



DATE: June 22, 2021

TO: Mayor and City Council

FROM: Director of Maintenance Services

SUBJECT: Eden Shores Maintenance District: Adopt a Resolution to Approve the Final Engineer's Report, Confirm the Maximum Base Assessment Rate, Confirm the Fiscal Assessment Rate, Confirm the Assessment Diagram, Order the Levy and Collection of Fiscal Assessment; and Adopt a Resolution to Approve Funding Recommendations and Appropriate Revenue and Expenditure Budgets for Maintenance District No. 2 - Eden Shores Storm Water Buffer and Facilities, for Fiscal Year 2022

RECOMMENDATION

That the City Council adopts two resolutions (Attachment II, III):

1. Approving the Engineer's Report,
2. Confirming the Maximum Base Assessment (MBA) amounts,
3. Confirming the Fiscal Assessment Rate,
4. Confirming the Assessment Diagram,
5. Ordering the Levy and Collection of the Fiscal Assessment,
6. Approving the Funding Recommendation, and
7. Appropriating Revenue and Expenditure budgets for Maintenance District No. 2 for Fiscal Year 2022.

SUMMARY

Maintenance District No. 2 (MD No.2) was established in 2003 to fund the operation, maintenance, administration, and capital repair and replacement of a water buffer and storm water pre-treatment pond that borders the Eden Shores residential community. Property owners in MD No.2 are also property owners in the Landscape and Lighting Assessment District 96-1, Zone 10. On June 1, 2021, Council adopted Resolution No. 21-089, approving the Preliminary Engineer's Report and declaring intention to levy assessments for FY 2022 in accordance with the provisions of Section 10-10.25 of the Hayward Municipal Code. Based on staff's review of the district's financial position, staff is recommending an increase to the FY 2022 assessment rate from the previous year, from \$198.95 to \$228.79. If the City Council adopts the attached two resolutions (Attachment II and III), the Final Engineer's Report (Attachment IV) will be approved, the revenue and expenditure budgets will be appropriated, and the final Assessor's tax roll (Attachment V) will

be prepared and filed with the Alameda County Auditor's Office allowing the assessments to be included in the FY 2022 tax roll.

BACKGROUND

On June 24, 2003¹, by way of Resolution 03-102, the City Council ordered the formation of MD No. 2 to provide for a financial funding mechanism to pay for the operation, maintenance, administration, and capital repair and replacement of benefits for this district. The benefit zone includes three residential tracts in the Eden Shores neighborhood (7317, 7360, 7361) totaling 534 homes. The funds collected from the property owners within MD No.2 pay for the annual operation, maintenance, administration, and capital repair and replacement of the district's benefits. District benefits includes a water buffer and storm water pre-treatment facility. The water buffer consists of landscaping, recirculating pumps and filters, maintenance roads, a pedestrian bridge, and anti-predator and perimeter fencing.

In compliance with Section 10-10.25² of the Hayward Municipal Code, an annual Engineer's Report is required to be submitted to the Council. The report is attached (Attachment IV), and includes:

- (1) Description of the improvements to be operated, maintained, serviced, and replaced;
- (2) FY2022 recommended revenue and expenditure budgets;
- (3) FY 2022 Maximum Base Assessment;
- (4) FY 2022 recommended assessment rate; and
- (5) Map of the benefit zone (assessment diagram).

DISCUSSION

Through prudent and conservative fiscal management, the annual per parcel assessment has remained low, charged at \$198.95 last year. Based upon revenue required to fund operations, maintenance, administration, and capital repair and replacement, staff is recommending a \$29.84 increase over the prior year, resulting in a FY 2022 assessment rate of \$228.79, generating \$122,175 in annual revenue. This assessment amount is lower than the Maximum Base Assessment (annual allowable maximum charge) for this Maintenance District, calculated at \$1,016.39 for FY 2022.

As these facilities approach their twenty-year mark, capital repairs and improvements are needed. For FY 2022, \$70,000 has been budgeted for two capital improvement projects to include 1) pump and electrical repair work, and 2) perimeter fence replacement.

FISCAL AND ECONOMIC IMPACT

There is no impact to the General Fund (100), as monies related to this Maintenance District are set aside in a dedicated Special Revenue Fund (271).

¹ [URL](#) – Initial Public Hearing approving MD2, June 24, 2003

² [URL](#) – Hayward Municipal Code, 10.10.25

PUBLIC CONTACT

City staff: 1) mailed a postcard notice to all affected property owners to provide details of their recommended FY 2022 assessment rate, and to alert them to two Council meetings where they could provide input (June 1 and June 22); 2) provided an online survey to measure maintenance satisfaction; 3) held a virtual community meeting via Zoom on May 20; and 4) presented a Consent Item (21-264) to the Council on June 1, 2021, whereas Resolution No. 21-089 was approved adopting a Resolution of Intention to primarily approve the FY 2022 Engineer's Report, and set June 22, 2021 as the date for this public hearing; and 5) published a legal notice in the East Bay Times on June 11, 2021.

NEXT STEPS

If the City Council adopts the two attached resolutions (Attachment II and III), the Final Engineer's Report (Attachment IV) will be approved, the revenue and expenditure budgets will be appropriated, and the final Assessor's tax roll (Attachment V) will be prepared and filed with the Alameda County Auditor's Office allowing the assessments to be included in the FY 2022 tax roll.

Prepared by: Denise Blohm, Management Analyst

Recommended by: Todd Rullman, Maintenance Services Director

Approved by:



Kelly McAdoo, City Manager