



DATE: June 5, 2018

TO: Mayor and City Council

FROM: Maintenance Services Director

SUBJECT: Adopt a Resolution of Intention to Preliminarily Approve the Engineer's Report and Levy Assessments for Fiscal Year 2019 for Maintenance District No.2 – Eden Shores Storm Water Facilities and Water Buffer, and Set June 19, 2018, as the Public Hearing Date for such Actions

RECOMMENDATION

That the City Council adopts the attached resolution (Attachment II).

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 2019 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, 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.

In compliance with Section 10-10.25 of the Hayward Municipal Code, an annual Engineer's Report is required to be submitted to the City Council. The report is attached (Attachment III), and includes:

- (1) a description of the improvements to be operated, maintained, and serviced;
- (2) the FY 2019 recommended budget;
- (3) the FY 2019 recommended assessment rate; and
- (4) map of the benefit zone (assessment diagram).

DISCUSSION

Annual costs for the district are stable. A contingency budget of \$10,300 is included in the FY 2019 budget if any unanticipated repairs should be needed. Based upon revenues required to maintain operations and maintain a capital replacement fund, staff is recommending a FY 2019 per parcel charge of \$198.95, which is the same amount as FY 2018. 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 2019, the MAR is \$939.23; however, this maximum amount is not needed to fund operations or maintain the capital reserve.

FISCAL IMPACT

Staff has evaluated the City's operating fund balance in MD 2 and concurs that the combined fund balances will be adequate for FY 2019. There is no anticipated fiscal impact to the City's General Fund associated with this action, all expenses will be paid using funds held in reserve by MD 2.

STRATEGIC INITIATIVES

This is a routine operational item and does not relate to any of the three Council Strategic Initiatives.

PUBLIC CONTACT

To provide community engagement, City staff 1) mailed a notice to property owners to let them know of their recommended FY 2019 assessment rate, and to alert them to three meetings where they could provide input (May 22, June 5, and June 19); 2) held a community engagement meeting on May 22; and 3) provided an online survey to measure maintenance satisfaction¹.

¹ www.hayward-ca.gov/benefitzone

NEXT STEPS

Following this Council meeting, the City of Hayward is proposing to hold a public hearing on June 19, 2018, to provide an opportunity for any interested person to be heard. After the public hearing, the City Council may adopt a resolution setting the annual assessment amount as originally proposed or as modified. Following the adoption of this resolution, the final assessor's roll will be prepared and filed with the County Auditor's office to be included on the FY 2019 tax roll. Payment of the assessment for each parcel will be made in the same manner and at the same time as payments are made for property taxes. All funds collected through the assessment must be placed in a special fund and can only be used for the purposes stated within this report. If the City Council adopts the attached resolution of intention, it will hold a noticed public hearing on June 19, 2018, to consider approving the Engineer's Report and order the levy of assessments for FY 2019.

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

Recommended by: Todd Rullman, Maintenance Services Director

Approved by:



Kelly McAdoo, City Manager