



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Maria Öberg

SUBJECT: See Below

DATE: July 15, 2026

Approved

Date:

7/15/2026

COUNCIL DISTRICT Citywide

SUBJECT: Public Hearing for the Fiscal Year 2026-2027 Sanitary Sewer Service and Use Charge and Storm Sewer Service Charge Assessments to be Placed on the 2026-2027 Santa Clara County Secured Property Tax Roll

RECOMMENDATION

- (a) Conduct a public hearing on the Fiscal Year 2026-2027 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 2026-2027 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 2026-2027 Santa Clara County (County) Secured Property Tax Roll for the assessment and collection of approximately \$242 million in revenue to fund services related to the City's sanitary and storm systems.

BACKGROUND

On June 2, 2026, the City Council adopted Resolution No. [RES2026-164](#)¹ and Resolution No. [RES2026-165](#)² to establish the Fiscal Year 2026-2027 SSSUC and SSSC rates, respectively, for Fiscal Year 2026-2027.

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 16, 2026, the City Council adopted Resolution No. [RES2026-192](#)³ to extend the filing date of the required report prepared by the Director of Finance from July 5, 2026, to July 15, 2026, in order to allow City staff the time necessary to provide the most current, accurate, and complete listing of the Fiscal Year 2026-2027 SSSUC and SSSC, respectively, to the City Clerk.

ANALYSIS

The Finance Director’s written report for Fiscal Year 2026-2027 was submitted to the City Clerk’s Office on July 14, 2026. This report includes charges totaling approximately \$242 million and covers approximately 238,000 parcels. On June 16, 2026, the City Council adopted Resolution No. [RES2026-192](#) to set the Public Hearing for Tuesday, August 11, 2026, 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.

¹ <https://sanjoseca.govnita.com/api/workspace/Resolutions/files/2264737446952/view>

² <https://sanjoseca.govnita.com/api/workspace/Resolutions/files/2267449765820/view>

³ <https://sanjoseca.govnita.com/api/workspace/Resolutions/files/2294069701353/view>

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 2026-2027 County Secured Property Tax Roll.

EVALUATION AND FOLLOW-UP

Upon approval of this recommendation, staff will place the Fiscal Year 2026-2027 SSSUC and SSSC, as detailed above, on the 2026-2027 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 11, 2026.

FISCAL IMPACTS

This action will result in the placement of Fiscal Year 2026-2027 SSSUC and SSSC assessments of approximately \$209 million and \$33 million, respectively, on the 2026-2027 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 2026-2027 Adopted Budget.

COORDINATION

This memorandum 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 No. [RES2026-192](#), 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 Council Agenda website for the August 11, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

HONORABLE MAYOR AND CITY COUNCIL

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Page 4

CEQA

Statutorily Exempt, File No. PP17-005, CEQA Guidelines Section 15273, Adjustment to Fees, Rates and Fares without changes to or expansion of services.

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.


Maria Öberg
Director of Finance

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

