



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Maria Öberg

SUBJECT: See Below

DATE: July 21, 2025

Approved

Date:

7/21/25

COUNCIL DISTRICT: Citywide

SUBJECT: Public Hearing for the Fiscal Year 2025-2026 Sanitary Sewer Service and Use Charge and Storm Sewer Service Charge Assessments to be Placed on the 2025-2026 Santa Clara County Secured Property Tax Roll

RECOMMENDATION

- (a) Conduct a public hearing on the Fiscal Year 2025-2026 annual report prepared by the Director of Finance detailing the Sanitary Sewer Service and Use Charges and Storm Sewer Service Charges filed with the City Clerk's Office.
- (b) Adopt a resolution confirming the approval of the annual report and the placement of the charges as set forth therein on the 2025-2026 Santa Clara County Secured Property Tax Roll, with such modifications the City Council may make based on public hearing testimony.

SUMMARY AND OUTCOME

Conducting the public hearing and adopting the recommended resolution will allow the City of San José (City) to place Sanitary Sewer Service and Use Charges (SSSUC) and Storm Sewer Service Charges (SSSC) on the 2025-2026 Santa Clara County (County) Secured Property Tax Roll for the assessment and collection of approximately \$234 million in revenue to fund services related to the City's sanitary and storm systems.

BACKGROUND

On June 3, 2025, the City Council adopted Resolution RES2025-177¹ and Resolution RES2025-178² to establish the Fiscal Year 2025-2026 SSSUC and SSSC, respectively, and set rates for Fiscal Year 2025-2026.

The City has collected payment for the majority of the SSSUC and SSSC by placing such charges on the County Secured Property Tax Roll since 1960 and 1991, respectively. These charges will appear as a single line item entitled “SEWER SANI/STORM” on each County Secured Property Tax bill and is collected by the County Tax Collector. Pursuant to an agreement between the City and the County, the County will remit 100 percent of the charges placed on the County Secured Property Tax Roll back to the City in two payments, typically in January and June, less a 0.3 percent administration fee, which is deducted from the first payment remitted to the City.

As outlined in Sections 15.12.550 and 15.16.1410 of the San José Municipal Code, on or before July 5 of each year, the Director of Finance is directed to prepare and file with the City Clerk a written report containing a list of all parcels that receive sanitary sewer service and storm sewer service, and the SSSUC and SSSC for each parcel for the forthcoming fiscal year. As a standard annual process, on June 17, 2025, the City Council adopted Resolution RES2025-227 to extend the filing date of the required report prepared by the Director of Finance from July 5, 2025, to July 15, 2025, in order to allow City staff the time necessary to provide the most current, accurate, and complete listing of the Fiscal Year 2025-2026 SSSUC and SSSC, respectively, to the City Clerk.

ANALYSIS

The Finance Director’s written report for Fiscal Year 2025-2026 was submitted to the City Clerk’s Office on July 15, 2025. This report includes charges totaling approximately \$234 million and covers approximately 238,000 parcels. On June 17, 2025, the City Council adopted Resolution RES2025-227³ to set the Public Hearing for Tuesday, August 12, 2025, at 1:30 p.m., or as soon thereafter as the matter may be heard, in the City Hall Council Chambers. The City Clerk will publish public notices in accordance with Sections 15.12.550 and 15.16.1430 of the San José Municipal Code.

The Director of Finance recommends the City Council conduct a public hearing and adopt a resolution to approve placement of the SSSUC and SSSC on the 2025-2026 County Secured Property Tax Roll.

¹ <https://records.sanjoseca.gov/Resolutions/RES2025-177.pdf>

² <https://records.sanjoseca.gov/Resolutions/RES2025-178.pdf>

³ <https://records.sanjoseca.gov/Resolutions/RES2025-227.pdf>

EVALUATION AND FOLLOW-UP

Upon approval of this recommendation, staff will place the Fiscal Year 2025-2026 SSSUC and SSSC, as detailed above, on the 2025-2026 County Secured Property Tax Roll, with such modifications, if any, the City Council may make based on public hearing testimony scheduled to be heard on August 12, 2025.

COST SUMMARY/IMPLICATIONS

This action will result in the placement of Fiscal Year 2025-2026 SSSUC and SSSC assessments of approximately \$201 million and \$33 million, respectively, on the 2025-2026 County Secured Property Tax Roll. Revenues received from these charges have been allocated by the City Council to various allowable City functions as part of the 2025-2026 Adopted Budget.

COORDINATION

This memo has been coordinated with the City Attorney's Office, City Clerk's Office, City Manager's Budget Office, and the Environmental Services Department.

PUBLIC OUTREACH

Per the adoption of Resolution RES2025-227, the City Clerk's Office will publish the notice of the time and place of the public hearing as required by Sections 15.12.550 and 15.16.1430 of the San José Municipal Code. In addition, this memorandum will be posted on the City's Council Agenda website for the August 12, 2025 City Council meeting.

COMMISSION COORDINATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment.

HONORABLE MAYOR AND CITY COUNCIL

July 21, 2025

Subject: Public Hearing for Fiscal Year 2025-2026 Sanitary Sewer Service and Use Charge and Storm Sewer Service Charge Assessments

Page 4

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
Maria Öberg
Director of Finance

For questions, please contact John Kachmanian, Deputy Director of Revenue Management, at john.kachmanian@sanjoseca.gov or (408) 535-7034.