



DATE: January 17, 2017

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT Public Hearing to Consider the Formation of Benefit Zone No. 15 of the City of Hayward Landscaping and Lighting Assessment District No. 96-1 for the Cadence Development in the South Hayward BART Area, and to Order the Levy of Assessments for Fiscal Year 2018

RECOMMENDATION

That the City Council:

1. Holds a public hearing for the proposed formation of Benefit Zone No. 15 of the City of Hayward Landscaping and Lighting Assessment District No. 96-1 for the Cadence Development;
2. After conclusion of the public input portion of the public hearing, closes the balloting period and directs the City Clerk to tabulate ballots received and announce results; and
3. If a majority protest does not exist, adopts the attached Resolution (Attachment II).

SUMMARY

The Engineer's Report for the formation of Benefit Zone No. 15 to the City's Landscaping and Lighting District No. 96-1 ("District") for the Cadence Property ("Assessment Area") is included as Attachment III and includes the following information: (1) an estimated budget for the Assessment Area; (2) a description of the improvements to be operated, maintained, and serviced by Benefit Zone No. 15 of the District; (3) special Benefits section including the General Benefit calculation and methodology; and (4) the assessment apportionment and list of the assessments proposed to be levied upon each assessable parcel within the Assessment Area. As indicated in Attachment III, the total FY 2018 maintenance and management costs for the Cadence Development public park are anticipated to total \$49,210, equating to a \$238.88 assessment per residential unit.

BACKGROUND

The Landscaping and Lighting Act of 1972 (Streets and Highways §22500) is a flexible tool used by local government agencies to form Landscaping and Lighting Districts for the purpose of financing the costs and expenses of operating, maintaining and servicing landscaping (including parks) and lighting improvements in public areas.

In 1996, six (6) separate Landscaping and Lighting Districts, Benefit Zones 1-6, were consolidated into one district, Consolidated Landscaping and Lighting District No. 96-1 (the District), by the adoption of Resolution No. 96-63. In subsequent years, Benefit Zones 7-14 were individually created and annexed into the District, including Benefit Zone No. 14 that was annexed to the District in June of this year.

The City Council approved a master plan, including a General Plan Amendment and Rezone, for the South Hayward BART station area in March of 2009, and approved a subsequent amendment, including rephrasing of the master plan, in 2011. A Precise Plan was approved for the master development by the Planning Commission in 2012. Also, an Owner Participation Agreement (OPA) and several other agreements were executed between the City of Hayward, Eden Housing, and the original project developers in 2012. Section 5.17 of that OPA requires that a Park Maintenance District, or new zone to the City's Landscape Lighting and Assessment District, be formed prior to issuance of a certificate of occupancy for the Amcal Housing (market rate) development. Staff expects a certificate of occupancy to be requested with final inspections in February of next year.

The City approved the park improvement plans on September 25, 2014. The park construction is currently underway and is anticipated to be complete by February 2017.

On October 7, 2016, SCI Consulting Group (Consultant) was hired to assist the City of Hayward with the formation and/or annexation of benefit zones to the District.

The Cadence Property, developed by Amcal Housing (Amcal) and subject to an Owner Participation Agreement (OPA), consists of a 206-unit rental complex (constructed on the property owned by Amcal) and a public park (constructed on adjacent property owned by the City). The Conditions of Approval for the South Hayward BART TOD Project (Planned Development District No. PL-2008-0547 PD) have been modified by the City in response to proposed project revisions, including but not limited to technical revisions made in response to the proposed rephrasing and minor modification of the South Hayward BART TOD Project issued on June 8, 2011, and pursuant to Resolution No. 11-140 adopted on July 26, 2011.

The current Conditions of Approval require the construction of specified park improvements on the adjacent City owned parcel and the adoption of a landscape lighting and assessment district, or park maintenance district, to pay for the maintenance of the park. The formation of Benefit Zone No. 15 of the District is proposed to provide funding for the maintenance and improvements to the public park serving the development, in compliance with the Conditions of Approval and in satisfaction of Section 5.17 of the OPA. As indicated on pages 6-7 of the attached Engineer's Report, improvements include all work associated to maintain improvements, landscaping, irrigation and lighting in the Public Park. Landscaping consists of the care for groundcover, shrubs, trees, weed abatement in planted areas, upkeep and servicing of the irrigation system, and utility costs to service the landscaping. Additionally, work includes maintenance of the play structure and exercise equipment, signs, benches, trash receptacles, and all other amenities within the Public Park. Maintenance also includes graffiti removal, renovations and replacements.

Section 8.12 of the OPA also established a procedure associated with the Developer maintaining the park. In summary, the Developer shall submit an annual Park Maintenance Plan for City review and approval which would set forth a budget, description of maintenance activities, and the schedule and process for reimbursement of maintenance costs incurred for the following fiscal year. Only upon City approval each year of the Park Maintenance Plan would the Developer be allowed to maintain the park. The OPA also states that, upon Default under the Park Maintenance Plan, the City may take over and perform the maintenance duties and obligations for the Park and to use any funds collected by the District for such purpose.

DISCUSSION

On December 6, 2016, the City Council approved the resolution preliminarily approving the Engineer's Report and levy of assessment for FY 2018, and set the public hearing for January 17, 2017. This was the first step in the formation of Benefit Zone No. 15 of the City of Hayward Landscaping and Lighting Assessment District No. 96-1 for the Cadence property. This is the final step, to hold the public hearing and approve the Engineer's Report, confirming the diagram of assessment that shows all the properties that are included in the Assessment Area.

The purpose of this public hearing is to give all interested parties the opportunity to hear and provide comments regarding the proposed assessments and assessment ballot proceeding. In addition, the balloting period officially closes at the conclusion of the public input portion of this public hearing.

Following the close of the public input portion of the public hearing, City Council may direct the City Clerk to commence tabulation of all valid ballots that were received prior to the close of the public input portion of the public hearing. There currently is one property owner for the Assessment Area, being Amcal.

After tabulation is complete, City Council may consider — provided a majority protest does not exist — adopting a resolution to levy the assessment for FY 2018.

The attached Engineer's Report identifies costs and methodology used to identify special and general benefits, along with the assessment per unit.

FISCAL IMPACT

There is no fiscal impact to the General Fund. Expenditures related to maintenance of the public park will be paid by the District Benefit Zone No. 15 fund account.

SUSTAINABILITY FEATURES

There are no sustainability features associated with this action, which is essentially an action to establish a funding source for maintenance of a public park.

PUBLIC CONTACT

A meeting with a representative of Amcal was held on October 12, 2016 to discuss the timing and scheduling of the formation of Benefit Zone No. 15. At the meeting, staff was available to explain the Benefit Zone's responsibilities and the Amcal representative, as the sole property owner, was given the opportunity to ask questions regarding the timing of the formation.

NEXT STEPS

Should the City Council adopt the attached resolution, it will order the levy and the confirmation of the diagram and assessments prepared by and made a part of the attached Engineer's Report to pay the costs and expenses thereof.

Upon the adoption of the attached resolution, but in no event later than the second Monday in August, the Council shall file a certified copy of the assessments and a certified copy of this resolution with the Auditor of the County of Alameda. Upon such filing, the County Auditor shall enter on the County assessment roll opposite each lot or parcel of land the amount of assessment thereupon as shown in the assessment roll. The assessments shall be collected at the same time and in the same manner as County taxes are collected and all laws providing for the collection and enforcement of County taxes shall apply to the collection and enforcement of the assessments. After collection by the County, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to shall be paid to Benefit Zone No. 15 of the Landscaping and Lighting Assessment District 96-1 of the City of Hayward.

Prepared by: Allen Baquilar, PE, Development Review Engineer

Recommended by: David Rizk, AICP, Development Services Director

Approved by:



Kelly McAdoo, City Manager