Program. These provisions state that the municipality perform the following functions:

- 1) Prioritize the development of projects that comply with the MS4 permit to the extent feasible.

- 2) Prior to the start of the municipality's fiscal year, prepare a plan as to how Program funds will be used.
- 3) Comply with reporting and auditing requirements of the Program.
- 4) Consider municipal-level requests for projects from eligible Infrastructure Program project applicants.
- 5) Prepare and provide public information materials regarding the municipality's actual and budgeted revenues from the Program.
- 6) Operate in accordance with best practices for government agencies.
- 7) Be accountable for all funds, receipts, and disbursements.
- 8) Identify or establish, and then execute, a plan to engage stakeholders in the planning process for the use of Program funds during the planning and implementation of projects and programs.
- 9) Comply with all Transfer Agreement requirements.
- 10) Prepare a vector minimization plan addressing vector considerations for the design, operation and maintenance of each eligible project.

The Measure W parcel tax is based on impermeable surface on a parcel, which has been determined by the County. It is recommended that this same impermeable surface data be used to determine the City's proposed storm drain utility fee. This will provide an approach that is consistent with the County's Measure W parcel tax and meet the requirement of the State Constitution.

Exhibit B contains a Measure W Fact Sheet which summarizes the methodology used in estimating the impermeable surface on a parcel.

Section 2 FEE CALCULATION

Within the City of Manhattan Beach, there are many separate watersheds of various terrain and with inlets, pipes and channels made of various materials and in various conditions. Some of these watersheds flow directly to the ocean and others flow through other cities or into the unincorporated county areas.

To the best of our knowledge, all parcels draining into City-maintained drainage infrastructure have been identified, and are proposed to be charged the same storm drain utility fee rate per impervious square foot for storm drain operations, maintenance and related capital improvements. The storm drain utility fee is proposed to be levied in perpetuity (unless rescinded by the City Council) to maintain the storm drain system and provide a source of funds to make essential capital improvements.

Impervious Factor

The methodology utilized the same impervious area data that the County utilizes to calculate the County's Measure W parcel tax.

The County Measure W data was missing the impervious area for a small number of parcels. In these cases, the average percentage of impervious square feet for the land use was assumed. For example, for an average single-family residence, 56% of the total parcel square footage is impervious. This same 56% was applied to single-family residences where the County data was missing the impervious square footage.

Pursuant to Proposition 218, all parcels impacting the City's storm drain system will be subject to the proposed storm drain utility fee.

Projected Revenues and Expenditures

As in previous years, the City projects deficits for the Stormwater Fund in the next several years as expenditures are anticipated to increase. Table 1 shows the projected deficits for the Stormwater Fund. Note that the projections through FY 2028-29 are per the City's FY 2022-23 Adopted Budget Addendum. The projections have been extended to FY 2028-29 through the escalation of core expenditures by 3.00%.

**Table 1. Projected Revenues and Expenditures
Fiscal Years 2023-24 through 2028-29 (per the City’s Approved Budget Addendum)^[e]**

Fund 502 - Stormwater Fund		Proposed FY 2023-24	Proposed FY 2024-25	Projected FY 2025-26	Projected FY 2026-27	Projected FY 2027-28	Projected FY 2028-29
Revenues:							
[a]	Existing Fee Revenues	\$ 344,484	\$ 345,000	\$ 345,000	\$ 345,000	\$ 345,000	\$ 345,000
[b]	Measure W Safe, Clean Water Program Funds	\$ 25,530,264	\$ 410,000	\$ 720,000	\$ 1,330,000	\$ 410,000	\$ 410,000
	Total Revenues	\$ 25,874,748	\$ 1,165,000	\$ 1,785,000	\$ 3,005,000	\$ 1,165,000	\$ 1,165,000
Expenditures:							
[c]	Core Expenditures	\$ 1,193,612	\$ 1,277,901	\$ 1,525,035	\$ 1,501,246	\$ 1,563,117	\$ 1,610,011
[d]	Capital Equipment and Projects	28,238,763	760,000	1,420,000	2,230,000	710,000	760,000
	<i>CIP</i>	1,890,000	760,000	1,110,000	1,310,000	710,000	760,000
	<i>Measure W/Grant Funded</i>	26,348,763	-	310,000	920,000	-	-
	Total Expenditures	\$ 29,432,375	\$ 2,037,901	\$ 2,945,035	\$ 3,731,246	\$ 2,273,117	\$ 2,370,011
	Surplus (Deficit)	\$ (3,557,627)	\$ (872,901)	\$ (1,160,035)	\$ (726,246)	\$ (1,108,117)	\$ (1,205,011)
<p>[a] Revenues from current storm drain fees. [b] Safe, Clean Water Program Municipal Program and Regional Program Funding [c] Expenditures from salaries, benefits, materials, services, and internal service charges. [d] The proposed FY 2023-24 per the Proposed Annual Budget. Projections through FY 2028-29 are per City Staff estimates.</p>							

Revenue Requirements

Based on information provided by City staff, Table 2 shows the revenue required to meet anticipated Stormwater related expenditures independent of the City’s General Fund.

Annual Administration Fee and Operating Reserve

The Stormwater Fund detail budget provided by City staff includes costs related to providing Stormwater assessments to the County Auditor Controller/Tax Collector and addresses annual administration. An Operating Reserve equal to 10% of Operation and Maintenance costs is included to provide the City with the means to address unexpected events and large unbudgeted expenses.

Annual Escalator

An annual escalator is included to provide the City with the means to address continuing inflation and rising costs of goods and services. The storm drain utility fee shall be adjusted annually based on the increase in the Consumer Price Index from December to December, during the preceding year, for All Urban Consumers, Los Angeles-Long Beach-Anaheim area, All Items, as published by the United States Department of Labor, Bureau of Labor Statistics. Should this index become unavailable, another comparable index shall be determined by Director of Public Works and approved by the City Council.

Table 2. Revenue Requirements, Fiscal Years 2023-24 through 2028-29

	Proposed FY 2023-24	Proposed FY 2024-25	Projected FY 2025-26	Projected FY 2026-27	Projected FY 2027-28	Projected FY 2028-29
Revenues:						
[a] Measure W Local & Regional Funding	25,530,264	410,000	720,000	1,330,000	410,000	410,000
[b] General Fund Transfer	3,676,989	-	-	-	-	-
Proposed Storm Drain Utility Fee Revenues	344,484	1,755,691	2,377,539	2,551,371	2,019,429	2,121,012
Total Revenues	\$ 29,551,737	\$ 2,165,691	\$ 3,097,539	\$ 3,881,371	\$ 2,429,429	\$ 2,531,012
Expenditures:						
[c] Core Expenditures	\$ 1,193,612	\$ 1,277,901	\$ 1,525,035	\$ 1,501,246	\$ 1,563,117	\$ 1,610,011
Operation & Maintenance Reserve (10%)	\$ 119,361	\$ 127,790	\$ 152,504	\$ 150,125	\$ 156,312	\$ 161,001
Capital Equipment and Projects	28,238,763	760,000	1,420,000	2,230,000	710,000	760,000
Total Expenditures	\$ 29,551,737	\$ 2,165,691	\$ 3,097,539	\$ 3,881,371	\$ 2,429,429	\$ 2,531,012
[a] Safe, Clean Water Program Local and Regional funding [b] General Fund transfers are assumed necessary for FY2023-24. [c] Expenditures from salaries, benefits, materials, services and internal service charges.						

Storm Drain Utility Fee Calculation

By definition, all properties that drain into the City’s storm drain system use the storm drain system. The amount of use attributed to each parcel is measurable by the amount of storm runoff contributed by the property, which is directly proportional to the amount of impervious area on a parcel (such as buildings and concrete). The more impervious area on a property, the more storm runoff the property generates.

For the purposes of this report, City-maintained drainage infrastructure includes streets, pipes, inlets, outlets, and natural drainage courses and bioretention areas. Parcels related to these types of property uses are exempt from the runoff charge, as they are part of the infrastructure being funded. Also exempt from the runoff charge is Caltrans right-of-way, because Caltrans handles its own runoff under a separate NPDES permit.

Costs associated with the maintenance of streets including hardscape (pavement, striping, sidewalks, curb and gutter) and landscape are not included in the storm drain utility fee, and are funded by other means.

Table 3 below shows the derivation of the revenue requirement per impervious square foot for a parcel that impacts the City’s storm drain system. Using the County’s total impervious area of all the parcels impacting the City’s storm drain system of 1,079.97 acres, and the revenue requirement of \$2,165,008 in FY 2024-25, the revenue requirement per impervious acre is \$2,004.69 or 0.04602 cents per impervious square foot.

Table 3. Revenue Requirement per Acre and Square Foot^[a], FY 2024-25

Proposed City Storm Drain Utility Fee Revenues	\$ 2,165,008
Total Impervious Area in Acres	1,079.97
Storm Drain Utility Fee per Impervious Acre	\$ 2,004.69
Storm Drain Utility Fee per Impervious Sq. Ft.	\$ 0.04602

[a] One acre = 43,560 square feet.

The formula for calculating the City’s storm drain utility fee is as follows:

$$\text{Revenue requirement per Impervious Square Foot} \times \text{The Parcel's Impervious Area in Square Feet} = \text{The Parcel's City Storm Drain Utility Fee}$$

The calculation above uses the County’s impervious area data to determine a parcel’s City storm drain utility fee. The average storm drain utility fee for each land use category in FY 2024-25 is shown in Table 4. However, it should be noted that, if adopted, the City’s new storm drain utility fee will be based on a parcel’s actual impervious area.

Table 4. Average Storm Drain Utility Fee by Land Use, FY 2024-25

Land Use	Lot Size (Acres)	Units/Parcels	Total		Total		Allocation of		FY2024-25 Average Fee
			Total Lot Area (Sq Ft)	Impervious Area (Sq Ft)	Total Lot Area (Acres)	Impervious Area (Acres)	Utility Fee Revenues	Proposed	
Single Family Residential	< 0.08	2,612	6,327,947	4,659,378	143.29	107.15	\$ 214,937	\$	82.29 /unit
Single Family Residential	0.08 - 0.14	4,722	23,582,892	13,012,242	538.68	298.98	\$ 600,256		127.12 /unit
Single Family Residential	0.15 - 0.19	2,198	16,153,758	8,214,376	368.26	188.52	\$ 378,930		172.40 /unit
Single Family Residential	0.20 - 0.24	228	2,128,291	1,042,554	49.01	23.92	\$ 48,093		210.93 /unit
Single Family Residential	0.25 - 0.49	121	1,612,558	691,722	37.06	15.89	\$ 31,909		263.71 /unit
Single Family Residential	0.50 - 1.00	19	466,817	188,285	10.72	4.32	\$ 8,686		457.14 /unit
Condominium		1,196	8,373,271	1,622,431	191.84	39.06	\$ 74,843		62.58 /unit
Multi-Family Residential		1,312	4,341,845	3,268,282	98.94	75.16	\$ 150,766		114.91 /unit
Commercial		494	11,552,507	8,869,118	305.94	203.79	\$ 409,133		2,007.62 /acre
Vacant Land		65	459,582	158,676	9.96	3.66	\$ 7,320		1,999.92 /acre
Subtotal		12,967	74,999,468	41,727,065	1,753.70	960.45	\$ 1,924,872		
School		25	5,602,605	2,528,068	128.60	58.05	\$ 116,620		2,008.96 /acre
Park/Greenbelt		2	1,209,891	281,069	27.78	6.45	\$ 12,966		2,010.19 /acre
Parking Lots		3	473,963	321,531	10.87	7.38	\$ 14,832		2,009.79 /acre
Utility		3	40,692	29,094	0.93	0.67	\$ 1,342		2,003.13 /acre
Government Property		112	7,035,873	2,045,867	161.49	46.97	\$ 94,376		2,009.28 /acre
Subtotal		145	14,363,024	5,205,629	329.67	119.52	\$ 240,136		
TOTAL		13,112	89,362,492	46,932,694	2,083.37	1,079.97	\$ 2,165,008		

Annual Storm Drain Utility Fees

Table 5 is a projection of the storm drain utility fee for a 5-year period, from Fiscal Years 2024-25 through 2028-29, using the revenue requirements in Table 2 and assuming the total of 1,079.98 acres of impervious area in the City does not change as determined by the County for the purpose of calculating the current Measure W parcel tax for the City’s parcels.

The Proposed Storm Drain Utility Fees Revenues reflected in Table 2 for Fiscal Years 2024-25 through 2028-29 totals \$10,825,040, which has been distributed over a five-year period, averaging \$2,165,008 annually. The proposed revenue in Table 6 reflects the annual average revenue of \$2,165,008, escalated 3% annually, although the annual adjustment may be more or less, based on the CPI.

Table 5. Estimated Storm Drain Utility Fees, Fiscal Years 2024-25 through 2028-29

	Proposed FY 2023-24	Projected FY 2024-25	Projected FY 2025-26	Projected FY 2026-27	Projected FY 2027-28	Projected FY 2028-29
Proposed Storm Drain Utility Fee Revenues	\$ 344,484	\$ 2,165,008	\$ 2,229,958	\$ 2,296,857	\$ 2,365,763	\$ 2,436,736
[a] Total Impervious Area in Acres		1,079.97	1,079.97	1,079.97	1,079.97	1,079.97
Storm Drain Utility Fee per Impervious Acre		2,004.69	2,064.83	\$ 2,126.78	\$ 2,190.58	\$ 2,256.30
Storm Drain Utility Fee per Impervious Sq. Ft.		0.04602	0.04740	\$ 0.04882	\$ 0.05029	\$ 0.05180
[b] Percentage Increase from Previous Fiscal Year			3.00%	3.00%	3.00%	3.00%
<p>[a] Assumes total impervious area of parcels in the City does not change. One acre equals 43,560 square feet. [b] Actual annual adjustment may be more or less, based on index.</p>						

Section 3 FEE ESTABLISHMENT PROCESS

Article XIII D of the California Constitution requires that the proposed Fee must go through a two-step approval process. The first step is a Public Hearing, and the second step is a property owner election.

Public Hearing

All property owners subject to the proposed City storm drain utility fee will be given the opportunity to protest the fee at the Public Hearing scheduled for _____, 2023. If at the conclusion of the Public Hearing, written protests against the proposed fee have been filed (and not withdrawn) by the owners of a majority of the parcels subject to the fee, then the process will stop, and the fee will not be imposed.

A written protest must identify the property and be signed. The City cannot accept electronic protests, such as email or texting. To be counted in determining whether there is a majority protest, written protests must be filed with the City Clerk prior to the conclusion of the Public Hearing. Written protests may be delivered to the City Clerk at the Public Hearing or mailed or hand-delivered to the City Clerk at City Hall at the address shown on the front of the notice. A majority protest exists, if upon the conclusion of the Public Hearing, more than 50% of the property owners subject to the proposed fee have submitted written protests. The City Council shall not impose the fee if there is a majority protest.

Property Owner Election

If there is an absence of a majority protest, the City Council may order an election on the proposed fee. One ballot will be provided for each parcel subject to the proposed fee. Ballots will be mailed to the record owner(s) of the parcels and property owners will be given 45 days to return their ballot. Property owners will be informed of the date and time tabulation of the ballots will occur and they will have the opportunity to view the tabulation process. The results will be presented to the City Council at the next regular Council Meeting following the completion of the tabulation and the Council may impose the fee if the fee is approved by the majority of the returned ballots. If approved, City Council shall pass a City Ordinance or adopt a City Resolution regarding the approval and collection of the fee. The fee will be collected on the annual County Property Tax Bills commencing with FY 2024-25 and may be subject to annual increases based on the Consumer Price Index (CPI) published by the U.S. Bureau of Labor Statistics or another index reasonably comparable to the CPI. The mailed ballot election is expected to occur in fall of 2023.

A flowchart of the process for establishing a new fee or charge is provided in Exhibit A.

Section 4 APPEALS PROCESS

If a property owner disagrees with the calculation of his or her fee, based on the parcel area and estimated impervious percentage assigned to the property, then the property owner may appeal the calculation following Measure W's Special Parcel Tax Appeal Procedures and Guidelines, included herein as Exhibit C.

EXHIBIT A

Establishment Process for a New Fee or Charge

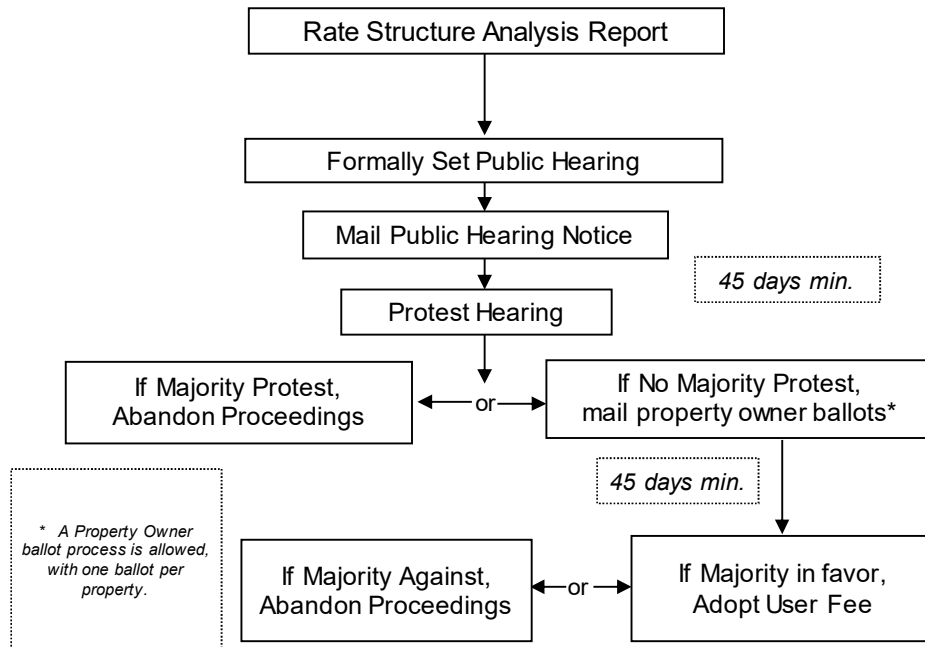


EXHIBIT B

Measure W Tax Methodology Fact Sheet

IMPERMEABLE AREA: BASIS FOR PROPOSED L.A. COUNTY PARCEL TAX

To fund implementation of stormwater capture projects and programs as part of a Safe, Clean Water Program, the LA County Board of Supervisors is considering a parcel tax on private property in the LA County Flood Control District. This tax would be based on the impermeable area for each parcel.

The following describes how impermeable area would be used to calculate this parcel tax.

Impermeable Area is parcel area covered by hardscape-like materials such as structures, asphalt, concrete, etc.

Examples: *constructed surfaces such as buildings, roofs, awnings, roadways, sidewalks, driveways, parking lots, brick, asphalt, concrete, pavers, covers, slabs, sheds, pools and fountains, and other constructed surfaces.*

Permeable area is parcel area not covered by hardscape-like materials.

Examples: *vegetated or natural areas such as grasses, bushes and shrubs, lawns, bare soil, sandy areas, tree canopy, natural water bodies, wetland areas, gravel, gardens and planters on bare soil, rocky shores, and other natural areas.*

HOW IS IMPERMEABLE AREA DETERMINED?

Impermeable areas are calculated based on the latest LA County Landcover Survey, which combines several data sources and processes. The Landcover Survey is then used to estimate the total impermeable area for each parcel. These data sources and processes used in the latest LA County Landcover Survey include:

- **USDA NAIP Imagery: multi-band aerial imagery that includes Near Infrared (NIR)**
 - This data source helps to identify vegetation and differentiate soil from concrete and pavement
- **LA County LiDAR Data: a common survey mapping tool used to build a 3D model of the County**
 - Used to distinguish the ground surface from buildings, structures, trees, shrubs, and other objects.
 - Combined technology results in high-resolution, 3D maps of the region's landscape
- **LA County Orthophotography Imagery: an aerial photograph survey of the entire County**
- **Object-Based Image Analysis (OBIA): the process used to determine landcover types**
 - OBIA is an automated computer process which groups data pixels together into meaningful objects to assess color, texture, pattern, location, size, and shape to identify the landcover type.
 - A manual, detailed review was conducted after the OBIA process and all observable inaccuracies were corrected.
 - An independent accuracy assessment was conducted by the University of Vermont Spatial Analysis Laboratory which found an overall accuracy of 98% for the LA County Landcover Survey.



NAIP Imagery – False Color NIR



LA County Orthophotography



LA County LiDAR Data



SAFE
CLEAN
WATER
L.A.



APPEALS PROCESS:

Even with the combination of several data sources, processing techniques, and a manual review there is still a potential for inaccuracies. An appeals process has been developed for land owners that believe their tax amount has been calculated incorrectly.

LA COUNTY LANDCOVER SURVEY RESULTS:

The images below show an example result from the latest LA County Landcover Survey compared to aerial photography of the same location. The image is centered on Eco Park and Dodger's Stadium in the City of Los Angeles.

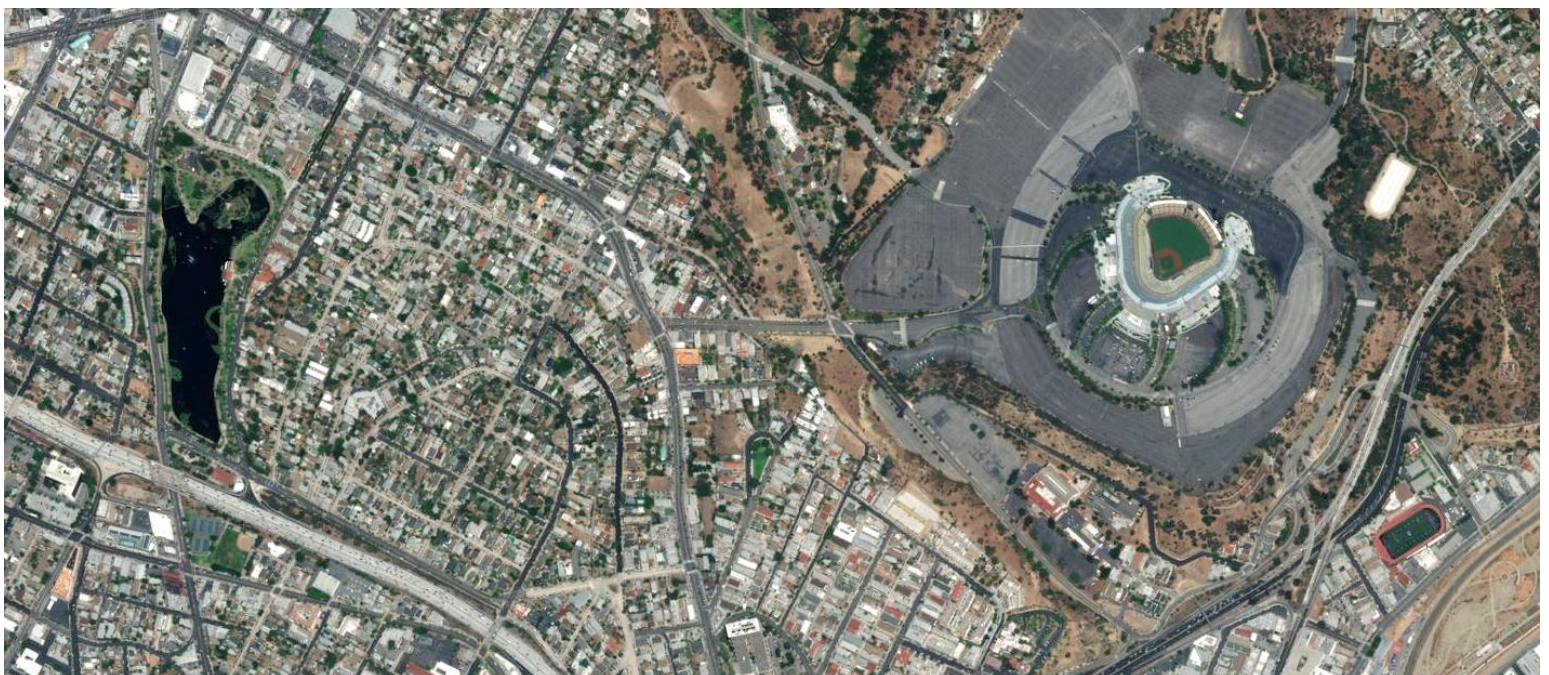
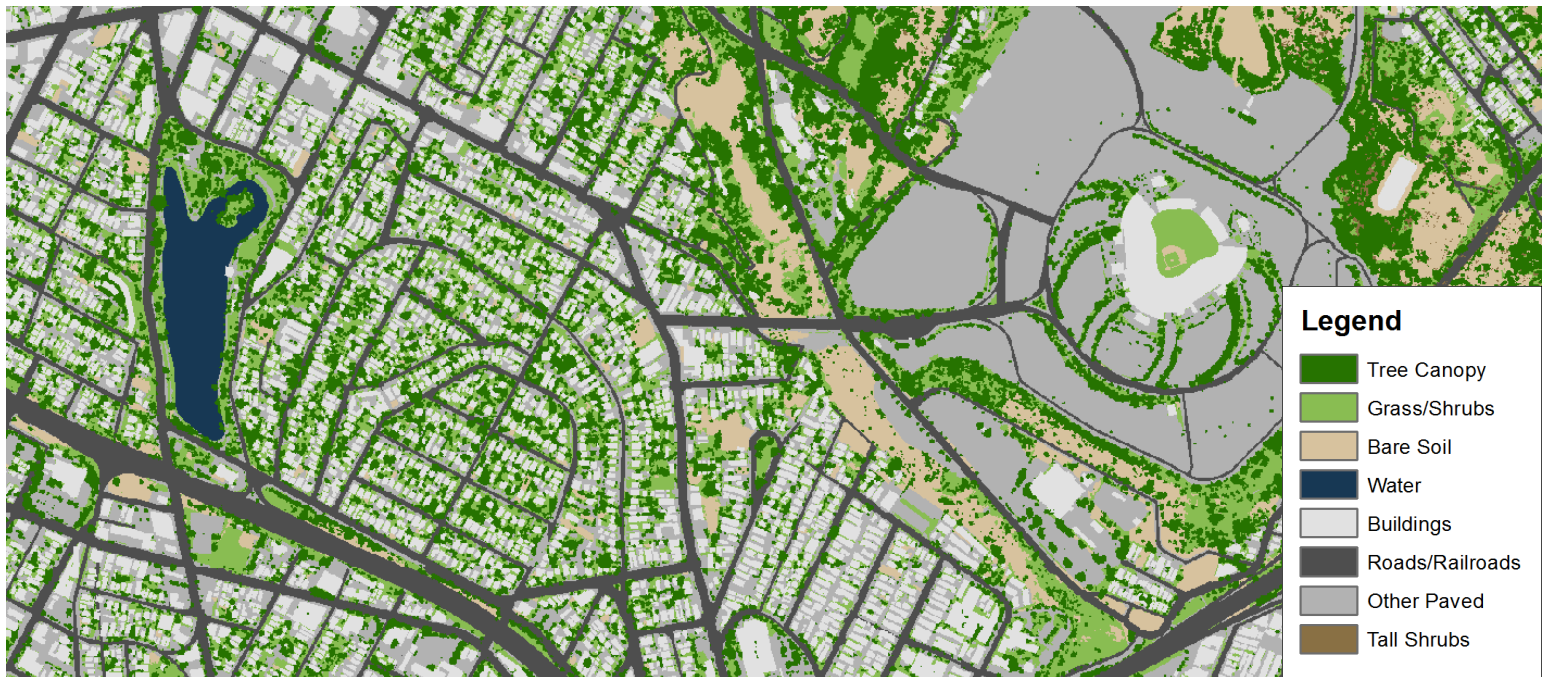


EXHIBIT C

Safe, Clean Water Program
Special Parcel Tax Appeal Procedures and Guidelines



Safe, Clean Water Program

Special Parcel Tax Appeal
Procedures and Guidelines


FOR Chief Engineer of the
Los Angeles County Flood Control District

9/19/19
Date Adopted

Safe, Clean Water Program Special Parcel Tax Appeal Procedures and Guidelines

Overview

The Safe Clean Water tax is an annual Special Parcel Tax based on the amount of Impermeable Area on each parcel.

An Impermeable Area is any parcel area covered by materials or constructed surfaces such as buildings, roofs, paved roadways, sidewalks, driveways, parking lots, brick, asphalt, concrete, pavers, covers, slabs, sheds, pools and other constructed surfaces or hardscape features. This is not just the footprint area of your home. Impermeable Areas include all areas of a parcel, including, but not limited to, cases such as: common areas, areas inhabited by other tenants on multi-family residential parcels, private driveways and alleys, and other Impermeable Areas that cross into your parcel from an adjacent parcel. Impermeable Areas do not include areas with permeable surfaces such as vegetated areas, grasses, bushes, shrubs, lawns, bare soil, tree canopy, natural water bodies, wetland areas, gravel, gardens and planters on bare soil, rocky shores, and other natural areas.

Section 16.08.C. of the Los Angeles Region Safe Clean Water Ordinance (Chapter 16 of the Flood Control District Code) provides:

The District shall establish and administer an appeals process to address and correct errors in the levy of the Special Parcel Tax. Parcel owners or any other person or entity subject to the Special Parcel Tax may seek review of the amount of their tax on the following grounds:

1. Mathematical error in the calculation of the tax; or
2. Significant discrepancy between the assessed and the actual Impermeable Area.

Section 18.13 of the Safe Clean Water Implementation Ordinance (Chapter 18 of the Flood Control District Code) provides:

The appeals process referenced in Section 16.08.C. of Chapter 16 of this code shall be administered in accordance with procedures and guidelines developed and adopted by the Chief Engineer and updated from time to time, consistent with the purposes and goals of the SCW Program, as the Chief Engineer deems necessary or appropriate for the effective administration of the appeals process.

Submitting an Appeal

Appeals will only be accepted in regard to the Special Parcel Tax amount for future fiscal years. Appeals of the Special Parcel Tax amount for the current fiscal year will not be accepted after May 1st of each year; however, for this first year (fiscal year 2019-20), appeals will be accepted until December 31st, 2019 and paid through a tax refund. For all future years, appeals will be applied automatically and appear on the annual tax bill.

The Impermeable Area used to calculate the Special Parcel Tax on each parcel is determined by reference to the Los Angeles County Landcover Survey (Landcover Survey).

An online web-tool has been developed to allow parcel owners to independently map out and draw their Impermeable Areas. The tool will then calculate and compare their estimates with the Landcover Survey. If the web-tool determines that a significant discrepancy exists, the appeal will move forward for review by District staff.

For land owners with a significant number of parcels (e.g. 50 or more parcels), the land owner can reach out directly to the Safe Clean Water Program team via email SafeCleanWaterLA@pw.lacounty.gov at Public Works to help facilitate the appeals review process.

Significant Discrepancies and Eligible Appeals

A significant discrepancy between the assessed and actual Impermeable Area of a parcel means there must be (1) an error of ten percent (10%) or more in the Impermeable Area used to calculate the Parcel's Special Parcel Tax, and (2) a difference in the Special Parcel Tax amount of twenty-five dollars (\$25) or more. A parcel owner must meet both conditions to be eligible to submit an appeal. Examples of eligible and ineligible appeals can be found in the Tax Appeal tutorial document.

Process after an Appeal Has Been Approved

Once an appeal is approved by the District, the Special Parcel Tax amount will be adjusted for the upcoming fiscal year provided that the appeal was submitted on or before May 1st. Due to County Auditor Controller tax preparation deadlines, for appeals submitted after May 1st (or for all appeals submitted for the 2019-20 tax year), parcel owners will need to pay the unadjusted Special Parcel Tax amount up front, with the District to issue the parcel owner a tax refund, applied either on the subsequent tax bill or by direct refund.