



CITY OF SAN MATEO  
PUBLIC WORKS DEPARTMENT

330 W. 20<sup>th</sup> Avenue  
San Mateo, CA 94403  
[www.cityofsanmateo.org](http://www.cityofsanmateo.org)  
(650) 522-7300

July 31, 2023

Dear Property Owner:

This letter is to inform you about the City's proposed Community Flood and Storm Protection Fee ("Stormwater Fee") that would help pay for critical flood protection services and stormwater infrastructure. The City is asking property owners whether they approve of establishing a dedicated and reliable funding source to support upgrading aging infrastructure, providing enhanced flood protection services, implementing improved maintenance, and cleaning stormwater to protect our creeks and the San Francisco Bay.

Flood protection is essential to ensure the safety and well-being of residents and property in San Mateo. A robust stormwater system – with the capacity to reliably and safely move stormwater away from developed areas and into downstream waterways or storage facilities – is necessary to protect the entire community.

The City currently relies on its General Fund to pay for flood protection and stormwater infrastructure. This is the same fund that helps pay for public safety, repairing roads, and improving parks. Unlike with sanitary sewer or trash/recyclables for which property owners pay dedicated fees for collecting and managing those waste streams, there is no secure, dedicated funding for the City to safely manage stormwater runoff. Given the numerous demands on the General Fund, there is insufficient existing funding to improve the City's aging and often undersized infrastructure to properly manage stormwater and reduce the risk of flooding.

Much of the City's stormwater system is over 50 years old and beyond its useful life, increasing the likelihood of critical infrastructure failures. Every year, the City spends \$3.2 million just to maintain basic operations. However, this level of funding is not enough for upgrading and improving infrastructure, with an additional \$5.8 million needed annually to expand the stormwater system's capacity to provide better flood protection for residents and property owners, including for dredging the Marina Lagoon, a critical flood control structure for the City.

The proposed Community Flood and Storm Protection Fee amount would vary depending on what type of property you own, with details included in the pages that follow. Most single-family residential parcels will be asked to pay about \$8 per month, or \$96 per year. Multi-family residential, commercial, and other types of parcels will be asked to pay their fair share as well.

I encourage you to read the important information in this packet and get involved in the process. On October 16, 2023, the City Council will conduct a public hearing, at which time the City Council will consider all written protests against the proposed fee. If there is a determination that a majority protest does not exist, the City Council will then consider initiating the property-owner balloting process for the fee. Additional information, including details on past and upcoming community meetings related to the Community Flood and Storm Protection Fee, can be found on the City's website at [www.cityofsanmateo.org/stormwater](http://www.cityofsanmateo.org/stormwater).

If you have any questions, feel free to contact us at (650) 522-7300 or [publicworks@cityofsanmateo.org](mailto:publicworks@cityofsanmateo.org).

Sincerely,

Matt Fabry, Acting Public Works Director  
City of San Mateo Public Works Department

# Notice of Public Hearing Stormwater Fee

## PUBLIC HEARING

Notice is hereby given that the City Council will hold a public hearing to consider proposing a Community Flood and Storm Protection Fee ("Stormwater Fee") for community flood and storm protection services to properties within the City of San Mateo.

The Public Hearing has been scheduled for:

A meeting beginning at 7:00 p.m. on October 16, 2023 in the City Council Chambers located at 330 W 20<sup>th</sup> Avenue, San Mateo, California 94403. Information on how to observe the meeting and offer public comment electronically or telephonically will be included in the meeting agenda.

At this public hearing, the City Council will determine whether a majority protests exists against the proposed Stormwater Fee and hear all persons interested in the matter. If a majority protest does not exist, the City Council will then consider whether to proceed with the balloting for the proposed Stormwater Fee. All interested parties are invited to participate in the meeting electronically or by teleconference. The public hearing will be held in accordance with Article XIII D of the California Constitution (Proposition 218).

Any owner or tenant of a parcel of real property subject to the proposed Stormwater Fee may object to the proposed fee by filing with the City Clerk, at or before the time of the hearing, a written protest. To be counted, a protest must be submitted in writing, clearly state opposition to the proposed fee, identify the property by address or assessor's parcel number, identify the property owner or tenant, and include the original signature of the property owner or tenant. Only one written protest per parcel will be counted.

The mailing address for a written protest is as follows: Stormwater Fee Protest, c/o City Clerk, 330 W 20<sup>th</sup> Avenue, San Mateo, California 94403. The property owner may also be heard on the matter by providing testimony during the public hearing; however, oral comments during the hearing will not qualify as a protest unless accompanied by a written protest. Protests which are mailed to the City Clerk must arrive prior to 4:30 pm on October 16, 2023 to be counted. Protests submitted via e-mail, facsimile, or other electronic means will not be counted.

If the City Clerk does not receive written protests from a majority of the parcels subject to the proposed Stormwater Fee before the close of the public testimony portion of the public hearing, the City Council may authorize a mail ballot proceeding on the question of whether to approve the fee. No more than one written protest per parcel will be counted in calculating the number of protests. If authorized by the City Council, ballots will be mailed to all property owners whose parcels are subject to the fee.

The Stormwater Program would be managed by the City of San Mateo, and the proposed Stormwater Fee would be collected and used strictly for the stormwater services as summarized below.

## OVERVIEW OF PROPOSED STORMWATER FEE

### Reason for the Proposed Stormwater Fee.

The lack of a dedicated, secure funding source for the stormwater system has resulted in aging, over-capacity infrastructure assets due to deferred capital improvement projects that are essential for reliable flood protection. Moreover, current funding does not generate enough revenue to pay for the necessary operations, maintenance, and regulatory requirements required to prevent flooding, proactively service the system, and ensuring that stormwater flowing to local creeks, Marina Lagoon, and San Francisco Bay is clean.

In 2023, the City prepared a comprehensive Stormwater Fee Report to determine the amount of revenue needed by a new fee to fund improvements to the Stormwater program. As shown in the table below, this resulted in a rate of \$8.00 per month for a typical single-family home.

### PROPOSED STORMWATER FEE RATES AND METHOD OF COLLECTION

If approved, this fee will be collected on the annual secured property tax bill. The new fee for a single-family home on a medium-sized parcel between 0.11 and 0.17 acres, which is the most common fee, is proposed to be **\$8.00 per month**. The City Council must review the rates each year to determine whether a Consumer Price Index adjustment is justified, and the maximum amount of the fee that can be charged will increase by the percentage increase in the Consumer Price Index, All Urban Consumers ("CPI-U") for San Francisco-Oakland-Hayward, during the twelve month period ending with the preceding month of December published by the U.S. Department of Labor, Bureau of Labor Statistics. The fee amount actually charged will not increase automatically; any increase must be approved by Resolution by the City Council. The entire schedule of proposed annual fee rates is shown in the table below.

#### Schedule of Proposed Stormwater Fee Rates

Land Use Category		Proposed Monthly Fee FY 2024-25	
<b>Residential *</b>			
Small	Under 0.11 ac	\$ 5.55	per parcel
Medium	0.11 to 0.17 ac	\$ 8.00	per parcel
Large	0.18 to 0.23 ac	\$ 9.92	per parcel
Extra Large	Over 0.23 ac	\$ 11.08	per parcel
Condominium - 1 Level		\$ 5.35	per parcel
Condominium - 2+ Levels		\$ 2.71	per parcel
<b>Non-Residential **</b>			
Commercial / Industrial		\$ 100.50	per acre
Office / Apartment / Institutional		\$ 81.82	per acre
Institutional w/ Field		\$ 71.24	per acre
Park		\$ 5.53	per acre
Vacant (developed)		\$ 5.53	per acre
Open Space / Agricultural		not charged	
* Single-Family Residential category also includes du-tri- and four-plex units			
** Non-SFR parcels size is calculated to a hundredth of an acre			

### DESCRIPTION OF PROPOSED STORMWATER PROGRAM NEEDS

#### Capital Improvement Projects

Capital improvement projects have been deferred due to lack of funding resulting in aging infrastructure that is beyond the end of its design life. High priority capital improvement needs include drainage channel and drainage area rehabilitation throughout the City, Citywide storm drain condition assessment and Master Plan update, and a life-cycle approach to variable Marina Lagoon projects including dredging of the channel, a feature critical to the City's flood control system.

#### Operations and Maintenance

Effective operations and maintenance are critical to the City's stormwater system. Regular operations and maintenance tasks include storm-day preparations, periodic video inspections, timely storm system repairs, Marina Lagoon pump system maintenance, as well as ensuring green infrastructure facilities such as trash capture devices are working properly. All of these tasks are necessary to maximize the useful life of essential infrastructure and minimize the risk of flooding during storms. The City has identified additional operations and maintenance needs necessary to protect the City from

flooding and provide mitigation and removal of trash and pollution. The proposed fee will allow the City to perform the needed maintenance and inspection activities required to address these needs more frequently.

Safe, Clean, and Healthy Water

The City's stormwater system must comply with strict State and Federal clean water standards to ensure that water discharged from the system is safe, clean and healthy in order to protect our local creeks, Marina Lagoon, and San Francisco Bay. Trash, oil, and other pollutants accumulate on our streets and sidewalks on a daily basis. Without appropriate controls, these pollutants would be swept into our creeks, Marina Lagoon, and the San Francisco Bay. Street sweeping and other actions keep our waterways clean by removing these pollutants from the water before they are released into the creeks. The City has a strong compliance program, but the current financial analysis indicates that additional funds are required to continue to address escalating regulatory requirements to meet heightened water quality standards.

Summary

The total amount to be collected by the proposed Stormwater Fee in Fiscal Year 2024-25 is about \$4.0 million. This proposed fee will greatly help to address the annual structural financial shortfall of the operations and maintenance and water quality requirements of the stormwater system and allow the City to address its most pressing and overdue capital improvement needs. Under the current proposal, the City's current funding of the Stormwater System by the General Fund would continue and revenues from the proposed Stormwater Fee would provide funding for necessary additional operations and maintenance needs, and Capital Improvement needs including Marina Lagoon projects critical to the proper functioning of the City's flood control system. A summary table showing a financial projection for fee revenues and possible expenditures based on known variables is shown below. Revenue and expenditure scenarios based on known project variables specific to Marina Lagoon is detailed further in the City's Stormwater Fee Report.

**Needs Summary and Financial Scenarios**

<b>Estimated FY 24 Needs</b>		<i>in thousands</i>		
		<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
Baseline Costs	\$ 3,197	\$ -	\$ -	\$ -
Additional Needs	663	663	663	663
<b>Subtotal Operating Costs</b>	<b>\$ 3,860</b>	<b>\$ 663</b>	<b>\$ 663</b>	<b>\$ 663</b>
Marina Lagoon Dredging	2,016	2,016	1,512	1,008
Capital Improvement Program*				
Tier 1: High Priority Projects	1,622	1,353	1,622	1,622
Tier 2: First Lagoon Dredging	436	-	235	436
Tier 3: Medium- and High-Priority Projects	1,070	-	-	303
<b>TOTAL REVENUE Requirement</b>	<b>\$ 9,004</b>	<b>\$ 4,032</b>	<b>\$ 4,032</b>	<b>\$ 4,032</b>
<i>* CIP is amortized over 30 years</i>		Funded from other sources		
		Deferred Funding		
		Partially Deferred Funding		

**ADMINISTRATION OF STORMWATER FEE**

How the Fee Is Calculated. The proposed Stormwater Fee is based on the quantity of rain water runoff produced by each parcel or category of parcel. This runoff is based upon the proportional impervious area (e.g. roof tops and pavements) on each category of parcel. A copy of the full Stormwater Fee Study can be found on the City's website at [www.cityofsanmateo.org/stormwater](http://www.cityofsanmateo.org/stormwater).

**Properties Subject to the Fee.** All properties are subject to the fee except for undisturbed open space, agricultural land, and other undeveloped parcels that do not include measurable impervious area.

**Annual Inflation Adjustment.** In order to offset the effects of inflation on labor and material costs, the maximum rate that can be charged for the proposed fee is subject to an annual increase based on the change in the Consumer Price Index but will be limited to a maximum of 3% in any single year. Any change in the CPI in excess of 3% shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized rate in years in which the CPI is less than 3%. The maximum authorized rate is equal to the maximum rate in the first fiscal year the Fee was approved adjusted annually by the lower of either 3% or the change in the CPI plus any Unused CPI as described above.

**Accountability and Oversight Provision.** The proposed Community Flood & Storm Protection Fee revenues will be collected and deposited into a separate account that can only be used for specified storm protection projects, capital improvements, maintenance, operations, and regulatory activities. The proposed Community Flood and Storm Protection Fee is a property-related utility fee as defined in Proposition 218, similar to water, sewer, and garbage utility fees. Proposition 218 ensures that costs are apportioned to each property in a fair and equitable manner. The funds generated from the proposed fees cannot be used for general City purposes – they can only be used for stormwater services – and the revenues cannot exceed the cost of providing stormwater services.

## COMMUNITY MEETINGS

The City Council will hold a public hearing on October 16, 2023 and has held several past public meetings on the proposed Storm Water fee. To review past meeting materials visit [www.cityofsanmateo.org/stormwater](http://www.cityofsanmateo.org/stormwater):