

**HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT  
PROGRAM BUDGET FOR FISCAL YEAR 2020/21**



May 14, 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 FISCAL YEAR 2020/21**

Dear Chair Halliday and Boardmembers:

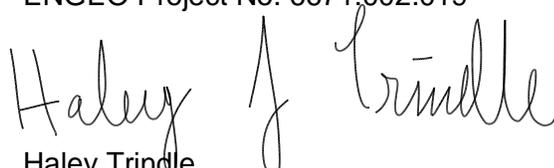
Attached is the program budget for the Hayward Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2020/21. The proposed program budget is \$116,600. The budget expenses break down into the following approximate percentages of the total receivables.

Major Repair .....	0 percent
Preventive Maintenance and Operations .....	25 percent
Special Projects .....	0 percent
Administration .....	7 percent
Additional - Outside Professional Services.....	6 percent

The budget anticipates FY 2020/21 revenue of \$311,845 with an estimated contribution of \$195,245 to the reserve fund. A summary of the expenses is shown on Table 4, 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.

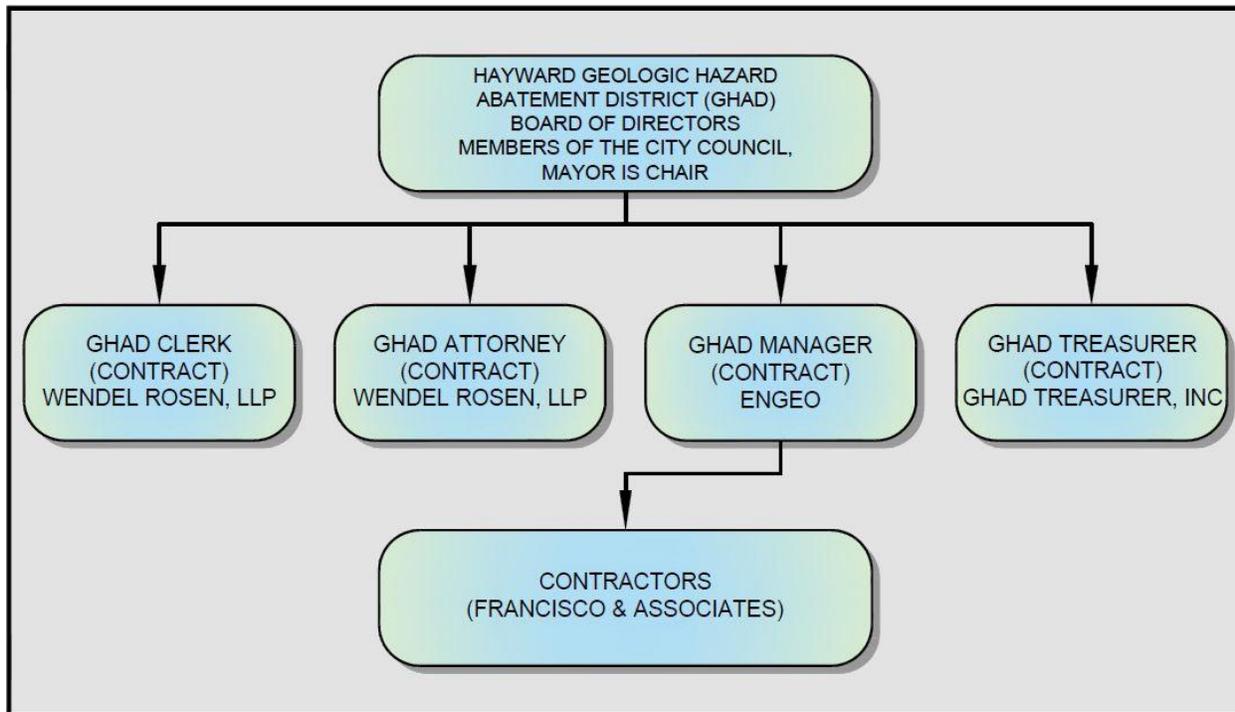
Sincerely,  
Hayward Geologic Hazard Abatement District  
ENGEO Incorporated, GHAD Manager  
ENGEO Project No. 6671.002.019

  
Haley Trindle  
ht/eh/cjn

  
Eric Harrell

**HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT  
 PROPOSED PROGRAM BUDGET  
 FISCAL YEAR 2020/21**

The following proposed program budget summarizes the anticipated revenues and expenditures for FY 2020/21 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 has accepted maintenance and monitoring responsibilities for the following parcels within the District as listed on Table 1. In addition, those parcels that are owned by the GHAD are identified. Maintenance, monitoring responsibilities, and ownership for the listed parcels were accepted by resolution on February 25, 2020.

**TABLE 1: Accepted Parcels within the Hayward GHAD**

ASSESSOR'S PARCEL NUMBER	DESCRIPTION (Tract 7620)	GHAD OWNERSHIP
83-477-4	Parcel C	Yes
83-480-1	Parcel D	Yes
83-478-1	Parcel E	No
83-478-2	Parcel F	No
83-478-3	Parcel G	No
83-478-4	Parcel H	No
83-478-5	Parcel I	No
83-479-1	Parcel J	No
83-479-2	Parcel K	No
83-479-3	Parcel L	No
83-479-4	Parcel M	No

ASSESSOR'S PARCEL NUMBER	DESCRIPTION (Tract 7620)	GHAD OWNERSHIP
83-480-2	Parcel N	Yes
83-478-6	Parcel O	Yes
83-477-6	Parcel Q	No
83-477-7	Parcel R	No
83-478-7	Parcel S	No
83-477-8	Parcel T	No
83-480-3	Parcel U	Yes
83-480-4	Parcel V	Yes
83-75-2-15	Unsurveyed Remainder	Yes
83-75-2-9	La Vista LP 2006-301610	Yes
83-75-2-11	La Vista LP 2007-408664	Yes
83-75-2-13	La Vista LP 2007-408664	Yes
83-125-1-18	La Vista LP 2007-408664	Yes
83-125-1-21	La Vista LP 2007-408664	Yes
83-477-1	Public Roads	No
Various	Residential Lots 1 through 179	No

Maintenance and monitoring responsibilities for the remaining properties within the Hayward GHAD, not listed above, are the responsibility of the individual property owners. The remaining parcels within the Reserve development have been offered to the GHAD, but have not yet been accepted by the GHAD due to "punchlist" items that remain to be completed. No parcels within the Ersted development are yet eligible for transfer. Within this budget, it is anticipated that during the 2020/21 fiscal year, additional parcels may be transferred to the Hayward GHAD and these expenses have been anticipated in the 2020/21 budget estimates.

The GHAD is funded through real property assessments. The initial assessment limits were approved by the Board of Directors. 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 annual assessment limits are shown on Table 2.

**TABLE 2: 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 <sup>1</sup>	ERSTED PROPERTY ANNUAL ASSESSMENT LIMIT AND LEVY <sup>1</sup>
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
2020/2021	2.5% <sup>2</sup>	\$1,708.63 <sup>2</sup>	\$986.01 <sup>2</sup>

<sup>1</sup>If assessment limit is an odd number, the annual levy is rounded down to nearest even cent.

<sup>2</sup>Estimate

For the FY 2019/20, all 179 residential parcels with The Reserve development were subject to the levy of a GHAD assessments. No parcels within Ersted development 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 final assessment roll prepared for the 2019/20 fiscal year and

submitted to the Alameda County Assessor's Office identifies 179 properties subject to the levy of the GHAD assessment. The total levy amount for the 2019/20 FY was \$298,385.84.

Based on the San Francisco-Oakland-Hayward CPI data reported through February 2020 for budgeting purposes, we have estimated a FY 2019/20 annual inflation rate adjustment of 2.5 percent. We estimate that 179 residential units will be subject to assessment in FY 2020/21. Parcels are subject to the levy starting the first fiscal year following issuance of a building permit.

**TABLE 3: Estimated Revenue**

	<b>FY 2020/21 ESTIMATE</b>
Residential Units (The Reserve)	179
Assessments	\$305,845
Interest	\$6,000
Total Revenues	\$311,845

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. In general, the budget amounts listed are based on the Engineer's Report approved by the Hayward GHAD Board of Directors in 2016. The budget amounts have been inflation adjusted to provide the estimates.

### **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 FY 2020/21 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 2020/21 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 FY 2020/21 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 4: Summary of Proposed Fiscal Year 2020/21 Budget**

BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL REVENUE (FY 2020/21)
<b>MAJOR REPAIRS</b>		
<b>Total</b>	<b>\$0</b>	<b>0%</b>
<b>PREVENTIVE MAINTENANCE AND OPERATIONS</b>		
<b>Professional Services</b>		
Open Space Scheduled Monitoring Events	\$7,000	
Heavy Rainfall Monitoring Events	\$1,000	
Detention Basin Scheduled Monitoring Events	\$2,000	
Detention Basin Heavy Rainfall Monitoring Event	\$1,000	
<b>Subtotal</b>	<b>\$11,000</b>	
<b>Maintenance and Operations</b>		
Sediment Removal - Concrete Structures	\$14,000	
Water Quality/Detention Basin Facilities	\$10,000	
Trail and Fence Maintenance	\$3,000	
Slope, Erosion Repairs, and Minor Repairs	\$22,000	
Vegetation Control	\$9,000	
Conservation Easement Activities	\$10,000	
<b>Subtotal</b>	<b>\$68,000</b>	
<b>Preventive Maintenance and Operations Total</b>	<b>\$79,000</b>	<b>25%</b>
<b>SPECIAL PROJECTS</b>		
<b>Total</b>	<b>\$0</b>	<b>0%</b>
<b>ADMINISTRATION – GHAD MANAGER</b>		
Administration	\$18,000	
Annual Report and Budget Preparation	\$2,300	
<b>Subtotal</b>	<b>\$20,300</b>	<b>7%</b>
Professional Services - Nontechnical		
Assessment Roll and Levy Update Preparation	\$1,750	
GHAD Attorney	\$7,000	
GHAD Treasurer	\$3,200	
GHAD Clerk	\$1,500	

BUDGET ITEM	BUDGET AMOUNT	PERCENT OF TOTAL REVENUE (FY 2020/21)
Alameda County Assessor's Fees	\$2,600	
California Association of GHADs Membership	\$150	
Insurance	\$1,100	
<b>Subtotal</b>	<b>\$19,600</b>	<b>6%</b>
<b>Administration and Accounting Total</b>	<b>\$37,600</b>	
<b>Proposed Expenditures Total</b>	<b>\$116,600</b>	<b>38%</b>
<b>ESTIMATED REVENUE</b>		
<b>Beginning Balance</b>		
Balance (May 8, 2020)	\$559,904	
<b>Estimated Expenses 2019/20</b>		
Estimated Expenses through 6/30/2020	\$20,000	
<b>ESTIMATED RESERVE ON JUNE 30, 2020</b>	<b>\$539,904</b>	
<b>Estimated 2020/21 Revenue</b>		
Estimated FY 2020/21 Assessment	\$305,845	
Estimated FY 2020/21 Interest/Dividend	\$6,000	
<b>Estimated 2020/21 Expenses</b>		
Estimated Expenses through June 30, 2021	\$116,600	
<b>ESTIMATED RESERVE ON JUNE 30, 2021</b>	<b>\$735,149</b>	

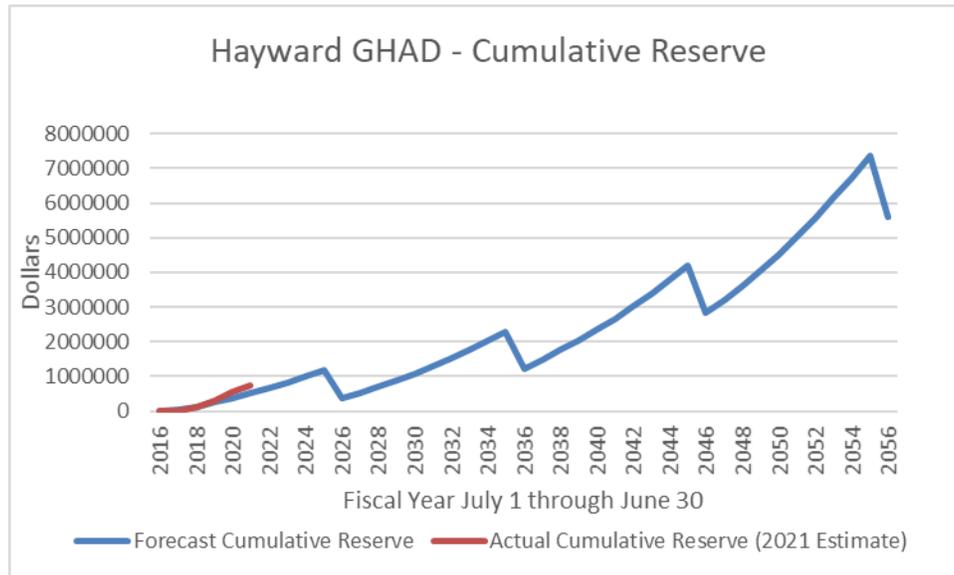
For FY 2020/21, the payment limit for the GHAD Manager, EN GEO, is set at \$44,900. The tasks included within the payment limit may include oversight of maintenance and repair projects, administration, and monitoring events as summarized in Table 4.

**TABLE 4: Payment Limit**

TASK	AMOUNT
Scheduled and Heavy Rainfall Monitoring Events	\$11,000
Slope Stabilization and Erosion Repairs <sup>1</sup>	\$4,400
Water Quality Detention Basin Maintenance <sup>1</sup>	\$2,000
Trail and Fence Maintenance <sup>1</sup>	\$600
Sediment Removal - Concrete Structures <sup>1</sup>	\$2,800
Vegetation Control <sup>1</sup>	\$1,800
Conservation Easement Activities <sup>1</sup>	\$2,000
Administration	\$18,000
Budget Preparation	\$2,300
<b>Total</b>	<b>\$44,900</b>

<sup>1</sup>Dependent on maintenance and/or repair activities by the GHAD during FY 2020/21. The GHAD Manager, EN GEO, payment limit is 20% of the total budget item.

At the beginning of the 2020/21 fiscal year, the cumulative reserve is estimated at approximately \$540,000 and approximately \$735,000 the end of the 2020/21 fiscal year. As shown on the graph below, the forecast cumulative reserve is above the amount estimated in the 2005 Engineer's Reports and is estimated to reach approximately \$5,600,000 by 2056. The GHAD reserve is intended to fund unanticipated expenses that may occur.



## MAJOR REPAIRS

There are currently no major repair projects anticipated in the FY 2020/21 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 FY 2020/21. The reserve portion of the budget allows for the funding toward these unpredictable events.

## PREVENTIVE MAINTENANCE AND OPERATIONS

### Professional Services

#### Open Space Scheduled Monitoring Events

As provided in the Plan of Control, there are two scheduled monitoring events within the GHAD that will occur during each calendar year.

**Estimated budget \$7,000**

#### Open Space Heavy Rainfall Events

We have budgeted for one heavy rainfall monitoring event during the 2020/21 winter season. In the initial Engineer's Report, we anticipated that a heavy rainfall monitoring event would be needed on average once every two years.

**Estimated budget \$1,000**

#### Water Quality/Detention Basin Scheduled Monitoring Events

As provided in the Plan of Control, there are two scheduled monitoring events within the GHAD that will occur during each calendar year. The GHAD has not yet acquired detention basin monitoring or maintenance on Parcel A.

**Estimated budget \$2,000**

### Water Quality/Detention Basin Heavy Rainfall Events

We have budgeted for one heavy rainfall monitoring event during the 2020/21 winter season. In the initial Engineer's Report, we anticipated that a heavy rainfall monitoring event would be needed on average, once every two years.

**Estimated budget \$1,000**

## **Maintenance and Operations**

### Sediment Removal - Concrete Structures

This budget item is to provide for the annual removal of vegetation, cleaning, sealing and minor repair of concrete-lined drainage ditches within The Reserve development.

**Estimated budget \$14,000**

### Water Quality/Detention Basin Facilities

The budget item allows for ongoing maintenance activities as described in the operations and maintenance manual.

**Estimated budget \$10,000**

### Trail and Fence Maintenance

This budget item includes gravel-surfaced road maintenance, trail maintenance, and fence repairs, which may occur during the 2020/21 fiscal year.

**Estimated budget \$3,000**

### Slope Stabilization, Erosion, and Minor Repairs

This is for unanticipated minor repairs, including slope instability or erosion, which may occur during FY 2020/21.

**Estimated budget \$22,000**

### Vegetation Control – Open Space

This budget item includes annual firebreak mowing and litter removal, which will occur during FY 2020/21.

**Estimated budget \$9,000**

### Conservation Easement Activities

This budget item includes activities that may be needed in relation to the City of Hayward Conservation Easement or East Bay Regional Park District Conservation Easement in FY 2020/21.

**Estimated budget \$10,000**

## **SPECIAL PROJECTS**

There are currently no special projects anticipated in the FY 2020/21 budget within the GHAD-maintained areas of the Hayward GHAD.

## **ADMINISTRATION AND ACCOUNTING**

### **GHAD Manager**

#### Administration

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

**Estimated budget \$18,000**

#### Budget Preparation

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

**Estimated budget \$2,300**

### **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 \$7,000**

#### 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 \$3,200**

#### 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 \$1,500**

#### Assessment Roll and Levy Update

This budget item allows for preparation of the assessment roll for the District and the updated levy based on the Consumer Price Index adjustment.

**Estimated budget \$1,750**

[Alameda County Assessor's Fees](#)

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

**Estimated cost**      **\$2,600**

[California Association of GHADs Membership](#)

The GHAD maintains membership in the California Association of GHADs.

**Estimated cost**      **\$150**

[Insurance](#)

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

**Estimated cost**      **\$1,100**