

**HAYWARD
GEOLOGIC HAZARD ABATEMENT DISTRICT**

TO: Hayward GHAD Board of Directors

FROM: GHAD Manager

BOARD MEETING DATE: June 18, 2024

**SUBJECT: Resolution Approving the Geologic Hazard Abatement District (GHAD)
Budget for the 2024/25 Fiscal Year.**

RECOMMENDATION(S):

Staff recommends that the Hayward GHAD Board of Directors adopt Resolution 24-01 approving the GHAD budget for the 2024/25 fiscal year and reinstating the residential parcel levy for residences within The Reserve Development to \$931.00 for the 2024/25 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, and Resolution 23-04 on November 14, 2023. The proposed budget allows funding of GHAD responsibilities for the 2024/25 fiscal year from July 1 to June 30. The proposed budget for the 2024/25 fiscal year is \$175,330.

BACKGROUND AND DISCUSSION:

The 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, and Resolution 23-04 on November 14, 2023. 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 the Ersted Property) development was eligible for transfer of Plan of Control responsibilities as of December of 2023, but has not yet completed punchlist items; therefore, GHAD Staff have not brought this transfer request to the GHAD Board for acceptance. Even though the GHAD currently does not have any ownership or maintenance responsibilities within the Hideaway development for fiscal year (FY) 2023/24, the budget for FY 2024/25 does account for the likelihood of transfer of Plan of Control responsibilities from the developer to the GHAD.

The Hayward GHAD has been levying and collecting assessments since FY 2017/18. For FY 2024/25, all 179 residential units within The Reserve development, all 59 residential units within the Hideaway development, and 130 of 189 residential units (66 condominiums and 50 townhomes) within the Hayward SoMi development, for a total of 368 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 Reserve Development exceeded its target reserve rate of accumulation which such estimate was forecasted in the approved 2016 Engineer's Report for The Reserve Development. Therefore, GHAD Staff recommended, and the Board approved, suspension of the levy for residences within The Reserve development for FY 2023/24 only. 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

The GHAD's account balance at the end of FY 2023/24 is expected to fall below the projected reserve balance target forecast in the approved 2016 Engineer's Report for The Reserve development. For FY 2024/25, GHAD Staff recommends reinstating the assessment levy for The Reserve development to a level of \$931.00 to maintain an account balance above the target reserve balance. For the Hideaway and Hayward SoMi developments, GHAD Staff still recommend that the FY 2024/25 levy be imposed at the assessment limit as those developments are still accumulating reserves to reach their individual target reserve balances described in the Engineer's Report for each development. The total assessment revenue for the Hayward GHAD for FY 2024/25 is estimated at \$308,953.

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. Any proposed levy suspension or annual levy below the allowed assessment limit in the future for any of the developments within the GHAD does not preclude the GHAD Board from increasing or decreasing the levy of the assessment up to the inflation adjusted assessment limit at any point in the future. 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 identified in the Engineer's Report.

The proposed program budget for fiscal year 2024/25 is \$175,330. The budget expenses break down into the following amounts:

Administration- GHAD Manager	\$ 34,800
Additional - Outside Professional Services	\$ 23,450
Preventive Maintenance and Operations	\$117,080
Special Projects	\$0
Major Repair	<u>\$0</u>
Total Expenses	\$ 175,330

FISCAL IMPACT:

The Hayward GHAD is proposing a budget of \$175,330 for anticipated management and maintenance fees for the 2024/25 fiscal year. At the beginning of the 2024/25 fiscal year, the cumulative reserve is estimated at approximately \$1,067,447 and approximately \$1,225,370 at the end of the 2024/25 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. 24-01