

**HAYWARD
GEOLOGIC HAZARD ABATEMENT DISTRICT**

TO: Hayward GHAD Board of Directors

FROM: GHAD Manager

BOARD MEETING DATE: May 23, 2023

SUBJECT: Resolution Approving the Geologic Hazard Abatement District (GHAD) Budget for the 2023/24 Fiscal Year and Suspending the Levy of the Assessment for The Reserve Development for Fiscal Year 2023/2024.

RECOMMENDATION(S):

Staff recommends that the Hayward GHAD Board of Directors adopt Resolution 23-01 approving the GHAD budget for the 2023/24 fiscal year and suspending the levy of assessment for The Reserve development for the 2023/24 fiscal year.

SUMMARY:

The Hayward GHAD Board of Directors accepted monitoring, maintenance, and/or ownership of selected parcels within The Reserve (formerly La Vista) development within the Hayward GHAD with the approval of Resolution 20-01 on February 25, 2020. The proposed budget allows funding of GHAD responsibilities for the 2023/24 fiscal year from July 1 to June 30. The proposed budget for the 2023/24 fiscal year is \$162,125.

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 on March 1, 2016.

The Hayward GHAD Board of Directors accepted monitoring, maintenance, and/or ownership of selected parcels within The Reserve (La Vista) development within the Hayward GHAD with the approval of Resolution 20-01 on February 25, 2020. The adopted Plan of Control summarizes the GHAD's responsibilities and the approved Engineer's Report established a budget and assessment limit for residential properties within The Reserve development.

The following are improvements owned and/or maintained by the GHAD and activities funded through the proposed budget.

- General maintenance of the surface drainage improvements
- General maintenance of storm drain inlets and outlets in open space, subdrain outlets, and risers
- Maintenance of concrete-lined drainage ditches
- Maintenance of existing property line/boundary fencing

- Inspection and maintenance of surface water quality treatment, water quality pond, and detention basins
- Retaining wall east of Alquire Parkway at the northwest corner of the Moita property
- Maintenance roads associated with the water quality pond and the detention basins
- Maintenance roads/trails over public water mains on the GHAD-owned parcels
- Debris benches and walls
- Subdrains
- Storm drain inlets, outfalls, and pipelines within the GHAD-owned parcels
- Maintenance including trails (other than City-owned public trails) within the GHAD-owned parcels
- Slopes including Hayward Concentrated Fault Zone
- Vegetation control for fire suppression

The Hideaway (formerly Ersted Property) development will be eligible for transfer of Plan of Control responsibilities in December of 2023; therefore, even though the GHAD currently does not have any ownership or maintenance responsibilities within the Hideaway development for fiscal year (FY) 2022/23, the budget for FY 2023/24 does account for transfer of these responsibilities from the developer to the GHAD. The Hayward SoMi development will be eligible for transfer of Plan of Control responsibilities in approximately summer of 2025.

The Hayward GHAD has been levying and collecting assessments since FY 2017/18. For the 2022/23 FY, all 179 residential units within The Reserve development, all 59 residential units within the Hideaway development, and 43 of 189 residential units (21 condominiums and 22 townhomes) within the Hayward SoMi development, for a total of 295 units, are 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.

In FY 2022/23, the GHAD exceeded its target reserve rate of accumulation forecast estimate in the approved 2016 Engineer's Report for The Reserve Development, therefore we recommended suspension of the levy for residences within The Reserve development for FY 2022/23. We provided this recommendation based on the following conditions.

- Unencumbered reserve funds collected from within The Reserve Development exceed the target reserve amount estimated in the approved Engineer's Report
- Reserve funds collected from within The Reserve Development exceed the dollar amount estimated for a large-scale repair
- Plan of Control responsibilities have been transferred from the developer to the GHAD

Based on review of the current reserve balance, the reserve balance is projected to trend below the target reserve amount forecast in the approved 2016 Engineer's Report for The Reserve Development by the end of FY 2023/24. While we recommend suspending the levy of the assessment for The Reserve development in FY 2023/24, we recommend reinstating the assessment levy at the assessment limit or below for FY 2024/25. We are also recommending the FY 2023/24 levies for the Hideaway and Hayward SoMi developments continue to be imposed at the assessment limit. The total assessment revenue for the Hayward GHAD for FY 2023/24 is estimated at \$100,295.

As provided in the approved Engineers' Reports, the assessment limits for each of the three developments (The Reserve, Hideaway, and Hayward SoMi) will continue to be adjusted for inflation annually. The proposed levy suspension for FY 2023/24 for The Reserve Development

does not preclude the GHAD Board in the future from increasing or decreasing the levy of the assessment up to the inflation adjusted assessment limit. This determination is made by the GHAD Board each year in approving the annual budget for the GHAD. As long as the GHAD Board levies future assessments in accordance with the Engineer's Report, a vote of property owners is not required; a vote is only required if the assessment limit is increased beyond that allowed in the Engineer's Report.

The proposed program budget for fiscal year 2023/24 is \$162,125. The budget expenses break down into the following amounts:

Major Repair.....	\$0
Preventive Maintenance and Operations	\$114,500
Special Projects.....	\$0
Administration.....	\$ 28,700
Additional - Outside Professional Services.....	<u>\$ 18,925</u>
Total Expenses.....	\$ 162,125

FISCAL IMPACT:

The Hayward GHAD is proposing a budget of \$162,125 for anticipated management and maintenance fees for the 2023/24 fiscal year. At the beginning of the 2023/24 fiscal year, the cumulative reserve is estimated at approximately \$999,735 and approximately \$972,905 at the end of the 2023/24 fiscal year.

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:

None.

Prepared by: The GHAD Manager

Recommended by: GHAD Manager

ATTACHMENTS:

- A. Resolution No. 23-01