

Explaining to Private Street Homeowners where their Public Road Maintenance Money is Going

There are six “pots” of money that go to pay for road maintenance in Orinda:

- 1) State gas tax
- 2) County sales tax (Contra Costa Transit Authority)
- 3) City sales tax (1/2 percent)
- 4) City garbage fees (recently increased)
- 5) Road bonds (2014 Measure J and 2016 Measure L)

This year (fiscal year 2019/20), approximately \$6.3 million in taxes is going to be collected from these five sources. \$3.8 million comes from the first four sources and \$2.5 million is going to repay the bonds (although that will increase with the average annual cost over the next 18 years being over \$3 million per year).

The residents on private streets will be paying about \$1.4 million of this total, an average of \$950 per household. \$550 is to the first four taxes/fees (21% of the total as this represents the 1,500 homes on private streets as a percent of Orinda’s total 7,000 homes); and \$400 is to repay the road bonds (which is repaid with an ad valorem tax based on a home’s assessed value. The average home on a private street is assessed at 30 percent more than the average home on a public street.) The residents on public streets, having homes that have lower assessed values, pay on average about \$100 less.

While we all use the public streets, 70% of them are Residential and 30% are Arterials and Collectors. The residents living on private streets use the Arterials and Collectors but use the Public Residential Streets very little. 45% of the Public Residential Streets are cul de sacs or loops that only the residents living on them use; and 50 percent of private streets access the public street system by entering onto Arterials or Collectors, completely bypassing the Public Residential Streets. For those who do access their private streets via the Public Residential Streets, the amount of wear-and-tear they add is very small as the CIOC has shown that one garbage or recycle truck trip is equal to 9,300 car trips; so much (most?) of the damage is from these, not from residents of private streets.

While the Public Residential Streets account for 70% of the total public street mileage, since they are smaller and more lightly used, they probably only account for 50-60% of the maintenance costs. But 100% of the road bonds were used to repair the Public Residential Streets. Of the total \$6.3 million spent on public streets this year, \$4.8 was spent on Public Residential Streets (\$75,000 per mile) and the residents of private streets paid \$1.5 million of that; an average of \$730 per home for streets they seldom if ever use.

What would it cost to provide equal service to the 30 miles of private streets if they became public?

We estimate that 85% of streets that are currently private require no repairs to bring them up to acceptable standards (Pavement Condition Index above 50). For the remaining streets (under 5 miles), they could be repaired for less than \$5 million. Since the cost for \$45 million of Measure J&L bonds is \$2.5 million this year, the cost for another \$4.5 million could be as low as \$250,000.

In addition, these streets would need to be maintained. 90% of them are small cul de sacs (an average 700 feet in length with 7 homes). The maintenance experience for some of these streets shows that an average annual expenditure of \$20,000 per mile is sufficient. This is less than what the City estimates for its streets but they are a mix of Arterials, Collectors, Residential through-streets and Residential cul de sacs. If a cost of \$25,000 per mile was assumed, that would result in a maintenance cost of \$750,000 for all 30 miles; resulting

in a total cost to repair and maintain these streets of \$1,000,000 per year for 30 miles of streets. This equates to \$33,000 per mile, less than half of what we are spending on the Public Residential Streets.

The additional \$1,000,000 per year, spread across all 7,000 Orinda households, would result in a cost-per-household of \$140 per year; 40 cents per day. Compare this to the \$730 per year that the Private Street homeowners are paying to maintain the Public Residential Streets.

The City is surveying the voters to see if they would support a doubling of the sales tax. This would generate an additional \$1,200,000 a year. If the 1,500 households living on Private Streets supported this increase, it would probably pass. If they did not support an extension of the sales tax, it could possibly fail. If the increase passed, it would be enough to provide to maintain every street in Orinda including those that are not currently maintained by the City.

			Arterials & Collectors	Residential Streets
Gas Tax	budget	1,124,150		
Return to Source	budget	447,310		
Garbage	new	1,062,275		
Sales tax	CIOC	<u>1,200,000</u>		
	s/t	3,833,735	1,533,494	2,300,241
			40%	60%
Measure J (2014)	2019/20	1,079,088		
Measure L (2016)	2019/20	<u>1,422,750</u>		
	s/t	2,501,838	0	2,501,838
		=====	=====	=====
Total		6,335,573	1,533,494	4,802,079

			Private Streets		Public Streets	
			total	per home	total	per home
Gas Tax		1,124,150	241,165	161	882,985	161
Return to Source		447,310	95,962	64	351,348	64
Garbage		1,062,275	227,891	152	834,384	152
Sales tax		<u>1,200,000</u>	<u>257,437</u>	<u>172</u>	<u>942,563</u>	<u>172</u>
	s/t	3,833,735	822,454	548	3,011,281	550
			21.5%		78.5%	
to residential streets	60%	2,300,241	493,473	329	1,806,768	330
Road Bonds		2,501,838	599,132	400	1,699,625	310
		=====	=====	=====	=====	=====
Total		6,335,573	1,421,586	949	4,710,905	860
to residential streets		4,802,079	1,092,604	729	3,506,393	640
		75,032	per mile			