

**HAYWARD
GEOLOGIC HAZARD ABATEMENT DISTRICT**

TO: Hayward GHAD Board of Directors

FROM: GHAD Manager

BOARD MEETING DATE: February 25, 2020

**SUBJECT: Resolution Approving the Geologic Hazard Abatement District (GHAD)
Budget for the Remainder of the 2019-2020 Fiscal Year.**

RECOMMENDATION(S):

Staff recommends that the Hayward GHAD Board of Directors adopt Resolution 20-03 approving the GHAD budget for the remainder of the 2019-2020 fiscal year.

SUMMARY:

The Hayward GHAD has verified that the majority of parcels within The Reserve (La Vista) development are eligible for transfer of Plan of Control responsibilities. To fund these GHAD responsibilities, an annual budget for the management, maintenance, and monitoring of the GHAD should be approved. The GHAD operates on a July 1 to June 30 fiscal year basis; however, since acceptance of GHAD responsibilities occurred before the beginning of the next fiscal year, a budget has been prepared for the remainder of the current fiscal year. The proposed budget for the remainder of the 2019/20 fiscal year is \$36,650.

BACKGROUND AND DISCUSSION:

Hayward City Council adopted Resolution 16-030 approving the formation of the Hayward GHAD and the Plan of Control for The Reserve (La Vista) development within the Hayward GHAD. The Plan of Control states that GHAD responsibilities are eligible for transfer one year after the first residential building permit is issued by the City of Hayward. The first building permit issued for The Reserve development was in 2016. The developer, La Vista, L.P., has been responsible for the GHAD Plan of Control responsibilities and funding since that time. The Hayward GHAD has been levying and collecting assessments since fiscal year 2017/18.

For the 2019/20 fiscal year (FY), all 179 residential parcels with The Reserve development were subject to the levy of GHAD assessments. No parcels within the adjacent Ersted Property are yet subject to the levy of a GHAD assessment. Parcels are subject to the levy starting the first fiscal year following issuance of a building permit.

The FY 2019/20 assessment limits are as follows:

The Reserve (La Vista) Development
Single-Family Residence: \$1,666.96/unit

Ersted Property Development

6671.002.019
February 25, 2020

Single-Family Residence: \$961.96/unit

The proposed program budget for the remainder of fiscal year 2019/20 is \$36,650. The budget expenses break down into the following amounts.

Major Repair.....	\$0
Preventive Maintenance and Operations	\$19,000
Special Projects.....	\$0
Administration and Accounting.....	\$ 8,700
Additional - Outside Professional Services.....	<u>\$ 8,950</u>
Total Expenses.....	\$ 36,650

FISCAL IMPACT:

The Hayward GHAD is proposing a budget of \$36,650 for anticipated management and maintenance fees for the remainder of the 2019/20 fiscal year. The Hayward GHAD fund balance as of February 7, 2020 is \$448,095. After receiving remaining assessments and interest, and estimated expenses shown in the proposed budget for the remainder of the 2019/20 fiscal year, the Hayward GHAD fund balance on June 30, 2020 is estimated to be \$564,638.

The Hayward GHAD operates as a separate entity from the City of Hayward; therefore, there is no fiscal impact to the City of Hayward.

NEXT STEPS:

The Hayward GHAD Manager will provide the Board of Directors with an annual budget for the fiscal year 2020/21 prior to the fiscal year end on June 30, 2020.

Prepared by: The GHAD Manager and GHAD Treasurer

Recommended by: GHAD Manager

ATTACHMENTS:

- A. Resolution No. 20-03

THE BOARD OF DIRECTORS OF HAYWARD GEOLOGIC HAZARD ABATEMENT
DISTRICT

RESOLUTION NO. 20-03

APPROVING THE BUDGET FOR THE REMAINDER OF THE 2019-2020 FISCAL YEAR FOR THE RESERVE (LA VISTA) DEVELOPMENT WITHIN THE HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD).

WHEREAS, on March 1, 2016, the City Council adopted Resolution 16-030, approving and ordering formation of the Hayward Geologic Abatement District (GHAD) as described in the GHAD Plan of Control for the La Vista subdivision (Tract 7620) and appointed itself to act as the GHAD Board of Directors (the "Board"); and

WHEREAS, the GHAD manager, EN GEO Inc., has prepared a budget for the remainder of the Fiscal Year 2019-20 as attached as Attachment 1; the estimated remainder budget amount for management and maintenance responsibilities is \$36,650.

WHEREAS, the GHAD Board of Directors desires to adopt the budget for the remainder of the fiscal year 2019-2020.

NOW, THEREFORE, BE IT RESOLVED that the Hayward GHAD Board of Directors hereby orders that:

1. The GHAD Board approves the GHAD Budget for the remainder of the 2019/20 fiscal year attached as Attachment I.
2. The recitals are incorporated herein by this reference.
3. This Resolution shall become effective immediately upon its passage and adoption.

IN COUNCIL, HAYWARD, CALIFORNIA February 25, 2020

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
Clerk of Hayward Geologic Hazard Abatement
District
Board of Directors of the City of Hayward

APPROVED AS TO FORM:

General Counsel of the Hayward Geologic Hazard Abatement District

Attachment 1- Hayward GHAD Budget for Remainder of Fiscal Year 2019-2020

**HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR REMAINING FISCAL YEAR 2019/20**



February 25, 2020

Hayward Geologic Hazard Abatement District Board of Directors

- Chair Barbara Halliday
- Boardmember Francisco Zermeño
- Boardmember Al Mendall
- Boardmember Sara Lamnin
- Boardmember Elisa Márquez
- Boardmember Mark Salinas
- Boardmember Aisha Wahab

Hayward Geologic Hazard Abatement District
 777 B Street
 Hayward, CA 94541

Subject: The Reserve (La Vista) Development
 Ersted Property Development
 Hayward Geologic Hazard Abatement District
 Hayward, California

PROGRAM BUDGET FOR REMAINING FISCAL YEAR 2019/20

Dear Chair Halliday and Boardmembers:

Attached is the program budget for the Hayward Geologic Hazard Abatement District (GHAD) for the remaining portion of Fiscal Year (FY) 2019/20. The proposed program budget is \$36,650. The budget expenses break down into the following amounts.


Major Repair	\$0
Preventive Maintenance and Operations	\$19,000
Special Projects	\$0
Administration and Accounting	\$ 8,700
Additional - Outside Professional Services	\$ 8,950

A summary of the expenses is shown on Table 3, followed by a brief description of each budget item on the following pages.

If you have any questions regarding the contents of this letter, please contact us.

Sincerely,

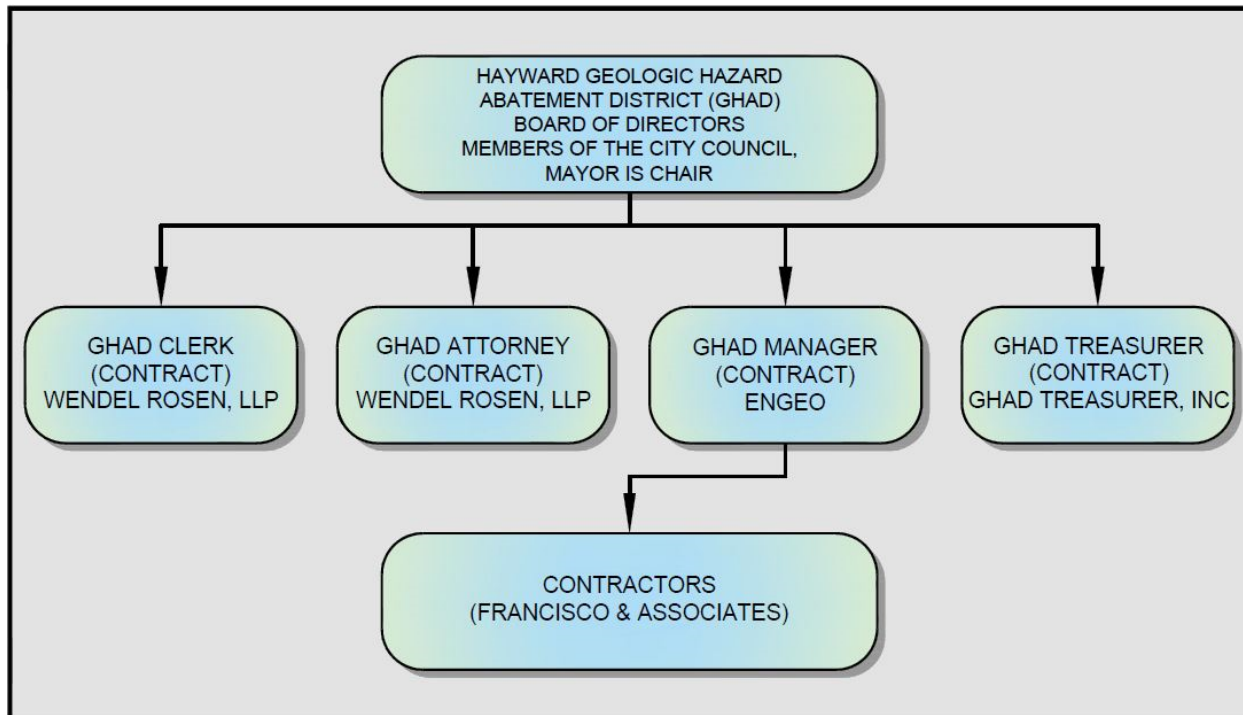
Hayward Geologic Hazard Abatement District
 ENGEO Incorporated, GHAD Manager
 ENGEO Project No. 6671.002.019


 Haley Trindle
 ht/eh/jf


 Eric Harrell

**HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT
PROPOSED PROGRAM BUDGET
FISCAL YEAR 2019/20**

The following proposed program budget summarizes the anticipated revenues and expenditures for fiscal year (FY) 2019/20 for the Hayward Geologic Hazard Abatement District (GHAD), which includes The Reserve (La Vista) and Ersted Property developments. The structure of the Hayward GHAD is shown below.



The GHAD is currently in the process of accepting monitoring and maintenance responsibilities within The Reserve (La Vista) development from the developer, La Vista LP. The attached budget anticipates the GHAD acceptance of these Plan of Control identified responsibilities. Properties within the Ersted Property development will not be eligible for transfer to the GHAD until 2023/24 at the earliest. Until accepted by the GHAD, monitoring and maintenance responsibilities described in the Plan of Control for properties within the Ersted Property development remain the responsibility of Hayward Tennyson Land, LLC.

The GHAD is funded through real property assessments. The initial assessment limits were approved by the Board of Directors for each development. The assessment limits are adjusted annually on June 30 to reflect the percentage change in the San Francisco-Oakland-Hayward Consumers Price Index (CPI) for All Urban Consumers.

The FY 2019/20 assessment limits are as follows:

The Reserve (La Vista) Development
Single-Family Residence: \$1,666.96/unit

Ersted Property Development
Single-Family Residence: \$961.96/unit

The annual assessment limits are as follows:

TABLE 1: Actual CPI Adjustments and Assessment Limit for Residential Properties

FISCAL YEAR	SAN FRANCISCO-OAKLAND-HAYWARD CPI (JUNE /JUNE)	THE RESERVE ANNUAL ASSESSMENT LIMIT AND LEVY*	ERSTED PROPERTY ANNUAL ASSESSMENT LIMIT AND LEVY*
June 2016		\$1,502.00	
2017/2018	3.482%	\$1,554.30	
2018/2019	3.908%	\$1,615.03	\$932.00
2019/2020	3.215%	\$1,666.96	\$961.96

*If assessment limit is an odd number, the annual levy is rounded down to nearest even cent.

For the 2019/20 fiscal year (FY), all 179 residential parcels with The Reserve development were subject to the levy of GHAD assessments. No parcels within Ersted Property are yet subject to the levy of a GHAD assessment. Parcels are subject to the levy starting the first fiscal year following issuance of a building permit.

TABLE 2: Estimated Revenue

	FY 2019/20 ESTIMATE
Residential Units (The Reserve)	179
Assessments	\$298,386
Interest	\$5,000
Total Revenues	\$303,386

The budget is divided into four categories including Major Repair, Preventive Maintenance and Operations, Special Projects, and Administration and Accounting. As needed, the GHAD Manager, in its discretion, may reallocate funds within the budget. A description of each of the categories is provided below.

MAJOR REPAIR

Included within the major repair category are those repair or improvement projects that are intermittent and, by their nature, do not fit within a scheduled maintenance program. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. For the purposes of this budget, we define major repairs as those estimated at over \$50,000.

There are currently no major repair projects anticipated in the remaining 2019/20 fiscal year budget within the GHAD-maintained areas of the Hayward GHAD. The reserve portion of the budget allows for funding toward these unpredictable events.

PREVENTIVE MAINTENANCE AND OPERATIONS

Preventive maintenance and operations include slope stabilization services, erosion protection, and professional services within the District. Professional services include site-monitoring events as specified in the GHAD Plan of Control. Slope stabilization and erosion protection responsibilities include the open space slopes and drainage swales. GHAD-maintained improvements generally include detention and water-quality basins, maintenance roads, concrete-lined drainage ditches, retaining walls, subsurface drainage facilities, storm drain facilities, trails, and debris benches.

SPECIAL PROJECTS

The Special Projects category allows the GHAD to budget for projects beneficial to the GHAD that do not fit into one of the other three categories. Although not proposed in the FY 2019/20 budget, special projects can include items such as global positioning system (GPS)/geographic information system (GIS) development for GHAD-maintained improvements; website development and maintenance; and reserve studies to reevaluate the financial condition of the GHAD.

There are currently no special projects anticipated in the remaining 2019/20 fiscal year budget within the GHAD-maintained areas of the Hayward GHAD.

ADMINISTRATION AND ACCOUNTING

This category includes administrative expenses for tasks of the GHAD Manager, clerical and accounting staff related to the operation and administration of the GHAD. The budget amounts listed are based on the Engineers' Reports approved by the Hayward GHAD Board of Directors in 2016 for The Reserve (La Vista) development. The budget amounts have been inflation adjusted to provide the listed budget estimates.

TABLE 3: Summary of Proposed Fiscal Year 2019/20 Budget

BUDGET ITEM		BUDGET AMOUNT
Major Projects	TOTAL	\$0
Preventive Maintenance and Operations		
Slope Stabilization, Erosion, and Minor Repairs		\$10,000
Vegetation Control – Open Space		\$9,000
	TOTAL	\$19,000
Special Projects	TOTAL	\$0
Administration and Accounting		
Administration and Accounting		\$6,500
Budget Preparation/Annual Reporting		\$2,200
	ENGEO Subtotal	\$8,700
Legal Counsel		\$2,000
Treasurer		\$2,500
Clerk		\$750
Alameda County Assessor's Fees		\$2,500
Insurance		\$1,200
	Outside Services Subtotal	\$8,950
	TOTAL	\$17,650
ESTIMATED EXPENDITURES	TOTAL	\$36,650
ESTIMATED RECEIVABLES		
Beginning Balance		
Balance (February 7, 2020)		\$448,095
Estimated of FY 2019/20 Revenue		
Annual Assessment (April 2020)		\$149,193
Estimated Interest through 6/30/2020		\$4,000
Estimated Expenses 2019/20 Expenses		
Estimated Expenses through 6/30/2020		\$36,650
ESTIMATED RESERVE ON JUNE 30, 2020		\$564,638

For the remainder of fiscal year 2019/20 (February 25, 2020, through June 30, 2020), the payment limit for the GHAD Manager, ENGEEO, is set at \$12,500. The tasks included within the payment limit may include oversight of maintenance and repair projects, administration, and accounting as summarized in Table 4.

TABLE 4: Payment Limit

TASK	AMOUNT
Slope Stabilization and Erosion Repairs ¹	\$2,000
Fire Break Maintenance ¹	\$1,800
Administration and Accounting	\$6,500
Budget Preparation	\$2,200
Total	\$12,500

¹Dependent on maintenance and/or repair activities by the GHAD during FY 2019/20. The GHAD Manager, ENGEEO, payment limit is 20% of the total budget item.

MAJOR REPAIRS

There are currently no major repair projects anticipated in the 2019/20 fiscal year budget within the GHAD-maintained areas of the Hayward GHAD. While no major repairs are ongoing at this time, by their nature, major repairs such as landslides are unpredictable and could occur during the 2019/20 fiscal year. The reserve portion of the budget allows for the funding toward these unpredictable events.

PREVENTIVE MAINTENANCE AND OPERATIONS

Slope Stabilization, Erosion, and Minor Repairs

This is for unanticipated minor repairs, including slope instability or erosion, which may occur during the 2019/20 fiscal year.

Estimated budget \$10,000

Vegetation Control – Open Space

This budget item includes annual firebreak mowing and litter removal, which will occur during the 2019/20 fiscal year.

Estimated budget \$9,000

SPECIAL PROJECTS

There are currently no special projects anticipated in the 2019/20 fiscal year budget within the GHAD-maintained areas of the Hayward GHAD.

ADMINISTRATION AND ACCOUNTING

GHAD Manager

Administration and Accounting

Administrative expenses include the GHAD Manager duties related to the operation and administration of the GHAD. The budget estimate for the accounting and administrative services is derived from the original GHAD budget used to prepare the GHADs Engineer's Report.

Estimated budget \$6,500

Budget Preparation

This budget provides for the preparation of the annual report and budget.

Estimated budget \$2,200

Outside Professional Services – Nontechnical

Legal Counsel

This budget item allows the GHAD to fund legal counsel for the District. The Board appointed Wendel Rosen as the GHAD Attorney on September 13, 2016, with the approval of Resolution No. 16-002. The duties of the legal counsel may include but not be limited to, transfer documentation, preparation or review of contracts, grant deeds, right of entry, and board resolutions.

Estimated budget \$2,000

Treasurer

This budget item accounts for fees related to investment of the GHAD reserve funds and processing of accounts payable. The Board appointed the GHAD Treasurer on September 13, 2016, with the approval of Resolution No. 16-002.

Estimated cost \$2,500

Clerk

This budget item allows the GHAD to fund clerk services for the District. The Board appointed Wendel Rosen as the GHAD Clerk on September 13, 2016, with the approval of Resolution No. 16-002.

Estimated cost \$750

Alameda County Assessor's Fees

This budget item accounts for fees from the Alameda County Assessor's Office.

Estimated cost \$2,500

Insurance

The GHAD maintains general liability insurance for open space areas within the District.

Estimated cost \$1,200