

TO: Hon. Sheila Kuehl, Chair, Los Angeles County Board of Supervisors  
Hon. Janice Hahn, Chair Pro Tem, Los Angeles County Board of Supervisors  
Hon. Hilda L. Solis, Supervisor, First District, Los Angeles County  
Hon. Mark Ridley-Thomas, Supervisor, Second District, Los Angeles County  
Hon. Kathryn Barger, Supervisor, Fifth District, Los Angeles County  
Mark Pestrella, Director of Public Works, Los Angeles County

CC: Safe, Clean Water Program Stakeholder Advisory Committee  
Leslie Friedman Johnson, Conservation and Natural Resources Group

FROM: OurWaterLA

DATE: March 6, 2018

RE: Policy Recommendations for the Safe, Clean Water Program

OurWaterLA is a diverse coalition of community leaders and organizations from across Los Angeles County united to create a strong water future for Los Angeles.

Our goal is to secure **clean, safe, affordable and reliable water** for all the ways we live, work and use water now and for the future.

Our coalition works with community groups, environmental and clean water advocates, labor leaders, business leaders, municipalities and other public agencies. Together, we are committed to answering urgent challenges to Los Angeles County's quality of life and economy, including limited local water supply, local water pollution, flood risk, extreme weather cycles like drought and other challenges to our water systems and resources.

In order to further the discussions around key issues at the Subcommittees of the Stakeholder Advisory Committee, OurWaterLA hereby submits the following policy papers to set forth our views on the crucial elements that should be included in a potential funding measure. We have developed these positions through a lengthy and thoughtful consensus-building process. As discussions of the Safe, Clean Water Program (Program) progress, we anticipate providing additional clarifying memoranda that hone in on certain of the specific elements contained in these policy papers. In particular, we will provide an additional policy paper related to labor, workforce development and training issues shortly.

We look forward to working with Los Angeles County, cities, and the members of the Stakeholder Advisory Committee to bring forth a Program that will support well-considered investments that will leverage other funding sources and result in multiple beneficial outcomes in a truly cost-effective manner that sustains our quality of life in the region. Together we can improve water quality, restore clean streams, rivers and beaches, help our communities prepare for extreme weather, and ensure a safe, reliable and clean water supply from our mountains to the Pacific Ocean.



## Tax Structure & Credit/Incentive Programs Policy Paper

**Policy/Goal:** Ensure credit and incentive programs (and other financing mechanisms) are adopted under the Program that further OWLA's overall goals of promoting nature-based, multi-benefit projects and ensuring an equitable distribution of credits and incentives. Annual revenues of \$300M (after all credits, rebates, incentives and/or exemptions are factored in) are needed: cities estimate it could cost up to \$20 billion over the next two decades to implement the Enhanced Watershed Management Program and Watershed Management Program (E/WMP) plans, and an estimated \$284 billion to bring LA County's waterways into environment compliance.

**Brief Rationale for Position:** The structure of the funding measure is critical to ensuring that: such a program provides sufficient resources for a meaningful countywide stormwater/water resiliency measure; funds are raised equitably across various sectors (and are related to the impact of stormwater contamination from properties to the maximum extent possible); and that credits and rebates effectively foster multi-benefit projects on private property (a major source of land-use that will be critical to achieve water quality and water supply goals for the region).

OWLA has taken the following positions recommending that:

### ***Incentives & Credits***

- An incentive (i.e., one-time funding support to implement projects on private land) program should be established to provide resources for residential retrofits at single family homes (*see residential retrofit one-pager for additional details*)
  - The single family residential incentive program should be built and maintained with environmental and worker standards, and support multi-benefit projects that help reduce contaminant concentration and loads, enhance water supply either through infiltration or by offsetting potable water use, reduce flooding, and provide other benefits (e.g., habitat, provide cooling, etc.) as appropriate
- A credit (i.e., an ongoing reduction of stormwater tax) or incentive program should be established for commercial, industrial and multi-family residential developments. Such a credit/incentive program should:
  - Reduce the tax or provide an incentive for facilities that reduce stormwater flows and contamination *above-and-beyond* and legal requirements or eliminate such flows fully, including capturing and cleaning neighboring parcels' flows
  - Be constructed with environmental best management practices

- To extent practicable, credits should reduce the tax in proportion to how much stormwater flow has been reduced
- Credits or incentives for new stormwater projects developed under this program should support *multi-benefit* projects that help reduce peak flows, reduce contaminant concentration and loads, enhance water supply either through infiltration or by offsetting potable water use, and provide other benefits (e.g., habitat, provide cooling, etc.) as appropriate
- To qualify for a credit, new and existing stormwater projects must have a maintenance plan in place that uses properly trained workers and is funded by an identified maintenance funding source
- New and existing stormwater projects must continue to demonstrate performance in order to maintain credit

### ***Tax Structure & Exemptions***

- The tax on residential properties should be based on parcel size
- The tax structure for commercial, industrial and multi-family residential developments should be based on impervious cover to maximize nexus between tax and environmental impact, and ensure tax is equitable (*for example, stormwater fee in Virginia that was based on property tax resulted in single family residences essentially subsidizing commercial properties*)
- Since all land uses contribute to the stormwater problem, the tax should not include any blanket *exemptions [1]* (including exemptions for specific property types or for cities that have previously adopted local fees or taxes); assistance programs could be established for certain categories
- The overall revenues from the tax should be at least \$300M/year to have a meaningful impact

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[1] Notwithstanding any legal requirements that would exempt certain properties



## Equity, Displacement, Stakeholder Engagement & Transparency Position Paper

**Policy/Goal:** Equity in allocation of resources and ongoing stakeholder engagement in low income communities of color will be a clearly written policy objective in the proposed Safe, Clean Water Program (Program).

**Brief Rationale for Position:** Low income communities of color have been chronically under resourced for public projects and programs. Several studies over the last two decades have recognized this. In partnership with the Healthy Equitable Active Land Use (HEALU) Network, Prevention Institute released *Strategic Opportunities to Create a Healthy, Equitable Land Use System in Los Angeles* in 2016. Providing key policy and practice recommendations that support health and social equity in land use decision making, the report asserts that infrastructure investments in low income, communities of color must be significant, clear and supported by public agencies on all levels to achieve equity.

We recommend using the data-driven figure of 41% as a threshold metric for equity since it represents the proportion of families in Los Angeles County that are low income – meaning households earning less than 80% of the state median income. This definition has been used by the Department of Water Resources for planning purposes in the Integrated Regional Water Management program. In Los Angeles County, there is a very high correlation between low income and communities of color and areas that are heavily concretized, contain high pollution levels, suffer from severe health problems, and experience greater urban runoff problems. Therefore, using a minimum 41% allocation threshold for low income communities will also reach low income communities of color facing the greatest environmental, water quality and resiliency issues.

OWLA core team recognizes that if accepted by the Board of Supervisors, our recommendation would at best ensure that this measure will not continue to underinvest in low income communities. However, true “equity” generally means that additional resources are allocated to address past disparities. Unfortunately, there is no readily accessible and generally acceptable metric to determine what “equity” means for this proposed Program. Therefore, we recommend that:

- The Board of Supervisor approve a Safe, Clean Water Program which will result in a minimum of 41% of all funding being allocated to low income communities.
- The following recommendations should be implemented to achieve the minimum threshold of 41% investment in low income communities.

- Incorporate and prioritize Technical Assistance and capacity building programs which provide an equitable opportunity for the development of community based projects in low income communities.
- Provide that community engagement in low income communities will be robust and involve sustained engagement throughout the life of the project. For example, engagement activities should span site selection considerations, outreach for the project, pre-design, construction, project completion, and post-construction project optimization.
- The Program shall create living-wage paying jobs that will benefit low income communities and will support youth training programs.
- Potential rebate/incentive/retrofit programs should be designed in such a way as to prioritize projects in low income communities.
- Provide for an education and outreach program to build water literacy for the general public with an emphasis on low income communities.
- Provide that all programs offered under this measure benefit low income communities as a priority.
- Include provisions in the Program that prevent and/or mitigate the displacement of historically low income communities.
- Enhance public trust by creating a comprehensive online portal available to the public that tracks real-time Program expenditures with metadata and geospatial mapping of funding distribution.
- Stormwater capture and cleaning projects should help address groundwater contamination issues in low-income communities.



## Project Selection Criteria Position Paper

**Policy/Goal:** Project Selection Criteria and scoring will prioritize stormwater projects that utilize nature-based solutions to provide multiple benefits including water supply, water quality and other environmental and community benefits, particularly at the distributed and neighborhood scale.

**Brief Rationale for Position:** The Clean, Safe Water program is needed to provide funding for cleaning and capturing urban runoff, or stormwater. Historically, LA County's stormwater infrastructure has been designed to efficiently funnel runoff into storm drains and out to the ocean for the purpose of reducing flood risk. This single-purpose infrastructure results in pollution of our waterways and coast, and waste of potential local water supply. The Clean, Safe Water program must change this paradigm by funding projects that capture, clean and conserve and/or infiltrate stormwater, while providing other environmental benefits. The best way to achieve this is by implementing green infrastructure, or nature-based solutions, to capture and use our urban runoff. The Project Selection Criteria must award appropriate value to the multiple benefits and long-term cost-effectiveness provided by distributed and neighborhood nature-based solutions.

The OWLA position on this matter is that:

- All projects must achieve water quality AND water supply/conservation benefits and must utilize a nature-based approach.
- All projects must achieve additional multiple benefits (as defined).
- All projects must ensure ongoing operations and maintenance for new or significant retrofit projects.
- At least 50% of the funds must be expended for Watershed-Based Projects and Programs at the neighborhood and distributed scale (as defined).
- A minimum of 5% of the funds must be dedicated to residential retrofit programs.
- A minimum of 4% of the funds for the Watershed-Based Projects and Programs (as defined) must be dedicated to a green infrastructure job training program for youth 18-26 or veterans.
- A maximum of 10% of the funds for the Local Return program may go to new, single-purpose water quality improvement programs, such as street sweeping or storm drain catchment maintenance, and cannot be used to replace existing municipal resources for these types of expenses.
- A minimum of 3% must be dedicated to providing technical assistance and at least 1% must be dedicated to environmental literacy building, in order to increase opportunities for developing community based projects in low income communities.

## Definitions

Term	Definitions
<b>Typology</b>	
Green/Nature-Based	Projects that rely predominantly on soils and vegetation to restore the natural ecosystem processes required to slow, detain, and absorb water, infiltrate water to aquifers, filter pollutants out of water and air, sequester carbon, support biodiversity, provide shade, and aesthetically enrich environments. Where feasible these may have the biggest long-term benefits for costs. These include strategically undeveloped mountains and floodplains, wetlands, rain grading, mulch, soil building, tree and vegetation planting, and parkway basins.
Gray	Projects that rely on human engineered and operated infrastructure and conventional piped drainage and water treatment systems using primarily inert, impermeable materials such as steel and concrete. These make up most of our urban systems including paved streets, dams, drains, flood channels, and dry wells.
Gray/Green Hybrid	Projects that are a combination of green and gray infrastructure composed and managed to realize some benefits of green infrastructure within a framework of more conventional development. These are combinations of structures engineered for specific controls which include green streets, spreading grounds, and planted areas with water storage capacity.
<b>SIZE</b>	
Centralized (Regional)	Projects that are located on large parcels in key locations in the county, which have an average annual capture potential of more than 100 acre-feet per year per project and manage stormwater concentrations which are often downstream from the point of runoff generation. Examples include dams, spreading grounds, treatment plants, and areas specifically protected for resource conservation such as the mountains of the upper watersheds, floodplains, and large wetlands.

Neighborhood (Regional)	Projects that are located on or impact either large or multiple parcels, which have an average annual capture potential of less than 100 acre-feet per project. Often these are located on public rights-of-way, which may include parks, streets, greenways, schools, and other significant public infrastructure.
Distributed (Parcel-scale)	Projects that are simple and replicable enough that they can be spread widely and abundantly. These are public and private landscape-based projects that property owners can reasonably make and manage. Micro interventions such as rain gardens and swales, parkway basins, mulching, soil health building, vegetation and tree planting, permeable paving, and rain tanks may be included as parts of larger projects, or as stand-alone improvements.
Multi-Benefit Stormwater Project	A project that maximizes or enhances stormwater capture, water conservation or infiltration, protects or enhances the natural environment, improves water and air quality, reduces greenhouse gas emissions, sequesters carbon, mitigates flood hazards, restores and protects habitat, increases biodiversity, reduces heat-island, increases recreation opportunities and open space, improves community health and safety, or any combination.
Green Streets	Projects that manage stormwater runoff close to source. They can incorporate landscaped streetside planters or swales and/or remove impervious surfaces to allow water to soak into soil and vegetation improving water quality. Added benefits can include more livable and healthy communities and attractive streetscapes that connect business districts, neighborhoods, parks and schools, and they can be designed to accommodate traffic and safety needs of cars, trucks, pedestrians and bicyclists.



Examples

Scale	Green/Nature-Based	Gray/Green	Gray
<b>Distributed</b>	Rain grading (swales, berms, rain gardens), curb cuts with parkway basins, infiltration trenches, soil amendment, vegetation and tree planting	Cisterns, rain tanks, permeable pavement, infiltration trenches, bioswales, green roofs, planter bump-outs, tree wells	Drywells, small low-flow diversions/drainage
<b>Neighborhood</b>	Wetlands, park grading, stream daylighting/restoration	Green streets, parks with large underground chambers, small engineered treatment wetlands	Street gutters, storm drains, injection wells, large storage tanks, large low flow diversions/drainage
<b>Centralized</b>	Floodplain reclamation, large wetland conservation, mountain and upper watershed conservation	Spreading grounds, large engineered treatment wetlands	Dams, Water and waste treatment plants, pipelines, reservoirs



## County Residential Retrofit Program Funded by Stormwater Tax Position Paper

**Brief Rationale for Position:** Multiple benefit stormwater projects and programs aimed at different parcels scales are embedded throughout all of OurWaterLA's policy goals. One scale that is often overlooked, but can be one of the most powerful engines to meet multiple benefits outlined in the Board of Supervisors' motions is to create a Residential Retrofit Program.

This Residential Retrofit Program (Program) would provide financial incentives (rebates) to homeowners who install a combination of water-capturing best management practices (BMPs) to capture runoff (a minimum of the 85<sup>th</sup> percentile storm) from their parcel, including, but not limited to: rain gardens and swales, cisterns and rain tanks, vegetation and tree planting, and permeable paving. The Residential Retrofit Program shall ensure compliance standards by including environmental and job quality standards.

The Residential Retrofit Program is critical for several reasons:

**1) It is necessary to meet MS4 requirements:**

Both the Upper LA River EWMP and the Ballona Creek EWMP contain a goal of 1% annual residential Low Impact Development (LID) adoption **in order to meet their MS4 requirements.** The other EWMPs base their numbers on the assumed redevelopment rate. Additionally, single-family and multi-family homes represent a huge amount of acreage in the County. In the Dominguez Channel EWMP, for example, single and multi-family homes represent 42% of land use in LA County. Given there are not many large parcels of land to build new projects, residential retrofits provide a great opportunity to achieve the objectives stated in Board of Supervisors' motion.

**2) Residential Retrofits yield multiple benefits:**

As with other multiple benefit projects at larger scales, multiple benefits stem from residential retrofits, including increased water supply and/or water conservation, decreased water pollution, reduced flooding and others.

**3) Angelenos will be engaged and educated about water resiliency**

As called for in the Board of Supervisors' authorizing motion, education, outreach and engagement with the public is needed regarding water issues and water resilience. There is no better way for the public to become educated on water issues than to see changes on their own property, or for their neighbors to see these changes.

**4) A pathway for job creation**

Creation of this program could catalyze a long-overdue job sector of those that would install as well as maintain the BMPs on these homes. This would elevate, potentially through an accreditation system, the traditional gardener to a certified watershed management specialist. Also, there is the potential to manufacture elements of the BMPs locally, such as cisterns, creating additional jobs.

Therefore we recommend that:

A minimum of 5% of total funds will be set aside to implement the Residential Retrofit Program within two years of the measure's passage. Additionally, at least 1% of the total funds will be used to establish, develop and administer the program. This Residential Retrofit Program would be administered by the County.