Safe, Clean Water Program
Credit Program Procedures and Guidelines

Overview

On November 6, 2018, the voters approved an ordinance amending the Los Angeles County Flood Control District Code by adding Chapter 16 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) to provide for increased stormwater and urban runoff and capture and reduced stormwater and urban runoff pollution in the District. The special parcel tax in the amount of two and one-half cents per square foot of impermeable area, except as exempted, beginning with fiscal year 2019-20.

Definitions

The following definitions apply to the SCW Credit Program per the SCW Program Elements document:

Additional Activities Credit: A maximum additional 20% tax credit available to credit program applicants already achieving at least a 65% tax credit who initiate and complete qualifying additional activity/activities after November 6, 2018 that confer benefits to the broader regional community related to SCW Program Goals.

Benefited Developments: Parcels located within a master planned community, Specific Plan area, subdivision, or an approved regional or sub-regional stormwater management plan area that are served by a centralized Stormwater and/or Urban Runoff improvement.

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

Community Investment Benefit: A benefit created in conjunction with a Project or Program, such as, but not limited to: improved flood management, flood conveyance, or flood risk mitigation; creation, enhancement or restoration of parks, habitat or wetlands; improved public access to waterways; enhanced or new recreational opportunities; and greening of schools. A Community Investment Benefit may also include a benefit to the community derived from a Project or Program that improves public health by reducing heat island effect and increasing shade or planting of trees and other vegetation that increase carbon reduction/sequestration and improve air quality.

IGP/RWQCB Stormwater Permit: Industrial General Permit/Regional Water Quality Control Board Permit.

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.

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 85th 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.

Program: A planned, coordinated group of activities, related to increasing Stormwater and/or Urban Runoff capture and/or reducing Stormwater and/or Urban Runoff pollution designed to further one or more goals of the SCW Program.

Project: The development of Stormwater and/or Urban Runoff infrastructure designed to further the goals of the SCW Program, including the design, preparation of environmental documents, obtaining applicable permits, construction, inspection, operation and maintenance, and similar Activities.

Safe, Clean Water (SCW) Program: Program established by the District to implement Los Angeles Region Safe, Clean Water Program Ordinance, including the administration of revenues from the special Parcel tax levied pursuant to this ordinance, and the criteria and procedures for selecting and implementing Projects and Programs and allocating revenues among the Municipal, Regional, and District Programs.

Stormwater: Water that originates from atmospheric moisture (rainfall or snowmelt) and falls onto land, water, and/or other surfaces.

SUSMP: Standard Urban Stormwater Mitigation Plan. Required BMPs that comply with the SUSMP requirements

Urban Runoff: Surface water flow that may contain but is not entirely comprised of Stormwater, such as water flow from residential, commercial, and industrial activities.

Water Supply Benefit: Increase in the amount of locally available water supply, provided there is a nexus to Stormwater and/or Urban Runoff capture. Activities resulting in this benefit include but are not limited to the following: reuse and conservation practices, diversion of Stormwater and/or Urban Runoff to sanitary sewer system for direct or indirect water recycling, increased groundwater replenishment, storage or available yield, or offset of potable water use. Water Supply Benefit created through the SCW Program is subject to applicable adjudicated judgments of water rights.

Water Supply Benefit Volume: The volume of water captured from the LID design storm event, or equivalent, for which the fate of the water (i.e., the receptor) is:

- Infiltration to an aquifer that is capable of supplying water for potable or non-potable use,
- Beneficial use on-site or in nearby parcels,
- Diversion to a sanitary sewer system for direct or indirect water recycling, and/or
- Use in another way that offsets potable water use.

Water Quality Benefit: Reduction in Stormwater and/or Urban Runoff pollution such as improvements in the chemical, physical, and biological characteristics of Stormwater and/or Urban Runoff in the District. Activities resulting in this benefit include but are not limited to: infiltration or treatment of Stormwater and/or Urban Runoff, non-point source pollution control, and diversion of Stormwater and/or Urban Runoff to a sanitary sewer system.

Credit Program

The mandated Credit Program provides for a SCW Program tax credit for qualifying Parcel owners or Benefited Developments. All parcels subject to the SCW Program 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 and/or Urban Runoff 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.

Application Procedure

Applicants who want to apply for a credit towards their tax may submit 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* for the application process.

Application

- The Credit Program Application submission form and more information can be found on the SCW Program website (https://dpw.lacounty.gov/apps/scwptca/)
- Parcel owners or Benefited Developments may submit a credit application at any time. The application must be submitted by December 31st to qualify for the following tax 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, the applicant may choose to calculate and apply a single average credit percentage to each parcel of the aggregate. The applicant must demonstrate in the engineer's report 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. Once the improvements are operational and verified, the initial review documents should be submitted with the credit application.
- The application must include the following documentation:
    - Engineer's report
        (1) A copy of the applicable LID, IGP/RWQCB stormwater permit, SUSMP, or other permit for which the credit is being applied
        (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 and/or urban runoff improvement
            (c) The volume of the stormwater and/or urban runoff 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 and/or urban runoff improvement; or for existing improvements, photo documentation that the stormwater and/or urban runoff improvement has been maintained in good working condition.
(4) The maintenance management plan for the stormwater and/or urban runoff improvement.
(5) Engineering certification that the improvement meets or exceeds the applicable LID, IGP/RWQCB stormwater permit, or SUSMP standards.
(6) Certification of ownership of aggregating multiple Parcels with the same owner if applicable.
(7) Justifications for Community Investment Credit, and/or Additional Activities Credit will need to be provided to demonstrate how the stormwater and/or urban runoff improvement provides these specific benefits.

- Applicants must recertify their eligibility for the Credit Program every two (2) years. This resubmission process is also handled through the SCW Program website and must be submitted by December 31st, prior to the next Tax Year. Failure to recertify will result in full tax payment.
  - The purpose of recertification is to ensure credited improvements are still in place and are operational. No monitoring, testing, or new calculations are required, but rather a resubmission of applicable prior submittals with current pictures of the improvements in fully functional condition. The District will perform random, periodic site visits to audit the condition of credited improvements.
  - If recertifying for Additional Activities credit, applicants must also submit documentation related to the benefit credits being claimed.

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

Sub-Total Credit Percent	Sub-Total Credit percentage (Maximum 80%)	Sub-Total Credit Percent = WQ% + WS% + CI% (Not to exceed 80%)
Final Parcel Credit	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 SCW 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 and/or Urban Runoff improvements that result in a Water Quality Benefit.

SCW Program Elements – Water Quality Credit

Stormwater &/or Urban Runoff improvement	Credit Type (% Maximum)	Formula
Water Quality Credit Percentage (WQ%) **CHOOSE ONE (per tributary area)**	LID Compliance (65% max)	$WQ\% = \frac{\text{(LID improvement volume for Impermeable Area)}}{\text{(design storm volume for Impermeable Area of the Parcel or multi−Parcel area)}} \times (0.65) \times 100\%$
	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)	$WQ\% = \frac{\text{(SUSMP improvement volume for Impermeable Area)}}{\text{(design volume for Impermeable Area of the Parcel or multi−Parcel area)}} \times (0.5) \times 100\%$
	Exceeds SUSMP Standard (65% max)	$WQ\% = \frac{\text{(SUSMP improvement volume for Impermeable Area)}}{\text{(design volume for Impermeable Area of the Parcel or multi−Parcel area)}} \times (0.65) \times 100\%$
	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

a) The credit is a calculation of a ratio between the water quality improvement volume or benefited area and the design volume or benefited area. Each credit type has a maximum percent allowed.

b) Choose one of the applicable Water Quality credits as shown from the table above. See the Definitions section for clarification on each credit type.
c) Determine the total design volume for the impermeable area per the applicable credit type. For dry weather calculations, determine the total impermeable area.
d) Determine the water quality volume that is treated or captured from the improvement for the same impermeable area. For dry weather calculations, determine dry weather area benefited by the improvement.
e) 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.

Water Supply Credit

Up to 20% credit is given for Stormwater and/or Urban Runoff improvements that result in a Water Supply Benefit.

SCW Program Elements – Water Supply Credit

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

Calculation Guidance

a) Determine the Water Supply Benefit Volume. The Water Supply Benefit Volume must have a nexus to a Stormwater and/or Urban Runoff capture. Projects or improvements that are purely related to water supply or use indoor water conservation are not applicable. Examples of water supply benefits with nexuses to Stormwater and/or Urban Runoff include, but are not limited to:
   - Improvements that infiltrates, or harvests 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 and/or Urban Runoff improvements that result in a Community Investment Benefit.

SCW Program Elements – Community Investment Credit

Stormwater &/or Urban Runoff improvement	Credit Type (% Maximum)	Formula
Community Investments Percentage (CI%)	Community Investment credit percentage (10% max)	CI% = • One of the Community Investments = 1% • At least three distinct Community Investments = 6% • At least five distinct Community Investments = 10%

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 justification 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 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 categories is intended to reflect that not all stormwater improvement needs can be met by activities that apply 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 SCWP goals, such as:

- 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

Additional Activities Credit	Additional Activities (Maximum 20%)	See additional activities calculation guidance below

Activities initiated and completed after November 6, 2018 may be qualified 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 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 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 percent of Safe Clean Water Program tax, 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, the applicant (parcel owner/project developer) shall submit the following:

- Discuss and demonstrate how the proposed activity meets all the logic tests questions
- Provide engineering plans and calculations prepared by a California Registered Civil Engineer
- Provide 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 would have to 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 O&M plan to ensure the project continues to be in working order.

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)	$\text{NONA\%} = \frac{(\text{Impermeable Area included in NONA})}{(\text{total Impermeable Area or multi} - \text{Parcel area})} \times 100\%$

Calculation Guidance

a) Determine the impermeable area included in NONA
b) Determine the total impermeable area
c) Divide item a) by item b). The maximum percent is 100%

Verification and Review

- 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 and/or urban runoff improvement at any time, as permission is granted by the applicant at the time application for credit is submitted. The District reserves the right to suspend an existing credit upon an inspection of an improvement that is found to be 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 intended credit(s).

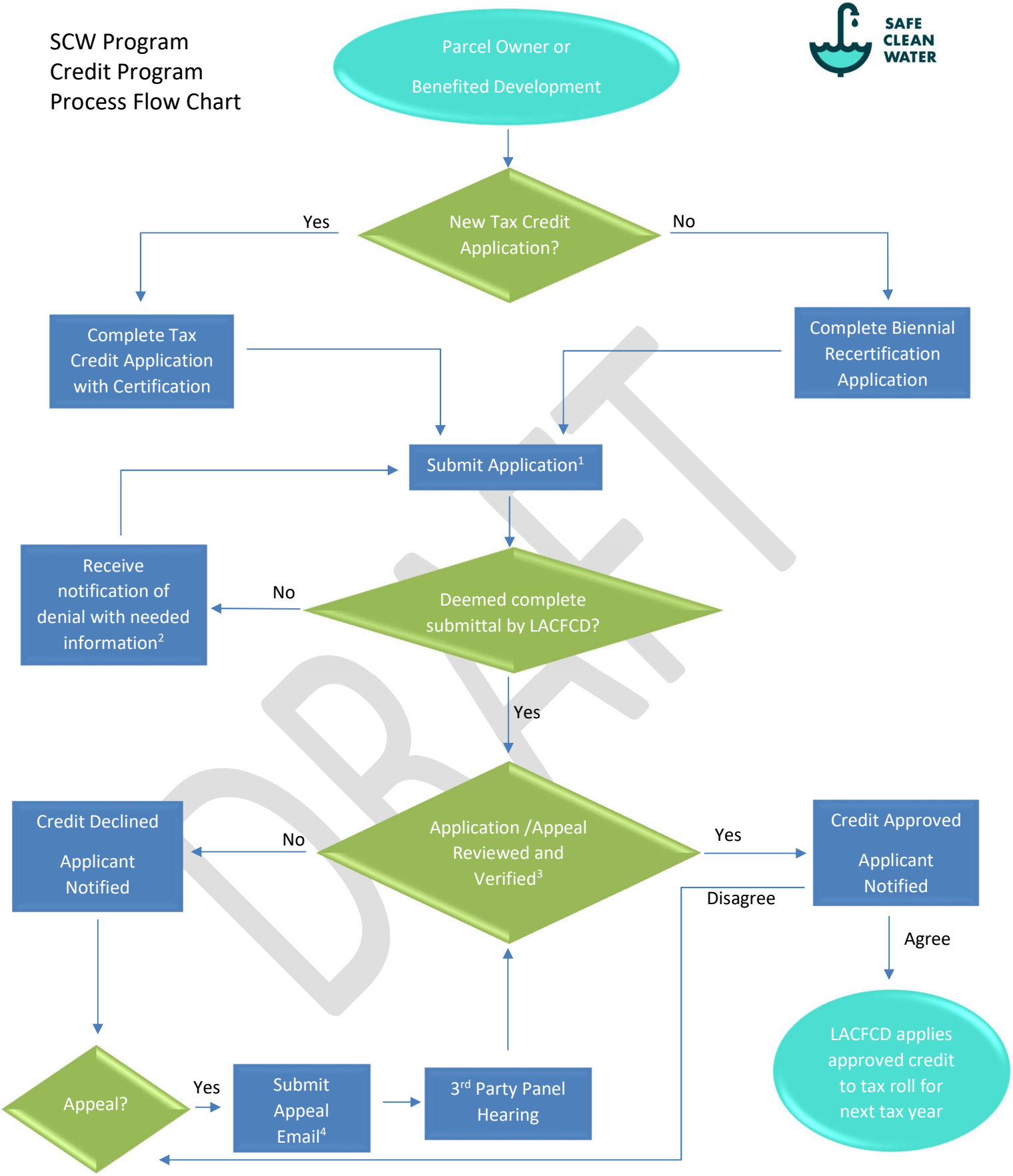
Appeals Process

If an owner applies for credit and it is denied after review or if the approved credit is a lesser percentage than what was applied for and the owner disagrees, the owner may email an appeal within thirty (30) business days from date of notice. The appeal email should be sent to safecleanwaterla@dpw.lacounty.gov and should contain the following information at a minimum.

- Customer's Name
- Assessor's Parcel Number(s)
- Basis of appeal
- Supporting Documentation
    - As-built engineering drawings
    - Proof of ownership or proof of sale
    - Any additional engineering calculations or further justifications

Upon receipt of an appeal email, District staff will confirm receipt and will promptly present to the third party appeal panel, which is the Scoring Committee. The applicant will have forty-five (45) days from the date of notification to schedule a hearing. The owner will present case to the panel and be available for Q&A. The panel will notify District staff such that the owner can receive the determination on appeal with 2 weeks of the hearing.

SCW Program Credit Program Process Flow Chart



1. Applications must be submitted and stamped by a registered civil engineer. Deadline to submit application is December 31st 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