

Orinda Roads - Part One of a Three Part Series

(published in the Orinda News, Aug/Sep/Oct 2018)

Introduction

Over the past few years, starting in 2012, the quality of Orinda's roads has increased dramatically. This was made possible by the taxpayers voting for \$75 million of new taxes, dedicated to rehabilitating Orinda's 64 miles of Publicly Maintained Residential Streets. What is missing from the story, however, is that there are another 30 miles of streets which the City has abandoned, forcing the residents on those streets to either maintain the roads themselves or allow them to deteriorate, just like the City allowed its own streets to deteriorate before 2012.

These 30 miles of streets, home to 1,500 Orinda families (20% of Orinda) are euphemistically called "Private" Streets. In reality, the only thing private about most of them is the source of funding for their maintenance.

When Orinda was developed, some roads were granted public status while others were not. In some cases one part of a road was given public status, and funding, while another part was denied the public benefit. Over almost 100 years of Orinda's development, there has been no consistent policy for how roads become public or not. These ostracized roads were labeled "private", which gives them an aura of exclusivity when, in truth, they are no different than their publicly funded counterparts. A better name for these streets would be **Orphan Streets**.

What are the differences between the Publicly Funded Residential Streets and the Orphan Streets?

Virtually none.

- * 90% (27 miles) of the Orphan Streets are cul-de-sacs providing access to the residents living on those streets, their service providers (including public services like police, fire, ambulance, utilities, mail, etc.) and their guests.
- * These are indistinguishable from the 27 miles of the Publicly Funded Residential Streets that are also cul-de-sacs or "loop" streets, providing the same access to the residents living on those streets.
- * The residents living on the Orphan Streets and the Publicly Funded Residential Streets all pay the same taxes.
- * The only difference between the two is that the residents of the Publicly Funded Streets receive the benefits of those taxes while the residents of the Orphan Streets receive none.

What are these taxes dedicated to the Publicly Funded Residential Streets spent and who pays for them?

- * \$1 million annually from a special half-cent sales tax.
- * \$3.3 million per year for the next 20 years to repay \$45 million in bonds.
- * And starting in 2020, an additional \$1.5 million annually for maintenance.

That totals \$5.8 million per year. Every family in Orinda, including those living on Orphan Streets, pays \$800 annually to provide that benefit, but only those living on the Publicly Funded Residential Streets receive it.

It has been stated that it is proper that we all pay to support the Publicly Funded Residential Streets because we all use them. But this is not true.

- * 27 miles, or 40%, of the Publicly Funded Residential Streets, are cul-de-sacs and loops which only serve the people living on them.
- * 50% of the Orphan Streets feed directly into the City's Arterials and Collectors so they do not use any of the Publicly Funded Residential Streets.
- * And yet, the Orphan Street homeowners pay a full share of the cost of repairing and maintaining the Public Residential Streets even though there is no reciprocal support of the Orphan Streets.

How much would it cost each of us to maintain all of Orinda's streets and how would we raise those funds? Those questions are the topics of Parts Two and Three of this series which will be published as advertisements paid for by members of the community as a public service.

Citizens for Fair Road Funding

For more information on this topic visit www.OrindaRoadFacts.info

Orinda Roads - Part Two of Three

Orinda has 123 miles of roads. 93 miles of these roads are maintained by taxes we all pay; 30 miles are not.

Part One of this series described Orinda's road network and how it became bifurcated between publicly maintained roads and those which are not. While 30 miles of streets are euphemistically called "private" streets, in reality the only thing private about most of them is the source of funding for their maintenance. A better term for these is Orphan Streets.

Part Two of this series describes what it would cost to provide equal benefits to all of Orinda's homeowners who are paying equal taxes. The answer: **40 cents per day per household.**

There are four elements of cost to Orinda's roads:

- 1) Rehabilitation
- 2) Maintenance
- 3) Disaster insurance
- 4) Liability of lawsuit

What will it cost to repair and maintain the Orphan Streets? Much less than the City currently spends on its own 64 miles of residential streets which are costing \$5.6 million per year. In 2014, almost 80% of Orinda's public residential streets (50 miles) needed major repairs which we chose to perform by voting for \$75 million of new taxes to complete. Conversely, 11 miles of the Orphan Streets are either new or well-maintained by HOAs. Of the remaining 19 miles, up to 80% are in good condition requiring only standard maintenance. At most, 5 miles would require rehabilitation costing less than \$5 million. This would be paid off over 20 years at a cost of \$400,000 a year. In addition, experience has shown that the lightly traveled residential streets can be well maintained for \$20,000 per mile, annually. For 30 miles of streets, that is an additional \$600,000. However, if the City chose to maintain these roads, there would be offsetting County-funding of over \$50,000 annually, resulting in a net cost of \$950,000 year.

Thus while each Orinda household is paying over \$800 per year to maintain the 64 miles of public residential streets, the added cost to maintain all of Orinda's residential streets including the 30 miles Orphan Streets would be only \$135; 40 cents a day for each household.

Less well defined are the costs related to disasters and lawsuits. 90% of the Orphan Streets are small residential cul-de-sacs with no through traffic and an average of seven homes on them. If they are well maintained, and most already are, the probability of a law suit from one of these streets is very low. The City currently maintains 27 miles of similar streets but has no records of lawsuits, if any, generated on them.

Disasters are very rare. However, if there were a slide on an Orphan Street with seven homes, costing \$1 million, that \$140,000 for each home would be onerous for the homeowners. However, if the City assumed the obligation, it would probably get 50-75% FEMA support and the rest would be spread across Orinda's 7,000 households-

That is what being a City is all about; being there for each other.

Next month we will publish Part 3 of the series: How Can the City Pay to Maintain All of its Streets?

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Orinda Roads - Part Three of Three

Orinda has 123 miles of roads. 93 miles of these roads are maintained by taxes we all pay; 30 miles are not. These are Orinda's Orphan Roads.

Part One of this series described Orinda's road network and how it became bifurcated between publicly maintained roads and those which are not.

Part Two estimated that it would cost less than \$1 million a year (40 cents per day per household) to include all of Orinda in its road maintenance program, not just the fortunate 80% currently benefiting from public funding.

In Part Three, financing options will be explored as the City does not have the funds to cover an additional \$950,000 per year, in fact it will be shortly asking the voters for \$22 million to complete the storm drain repairs that are still necessary and an additional \$2.5 million per year to maintain the other residential streets it is currently spending \$55 million to repair.

What would it require to fund the additional \$950,000 per year to maintain all of Orinda's roads, so that everyone in Orinda, including the 1,500 households living on Orphan Streets, received road maintenance service paid for by our taxes?

Parcel Tax: There are about 7,500 building parcels (homes, businesses and vacant lots) in Orinda. Dividing \$950,000 across these would require a parcel tax of \$125 per parcel; 35 cents a day. This is not an excessive amount to maintain everyone's major infrastructure that we all depend on.

Utility Tax: The \$950,000 could be spread across Orinda's 7,000 homes as part of their utility bills. This would add \$11 a month, spread across any number of utilities (phone, cable, water, PG&E, etc.). While it would add up to \$135 a year, it would not significantly impact most families.

Real Estate Transfer Tax: This is a tax based on a home's sale price. In Orinda, about 4% of homes sell each year so this is a tax the average homeowner would pay once every 25 years. Adjusted for inflation, about \$420 million of homes sell in Orinda each year. A quarter of one percent tax, \$2,500 for a million dollar home, would provide the funds needed to maintain the Orphan Roads. Normally this tax would be split between the buyer and seller, \$1,250 each. With home prices increasing at least at the rate of inflation (3%), \$1,250 represents only two weeks of gain on the value of the home.

The price to serve every resident of Orinda equally is small, very small. We encourage every Orinda resident to tell their Council Members to begin serious discussions on how this can be done. A letter of support can be found at www.OrindaRoadFacts.info

This concludes this series on correcting a problem that has existed for almost a century: excluding 20% of Orinda, 1,500 households, from receiving the basic service of road maintenance that they pay for with their taxes, just like the other 80% of Orinda. We urge the City to address this problem now.

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