



DATE: June 27, 2017

TO: Mayor and City Council

FROM: Maintenance Services Director

SUBJECT Adopt Resolutions to Approve the Engineer's Report, Reconfirm Base Maximum Assessment Amount, Confirm the Assessment Diagram and Fiscal Assessment, Order the Levy and Collection of Fiscal Assessments, and Approve Funding Recommendations and Appropriate Special Revenue Funds for Maintenance District No. 2 - Eden Shores Storm Water Buffer and Facilities, for Fiscal Year 2018

RECOMMENDATION

That the City Council adopts the attached resolutions (Attachment II and III):

1. Approving the Engineer's Report,
2. Reconfirming the Base Maximum Assessment amount,
3. Confirming the Assessment Diagram and Fiscal Assessment,
4. Ordering the Levy and Collection of Fiscal Assessments,
5. Approving the Funding Recommendations, and
6. Appropriating Revenue and Expenditure budgets for Maintenance District No. 2

SUMMARY

Maintenance District No. 2 (MD 2) was formed in 2003 to fund the operation, maintenance, and replacement of the water buffer and storm water facility that borders the Eden Shores residential community. Based on staff's review of the district's financial position, staff is recommending no change to the FY 2018 assessment rate from the previous year, set at \$198.95.

BACKGROUND

MD 2 was formed on June 24, 2003 to fund the operation and maintenance of a water buffer zone 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. The benefit zone includes three residential tracts in Eden Shores (7317, 7360, 7361), totaling 534 homes. The funds collected from the property owners within MD 2 pay for annual operations and maintenance, along with contributing to a capital reserve fund, which would be utilized to repair or replace sections of fencing, pumps, or bridge components in the future.

A 2010 agreement between the City and the Alameda County Flood Control and Water Conservation District (Flood Control District) vests responsibility for the annual maintenance and operation of the pre-treatment storm water pond with the Flood Control District. The 2010 agreement states that the Flood Control District concurred with the acceptance of the pond, subject to MD 2 providing the Flood Control District with sufficient funds to operate, maintain, and provide for capital replacement and modifications that may become necessary for the optimal performance of the pond.

DISCUSSION

On June 06, 2017¹, the City Council adopted Resolution No. 17-072, approving the Preliminary Engineer's Report, declaring its intent to levy assessments for FY 2018, and setting June 27, 2017, as the public hearing date.

Based upon revenues required to maintain operations and contribute to the capital replacement account, staff is recommending that the FY 2018 assessment rate be levied at the same amount as FY 2017, at \$198.95. A total of \$106,239 will be assessed over 534 parcels, which is sufficient for maintaining levels of service and maintaining the capital reserve account. This is not the maximum base assessment amount that can be charged, based on the language adopted during the district's original formation on June 24, 2003. During the original formation of this zone, the adoption language included an annual inflation calculation factor to determine the annual maximum assessment rate (MAR) that property owners could be legally charged. For FY 2018, the MAR is \$906.59; however, this maximum amount is not needed to fund operations or maintain the capital reserve.

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

- (1) a description of the improvements to be operated, maintained, and serviced;
- (2) the FY2018 recommended budget;
- (3) the FY 2018 recommended assessment rate; and
- (4) map of the benefit zone (assessment diagram).

FISCAL IMPACT

Staff has evaluated this Special Revenue Fund's operating and capital reserve account balances and has determined that they are adequate for FY 2018. There is no fiscal impact to the City's General Fund for this recommendation since all expenditures will be paid for using the MD 2 funds.

¹ Consent Item 17-198: <http://hayward.legistar.com/gateway.aspx?M=F&ID=1a835dcf-043a-4b41-8649-05f492d0fdb8.docx>

² Hayward Municipal Code 10-10.25: https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART10MADI

PUBLIC CONTACT

To provide community engagement, City staff:

1. Mailed a notice to property owners (Attachment VI);
2. Posted an online survey to measure maintenance satisfaction³;
3. Held a community engagement meeting on May 30;
4. Introduced this item at the June 6, 2017⁴ Council meeting; and
5. Published a required legal notice in The Daily Review newspaper on June 16, 2017 (Attachment VII).

NEXT STEPS

If the City Council adopts the attached resolutions, the revenue and expenditure budgets will be appropriated, and the final Assessor's tax roll will be prepared and filed with the County Auditor's Office allowing the assessments to be included in the FY 2018 tax roll.

Prepared by: Denise Blohm, Management Analyst II, Maintenance Services Department

Recommended by: Todd Rullman, Maintenance Services Director

Approved by:



Kelly McAdoo, City Manager

³ Online Survey: www.hayward-ca.gov/benefitzone

⁴ Consent Item 17-198: <http://hayward.legistar.com/gateway.aspx?M=F&ID=1a835dcf-043a-4b41-8649-05f492d0fdb8.docx>