



# Safe, Clean Water Program

## Credit Program Procedures and Guidelines

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Chief Engineer of the  
Los Angeles County Flood Control District

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Date Adopted

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# Safe, Clean Water Program Credit Program Procedures and Guidelines

## Overview

On November 6, 2018, the voters approved Measure W, establishing the Los Angeles Region, Safe, Clean Water (SCW) Program and imposing a Special Parcel Tax within the Los Angeles County Flood Control District (District) in the amount of two and one-half cents per square foot of Impermeable Area, except as exempted, to provide for increased Stormwater and Urban Runoff and capture and reduced Stormwater and Urban Runoff pollution in the District.

## Credit Program

The SCW Program includes a Credit Program, that provides for a Special Parcel Tax credit for qualifying Parcel owners or Benefited Developments. All Parcels subject to the Special Parcel Tax are eligible for the Credit Program. Credits will be given for completed and operational activities that result in Water Quality, Water Supply and Community Investment Benefits. At a minimum, a Stormwater Improvement must provide a Water Quality Credit to qualify for the Credit Program. The maximum allowed combined credits from these benefits is 80%. Parcel owners or Benefited Developments who perform qualifying additional activities, as defined below, are eligible for additional credit up to a maximum of 100% of their SCW Program tax. Once approved, the credit will be applied to the Parcel owner's tax bill for the upcoming fiscal year.

The Guidelines are being developed pursuant to Section 18.10.A of the Los Angeles County Flood Control District Code, which states:

The Chief Engineer shall develop and adopt additional or revised implementation procedures and guidelines for the program (Credit Program Procedures and Guidelines) consistent with the purposes and goals of the SCW Program, including a standard formula for calculating the specific amount of Water Quality, Water Supply, Community Investment, and Additional Activities Credits, and additional criteria for credit eligibility, and shall update those implementation procedures and guidelines from time to time, as the Chief Engineer deems necessary or appropriate for the effective operation of the program.

## Definitions

The definitions set forth in Sections 16.03 and 18.02 of the Los Angeles County Flood Control District Code shall apply to these Guidelines. In addition, the following definitions shall also apply:

**Dry Weather:** Non-stormwater runoff. Refers to Best Management Practices (BMP) Plan intended to infiltrate, divert or harvest dry weather runoff from a site.

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**LID Equivalency Volume:** Refers to the equivalent portion of the Low Impact Development (LID) design storm event provided by an alternative approach. This can be based on long term volume captured or pollutant load reduced.

- For example, a BMP may have a volume less than the LID Design Volume, but capture a percentage of long-term runoff volume from the impervious area similar to a BMP sized for the LID Design Volume from the impervious area.

**LID Design Volume** (also known as the Stormwater Quality Design Volume (SWQDV): The volume of stormwater runoff that comes from greater of

- The 0.75-inch, 24-hour rain event or
- The 85<sup>th</sup> percentile, 24-hour rain event

**LID Improvement Volume:** The volume of infiltrated or retained runoff the BMPs provide during a LID design storm event. Refer to the County of Los Angeles Department of Public Works Low Impact Development Standards Manual for guidance.

**Water Supply Benefit Volume:** The volume of water captured from the LID design storm event, or equivalent, and that is:

- Infiltrated to an aquifer that is capable of supplying water for potable or non-potable use,
- Used for beneficial purposes on-site, in nearby Parcels, or within the same watershed area,
- Diverted to a sanitary sewer system for direct or indirect water recycling, and/or
- Used in another way that offsets potable water use.

## Application Procedure

Parcel owners or their authorized representatives may apply for a credit by submitting an online application and required documentation by following the procedure below. All certifications pursuant to the Credit Program shall be verified and submitted by a civil engineer licensed to practice in California. Refer to *Credit Program Process Flow Chart*, below, for a graphical depiction of the application process.

### Application

- The application submission form and more information about the application process can be found on the Credit Program Online Application website (<https://pw.lacounty.gov/apps/scwptca/>)
- Parcel owners or Benefited Developments (or their authorized representatives) may submit a credit application at any time, however, the application must be submitted by December 31<sup>st</sup> to qualify for the following tax year.
  - For the initial SCW Program (July 1, 2019 through June 30, 2020) only, credit applicants will be required to pay their full Special Parcel Tax amount and should receive a refund within 6 months of dated their application is approved. In all subsequent tax years, approved applicants that submitted their application prior to December 31 will be credited on the tax bill for the following year.
- Multiple Parcels with common ownership may be aggregated for the purposes of the Credit Program.
  - To simplify credit distribution and percentage calculations amongst multiple Parcels with common ownership or Parcels within a Benefited Development, the applicant may

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- choose to calculate and apply a single average credit percentage to each Parcel. The applicant must demonstrate in the application the calculated average credit percent and its associated Final Parcel Credit percentage and corresponding dollar amount. If approved, the average credit percent will be applied to each individual Parcel on the tax roll.
- Applicants representing Benefited Developments not yet fully completed may work with the District on an initial review (prior to any formal application) to estimate anticipated credits based on the planned development to facilitate a streamlined review process upon completion. Once the improvements (or quantifiable portions thereof) are operational and verified by the District, the initial review documents should be submitted on the Credit Program Online Application with certification that the completed components are consistent with that proposed during the initial review or a detailed description of the updated elements and anticipated resulting credit percentage.
  - The application must include the following documentation:
    - Engineer's report including:
      - (1) A copy of the applicable LID, IGP/RWQCB (Industrial General Plan/Reginal Water Quality Control Board) stormwater permit, SUSMP (Standard Urban Stormwater Mitigation Plan), or other permit for which the credit is being requested
      - (2) An Estimate or Calculations of the following:
        - (a) The Impermeable Area of each Parcel(s)
        - (b) The Impermeable Area within each Parcel(s) that is tributary to the Stormwater Improvement
        - (c) The volume of the Stormwater Improvement
        - (d) Applicable LID design storm volume or IGP/RWQCB stormwater permit or SUSMP design standard for the Impermeable Area of the Parcel(s) or Benefited Development
        - (e) The associated credit percent for each credit type.
      - (3) Photo documentation of the construction or installation of a new Stormwater Improvement; or for existing Stormwater Improvements, photo documentation that the Stormwater Improvement has been maintained in good working condition.
      - (4) The maintenance management plan for the Stormwater Improvement.
      - (5) Engineering certification that the Stormwater Improvement meets or exceeds the applicable LID, IGP/RWQCB stormwater permit, or SUSMP standards.
      - (6) Certification of common ownership of aggregating multiple Parcels, if applicable.
      - (7) An explanation, with supporting analysis and information for any Community Investment Credit, and/or Additional Activities Credit requested in the application.
    - Parcel owners or their authorized representatives must recertify their Parcel's eligibility for the Credit Program every two (2) years. This resubmission process should be done through the Credit Program Online Application website and must be submitted by December 31<sup>st</sup>, prior to the next Tax Year. Failure to recertify will result in termination of the credit.
      - The purpose of recertification is to ensure the Stormwater Improvements on which the credit is based are still in place and are operational. No monitoring, testing, or new calculations are required, but rather a resubmission of prior information with current pictures of the improvements in fully functional condition. The recertification must be

- verified and submitted by a civil engineer licensed to practice in California. The District may perform periodic site visits to audit the condition of the Stormwater Improvements.
- If recertifying for Additional Activities credit, applicants must also submit documentation related to the benefit credits being claimed.
  - Credits associated with a Stormwater Improvement that is maintained by a public entity are not subject to the recertification requirement.

## Credit Calculation

This section summarizes the calculations to determine the Sub-total and overall Final Parcel Credit. The subsequent sections provide guidance on the calculations for Water Quality, Water Supply, Community Investment, Additional Activities and NONA credits.

### SCW Program Elements – Sub-Total and Final Credit

<b>Sub-Total Credit Percent</b>	Sub-Total Credit percentage (Maximum 80%)	Sub-Total Credit Percent = WQ% + WS% + CI% (Not to exceed 80%)
<b>Final Parcel Credit</b>	Tax Credit (in dollars)	Final Parcel Credit = (Parcel tax) x [(Sub-Total Credit Percent) + (Additional Activities Percent) + (NONA Credit Percent)] (not to exceed 100%)

### Calculation Guidance

- a) Calculate the Sub-Total Credit Percentage by summing the Water Quality Percentage (WQ%), Water Supply Percentage (WS%) and Community Investment Percentage (CI%) credits. The Sub-Total Credit Percentage is not to exceed 80%.
- b) The Final Parcel Credit is the product of the Special Parcel Tax and the summation of the Sub-Total Credit Percent, Additional Activities Percent and NONA Credit Percent.
  - The Additional Activities Credit Percentage is not to exceed 20%
  - The NONA Credit Percent is not to exceed 100%

## Water Quality Credit

Up to 75% credit is given for Stormwater Improvements that result in a Water Quality Benefit.

### SCW Program Elements – Water Quality Credit

Stormwater &/or Urban Runoff improvement	Credit Type (% Maximum)	Formula
<b>Water Quality Credit Percentage (WQ%)</b>  <b>CHOOSE ONE (per tributary area)</b>	LID Compliance (65% max)	$WQ\% = \frac{\text{(LID improvement volume for Impermeable Area)}}{\text{(Design Volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.65) \times 100\%$
	LID Equivalency (65% max)	$WQ\% = \frac{\text{(LID Equivalency improvement volume for Impermeable Area)}}{\text{(Design Volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.65) \times 100\%$
	Exceeds LID (75% max)	$WQ\% = \frac{\text{(LID improvement volume for Impermeable Area)}}{\text{(2 x Design Volume for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.75) \times 100\%$
	SUSMP (50% max)	$WQ\% = \frac{\text{(SUSMP improvement volume or flowrate for Impermeable Area)}}{\text{(design volume or flowrate for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.5) \times 100\%$
	Exceeds SUSMP Standard (65% max)	$WQ\% = \frac{\text{(SUSMP improvement volume or flowrate for Impermeable Area)}}{\text{(design volume or flowrate for Impermeable Area of the Parcel or multi-Parcel area)}} \times (0.65) \times 100\%$
	IGP/RWQCB Stormwater Permit (65% max)	$WQ\% = \frac{\text{(IGP/RWQCB Stormwater Permit BMP improvement volume for Impermeable Area)}}{\text{(design volume for Impermeable Area of Parcel)}} \times (0.65) \times 100\%$
	High Volume IGP/RWQCB Stormwater Permit (75% max)	$WQ\% = \frac{\text{(IGP/RWQCB Stormwater Permit BMP improvement volume for Impermeable Area)}}{\text{(design volume (2" storm) for Impermeable Area of Parcel)}} \times (0.75) \times 100\%$
	Dry weather (50% max until 2024, then 20% max)	$WQ\% = \frac{\text{(Impermeable Area benefited by the improvement)}}{\text{(total Impermeable Area of Parcel area or multi-Parcel area)}} \times (0.5 \text{ or } 0.2) \times 100\%$

### Calculation Guidance

- The credit is a calculation of a ratio between the Stormwater Improvement volume/flowrate or benefited area and the design volume/flowrate or benefited area. Each credit type has a maximum percent allowed.
- Choose one of the applicable Water Quality credits as shown from the table above. See the Definitions section for clarification on each credit type.
- Determine the total design volume/flowrate for the Impermeable Area per the applicable credit type. For dry weather calculations, determine the total Impermeable Area.
- Determine the water quality volume/flowrate that is treated or captured from the Stormwater Improvement for the same Impermeable Area. For dry weather calculations, determine dry weather area benefited by the Stormwater Improvement.
- Divide item d) by item c) and multiply by the maximum percent.  
The % from item e) represents the WQ% shown in the Sub-Total Credit Except shown above.

The Water Quality Credit options are dependent on the entitlement approval or construction date of the Stormwater Improvement. Stormwater Improvements designed to meet LID standards that

have received approval through an entitlement process, but that have not been installed prior to November 6, 2018, shall meet the applicable LID ordinance requirements in place at the time of the entitlement approval.

### Water Supply Credit

Up to 20% credit is given for Stormwater Improvements that result in a Water Supply Benefit.

#### SCW Program Elements – Water Supply Credit

Stormwater &/or Urban Runoff improvement	Credit Type (% Maximum)	Formula
<b>Water Supply Credit Percentage (WS%)</b>	Water Supply (20% max)	$WS\% = \frac{\text{(Water Supply Benefit volume)}}{\text{(design storm volume for Impermeable Area of Parcel or multi-Parcel area)}} \times (0.2) \times 100\%$

#### Calculation Guidance

- a) Determine the Water Supply Benefit Volume. The Water Supply Benefit Volume must have a nexus to Stormwater and/or Urban Runoff capture. Projects or improvements that are solely related to water supply or use indoor water conservation are not eligible. Examples of Water Supply Benefits with a nexus to Stormwater and/or Urban Runoff capture include, but are not limited to:
  - Stormwater Improvements that infiltrate, or harvest Stormwater or Urban Runoff
  - Practices that reduce urban runoff
- b) Determine the design storm volume for the Impermeable Area
- c) Divide item a) by item b) and multiply by 20%
- d) The % from item c) represents the WS% shown in the Sub-Total Credit Except shown above.

### Community Investment Credit

Up to 10% credit is given for a Stormwater Improvements that result in a Community Investment Benefit.

#### SCW Program Elements – Community Investment Credit

Stormwater &/or Urban Runoff improvement	Credit Type (% Maximum)	Formula
<b>Community Investments Percentage (CI%)</b>	Community Investment credit percentage (10% max)	$CI\% =$ <ul style="list-style-type: none"> <li>• One of the Community Investments = 1%</li> <li>• At least three distinct Community Investments = 6%</li> <li>• At least five distinct Community Investments = 10%</li> </ul>

**Calculation Guidance**

- a) Determine the number of distinct Community Investment Benefits as listed below. For the purposes of substantiating credits for each benefit, applicant must provide an explanation, with supporting analysis and information, regarding how the Project will result in each listed Community Investment Benefit and show a relative scale in proportion to the Project, Parcel, watershed or any applicable area size to claim credit. Each distinct Community Investment Benefit credit claimed cannot be utilized for the other Community Investment Credits.
  - Improve flood management, flood conveyance, or flood risk mitigation
  - Create, enhance, or restore park space, habitat, or wetland space
  - Improve public access to waterways
  - Enhance or create new recreational opportunities
  - Create or enhance green spaces at schools
  - Improve public health by reducing local heat island effect and increase shade
  - Improve public health by increasing the number of trees and/or other vegetation at the site location that will increase carbon reduction/sequestration and improve air quality

Must include substantial tree planting and not claim redundant benefits from Water Quality Credit.
- b) Use the metrics as shown in the formula above to determine the percentage
- c) The % represents the CI% shown in the Sub-Total Credit Except shown above

**Additional Activities Credit**

The Additional Activities Credit may recognize and reward qualifying additional activities that advance the Safe, Clean Water Program Goals. The 80 percent cap on the sum of previous credit categories is intended to reflect that not all Stormwater and Urban Runoff capture and pollution reduction goals can be met by activities implemented only to the taxable Parcels. The Additional Activities Credit is therefore intended to account for activities that confer benefits to the broader regional community related to the SCW Program Goals, such as, but not limited to:

- Projects that address stormwater improvement needs outside the taxable Parcels, i.e., providing treatment for tax-exempt Parcels and paying for ongoing Operation and Maintenance of these facilities
- Projects that provide regional benefits for recreation, water resources protection, or otherwise provide benefits to the regional community
- Endangered species protection measures
- Tertiary levels of treatment to be recycled for landscape irrigation purposes
- TMDL compliance, i.e., advanced treatment of wastewater for removal of chloride, reduction in ammonia concentration, and/or a comprehensive approach to bacteria/pathogen control
- Public education and outreach not covered under previous categories

**SCW Program Elements – Additional Activities Credit**

<b>Additional Activities Credit</b>	Additional Activities (Maximum 20%)	See additional activities calculation guidance below
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Activities initiated and completed after November 6, 2018 may qualify for Additional Activities Credit.

### **Calculation Guidance**

To determine if an activity may qualify for Additional Activities Credit, the following logic test questions can be applied:

- At a minimum, was a 65% Sub-Credit Total achieved?
- At a minimum, was the 6% credit from Community Investments achieved?
- Does the additional activity advance the Program Goal?
- Does the additional activity go beyond an activity that would already be credited for water quality, water supply, and community investment?
- Does the additional activity confer benefits to the regional community?
- Does the additional activity provide for a reliable and ongoing operation and maintenance plan?

If the answer to each of these logic test questions is yes, then the activity may qualify for an Additional Activities Credit. Unlike the aforementioned credit opportunities (water quality, et al.) the Additional Activities Credit is not a score-based evaluation system. Therefore, it is incumbent upon the Parcel owner or authorized representative to successfully demonstrate that a proposed activity meets the Safe, Clean Water Program Goals, in addition to affirmatively satisfying the above logic tests.

Also, unlike other credit opportunities, Additional Activities Credit will be based on a dollar-for-dollar expenditure match, up to 20% of the Parcel's Special Parcel Tax amount, for each certified year. The additional activities dollar-for-dollar credit may only include the capital cost and operation and maintenance costs, herein defined as total cost. The credit is proportional to the total cost of the additional activities but not to exceed 20% of the annual tax bill. The balance of the total cost may be rolled over toward the following certified year(s). Once the total cost of a qualified activity is credited, recertification will no longer be required or allowed. The dollar-for-dollar credit will cease.

Under the Additional Activities Credit, a project developer/Parcel owner may consider a qualified one-time large-scale project to allow for maximum credit benefit.

### **Additional Activities Credit Requirements:**

As a minimum, an application for Additional Activities Credit must include the following:

- An explanation, with supporting analysis and information, of how the proposed activity meets all the logic tests questions
- Engineering plans and calculations prepared by a California Registered Civil Engineer
- A cost analysis that includes, at a minimum, project life cycle, capital cost, operation and maintenance costs and the estimated qualified additional activity credit per tax year

Qualified activities must be recertified every two years in order provide a mechanism to ensure the credited elements are still in place and are operational. Recertification will require a submittal of online application, and the necessary documents to verify the current condition. The recertification approval will be contingent upon an updated operational and maintenance plan to ensure the additional activities continue to provide the associated benefits.

## Notice of Non-Applicability (NONA) Credit

Parcels or portions of a Parcel that have a current NONA from the Los Angeles Regional Water Quality Control Board are eligible for a credit up to 100%

### SCW Program Elements – NONA Credit Excerpt

Stormwater &/or Urban Runoff Improvement	Credit Type (% Maximum)	Formula
NONA Credit	NONA (100% max)	$\text{NONA}\% = \frac{(\text{Impermeable Area included in NONA})}{(\text{total Impermeable Area or multi - Parcel area})} \times 100\%$

### Calculation Guidance

- a) Determine the Impermeable Area included in NONA
- b) Determine the total Impermeable Area of the Parcel or Parcels
- c) Divide item a) by item b). The maximum percent is 100%

### Verification and Review

For Parcels or Benefited Developments subject to an IGP/ RWQCB Stormwater Permit, the Parcel or Benefited Development must be in compliance with its IGP/RWQCB Stormwater Permit and in good standing with no pending Notices of Violation or regulatory agency enforcement actions.

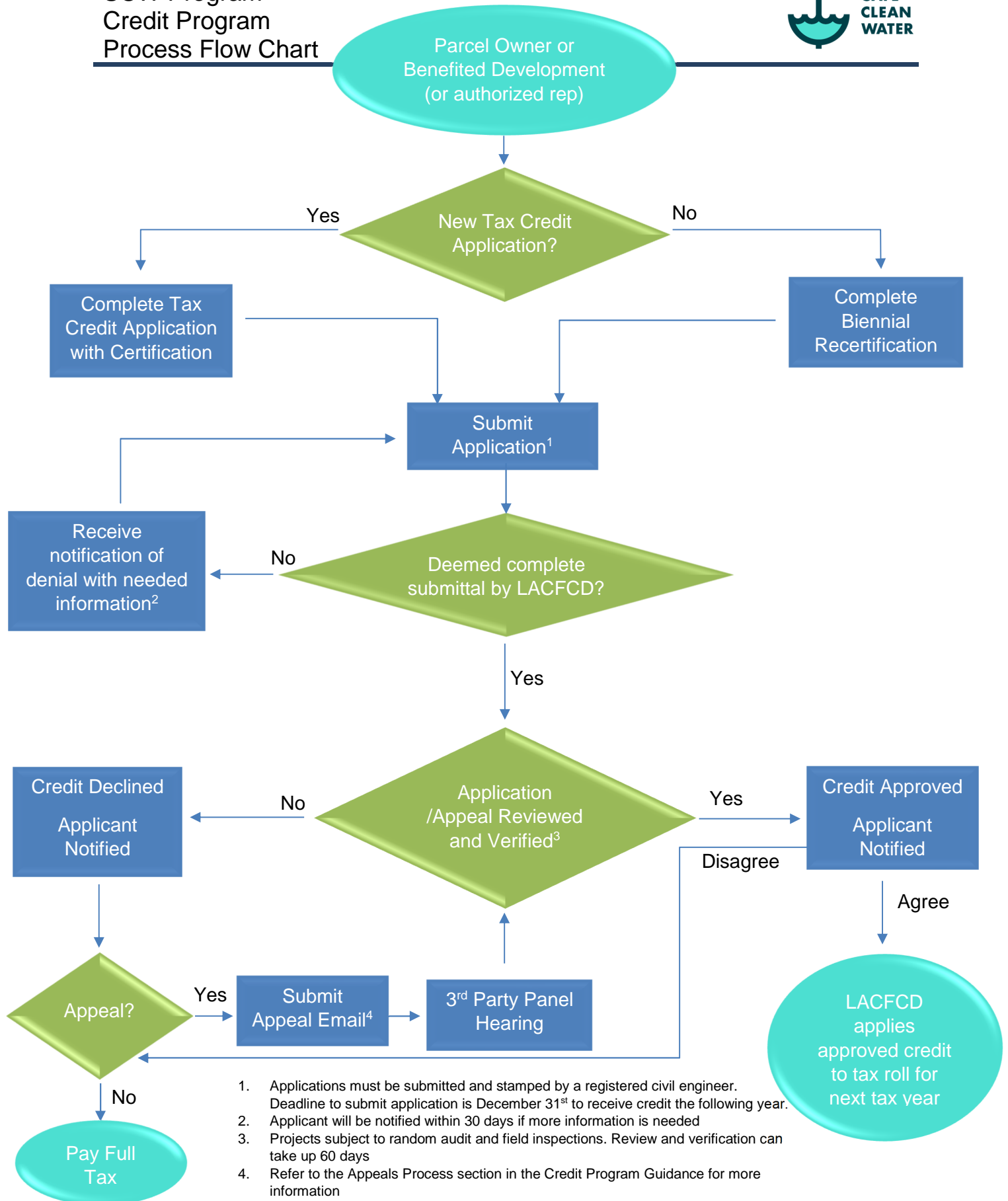
- To the extent existing certifications required pursuant to an LID ordinance, SUSMP permit, or IGP/RWQCB Stormwater Permit are functionally equivalent to the requirements above, such certification may be utilized for credit verification purposes as well.
- The verification requirements specified above shall not be required for Parcels and/or Benefited Developments whose qualifying Stormwater Improvements are maintained by a public entity.
- Any Water Supply Benefits created through the SCW Program are subject to applicable adjudicated water rights.
- Upon initial receipt of the application or recertification, an administrative review for completeness will be conducted. The applicant will be notified by the District within thirty (30) days if additional information is required. The District will notify the applicant upon confirmation of a complete application. The applicant will also be notified within sixty (60) days of the complete application notice whether their application has been approved or denied.
- The District may conduct an inspection of the Stormwater Improvement at any time, pursuant to the permission granted in the credit application. The District reserves the right to suspend an existing credit if it determines, upon an inspection, that a Stormwater Improvement is not fully functional for any reason. The owner will be notified that remedial actions are necessary and, once rectified, will need to re-apply for the credit(s).

## Appeals Process for Credit Program

If a credit application is denied or if the amount of the approved credit is less than what was applied for, the applicant may submit an appeal within thirty (30) business days from date of notice. The appeal should be sent by email to [safecleanwaterla@pw.lacounty.gov](mailto:safecleanwaterla@pw.lacounty.gov) and should contain the following information at a minimum:

- Applicant's Name
- Assessor's Parcel Number(s) of the affected Parcel(s)
- Basis of appeal
- Supporting Documentation
  - As-built engineering drawings
  - Proof of ownership or proof of sale
  - Any additional engineering calculations or further explanation supporting the basis of appeal

Upon receipt of an appeal email, District staff will confirm receipt and will promptly present the appeal to an appeal panel comprised of members of the Scoring Committee. The District will schedule a hearing within forty-five (45) days from the confirmed receipt of appeal. The owner will have an opportunity to present their appeal to the appeal panel and be available for questions from the panel. The appeal panel will render a decision on the appeal and District staff will notify the owner of the decision within 2 weeks of the hearing.



1. Applications must be submitted and stamped by a registered civil engineer. Deadline to submit application is December 31<sup>st</sup> to receive credit the following year.
2. Applicant will be notified within 30 days if more information is needed
3. Projects subject to random audit and field inspections. Review and verification can take up 60 days
4. Refer to the Appeals Process section in the Credit Program Guidance for more information