



## **Item No. 1 Town of Atherton**

### **ATHERTON CHANNEL DISTRICT – STUDY SESSION**

**TO:                   ATHERTON CHANNEL DISTRICT BOARD MEMBERS  
                          GEORGE RODERICKS, CITY MANAGER**

**FROM:               ROBERT OVADIA, PUBLIC WORKS DIRECTOR**

**DATE:               OCTOBER 3, 2018**

**SUBJECT:           ATHERTON CHANNEL DISTRICT OVERVIEW AND FINANCES  
                          – DISCUSSION AND DIRECTION**

#### **RECOMMENDATION**

Discuss and provide direction regarding district financing options.

#### **BACKGROUND**

On July 18, 2018, the Board received a report providing an overview of the Atherton Channel District and the need to identify additional resources to address maintenance and capital needs. As outlined in the previous report, the district is comprised of approximately 2,470 parcels, broken down as follows: 1,354 in Atherton, 1,041 in Menlo Park, 12 in Woodside and 62 unlisted. The District receives a small share of the 1% property tax assessed on each of the parcels within the District Boundaries. The Town's FY 2018/19 operating budget estimates District Revenues at approximately \$83,000. These funds are used for channel cleaning and capital improvements, but revenues are insufficient to fund replacement of channel lining now fifty plus years old. The proposed water detention project within the Town has been proposed to be located within boundaries of the Atherton Cannel District. Maintenance costs of the proposed facility are estimated at approximately \$73,000 annually.

At the meeting, the Board requested staff investigate the opportunity to expand the boundaries of the District to include additional properties that may drain to the channel, as well as additional revenue opportunities. The Board also requested information regarding the policies related to managing runoff generated by development draining to the channel in the various jurisdictions within the drainage basin.

## **ANALYSIS**

### **Development Policies:**

Each jurisdiction with properties within the bounds of the Atherton Channel District has policies to limit additional runoff generated by development within their jurisdictions, including those properties within District boundaries. These policies are applied when applicants seek to develop their property subject to a permit. The following summarizes the policies of each jurisdiction:

#### Atherton:

Stormwater detention is required for projects that create or replace greater than 5,000 square feet impervious surface. For projects that create or replace more than 25,000 square feet of impervious area, no credit is given for existing impervious surface that is removed. For projects that create or replace less than 25,000 square feet of impervious surface and have less than 50 percent impervious coverage on the parcel, only the net increase in impervious area is subject to the requirements of this section. For projects that create or replace less than 25,000 square feet of impervious surface and have more than 50 percent impervious area, no credit is given for the existing impervious surface that is removed that is in excess of 50 percent of site impervious surface. Credit is given for impervious surface removed that is less than 50 percent of the site area.

#### Menlo Park:

For single family projects, the drainage should be designed such that the post-development site run-off is equal to or less than the pre-development site run-off.

For commercial, multi-family, and subdivision projects, post-development stormwater discharge volume must be equal to or less than predevelopment discharge for all projects adding net new impervious area irrespective of whether it is a regulated project or not. The following are considered regulated projects:

All projects that create and / or replace 10,000 square feet or more of impervious surface, including roof areas and pavement. (New single family or duplex home projects not part of a PUD or other multi dwelling unit project are exempt.)

All restaurants, auto service facilities, retail gas outlets and uncovered parking lot projects (standalone or part of another development project, including the top uncovered portion of parking structures) that create and / or replace 5,000 square feet or more of impervious surface.

#### San Mateo County (Unincorporated):

When preparing a drainage analysis as a required "Condition of Approval" for proposed development, post-development peak flow (runoff) and velocity must be less than or equal to predevelopment peak flow and velocity in areas where there are no existing downstream

storm drain systems. No additional runoff, caused by development, can cross property lines. In areas where there are existing storm drain systems, those systems must be of adequate size to accept the increased runoff, or, mitigation procedures must be taken. Mitigation procedures may include on-site storm drain detention or off-site storm drain improvements.

#### Woodside:

The Town of Woodside requires drainage calculations to be submitted for any project that increases impervious surface area or collects and concentrates drainage into a proposed location. Drainage calculations shall be prepared and stamped by a Registered Civil Engineer. Calculations shall demonstrate that post development flows do not exceed pre-development flows for the both the entire site AND localized points of discharge.

In addition to the above, all development of “regulated projects” as defined by the Municipal Regional Stormwater Permit (MRP) issued by the California Regional Water Control Board – SF Bay Region, requires the incorporation of low-impact development standards and stormwater treatment measures.

#### **Revenue Opportunities:**

##### Boundary Expansion:

As outlined in the July 12, 2018 staff report, the Atherton Channel District was formed in 1958 as a “subsidiary district” of the Town to construct and maintain stormwater collection facilities in areas determined to be in the local stream flood plain. Government Code Section 16271 defines a Subsidiary District as follows:

- (e) “Subsidiary district” means a special district in which the city council of a city has been empowered to act as ex officio members of the board of directors of such district and either:
  - (1) The entire territory of such district is included within the boundaries of a city, or
  - (2) A portion or portions of the territory of such district is included within the boundaries of a city and such portion or portions:
    - (i) Represent 70 percent or more of the area of taxable or assessable land within such district, as shown on the last equalized assessment roll; and
    - (ii) Contains 70 percent or more of the number of registered voters who reside within the district as shown on the voters’ registrar in the office of the county clerk or registrar of voters.

As noted above, only 1,354 of the approximately 2,470 parcels in the District are located within Town boundaries, constituting just under 55%. As such, the current composition of the District does not meet the standards for a subsidiary district if were to be created today. There are approximately 2,620 taxable parcels within the town limits. If the remainder of the taxable parcels with the Town were added to the District boundaries, Town parcels would still only constitute

approximately 70% of the parcels within the District and any additional parcels would push beyond the 70% threshold.

Expansion of the district boundaries may trigger the need to separate the district as its own special district. Such expansion would also require an affirmative vote by a majority property owners being added into the District.

Prop 218 Vote:

The Town could ask the parcels owners within the district to increase their property tax assessment to provide the additional funds needed to maintain and improve the drainage facilities within the District limits. Such a vote would require a majority (weighted in proportion to assessment liability) to vote in favor of the assessment. Such an assessment could be made on a parcel basis, based on square footage, approximate impervious area, or other related measure. The benefits associated with the proposed assessments would need to be clearly articulated, and expenditures would be limited to maintenance and improvements to drainage facilities within the District. This option would compete with any other revenue measures on the ballot at the same time.

Joint Powers Authority:

The County of San Mateo is currently studying the potential formation of a Joint Powers Authority to assist the County and the individual jurisdictions in addressing issues related to storm water and sea level rise on both a jurisdictional and regional basis. Though currently in the initial stages, the County has hired a consultant to coordinate with local jurisdictions to understand needs, to gauge interest, develop priorities and to investigate governing options. Staff has met with the County, its consultant, and a subset of local municipalities to discuss needs. The overarching themes were related to a lack of local resources to address local flooding issues, Municipal Regional Stormwater Permit Requirements, the potential to address regionally beneficial projects both related to flood control (such as the Bayfront Canal project) and stormwater capture/treatment projects, and to address sea level rise. It is anticipated that the County's consultant will complete its initial scope near the end of the calendar year.

### **POLICY FOCUS**

The Board's policy discussion should focus on revenue options and strategies for the Atherton Channel District, potential future projects within the District, organization/size of the District and timing of projects.

### **FISCAL IMPACT**

None at this time.

### **COMMISSION/COMMITTEE FEEDBACK/REFERRAL**

This item \_\_\_ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)

**ATTACHMENTS**

None