



**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 Consolidated Landscaping and Lighting Assessment District No. 96-1, Zones 1 through 16 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 Consolidated Landscape and Lighting Assessment District (LLAD) No. 96-1, Zones 1 through 16 for Fiscal Year 2018

#### **SUMMARY**

The City of Hayward has sixteen LLAD zones. The Landscaping and Lighting Act of 1972 requires that a review and update of the Engineer's Report for these zones be prepared annually to set assessment amounts for each zone. The assessment amounts may or may not change from fiscal year to fiscal year, depending upon the operation and maintenance needed to be performed in each zone, and the funding levels required to maintain the operating and capital reserves. The recommended assessments cannot exceed the maximum base annual assessment rate established when the zones were originally formed.

The FY 2018 Engineer's Report is attached (Attachment IV) and recommends:

1. Six zone "increases" (zones 1, 3, 5, 9, 10, and 11);
2. Seven zone "no changes from previous year" (zones 2, 4, 6, 7, 8, 13, and 15); and
3. Three zone "decreases" (zones 12, 14, and 16).

## BACKGROUND

The Landscaping and Lighting Act of 1972 (Streets and Highways Code §22500) is a flexible tool used by local government agencies to form Landscaping and Lighting Districts to finance the cost and expense of operating, maintaining, and servicing landscaping (including parks), and lighting improvements in public areas. In 1996, six separate LLAD zones were consolidated into one district, Consolidated LLAD No. 96-1, by the adoption of Resolution No. 96-63. In subsequent years, zones 7-16 were individually created and annexed into the LLAD. This staff report and attached engineer's report provide benefit, budget, and assessment details for each of the established sixteen zones. Table 1 below provides general information regarding the year in which each benefit zone was formed and the number of assessable parcels within each benefit zone.

TABLE 1: DESCRIPTION OF EXISTING BENEFIT ZONES				
A	B	C	D	E
Zone Number	Name/Location	Year Formed	Type of Development	Number of Assessed Parcels
<b>Current Assessments</b>				
1	Huntwood Ave. & Panjon St.	1990	Residential	30
2	Harder Rd. & Mocine Ave.	1991	Residential	85
3	Hayward Blvd. & Fairview Ave.	1992	Residential	155
4	Pacheco Way, Stratford Rd, Russ Ln, Ward Creek	1995	Residential	174
5	Soto Rd. & Plum Tree St.	1995	Residential	38
6	Pepper Tree Park (assessable linear street frontage)	1982	Industrial	11
7	Mission Blvd., Industrial Pkwy, & Arrowhead Way	1998	Residential	348
8	Capitola St.	1999	Residential	24
9	Orchard Ave.	2000	Residential	74
10	Eden Shores- Resident	2003	Residential	534
11	Stonebrae Country Club (current & future development)	2006	Residential	576
12	Eden Shores- Sports Park	2007, 2016	Residential	379
13	Cannery Place	2008	Residential	599
14	La Vista	2016	Residential	179
16	Blackstone	2016	Residential	157
<b>Total Assessed Parcels:</b>				<b>3,363</b>
<b>New Benefit Zones/Annexations for FY 2018 - For Reference ONLY</b>				
15	Cadence	2017	Residential	206
<b>Total Assessed Parcels:</b>				<b>206</b>

## DISCUSSION

On June 06, 2017<sup>1</sup>, the City Council adopted Resolution No. 17-070, 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. The final Engineer's Report is attached (Attachment IV), along with a Zone Overview (Attachment V). Based upon revenues required to maintain operations and contribute to the capital replacement account, staff is recommending that the following FY 2018 assessment rates be approved:

TABLE 2: ASSESSMENT AMOUNTS PER BENEFIT ZONE							
A	B	C	D	E	F	G	H
Zone Number	Name/Location	CPI Adj	FY 2018 Max Assessment	FY 2017 Assessment	FY 2018 Assessment	Incr/Decr	Chg from last year
<b>Current Assessments</b>							
1	Huntwood Ave. & Panjon St.	No	\$295.83	\$175.00	\$183.75	INCR	\$8.75
2	Harder Rd. & Mocine Ave.	No	\$193.39	\$153.58	\$153.58	No Chg	\$0.00
3	Prominence - Hayward Blvd. & Fairview Ave.	Yes	\$900.65	\$797.06	\$824.16	INCR	\$27.10
4	Stratford Village - Pacheco Way, Stratford Rd, Russ Ln, Ward Creek	No	\$180.00	\$145.20	\$145.20	No Chg	\$0.00
5	Soto Rd. & Plum Tree St.	No	\$258.67	\$198.50	\$205.25	INCR	\$6.75
6 <sup>(1,2)</sup>	Pepper Tree Park	No	\$2.61	\$2.61	\$2.61	No Chg	\$0.00
7	Twin Bridges - Mission Blvd., Industrial Pkwy, & Arrowhead Way	Yes	\$942.04	\$563.52	\$563.52	No Chg	\$0.00
8	Hesperian , Capitola St.	Yes	\$673.74	\$150.00	\$150.00	No Chg	\$0.00
9	Orchard Ave.	Yes	\$179.90	\$20.00	\$30.00	INCR	\$10.00
10	Eden Shores- Residential	Yes	\$1,072.71	\$175.00	\$192.50	INCR	\$17.50
11	Stonebrae Country Club (Developed/Undeveloped)	Yes	\$1,521.49 / \$806.39	\$155.96 / \$82.60	\$168.44 / \$89.21	INCR	\$12.48 / \$6.61
12	Eden Shores- Sports Park	Yes	\$201.86	\$194.98	\$112.00	DECR	-\$82.98
12	New Annexation - Eden Shores- Sports Park (Developed / Undeveloped)	Yes	\$200.83 / \$60.25	\$58.49	\$33.60	DECR	-\$24.89
13	Cannery Place	Yes	\$1,144.10	\$361.00	\$361.00	No Chg	\$0.00
14 <sup>(3)</sup>	La Vista (Developed/Undeveloped)	Yes	\$607.42 / \$182.23	\$176.92	\$15.00	DECR	-\$161.92
16 <sup>(4)</sup>	Blackstone (Zone A - Developed/Undeveloped)	Yes	\$420.10/ \$126.03	\$122.36	\$315.00 / \$95.00	DECR	N/A / - \$27.36
16 <sup>(5)</sup>	Blackstone (Zone B - Developed/Undeveloped)	Yes	\$441.10 / \$132.33	\$128.48	\$99.75	DECR	-\$28.73
<b>New Benefit Zone for FY 2018 - For Reference ONLY</b>							
15 <sup>(6)</sup>	Cadence	Yes	\$589.73	\$0.00	\$0.00	No Chg	N/A

- Notes:
- <sup>(1)</sup> Shaded items reflect Fiscal Year 2018 assessment amounts levied at the base maximum assessment amounts.
  - <sup>(2)</sup> Zone 6 is in the industrial district and is assessed based upon street frontage.
  - <sup>(3)</sup> Zone 14 - No parcels are currently developed, so the FY 17 and 18 rates shown are for undeveloped parcels.
  - <sup>(4)</sup> Zone 16 (A) - No parcels were developed in FY 17, so the FY17 rate shown is for undeveloped parcels.
  - <sup>(5)</sup> Zone 16 (B) - No parcels are currently developed, so the FY 17 and 18 rates shown are for undeveloped parcels.
  - <sup>(6)</sup> Zone 15 was presented to the City Council separately as a new zone.

<sup>1</sup> Consent Item 17-196: <http://hayward.legistar.com/gateway.aspx?M=F&ID=35929dad-2996-40ac-9de0-18cb783d5fd2.docx>

## Proposition 218 Compliance

For FY 2018, all assessments are proposed to be levied in compliance with Proposition 218 and do not require any noticing or balloting of property owners.

## FISCAL IMPACT

Staff has evaluated the sixteen zone account balances and have determined that they are sufficient 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 Consolidated Landscape and Lighting District No. 96-1, Zones 1 through 16 funds.

## 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 satisfaction<sup>2</sup>;
3. Held a community engagement meeting on May 30;
4. Introduced this item at the June 6, 2017<sup>3</sup> 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:



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Kelly McAdoo, City Manager

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<sup>2</sup> Online Survey: [www.hayward-ca.gov/benefitzone](http://www.hayward-ca.gov/benefitzone)

<sup>3</sup> Consent Item 17-196: <http://hayward.legistar.com/gateway.aspx?M=F&ID=35929dad-2996-40ac-9de0-18cb783d5fd2.docx>