

Fiscal Year 2024

ENGINEER'S REPORT

City of Hayward

Maintenance District No. 1

June 2023

Final Report

Engineer of Work:



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Introduction

Overview

On January 5, 1993, by Resolution No. 93-010, the City Council approved the vesting tentative map of Tract 6472, which authorized the subdivision of land on both sides of Stratford Road into 148 single-family home lots. Conditions of approval for Tentative Map Tract 6472, which included Final Tract Maps 6472, 6560, 6682 and 6683, included provisions for storm drainage improvements and construction of an approved stormwater pumping facility. The drainage area and the stormwater pumping facility were analyzed in documents prepared by Wilsey & Ham, Civil Engineers. These documents indicated the following: the drainage basin includes 29.1 acres, of which 24.7 acres are residential, 1.9 acres are for a park site, and 2.5 acres are for the collector streets associated with Stratford Road and Ruus Lane. Pacheco Way does not drain into this drainage basin system nor does the industrial property to the south.

In addition to the 143 lots identified above, final Tract Map 6682, with a total of 31 lots located immediately to the east of Chutney Road, was also approved. Therefore, the total number of residential lots in the drainage basin is 174. In addition to the residential lots, there is a park located on one parcel of land.

On April 18, 1995, the City Council approve the preliminary Engineer's report, and on May 23, 1995, a public meeting was held to allow affected property owners an opportunity to speak. On June 6, 1995, by Resolution No. 95-103, the City Council ordered the formation of Maintenance District No. 1 to provide for the operation and maintenance of the storm drainage improvements and the stormwater pumping facility to serve the drainage basin. The FY 1996 Engineer's Report (formation report) included a FY 1996 Engineer's Cost Estimate of \$42,686.37.

A Storm Water Lift Station (SWLS) was constructed to pump storm water run-off for the developed area which is adjacent to the Alameda County Flood Control and Water Conservation District's ("Flood Control District") Line B, Zone No. 3A. The plans for the lift station were approved by the City and the Flood Control District. The SWLS was designed with capacity for only the development of the area encompassing the 174 parcels. No added capacity was constructed for run-off from other areas such as the Georgian Manor and Spanish Ranch Mobile Home Parks, which are presently served by a privately owned and operated pumping facility located within each park.

An agreement between the City and the Flood Control District transferred ownership of the SWLS to the Flood Control District. The agreement states that the Flood Control District concurred with the SWLS transfer subject to the City providing the Flood Control District with the funds to operate, maintain, and provide for capital equipment replacement and for modifications that may become necessary for the optimal performance of the SWLS.

Each year the City evaluates the need to increase the annual assessment to ensure there are adequate funds to continue to provide proper operation, maintenance, and capital replacement of the storm water pumping facilities within Maintenance District No. 1. As part of this effort, no later than December 1, the Flood Control District is required to furnish the City with an itemized estimate of the cost to operate, maintain, and supplement the capital equipment replacement fund for the fiscal year commencing on the next July 1.

Should the capital equipment replacement fund be inadequate to cover unscheduled/emergency repairs, equipment replacement or modifications that are found to be necessary for the normal and safe performance of the Storm Water Lift Station (SWLS), the Flood Control District will provide the City with written notice of the need for additional funding.

Currently there are not sufficient funds to replace the Maintenance District No. 1 capital facilities when they reach the end of their useful lives.

Legislative Analysis

Proposition 218 Compliance

On November 5, 1996, California voters approved Proposition 218 entitled "Right to Vote on Taxes Act," which added Articles XIII C and XIII D to the California Constitution. While its title refers only to taxes, Proposition 218 established new procedural requirements for the formation and administration of assessment districts.

Proposition 218 stated that any existing assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems, or vector control on or before November 6, 1996, shall be exempt from the procedures and approval process of Proposition 218, unless the assessments are increased. Maintenance District No. 1 imposes an assessment exclusively for flood control and drainage improvements.

Proposition 218 defines increased, when applied to an assessment, as a decision by an agency that does either of the following:

- Increases any applicable rate used to calculate the assessment.
- Revises the methodology by which the assessment is calculated, if that revision results in an increased amount being levied on any person or parcel.

The formation methodology used to calculate the MBA that could be levied in any given year allows the MBA from the prior year to be increased by the prior year's change in the Consumer Price Index. Therefore, based upon the review of the City Attorney, imposing the assessment adjustment each year based upon the prior year's increase in the Consumer Price Index does not require Proposition 218 proceedings.

Noticing, Public Comment, and Public Hearing

Noticing and information regarding this report were provided via the following methods: 1) a notice was mailed to all affected property owners to provide detail of their recommended FY 2024 assessment rate and to alert them to three community meetings where they could provide input (May 31, June 6, June 27); and 2) published a legal notice in the East Bay Times on or before June 17, 2023.

On June 27, 2023, the City is proposing to hold a public hearing to provide an opportunity for any interested person to be heard. After the public hearing, the Council may adopt a resolution setting the annual assessment amounts as originally proposed or as modified. Following the adoption of this resolution, the final assessor's roll will be prepared and filed with the Alameda County Auditor's Office to be included on the FY 2024 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.

Plans and Specifications

Introduction

The annual Engineer's Report includes: (1) a description of the improvements to be operated, maintained, and serviced; (2) an estimated budget, (3) the maximum base assessment rate, and (4) a listing of the proposed collection rate to be levied upon each assessable lot or parcel.

Description of Improvements

The facilities, which have been constructed within the City of Hayward's Maintenance District No. 1 boundaries, and those which may be subsequently constructed, will be operated, maintained, and serviced and are generally described as follows:

The Stratford Village Storm Water Lift Station (SWLS):

- 2 - 15 H.P. Pumps
- 1 - 5 H.P. Pump
- 1 - 3 H.P. Dewatering Pump
- 1 - Generator
- 1 - Supervisory Control and Data Acquisition (SCADA) System
- 1 - Masonry Building to House the SCADA System and Generator

The operation and servicing of these facilities include but are not limited to personnel; electrical energy; materials, including diesel fuel and oil; hazardous materials clean up; and appurtenant facilities as required to provide sufficient run-off capacity.

Maintenance means the furnishing of services and materials for the ordinary and usual operations, maintenance, and servicing of the SWLS, including repair, removal or replacement of all or part of any of the SWLS.

Fiscal Year 2024 Estimate of Cost and Budget

Estimate of Costs

Chapter 10, Article 10, Section 10-10.25 of the Hayward Municipal Code and as supplemented by the provisions of Chapter 26 of Part 3 of Division 7 of the Streets and Highways Code of the State of California provides that the total cost of operation, maintenance and servicing of the storm drainage improvements and storm water pumping station can be recovered by the District. Incidental expenses including administration of the District, engineering fees, legal fees and all other costs associated with these improvements can also be included.

Tract No. 6472, 6560, 6682, 6683 & 6682

Formed: June 6, 1995

Resolution Number: 95-103

FY 2024

Maximum Base Assessment Rate: **\$243.92**

Assessment Amount per Parcel: **\$243.92**

Number of Parcels: **174**

Assessment Income: **\$42,442.08**

The following is an overview of the FY 2024 assessment district:

- **Maximum Base Assessment (MBA) Rate:** is unchanged from the original amount of \$243.92 per parcel, set when the District was created.
- **Annual CPI increase:** the maximum base assessment amount cannot be increased annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2024 amount needed to operate and maintain the facilities and contribute to the capital reserve is: \$42,442.08.
- **Annual assessment charge:** each of the 174 parcels shall be apportioned an equal share of the total assessment for this zone as the special benefit derived by the individual parcels is indistinguishable from each other. The FY 2024 per parcel charge will remain the same as the FY 2023 amount of \$243.92 per parcel. This amount is at the maximum base assessment and is sufficient for maintaining levels of service and for keeping a reserve balance.
- **Proposition 218:** Future increases in the assessment amount above the MBA amount would require the noticing and balloting of property owners per the requirements of Proposition 218.

Alameda County Maintenance Contract, Facility Evaluation, & SCADA Upgrade

In 2018, the County informed the City of the study, the estimated costs, and the need to repair and replace the infrastructure. The total proposed cost estimate from Alameda County was presented to the City in 2020, totaled \$461,699. To date, \$87,597 of that amount has been paid to the County, depleting the District's capital reserve account. An additional payment of \$36,613 was made in FY 2021 to cover the second consultant fee. In February 2021, the County presented a third consultant invoice to the City for \$42,281, increasing the total project cost to \$503,980.

To complete the recommended project scope, an outstanding amount of \$379,770 is required. To fund this outstanding amount, a Proposition 218 assessment balloting was conducted to propose an increase to the annual assessment and adding an annual cost-of-living adjustment mechanism to upgrade and restore this neighborhood's flood control infrastructure to the condition, efficiency, reliability, and effectiveness that was originally intended.

On June 22, 2021, the City Council conducted a public hearing to tabulate property owner ballots regarding formation and levying of assessments for the Stratford Village Flood Control Facilities Improvement Assessment District (MD1-2021). The tabulation resulted in a majority protest in opposition to the proposed assessment; therefore, the assessment was not imposed. As a result, the District remains underfunded and the needed capital improvements will not be made at this time. City staff will continue to work with Alameda County Flood Control District on solutions for the long-term solvency of the District. In addition to working with the County, staff is considering all remedies available to ensure that district assessments can adequately fund current and future maintenance, operation and capital repairs as was designed when the District was created. As part of this work, staff will lead a series of additional community meetings with a focus on community education that culminates with another Prop 218 election. To ensure the long-term fiscal and operational stability of the District, the City will consider other options, up to and including dissolution, if the election is unsuccessful.

Figure 1 – 2024 Estimate of Cost

City of Hayward
 Maintenance District No. 1 - Pacheco Wy., Stratford Rd., Russ Ln., & Ward Crk.
 Fund 270, Project 3745
 Established 1993, 174 Parcels

	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Proposed
Assessment				
a. <i>Maximum Base Assessment Amount</i>	243.92	243.92	243.92	243.92
b. <i>Annual Per Parcel Assessment</i>	243.92	243.92	243.92	243.92
c. <i># of Parcels</i>	174	174	174	174
d. Total Amount Assessed for the District:	42,442	42,442	42,442	42,442
Income				
a. <i>Annual Assessment Revenue</i>	42,647	42,910	42,442	42,442
b. <i>Minus County Tax Collection Fee (1.7%)</i>	(722)	(722)	(722)	(722)
c. <i>Other</i>	92	-	-	-
d. Total Revenue:	42,017	42,188	41,721	41,721
Services				
a. <i>Utilities: PGE</i>	1,680	2,390	2,461	2,535
b. <i>Pump Station O&M - ACFCO</i>	54,613	42,281	43,549	44,856
c. <i>Proposition 218</i>	-	27,500	-	-
d. <i>Property Owner Noticing</i>	-	-	103	106
e. <i>Annual Reporting</i>	553	1,012	1,032	1,063
f. <i>City Administration</i>	3,605	-	-	-
g. Total Expenditures:	60,451	73,183	47,146	48,560
Account Balance				
a. <i>Beginning Account Balance</i>	28,780	10,345	(20,649)	(26,075)
b. <i>Net Change (Revenue - Expenditures)</i>	(18,434)	(30,995)	(5,425)	(6,840)
c. Ending Account Balance:	10,345	(20,649)	(26,075)	(32,915)

Method of Apportionment

Chapter 10, Article 10, Section 10-10.25 of the Hayward Municipal Code and as supplemented by the provisions of Chapter 26 of Part 3 of Division 7 of the Streets and Highways Code of the State of California permits the establishment of assessment districts by agencies to finance the maintenance and operation of drainage and flood control services, which include the operation, maintenance, and servicing of pump stations.

Proposition 218 requires that maintenance assessments must be levied according to benefit rather than according to assessed value. In addition, Article XIID, Section 4(a) of the California Constitution limits the amount of any assessment to the proportional special benefit conferred on the property.

Because assessments are levied on the basis of benefit, they are not considered a tax, and, therefore, are not governed by Article XIII A of the California Constitution.

Article XIID of the California Constitution provides that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements, and rights-of-ways.

The land uses within Maintenance District No. 1 consist of 174 residential parcels and one park parcel. These parcels receive a special benefit in that the pumping station and the storm drains protect the residential parcels and park parcel from storm water flooding. Even though there are only minor structures located on the park parcel it does receive special benefit from flood control improvements and services.

It is estimated that all residential and park parcels derive similar benefits from the flood control improvements and services, therefore the method for spreading the annual costs is on a per parcel basis.

The projected Fiscal Year 2024 maintenance and operation are estimated to be \$48,560. The expense does not include the deposit of funds into a capital replacement fund. The collection rate for Fiscal Year 2024 will be at the maximum assessment rate of \$243.92 per parcel.

Assessment

WHEREAS, the City Council of the City of Hayward, County of Alameda, California, Pursuant to Chapter 26 of Part 3 of Division 7 of the Streets and Highways Code of the State of California, and Chapter 10, Article 10, Section 10-10.25 of the Hayward Municipal Code, and in accordance with Resolution No. 23-136, preliminarily approving the Engineer's Report, as adopted by the City Council of the City of Hayward, on June 6, 2023, and in connection with the proceedings for;

WHEREAS, said Resolution directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the Assessment District and an assessment of the estimated costs of the improvements upon all assessable parcels within the Assessment District, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me and the order of the City Council of the City of Hayward, hereby make the following assessments to cover the portion of the estimated cost of Improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

As required, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of the Assessment District. The distinctive number of each parcel or lot of land in the Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of the Improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said Assessment District, in accordance with the special benefits to be received by each parcel or lot from the improvements, and more particularly set forth in the Estimate of Costs and Method of Assessment hereto attached and by reference made a part hereof.

The assessments are made upon the parcels or lots of land within Assessment District, in proportion to the special benefits to be received by the parcels or lots of land, from the Improvements.

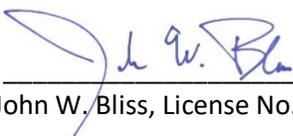
Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Alameda for the fiscal year 2024. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of the County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2024 for each parcel or lot of land within said Maintenance District No. 1.

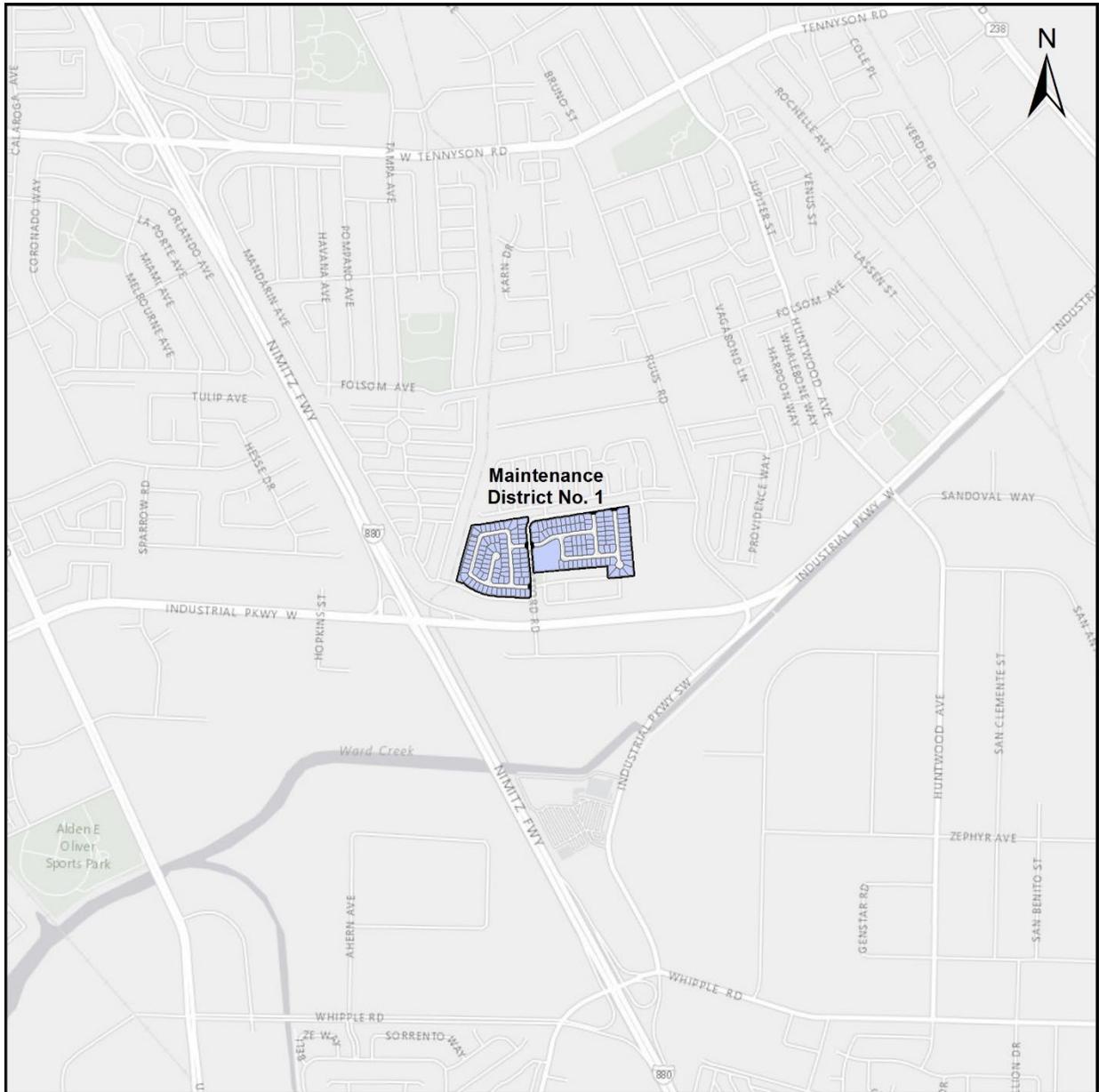
Dated: June 8, 2023



Engineer of Work

By 
John W. Bliss, License No. C052091

Vicinity Map

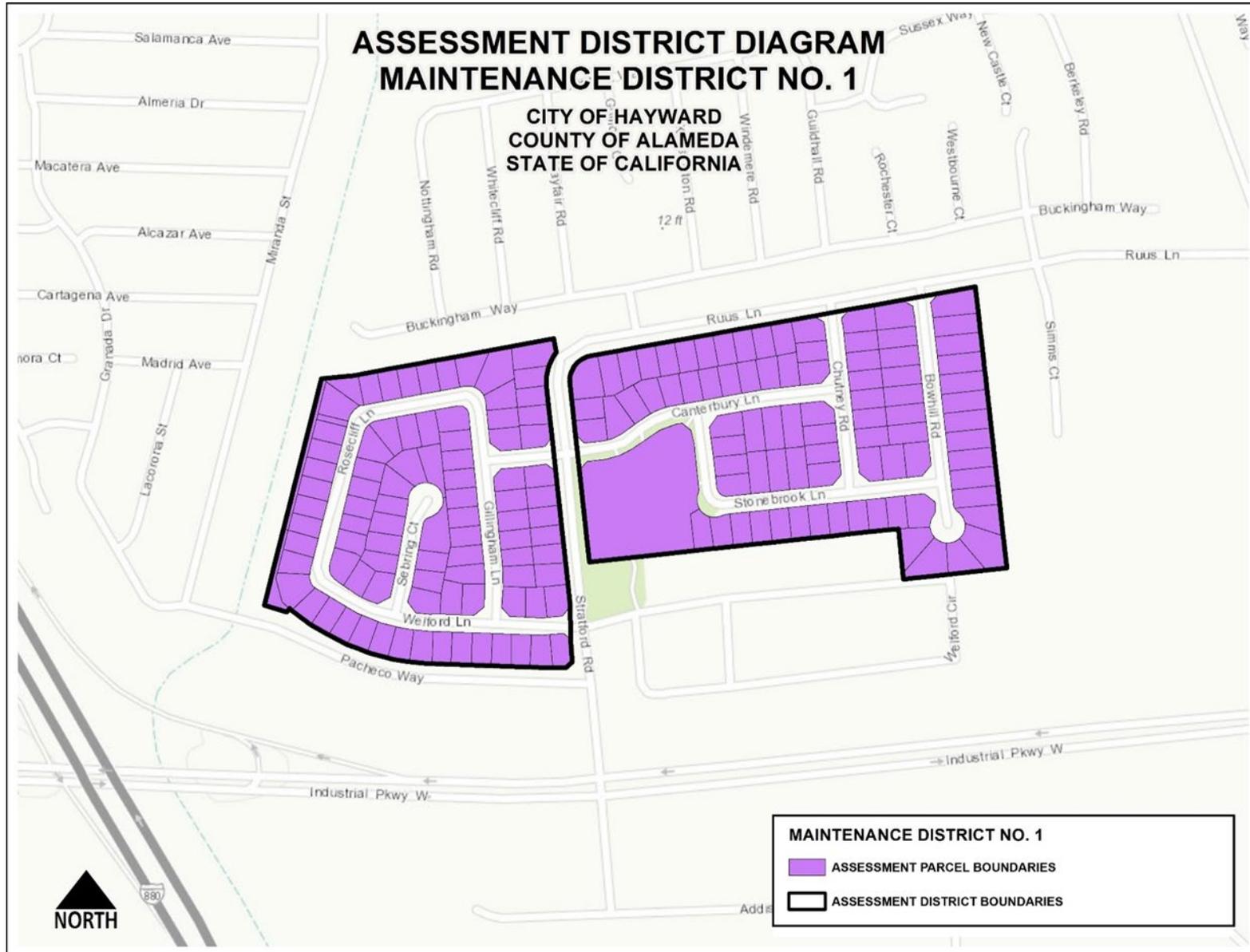


Assessment Diagram

The boundary of the City of Hayward's Maintenance District No. 1 is on file in the Office of the Hayward City Clerk and is incorporated in this report on page 13.

A detailed description of the lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of Alameda for Fiscal Year 2024.

For additional information as to the bearings, distances, monuments, easements, etc. of subject subdivisions, reference is hereby made to Final Tract Maps No. 6472, 6560, 6682 and 6683 filed in the Office of the Recorder of Alameda County.



Appendix A - Assessment Roll

A list of names and addresses of the owners of all parcels within the City of Hayward's Maintenance District No. 1 are shown on the last equalized Property Tax Roll of the Assessor of the County of Alameda. This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll on file in the Office of the Hayward City Clerk.