

REQUEST FOR COUNCIL ACTION

SUBJECT: Stormwater Grant Program

SUMMARY: Receive direction regarding the establishment and funding mechanism for a Stormwater Grant Program.

FISCAL

IMPACT: Impact depends upon funding mechanism selected.

STAFF RECOMMENDATION:

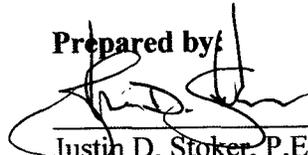
Staff recommends approval of the conceptual Stormwater Grant program for the West Jordan City, with a funding option to be decided by the City Council.

MOTION RECOMMENDED:

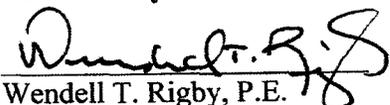
"I move to conceptually approve the proposed Stormwater Grant program and to direct staff to finalize the details of the program based upon funding Option No. ____.

Roll Call vote is not required

Prepared by:


Justin D. Stoker, P.E.
Deputy Director of Public Works

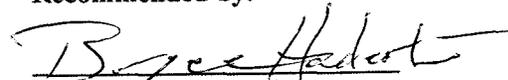
Reviewed by:


Wendell T. Rigby, P.E.
Director of Public Works

Reviewed as to Legal Sufficiency:


Darien Alcorn
Acting City Attorney

Recommended by:


Bryce Haderlie
Interim City Manager

BACKGROUND DISCUSSION:

On August 27, 2014 several residents from across the City commented in City Council meeting with regards to the recent rain storm and the impacts that it had on their properties. Since that date, many residents have continued to show interest and provide feedback regarding efforts to have efforts made to reduce the likelihood of flooding and associated damage.

Beginning on August 13, 2014 the City Council approved the contract for a Stormwater Master Plan for the City and has since planned a series of initiatives to address concerns and provide solutions to various flooding situations around the City.

The northern portion of the Stormwater Master Plan is nearing completion and several capital projects have been identified and have begun the process towards addressing the needs of the residents. Some of these items include:

- Installation of backflow prevention devices on residential streets that drain to 3200 West. Products are on order and expected to be installed late April.
- Construction of a 100-year storm drain system that will convey stormwater from the City-owned detention basin at 6778 S. 3420 W. directly to the Constitution Park Detention Basin. Design will be complete in late April and will go out to bid for summer construction.
- Development of the 7000 South utility upgrade project. 7000 South represent a major upgrade to multiple utilities and ultimately a widening of the street and is currently in design. Based upon the size and scope of the project and dependent on permitting times with state and federal agencies, this project will likely go out for bid and construction either late 2015 or early 2016.

In addition to the capital improvements, localized flooding concerns can still impact individual residents based upon local conditions. To be able to provide a completely multifaceted approach to flood control, a Stormwater Grant program is presented to allow for residential homeowners to apply for and receive City-funded grants that will go towards property restoration after flooding and to pay for City-related costs for home owners to protect and mitigate their property from future flooding.

At the crux of the program is the funding source and amount. The proposal lists the details regarding the different options, along with advantages and disadvantages of each option; along with other critical program details. To summarize the three proposed options:

- Option 1 - \$50,000 allocated from the Stormwater Enterprise fund.
- Option 2 - \$100,000 allocated from the General Fund to the City's Risk Management office.
- Option 3 - \$250,000 allocated from the General Fund to the City's Risk Management office.

Regardless of the Option selected, the program details and procedures will need to be finalized based upon direction from the City Council. The funding amount and source are key elements to the final development of the program.

Not included at this time, but merits consideration is that a budget adjustment (if implementation is request for this fiscal year) or new allocation (for implementation in future fiscal years) would need to occur before the program can be implemented. Currently, funding is not available in either the Stormwater Enterprise account or the City's Risk Management fund for this program.

Attachments:

Stormwater Mitigation Grant Program proposal

Storm Water Grant Program

NEED

Over the past several years City residents have asked for a better City response to address areas that are negatively impacted by storm water flooding. Many residents have stated that they experience continuous and repeated storm water issues at their property.

The Public Works Department is working to address resident flooding issues through a multi-faceted approach that includes regional and local storm water system upgrades, and also want to help individual properties that may be particularly adversely impacted. Currently, the Public Works Department is engaged with residents and provides sand bags and personnel as one way to help respond to flooding. The proposed grant program described in this report is intended to complement the planned storm water infrastructure upgrades and is meant to provide relief and assistance to residents in areas of historic flooding.

PURPOSE

While the Public Works Department has worked to respond to, and resolve, individual homeowner complaints, these efforts have typically been limited to minor fixes, such as assistance with berming, cleaning inlets, and providing sandbags for residential properties. This type of response is temporary in nature. Currently, several projects are proposed and are in the process of being constructed to improve the capacity of the storm drain system in 7000 South, to deepen the Constitution Park Detention Basin, and also to add additional storm drain infrastructure in various impacted neighborhoods around the City. While individual residents will benefit from these infrastructure improvements, these projects are designed to address larger regional and neighborhood needs. In addition to the larger infrastructure capital projects, this proposal intends to also add another layer of service to help address individual situations of local area flooding.

While much of the recent feedback appears to have originated from the same general neighborhood, it is intended that this new grant program will be available across the entire City to any residents that may be negatively impacted by storm water flooding.

This proposal offers the City Council three different funding options along with discussion regarding financial impacts and the potential implementation of the program, including potential applications, retroactivity, and a schematic form of the proposed application process.

DISCUSSION

After researching several of the recent flooding situations, a common concern exists regarding individual lots where storm water may overtop the curb or places with no curb, and then travel across a relatively flat driveway or an inverted or reverse grade driveway, and into a property owner's garage or window well. This is a concern, not only because the driveway doesn't protect the house, but in some situations

it directs storm water towards the house. It also opens the possibility of water passing from the garage into other living areas in the house. Other instances that may cause concern are homes situated at a low-point in a street where storm runoff naturally collects, and homes sitting below the grade of the road. Storm runoff may find a way to those low areas and impact those properties. Beyond this grant program, an additional review is being done to evaluate and identify these situations and how to better protect these homes from flood loss in the future.

While the larger storm drain infrastructure projects will improve many situations by removing storm water from the surface of the street and conveying it underground, there is still a concern where local storm water could still overtop the curb, especially in situations where the drive approach may as little as three or four-inches above the flow line of the gutter. Additional concerns exist where the property is located at the end of a cul-de-sac or near a street intersection where storm water may be slowing or changing directions, and not simply traveling past the property.

While these concerns do exist, the City does not have the power and authority, nor the budget, to enter a person's property to make changes to a person's driveway, home, or landscaping to address situations that may make the property susceptible to flooding. As a proposed solution to help address the need, the City is proposing this program to help residents that are negatively impacted by flood waters make needed changes and rehabilitate damaged areas.

Regardless of the funding option listed below, it is intended that the funds will be used for one of two purposes.

- Pay for some or all of the restoration of a residential home damaged by flooding
- Serve to pay for building permit and inspection fees associated with a homeowner's initiative to modify their home. This requires that a homeowner is in an area of historic flooding and is making specific improvements to increase the home's resistance to flooding.

To qualify, an applicant must show that the impacted home has suffered a flood loss and to quantify the estimated costs to restore the home to a condition similar to that before the flooding (public money cannot be used to "improve" the home). Those costs can then be submitted to the City's Risk Management office along with any associated applications to assist in the process of validating and issuing those grants.

For homes that have experienced a documented flood loss in the past or are in an area of historic flooding, another option exists to homeowners that wish to proactively make changes to their home to improve the resistance to flooding. In these situations, the grant money could be used to pay for permit applications, inspection fees, or other city related charges associated with construction at the home. The money must be used in connection with homeowner efforts to make the home more resistant to flooding and cannot be used for unrelated home improvements. In these situations the homeowner may apply to have funds used to pay for those normally City-imposed costs. The grant money is not intended to replace the home owner's responsibility to properly convey their own property runoff in a safe and reasonable manner, nor is it intended to accept responsibility for flooding related to runoff from one property owner onto a neighboring property or an owner's decision to purchase or build a home with a reverse-grade driveway or a home sitting lower than the street.

It is recommended to start the program with a retroactivity of 12-months from the date of program approval to be able to begin providing assistance those that have just recently experienced and are still recovering from flood loss.

FINANCIAL IMPACT

Each option provides a different impact financially to the budget. As with other municipal services, the greater the level of service, the greater the cost associated with that service. This section intends to provide greater discussion into the impacts each option might make to the budget.

Option 1:

Option 1 would allow for up to a \$50,000 allocation to fund several recovery grants up to \$10,000 each. Money would be allocated from the Storm Water Enterprise account with grant applications being administered by the City's Risk Management office. As mentioned earlier, this grant would be used to help a resident that has suffered flood damage.

The grant money is intended to provide restoration funds to help a homeowner recover from a flood loss or to help cover City related fees related to adjustments to the property to protect from storm runoff that might overtop the street curb and enter the property. The funds cannot be used to alter historic drainage paths, negatively impact other properties, or make changes to City-owned storm drain systems.

Advantages:

With potential funding adjustment in the Storm Water Enterprise fund, there could be money allocated from that adjustment to potentially pay for this limited grant program. Additional funding, beyond the current potential adjustment to the Storm Water fund, would not be necessary to set up this option unless a greater allocation was desired.

With the potential rate increase or funding restructuring still pending for the storm water enterprise, it is still possible for the rate to be set to include all the anticipated expenses along with a higher funding level of the grant program, if desired.

Disadvantages:

The greatest weakness of Option 1 is the amount of funding that could be made available. Option 1 is intended to use \$50,000, set aside from the Storm Drain enterprise fund to allow up to \$10,000 individual grants. Potentially, this fund could serve only five applicants per year if the maximum allocation was given on each grant application. The program could be exhausted of funds during the first month of the year, leaving the remaining year without funding for grant projects if a greater need arose later in the year.

Financial Impacts:

As discussed earlier, this represents an allocation out of the storm water enterprise account. An allocation of \$50,000 out of that account represents about 10-11 cents per month from each payee of the storm water monthly fee. It is estimated that this fund could be recharged annually from the storm water enterprise account if a potential rate increase or funding restructure were implemented. An

allocation greater than \$50,000 would impact the ability of the city to bond for improvements, impact operational expenses (such as inspections, cleaning, and repairs), and limit the ability of the city to construct infrastructure improvements.

Option 2:

Option 2 proposes to allocate \$100,000 in new funding towards the City's Risk Management program to address a more robust program to address storm water flooding needs in the City. There are two principle differences between Option 1 and Option 2. The first being the funding for Option 2 (\$100,000) is twice the amount proposed in Option 1 (\$50,000). The second difference is the source of the funding. Rather than dedicate a portion of the funding from the Storm Water Enterprise account, the program would be funded with new allocations to the City's Risk Management group from the City's General Fund account. The money that would have been spent in Option 1 would then be retained within the storm water fund and directed towards City-initiated storm drain projects.

In addition to the grants discussed in Option 1, the additional funding as part of this Option 2, would allow for flexibility to address a greater number of projects. In addition, the increased funding could consider an exception to the standard \$10,000 application. Those applications that may represent extreme situations or have repeat flooding could appeal for a larger grant to address needs.

Advantages:

With money allocated from the General Fund to the Risk Management program, there is the potential that more money could be used to address the needs. Money within the Storm Water enterprise would remain in that fund and be used for additional capital projects. Use of General Fund monies allows for some flexibility to make additional transfers mid-year by way of a general budget adjustment if a need arose that called for a quick influx of money into the program.

Disadvantages:

With the funding coming from the General Fund and used in Risk Management, resources from year to year would compete with other needs, long term viability of the program would compete with other general fund priorities.

Financial Impacts:

Option 2 represents an allocation from the City's General Fund into the Risk Management program of \$100,000. This allows for some synergy in how residents report damage through the claims process. Many of those processes are already established, processed, and tracked through Risk Management. This would simply represent an increase to that budget to allow greater response to the residents.

The allocation of \$100,000 represents about a \$2.70 annual increase to the average residential property tax, if current funding is not available.

In an effort to provide the program with a little more financial substance, Option 2 was created to compromise between the limited nature of Option 1 and the costs associated with Option 3.

Option 3:

Option 3 would be to allocate \$250,000 to a more comprehensive Risk Management program. It would also allow for the flexibility for mid-year budget adjustments in the case of a more notable disaster or

flooding situation. It provides the funding necessary to not only address grants for flooding but could address other Risk Management needs or settlement costs related to litigation.

The level of funding in this option allows for the types of grants that were noted earlier but then also could include more substantial projects as deemed appropriate by the Risk Management Office.

Advantages:

Similar to Option 2, the money allocated from the General Fund to the Risk Management program would allow for funding to address the a greater range of needs, with the flexibility to address the more comprehensive needs of the City's Risk Management program. Again, money within the Storm Water enterprise would remain available and be used for additional capital projects. The funding levels here would allow for flexibility to address the aforementioned restoration grants, but also address other disaster needs if a significant event were to occur. As with Option 2, emergency funds could be transferred mid-year by way of a general budget adjustment if a need arose that called for a quick influx of money into the program.

Disadvantages:

With the increased level of service to the residents and to the Risk Management program, come increased costs associated with that level of service. A budget allocation of \$250,000 to the Risk Management office would merit a significant budget discussion and the possibility of establishing new revenue.

Financial Impacts:

Similar to Option 2, this option represents an allocation from the City's General Fund into the Risk Management program of \$250,000. In addition to the expansion of the services provided in Risk Management, but it allows for flexibility in other claims.

The allocation of \$250,000 represents about a \$6.75 annual increase to average residential property tax, if current funding is not available.

It should be noted, and may be worth consideration, that the Utah State Code currently provides a mechanism for funding of the City's Risk Management program that the City of West Jordan doesn't have implemented. According to the State Code in Section 63G-7-704, "a political subdivision may levy an annual property tax sufficient to pay: a) any claim, settlement, or judgement; b) the costs to defend against any claim, settlement, or judgement; or c) for the establishment and maintenance of a reserve fund for the payment of claims, settlements, or judgements that may be reasonably anticipated." It continues, "(n)o levy under this section may exceed .0001 per dollar of taxable value of taxable property. The revenues derived from this levy may not be used for any purpose other than those specified in this section."

APPLICATION PROCESS

With City Council approval of the program and an appropriation of funds for the program, the Public Works Department will work with the Risk Management office to create an application, which residents would complete to apply for any available grant money. The application would require that residents

use the money towards an appropriate restoration project or towards an owner-initiated mitigation project.

Grant applications will include the contact information for the home owner and will identify the proposed restoration work intended for the home, along with a bid or cost estimate for the proposed work. The application will then be reviewed for appropriateness. If the application is complete and the restoration work or the homeowner initiated mitigation work is appropriate, then the application will be reviewed by a small group with representatives from Public Works, Risk Management, and Finance to make awards based upon available funding. Public Works would provide support, but the program would be principally run by Risk Management rather than Public Works, regardless of the funding options selected. Small requests for restoration may only be reviewed by the Risk Management office.

If Options 1 or 2 are selected for funding, then there is the potential that the number of applications received could exceed the amount of funds made available. In this case, rather than a first-come serve basis, the City would receive applications for a 30-day open period and then at the end of that period would review each application for grant awards. If funding does become a limiting factor, then awards will be based upon past history of flooding at the property. If program funding is limited by the number of applications, then grants may be given but may not be for the full amount requested at the discretion of the City.

Due to the anticipated need and the number of residences this program can assist, it is anticipated at these will be one-time awards. Within the available funding, the goal is to address the largest number of issues across the various neighborhoods of the City. While the initial program will not consider repeat awards to a singular residence, repeat awards may be considered in the future, based upon need and continued funding.

It is the intent for this program to solve potential problems and to assist as many residents as possible while still being financially responsible with the funds allocated to the program. Every effort will be made to help all those that apply and ask for assistance.

SUMMARY

To help address potential flooding concerns in the City, staff has undertaken several infrastructure projects which will provide some relief to regional portions of the city or to neighborhoods that might be experiencing issues. In addition to those projects, there is a need to address specific properties that could benefit from more individualized attention.

This proposal provides several options that can be taken to create a restoration grant program, which could be made available to home owners to recover from flood damage or to assist the homeowner in flood control projects that they may be doing on their own.

This program is proposed for review and approval with the intent that a funding option is selected. Final development of the program will be established based upon policy direction.