



CITY OF HAYWARD
CONSOLIDATED LANDSCAPING AND LIGHTING
ASSESSMENT DISTRICT No. 96-1

PRELIMINARY ENGINEER'S REPORT

FISCAL YEAR 2018

JUNE 2017

PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972
AND ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

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INTRODUCTION

OVERVIEW

In 1996 there were six (6) separate Landscaping & Lighting Assessment Districts throughout the City of Hayward. On May 7, 1996, Landscaping & Lighting Assessment District No. 96-1 ("Assessment District" or "District") was formed which consolidated each of the assessment districts and designated them as six (6) separate zones of benefit. From FY 1998 through FY 2017, Benefit Zones No. 7 through No. 16 were annexed to Landscaping & Lighting Assessment District No. 96-1. Each zone of benefit has a separate budget pertaining to its respective improvements being maintained, but the administrative costs for the preparation of the Engineer's Report, Council Reports, Resolutions, etc. are shared proportionately among the zones.

To ensure the proper flow of funds for the ongoing operation, maintenance, and servicing of improvements that were constructed as a condition of development within various subdivisions, the City Council, through the Landscaping and Lighting Act of 1972 (1972 Act), formed the City of Hayward Landscaping and Lighting Assessment District No. 96-1. The 1972 Act also permits the creation of benefit zones within any individual assessment district if "by reasons or variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement" (Sec. 22547). Therefore, because there are varying degrees of benefit within the various subdivisions, the City Council established sixteen (16) benefit zones.

BENEFIT ZONES ASSESSMENT OVERVIEW

The following table summarizes the number of parcels per benefit zone, as described throughout this report. The item on the bottom of the table represent new annexations/zones. These are listed here for reference only, as details of these additions are presented as new City Council actions.

TABLE 1- DESCRIPTION OF EXISTING BENEFIT ZONES

TABLE 1: DESCRIPTION OF EXISTING BENEFIT ZONES				
A	B	C	D	E
Zone	Name/Location	Year Formed	Type of Development	Number of Assessed Parcels
Current Assessments - Year Formed and Number of Parcels Per Zone				
1	Huntwood Ave. & Panjon St.	1990	Residential	30
2	Harder Rd. & Mocine Ave.	1991	Residential	85
3	Prominence	1992	Residential	155
4	Stratford Village	1995	Residential	174
5	Soto Rd. & Plum Tree St.	1995	Residential	38
6	Pepper Tree Park	1982	Industrial	11
7	Twin Bridges	1998	Residential	348
8	Capitola St.	1999	Residential	24
9	Orchard Ave.	2000	Residential	74
10	Eden Shores- Residential	2003	Residential	534
11	Stonebrae Country Club	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
Total Assessed Parcels:				3,027
New Benefit Zones/Annexations for FY 2018 - For Reference ONLY				
15	Cadence	2017	Residential	206
Total Assessed Parcels:				206

Note: Shaded items are new annexation/zones with assessments established by way of separate City Council reports presented in January 2017. These items are presented here for reference only.

LEGISLATIVE ANALYSIS

PROPOSITION 218 COMPLIANCE¹

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 establishes new procedural requirements for the formation and administration of assessment districts. These new procedures stipulate that even if assessments are initially exempt from Proposition 218, future increases in assessments must comply with the provisions of Proposition 218. However, if the increase in assessment was anticipated in the assessment formula (e.g., to reflect the CPI or an assessment cap) then the City would be in compliance with the provisions of Proposition 218 if assessments did not exceed the assessment formula. The FY 2018 assessments proposed within the Engineer's Report are equal to or less than the maximum base assessment amount authorized; therefore, the vote requirements of Section 4 of Article XIII D do not apply to these proceedings.

Automatic CPI Increase – Eleven of sixteen benefit zones (3, 7-16) have an allowance within their respective assessment formulas to increase their maximum base assessment amount based upon the change in the prior year's CPI. The CPI for benefit zones (3, 7-13) which is used for this calculation is the **CPI for Urban Wage Earners and Clerical Workers within the San Francisco-Oakland-San Jose Area**², as published by the Bureau of Labor and Statistics on a bi-monthly basis (CPI-U). For those benefit zones with CPI Index adjustments, the CPI-U increase from **February 2016 to February 2017** was **3.40%**, therefore the maximum base assessment amounts have been increased by the same percentage for FY 2018. The CPI for benefit zones (12 annexation, 14-16) which is used for this calculation is the **CPI for Urban Wage Earners and Clerical Workers within the San Francisco-Oakland-San Jose Area**³, as published by the Bureau of Labor and Statistics on a bi-monthly basis (CPI-U) and is **capped at 3.00%** per fiscal year. Any change in the CPI in **excess of 3.00%** shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment rate in years in which the CPI is less than 3.00%. For those benefit zones with CPI Index adjustments, the CPI-U increase from **December 2015 to December 2016** was **3.53%**, therefore the maximum base assessment amounts have been increased by 3.00% for FY 2018, and **0.53%** will be cumulatively reserved. Future CPI increases in the maximum base assessment amount **do not** require the noticing and balloting of property owners per the requirements of Proposition 218.

¹ http://www.lao.ca.gov/1996/120196_prop_218/understanding_prop218_1296.html

² https://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUURA422SA0,CUUSA422SA
(Feb 2016 to Feb 2017)

³ https://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUURA422SA0,CUUSA422SA
(Dec 2015 to Dec 2016)

PLANS & SPECIFICATIONS

INTRODUCTION

As required by the Landscaping and Lighting Act of 1972, the annual Engineer's Report includes: (1) a description of the improvements to be operated, maintained and serviced, (2) an estimated budget, and (3) a listing of the proposed assessment amount for each assessable lot or parcel.

MAXIMUM BASE ASSESSMENT VERSUS ANNUAL CHARGE

The following table summarizes assessment information by zone. **Fifteen** of the sixteen benefit zones are proposed to be levied **below** their maximum base assessment amount (1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16), while **one** benefit zone is proposed to be levied **at its maximum** base assessment amount (6). Table 2 below describes assessments by zone, if there is an annual CPI adjustment, the FY 2017 vs FY 2018 assessment, if there was an increase to the prior year's assessment, along with the maximum base assessment amount. The bottom of the table represents new annexations or zones that are being presented to the City Council in separate reports.

TABLE 2- ASSESSMENT AMOUNTS PER BENEFIT ZONE

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
Current Assessments							
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 ^(1,2)	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	INCR	\$0.00
14 ⁽³⁾	La Vista (Developed/Undeveloped)	Yes	\$607.42 / \$182.23	\$176.92	\$15.00	DECR	-\$161.92
16 ⁽⁴⁾	Blackstone (Zone A - Developed/Undeveloped)	Yes	\$420.10/ \$126.03	\$122.36	\$315.00 / \$95.00	DECR	N/A / -\$27.36
16 ⁽⁵⁾	Blackstone (Zone B - Developed/Undeveloped)	Yes	\$441.10 / \$132.33	\$128.48	\$99.75	DECR	-\$28.73
New Benefit Zone for FY 2018 - For Reference ONLY							
15 ⁽⁶⁾	Cadence	Yes	\$589.73	\$0.00	\$0.00	No Chg	N/A

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

PUBLIC COMMENT:

In order to receive public comment, City staff 1) mailed a notice to property owners to let them know of the May 30 community input meeting and two Council dates; 2) held a community input meeting on May 30, and 3) conducted an online survey to measure maintenance satisfaction.

The City of Hayward is proposing to hold a public hearing on June 27, 2017, to provide an opportunity for any interested person to be heard. At the conclusion of the public hearing, the City 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 County Auditor's office to be included on the FY 2018 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.

DESCRIPTION OF IMPROVEMENTS

The facilities, which have been constructed within the City of Hayward, and those which may be subsequently constructed, will be operated, maintained and serviced as generally described as follows:

The improvements consist of the construction, operation, maintenance, rehabilitation, and servicing of landscaping, street lighting, open space facilities, parks, trails, and appurtenant (pertaining to something that attaches) facilities including but not limited to; personnel, electrical energy, utilities such as water, materials, contractual services, and other items necessary for the satisfactory operation of these services and facilities as described below:

Landscaping Facilities - Landscaping facilities consist of, but are not limited to: operation, maintenance and servicing of landscaping, irrigation, planting, shrubbery, ground cover, trees, pathways, hardscapes, decorative masonry and concrete walls, fountains, bus shelters, entry gate structures, graffiti removal, fences, and other appurtenant facilities required to provide landscaping within the public rights-of-way and easements within the boundaries of the Assessment District.

Street Lighting Facilities - Street lighting facilities consist of, but are not limited to: operation, maintenance and servicing of poles, fixtures, bulbs, conduits, equipment including guys, anchors, posts and pedestals, metering devices and other appurtenant facilities within the public rights-of-way and easements within the boundaries of the Assessment District.

Open Space Facilities - Open space facilities consist of, but are not limited to: operation, maintenance and servicing of drainage areas, creeks, ponds, etc. including the removal of trash and debris, sediment, natural and planted vegetation and other appurtenant facilities within the public rights-of-way and easements within the boundaries of the Assessment District.

Park/Trail Facilities - Park/Trail facilities consist of, but are not limited to: operation, maintenance and servicing of landscaping, irrigation systems, pedestrian access, asphalt bike pathways, parkways, and the removal of trash and debris, rodent control, used for the support of recreational programs and other appurtenant facilities within the public rights-of-way and easements within the boundaries of the Assessment Districts.

Maintenance means the furnishing of services and materials for the ordinary and usual operation, maintenance and servicing of the landscaping, public lighting facilities and appurtenant facilities, including repair, removal or replacement of all or part of any of the landscaping, public lighting facilities or appurtenant facilities; providing for the life, growth, health and beauty of the landscaping improvements, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; and the removal of trimmings, rubbish, debris and other solid waste; the cleaning, sandblasting, and painting of street lights and other improvements to remove graffiti.

Zone 1 (Huntwood Ave. & Panjon Street)

Tract No. 06041

Formed: November 13, 1990

Resolution Number: 90-256

30 Parcels

FY 2018 Assessment Amount per Parcel: **\$183.75**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** is **unchanged** from the original amount of **\$295.83** per parcel, set when the zone was created in 1990.
- **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 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$5,512.50**.
- **Annual assessment charge:** each of the **30** 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 2018 per parcel charge **will increase** from the FY 2017 amount of **\$175.00** to **\$183.75** for FY 2018. This amount is below the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Reason for assessment increase:** The assessment rate for FY 2018 is recommended to be **increased** based on the City's analysis of the financial stability of the zone. The recommended assessment rate for FY 2018 will generate revenues that are adequate to pay for the expected level of maintenance, and to also maintain a prudent capital reserve.
- **Proposition 218:** Future increases in the assessment amount **above** the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, **\$3,000** has been budgeted for 1) replacement of wood chips. If additional work occurs in FY 2018, it would be funded through capital reserves.

The following is a detailed description of the improvements that are being operated, maintained, and serviced throughout the benefit zone:

- **Landscaping and irrigation:** includes an 8-foot-wide landscaped strip along Huntwood Ave. within a landscape easement; and
- **Surface maintenance of the street side:** of a 600-foot masonry wall along Huntwood Ave. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair.
- *The ownership and responsibility of the masonry wall as a structure remains with the individual property owners.*

FY 2018 Budget
Zone 1 - Huntwood Ave. & Panjon St.
Fund 266, Project 3740

Budget Detail	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 EOY Est	FY 2018 Proposed
Income					
a. Annual Assessment Revenue	7,969	7,969	5,250	5,250	5,513
b. Minus County Tax Collection Fee (1.7%)	(135)	(135)	(89)	(89)	(94)
c. Adjustment for Delinquencies	42	(118)	-	-	-
d. Other	-	-	-	75	75
Total Revenue:	7,876	7,716	5,161	5,236	5,494
Services					
a. Utilities: Water	345	777	998	500	505
b. Utilities: PGE	202	244	284	250	253
c. Landscape Maintenance	1,620	1,620	1,701	1,620	1,636
d. One-time Maintenance	568	-	500	-	3,000
e. Irrigation Repair	-	-	-	500	505
f. Property Owner Mtg/Legal Noticing	39	41	95	149	150
g. Annual Reporting	2,209	560	800	800	808
h. City Staff	6,873	1,719	2,060	2,060	2,081
Total Expenditures:	11,856	4,960	6,438	5,879	8,938
<i>Net Change</i>	<u><i>(3,980)</i></u>	<u><i>2,756</i></u>	<u><i>(1,277)</i></u>	<u><i>(643)</i></u>	<u><i>(3,444)</i></u>
Beginning Fund Balance	23,703	19,723	22,480	22,480	21,836
<i>Change</i>	<u><i>(3,980)</i></u>	<u><i>2,756</i></u>	<u><i>(1,277)</i></u>	<u><i>(643)</i></u>	<u><i>(3,444)</i></u>
Ending Fund Balance	19,723	22,480	21,202	21,836	18,393
Fund Balance Designations					
Operating Reserve ¹	3,938	3,938	3,938	3,938	3,938
Capital Reserve ²	<u>15,785</u>	<u>18,542</u>	<u>17,264</u>	<u>17,899</u>	<u>14,455</u>
Total Fund Balance	19,723	22,480	21,202	21,836	18,393
Maximum Base Assessment Amount Per Parcel	295.83	295.83	295.83	295.83	295.83
Annual Parcel Assessment	265.64	265.64	175.00	175.00	183.75
# of Parcels	30	30	30	30	30
Total Amount Assessed for the District	7,969.20	7,969.20	5,250.00	5,250.00	5,512.50

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 2 (Harder Road & Mocine Avenue)

Tract No. 6042
Formed: July 25, 1991
Resolution Number: 91-137
85 Parcels

FY 2018 Assessment Amount per Parcel: **\$153.58**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** is **unchanged** from the original amount of **\$193.39** per parcel, set when the zone was created in 1991.
- **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 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$13,054.30**.
- **Annual assessment charge:** each of the **85** 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 2018 per parcel charge **will remain the same** as the FY 2017 amount of **\$153.58** per parcel. This amount is **below** the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Proposition 218:** Future increases in the assessment amount **above** the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, **\$3,000** has been budgeted for 1) tree trimming. If additional work occurs in FY 2018, it would be funded through capital reserves.
- Note: In prior years, the landscape area received limited watering which resulted in trees and plants dying. The area was replanted in FY 2016 and water usage increased to sustain the new planting.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

- **Landscaping and irrigation:** includes the area between the sidewalk and wall along Harder Road and Mocine Ave. within a landscape easement;

- **Surface maintenance of the street side:** maintenance of a 1,000-foot-long masonry wall along Harder Road, Mocine Avenue, and a segment of Sunburst Drive. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair; and
- **Surface maintenance of wall:** maintenance of an 800-foot-long masonry wall adjacent to the railroad tracks located on the southwest side of Tract No. 6042. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair.
- *The ownership and responsibility of the masonry walls as a structure remains with the individual property owners.*

FY 2018 Budget
Zone 2 - Harder Rd. & Mocine Ave.
Fund 267, Project 3741

Budget Detail	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 EOY Est	FY 2018 Proposed
Income					
a. Annual Assessment Revenue	7,912	7,912	13,054	13,054	13,054
b. Minus County Tax Collection Fee (1.7%)	(135)	(135)	(222)	(222)	(222)
c. Adjustment for Delinquencies	23	143	-	-	-
d. Other	-	-	-	-	-
Total Revenue:	7,800	7,921	12,832	12,832	12,832
Services					
a. Utilities: Water	2,272	4,851	4,270	2,400	2,424
b. Utilities: PGE	127	126	146	135	136
c. Landscape Maintenance	1,620	1,620	1,701	1,620	1,636
d. One-Time Project/Maintenance	-	-	500	500	3,000
e. Irrigation Repair	-	-	-	-	500
f. Property Owner Mtg/Legal Noticing	47	116	269	200	202
g. Annual Reporting	2,532	560	800	800	600
h. City Staff	1,973	1,499	2,060	2,060	2,081
Total Expenditures:	8,571	8,773	9,746	7,715	10,579
<i>Net Change</i>	<u><i>(771)</i></u>	<u><i>(853)</i></u>	<u><i>3,086</i></u>	<u><i>5,117</i></u>	<u><i>2,253</i></u>
Beginning Fund Balance	6,086	5,315	4,463	4,463	9,580
<i>Change</i>	<u><i>(771)</i></u>	<u><i>(853)</i></u>	<u><i>3,086</i></u>	<u><i>5,117</i></u>	<u><i>2,253</i></u>
Ending Fund Balance	5,315	4,463	7,549	9,580	11,833
Fund Balance Designations					
Operating Reserve ¹	3,958	3,958	3,958	3,958	3,958
Capital Reserve ²	<u>1,357</u>	<u>504</u>	<u>3,591</u>	<u>5,622</u>	<u>7,875</u>
Total Fund Balance	5,315	4,463	7,549	9,580	11,833
Maximum Base Assessment Amount Per Parcel	193.39	193.39	193.39	193.39	193.39
Annual Parcel Assessment	93.08	93.08	153.58	153.58	153.58
# of Parcels	85	85	85	85	85
Total Amount Assessed for the District	7,911.80	7,911.80	13,054.30	13,054.30	13,054.30

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 3 (Prominence - Hayward Blvd. & Fairview Avenue)

Tract No. 4007
Formed: June 23, 1992
Resolution Number: 92-174
155 Parcels

FY 2018 Assessment Amount per Parcel: **\$824.16**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** was *increased* from the prior year's maximum base assessment amount of **\$871.03 to \$900.65** by applying CPI-U for the San Francisco-Oakland-San Jose MSA (**3.40%** for the period February 2016 to February 2017).
- **Annual CPI increase:** the maximum base assessment amount *does increase* annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$127,744.81**.
- **Annual assessment charge:** each of the **155** 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 2018 per parcel charge *will increase* from **\$797.06** in FY 2017 to **\$824.16** per parcel in FY 2018. This amount is *below* the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Reason for assessment increase:** The assessment rate for FY 2018 is recommended to be *increased* based on the City's analysis of the financial stability of the zone. The recommended assessment rate for FY 2018 will generate revenues that are adequate to pay for the expected level of maintenance, and to also maintain a prudent capital reserve.
- **Proposition 218:** Future increases in the assessment amount *above* the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, a budget of **\$80,000** has been allocated, as requested by the Landscape Committee, to continue landscape improvements including: 1) Spring and Fall plant replacement, 2) mulch replacement, and 3) irrigation upgrade. If additional work occurs in FY 2018, it would be funded through capital reserves.

The following is a detailed description of the improvements that are being operated, maintained, and serviced throughout the benefit zone:

- **Landscaping and irrigation:** includes approximately one mile of landscaped frontage along Hayward Blvd. and Fairview Ave., with significant slope areas along the street;
- **Surface maintenance of the sound wall (street side):** of a mile-long masonry wall along Hayward Blvd. and Fairview Ave. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair; and
- **Maintenance of several open space areas:** many are maintained within the tract; however, there are no funds budgeted for maintenance of the non-irrigated, non-landscaped open space areas.
- *The ownership and responsibility of the masonry sound wall as a structure remains with the individual property owners.*
- As part of the roadway modifications for the Stonebrae Development, the landscaped corner of Benefit Zone No. 3 at Hayward Blvd. and Fairview Blvd. was substantially reduced in size and modified. Concurrently, it was determined that the modified corner would provide a greater benefit for the residents of the Stonebrae Development than for the residents of Benefit Zone No. 3. This corner is a visually vital part of the Stonebrae entrance while the only benefit it provides the residents of Benefit Zone No. 3 is as a general streetscape improvement not normally seen by the residents. By mutual agreement of the Stonebrae developer and the members of the Prominence Landscape Committee (Benefit Zone No. 3), the corner was removed from Benefit Zone No. 3 and was assessed to the Stonebrae LLAD Benefit Zone (Benefit Zone No. 11). The Stonebrae developer modified the corner as necessary to separate the irrigation and plantings so that the residents of Benefit Zone No. 3 can be assured that they are not bearing any of the ongoing costs for the maintenance of this area.

History of Changes to Annual Assessment Amounts

- This zone was established in 1992 and the **maximum base assessment amount was set at \$328.82** per parcel without an escalation clause allowing for an annual increase based upon the prior year's change in the CPI.
- In FY 2004, a group of property owners formed a Landscape Committee for the purpose of addressing the substandard landscaping conditions that had arisen in Benefit Zone No. 3. The Landscape Committee developed a comprehensive landscape plan and presented the plan to City staff and property owners within Benefit Zone No. 3. After receiving City and property owner support, the Landscape

Committee proposed to increase assessments to fund the construction of additional landscape improvements and to increase the level of maintenance for the existing and proposed landscaping within Benefit Zone No. 3.

- In FY 2006 the City conducted a mailed ballot election to determine if there was sufficient support to increase assessments. The assessment increase was approved by a majority of the property owners who voted. Therefore, in FY 2006 the annual assessment amount per parcel was increased **from \$328.82 to \$1,023.56** per parcel (\$694.52/yr. for maintenance and \$329.04/yr. for capital improvements.) The maximum base assessment amount for the capital improvement portion was charged **for three (3) years only**, from FY 2006 thru 2008.
- Starting in FY 2009, the maximum base assessment amount for the maintenance component was set at **\$694.52**, and is increased annually based upon the prior year's change in the CPI for the San Francisco-Oakland-San Jose Area.

History of Capital Improvements

FY 2006: Bus Stop and Open Area across the Street on Fox Hollow Drive

- In the Bus Stop Area weeds were removed and the soil was amended and prepared for new plantings. Improvements in drainage were made. The existing sprinkler system was repaired and/or upgraded as necessary. Grass was planted in flat locations. Trees were replaced as needed. Bunch grasses and shrubs were planted on the slopes.
- In the Open Area across from the Bus Stop, weeds were removed and the soil was amended and prepared for new plantings. The existing sprinkler system was repaired and/or upgraded as necessary. Deer resistant, drought tolerant, low maintenance plants were planted on the flat area and down the slope. Low maintenance plants of various colors were used.

FY 2007: Open Area South of 28525 Fox Hollow Drive

- In the Open Area, weeds were removed and the soil was prepared for new plantings. The existing sprinkler system was repaired and/or upgraded as necessary. Deer resistant, drought tolerant, low maintenance plants were planted on the flat area and down the slope. Assorted low maintenance plants of various colors were also used.

FY 2008: Hayward Blvd., Fairview Drive & Barn Rock Drive

- In FY 2008, the Landscape Committee decided to spread the last phase of the capital replacements over two years in order to coordinate the Prominence improvements with planned work by the Stonebrae Development. During FY 2008 along Barn Rock Drive and Hayward Blvd, weeds were removed and the soil was

prepared for new plantings. The existing sprinkler system was upgraded as necessary. Deer resistant, drought tolerant, low maintenance plants were planted on the flat area and down the slope. Assorted low maintenance plants of various colors were also used.

FY 2009: Hayward Blvd., Fairview Drive & Barn Rock Drive

- In FY 2009 along Fairview Drive, weeds and dead trees and foliage were removed. The soil was amended and prepared for new trees and plants. Trees, bushes and ground cover were planted to fill in the bare areas around the perimeter of the development on both the flat and sloped areas. Deer resistant, drought tolerant, low maintenance plants of various colors was used. The existing sprinkler system was repaired and/or upgraded as necessary. In addition, large trees were planted along Fairview Drive to visually screen Prominence homeowners from Stonebrae homes. This work was funded by the Stonebrae Development.

FY 2011 - FY 2013: Irrigation Controller Upgrade Project

- Between FY 2011 through FY 2013, the existing sprinkler system was upgraded to provide a more water efficient/conservative system, which is intended to cut back on water waste and reduce the costs for annual maintenance.

FY 2013: Landscape Upgrade Projects

- In FY 2013, the following improvements were completed: 1) mulch placement; 2) bunch grass removal and replants, and sprinkler repair along Fox Hollow; and 3) cleanup, enhance irrigation and plants above the V-ditch along Hayward Blvd. as part of multi-year capital improvement project.

FY 2014: Landscape Upgrade Projects

- In FY 2014, the following improvements were completed: 1) entrance sign painting, 2) clean cobblestone drainage borders, 3) paint bus stop, 4) annual replanting, major mulching, and modify drip sprinkler lines.

FY 2015: Landscape Upgrade Projects

- In FY 2015, the following improvements were completed: 1) entrance sign painting, 2) cleaning cobblestone drainage borders, 3) Irrigation controller upgrades, 4) annual replanting, major mulching, tree removal, graffiti abatement and modify drip sprinkler lines.

FY 2016: Landscape Upgrade Projects

- In FY 2016, the following improvements were completed: 1) Irrigation controller upgrades, 2) irrigation retrofitting, and 3) annual replanting.

FY 2017: Landscape Upgrade Projects

- In FY 2017, the following improvements were completed: 1) install 3 dog stations, 2) irrigation retrofitting and repairs, 3) annual replanting, 4) Drainage for V-ditch on Hayward Blvd, and 5) Paint backflow cages and controller boxes.

FY 2018 Budget
Zone 3 - Hayward Blvd. & Fairview Ave.
Fund 268, Project 3742

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	Actual	Actual	Adopted	EOY Est	Proposed
Income					
a. Annual Assessment Revenue	121,241	122,555	123,544	123,544	127,745
b. Minus County Tax Collection Fee (1.7%)	(2,061)	-	(2,100)	(2,100)	(2,172)
c. Adjustment for Delinquencies	(2,221)	-	-	-	-
d. Other	-	-	-	600	400
Total Revenue:	116,959	122,555	121,444	122,044	125,973
Services					
a. Utilities: Water	29,832	24,557	24,748	24,748	24,995
b. Utilities: PGE	1,280	1,563	1,632	1,632	1,648
c. Landscape Maintenance	35,496	44,640	46,872	46,872	47,341
d. One-Time Project/Maintenance	30,774	30,190	30,100	-	10,000
e. Spring and Fall Planting	-	-	-	10,000	10,000
f. Tree Trimming	-	-	-	-	7,000
g. Mulch Replacement	-	-	-	-	41,000
h. Irrigation Upgrade and Repair	-	-	-	20,000	12,000
i. Property Owner Mtg/Legal Noticing	57	212	490	500	500
j. Annual Reporting	7,387	1,120	1,600	1,616	1,200
k. City Staff	3,948	3,696	5,150	5,650	5,202
Total Expenditures:	108,774	105,978	110,592	111,018	160,886
<i>Net Change</i>	<u><i>8,185</i></u>	<u><i>16,577</i></u>	<u><i>10,852</i></u>	<u><i>11,026</i></u>	<u><i>(34,913)</i></u>
Beginning Fund Balance	155,320	163,505	180,082	180,082	191,108
<i>Change</i>	<u><i>8,185</i></u>	<u><i>16,577</i></u>	<u><i>10,852</i></u>	<u><i>11,026</i></u>	<u><i>(34,913)</i></u>
Ending Fund Balance	163,505	180,082	190,934	191,108	156,195
Fund Balance Designations					
Operating Reserve ¹	58,479	61,277	60,722	61,022	62,987
Capital Reserve ²	<u>105,026</u>	<u>118,805</u>	<u>130,212</u>	<u>130,086</u>	<u>93,209</u>
Total Fund Balance	163,505	180,082	190,934	191,108	156,195
Maximum Base Assessment Amount Per Parcel	829.71	845.50	871.03	871.03	900.65
Annual Parcel Assessment	782.20	797.06	797.06	797.06	824.16
# of Parcels	<u>155</u>	<u>155</u>	<u>155</u>	<u>155</u>	<u>155</u>
Total Amount Assessed for the District	121,241.00	123,544.30	123,544.30	123,544.30	127,744.81

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 4 (Stratford Village - Pacheco Way, Stratford Road, Ruus Lane, Ward Creek)

Tract Nos. 6472, 6560, 6682 & 6683

Formed: May 23, 1995

Resolution Number: 95-96

174 Parcels

Annexed Tract No. 6682: January 23, 1996

FY 2018 Assessment Amount per Parcel: **\$145.20**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** is *unchanged* from the original amount of **\$180.00** per parcel, set when the zone was created in 1995.
- **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 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$25,264.80**.
- **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 2018 per parcel charge *will remain the same* as the FY 2017 amount of **\$145.20** per parcel. This amount is *below* the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Proposition 218:** Future increases in the assessment amount *above* the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, **\$5,000** has been budgeted for 1) tree and shrub trimming and 2) wood chip replacement. If additional work occurs in FY 2018, it would be funded through capital reserves.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

- **Landscaping and irrigation:** Approximately 21,000 square feet adjacent to the Ward Creek Bike Pathway, including an irrigation system with electrical controllers;

- **Median landscaping:** Approximately 2,100 square feet along Stratford Road and Ruus Lane;
- **Landscaping:** Approximately 7,500 square feet along Pacheco Way;
- **Landscaping, irrigation and appurtenances:** on the median island on Ruus Lane;
- **Surface maintenance of the street side** of a masonry wall along Pacheco Way and along the southern and eastern property boundaries. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair;
- **Asphalt bike pathway:** Approximately 2,100 linear feet adjacent to Ward Creek between Pacheco Way and Folsom Avenue, and bike path striping on pathway;
- **Chain link fencing:** approximately 50 linear feet of 4-foot-high black vinyl clad fencing at two locations between Ward Creek and the asphalt pathway;
- **Gate:** a 14-foot-wide entry gate structure, an 8-foot-wide swing gate, and a 12-foot-wide swing gate;
- **Bridge:** 32 linear feet of 8-foot-wide prefabricated steel bridge with wood deck; and
- **Pedestrian access:** between Rosecliff Lane and Ward Creek Pathway.
- *The ownership and responsibility of the masonry wall as a structure remains with the individual property owners.*

FY 2017: Landscape Upgrade Projects

- In FY 2017, the following improvements were completed: 1) Tree and shrub trimming.

FY 2018 Budget
Zone 4 - Stratford Village - Pacheco Wy., Stratford Rd., Russ Ln., & Ward Crk.
Fund 269, Project 3743

Budget Detail	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 EOY Est	FY 2018 Proposed
Income					
a. Annual Assessment Revenue	21,054	21,054	25,265	25,265	25,265
b. Minus County Tax Collection Fee (1.7%)	(358)	(358)	(430)	(430)	(430)
c. Adjustment for Delinquencies	155	-	-	-	-
d. Other	-	-	-	300	300
Total Revenue:	20,851	20,696	24,835	25,135	25,135
Services					
a. Utilities: Water	3,152	2,488	2,763	2,700	2,727
b. Utilities: PGE	823	1,072	1,123	1,100	1,111
c. Landscape Maintenance	6,415	6,415	6,736	6,736	6,803
d. One-Time Project/Maintenance	-	-	1,000	500	5,000
e. Special Services	11,350	-	-	-	-
f. Property Owner Mtg/Legal Noticing	60	239	553	500	505
g. Annual Reporting	3,785	1,120	1,600	1,600	1,200
h. City Staff	3,860	2,158	3,311	3,311	3,344
Total Expenditures:	29,445	13,493	17,086	16,447	20,690
<i>Net Change</i>	<u><i>(8,594)</i></u>	<u><i>7,203</i></u>	<u><i>7,749</i></u>	<u><i>8,688</i></u>	<u><i>4,445</i></u>
Beginning Fund Balance	87,063	78,469	85,672	85,672	94,360
<i>Change</i>	<u><i>(8,594)</i></u>	<u><i>7,203</i></u>	<u><i>7,749</i></u>	<u><i>8,688</i></u>	<u><i>4,445</i></u>
Ending Fund Balance	78,469	85,672	93,421	94,360	98,805
Fund Balance Designations					
Operating Reserve ¹	10,426	10,348	12,418	12,568	12,568
Capital Reserve ²	68,043	75,324	81,004	81,793	86,237
Total Fund Balance	78,469	85,672	93,421	94,360	98,805
Maximum Base Assessment Amount Per Parcel	180.00	180.00	180.00	180.00	180.00
Annual Parcel Assessment	121.00	121.00	145.20	145.20	145.20
# of Parcels	174	174	174	174	174
Total Amount Assessed for the District	21,054.00	21,054.00	25,264.80	25,264.80	25,264.80

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 5 (Soto Road & Plum Tree Street)

Tract Nos. 6641 & 6754

Formed: May 23, 1995

Resolution Number: 95-97

38 Parcels

Annexed Tract No. 6754: October 17, 1995

FY 2018 Assessment Amount per Parcel: **\$205.25**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** is *unchanged* from the original amount of **\$258.67** per parcel, set when the zone was created in 1995.
- **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 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$7,799.46**.
- **Annual assessment charge:** each of the **38** 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 2018 per parcel charge *will increase* from **\$198.50** in FY 2017 to **\$205.25** per parcel in FY 2018. This amount is *below* the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Reason for assessment increase:** The assessment rate for FY 2018 is recommended to be *increased* based on the City's analysis of the financial stability of the zone. The recommended assessment rate for FY 2018 will generate revenues that are adequate to pay for the expected level of maintenance, and to also maintain a prudent capital reserve.
- **Proposition 218:** Future increases in the assessment amount *above* the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, **\$2,000** has also been budgeted for 1) tree trimming. If additional work occurs in FY 2018, it would be funded through capital reserves.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

- **Landscaping:** within the 10-foot-wide setback area between the masonry wall and the sidewalk (approximately 360 lineal feet);

- **Landscaping and appurtenances:**
 - within the 5.5-foot-wide planter strip between the sidewalk and the curb return areas across the frontage of Tract 6641;
 - located within the 10-foot-wide setback area between the masonry wall and the sidewalk (approximately 440 lineal feet); and
 - within the 5.5-foot-wide planter strip between the sidewalk and the curb across the Soto Road frontage of Final Map Tract 6754.

- **Surface maintenance of the masonry wall (street side):** of a masonry wall along Soto Road. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair; and

- **The curb return areas:** at the intersection of Soto Road and Plum Tree Street.

- The ownership and responsibility of the masonry wall as a structure remains with the individual property owners.

FY 2017: Landscape Upgrade Projects

- In FY 2017, the following improvements were completed: 1) Tree and shrub trimming.

FY 2018 Budget
Zone 5 - Plum Tree St. - Soto Road
Fund 272, Project 3744

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	Actual	Actual	Adopted	EOY Est	Proposed
Income					
a. Annual Assessment Revenue	5,287	7,543	7,543	7,543	7,799
b. Minus County Tax Collection Fee (1.7%)	(90)	(128)	(128)	(128)	(133)
c. Adjustment for Delinquencies	170	170	-	-	-
d. Other	-	-	-	-	-
Total Revenue:	5,367	7,585	7,415	7,415	7,667
Services					
a. Utilities: Water	984	854	912	912	912
b. Utilities: PGE	220	244	256	256	256
c. Landscape Maintenance	1,620	1,620	1,701	1,700	1,700
d. One-Time Project/Maintenance	-	-	2,000	3,500	2,000
e. Property Owner Mtg/Legal Noticing	40	52	120	120	120
f. Annual Reporting	2,255	560	800	800	600
g. City Staff	2,077	1,499	1,638	1,638	1,638
Total Expenditures:	7,196	4,829	7,427	8,926	7,226
<i>Net Change</i>	<u><i>(1,829)</i></u>	<u><i>2,756</i></u>	<u><i>(12)</i></u>	<u><i>(1,511)</i></u>	<u><i>441</i></u>
Beginning Fund Balance	7,968	6,139	8,895	8,895	7,384
<i>Change</i>	<u><i>(1,829)</i></u>	<u><i>2,756</i></u>	<u><i>(12)</i></u>	<u><i>(1,511)</i></u>	<u><i>441</i></u>
Ending Fund Balance	6,139	8,895	8,883	7,384	7,825
Fund Balance Designations					
Operating Reserve ¹	2,683	2,683	2,683	2,683	2,683
Capital Reserve ²	<u>3,456</u>	<u>6,212</u>	<u>6,199</u>	<u>4,700</u>	<u>5,141</u>
Total Fund Balance	6,139	8,895	8,883	7,384	7,825
Maximum Base Assessment Amount Per Parcel	258.67	258.67	258.67	258.67	258.67
Annual Parcel Assessment	139.12	198.50	198.50	198.50	205.25
# of Parcels	38	38	38	38	38
Total Amount Assessed for the District	5,286.56	7,543.00	7,543.00	7,543.00	7,799.46

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 6 (Peppertree Park)
Tract Nos. 4420 & 3337 (Lot 2)
Formed: May 11, 1982
Resolution Number: 82-160
11 Parcels

FY 2018 Assessment Amount per linear-foot of street frontage: **\$2.61**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** is *unchanged* from the original amount of **\$2.61** per linear-foot of street frontage, set when the zone was created in 1982.
- **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 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$13,034.34**.
- **Annual assessment charge:** each of the **11** 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 2018 per parcel charge *will remain the same* as the FY 2017 amount of **\$2.61** per linear-foot of street frontage. ***This is the maximum base amount.*** This amount is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Proposition 218:** Future increases in the assessment amount *above* the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, **\$3,000** has been budgeted for 1) tree trimming. If additional work occurs in FY 2018, it would be funded through capital reserves.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

- **Landscaping and decorative paving:** within the median islands in San Clemente Street between Zephyr Ave. and San Antonio Street;
- **Landscaping:** in the fountain area; and

- **Various:** the identification sign, lighting, and landscaping in the main entrance median at San Clemente Street and San Antonio Street.

FY 2017: Landscape Upgrade Projects

- In FY 2017, the following improvements were completed: 1) Tree and shrub trimming and 2) trash and litter clean-up.

FY 2018 Budget
Zone 6 - Peppertree Business Park
Fund 273, Project 3730

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 EOY Est	FY 2018 Proposed
Income					
a. Annual Assessment Revenue	13,034	13,034	13,034	13,034	13,034
b. Minus County Tax Collection Fee (1.7%)	(222)	(222)	(222)	(222)	(222)
c. Adjustment for Delinquencies	3	3	-	-	-
d. Other	-	-	-	200	200
Total Revenue:	12,816	12,816	12,813	13,013	13,013
Services					
a. Utilities: Water	844	873	1,013	1,700	1,717
b. Utilities: PGE	120	139	136	140	141
c. One-Time Project/Maintenance	-	2,600	4,500	2,000	3,000
d. Property Owner Mtg/Legal Noticing	41	-	35	40	40
e. Annual Reporting	2,096	575	900	800	600
f. City Staff - Admin/Maint	7,104	7,706	8,240	8,240	8,322
Total Expenditures:	10,205	11,893	14,825	12,920	13,820
<i>Net Change</i>	<u>2,611</u>	<u>923</u>	<u>(2,012)</u>	<u>93</u>	<u>(807)</u>
Beginning Fund Balance	59,162	61,773	62,696	62,696	62,788
<i>Change</i>	<u>2,611</u>	<u>923</u>	<u>(2,012)</u>	<u>93</u>	<u>(807)</u>
Ending Fund Balance	61,773	62,696	60,684	62,788	61,981
Fund Balance Designations					
Operating Reserve ¹	6,408	6,408	6,408	6,408	6,408
Capital Reserve ²	<u>55,365</u>	<u>56,288</u>	<u>54,276</u>	<u>56,380</u>	<u>55,573</u>
Total Fund Balance	61,773	62,696	60,684	62,788	61,981
Maximum Base Assessment Amount Per Parcel	2.61	2.61	2.61	2.61	2.61
Annual Parcel Assessment	2.61	2.61	2.61	2.61	2.61
# of Parcels	11	11	11	11	11
Length of Assessable Street Frontage	<u>4,994</u>	<u>4,994</u>	<u>4,994</u>	<u>4,994</u>	<u>4,994</u>
Total Amount Assessed for the District	13,034.34	13,034.34	13,034.34	13,034.34	13,034.34

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 7 (Twin Bridges - Mission Blvd., Industrial Pkwy, Arrowhead Way)

Tract Nos. 7015

Formed: July 28, 1998

Resolution Number: 98-153

348 Parcels

FY 2018 Assessment Amount per Parcel: **\$563.52**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** was *increased* from the prior year's maximum base assessment amount of **\$911.06 to \$942.04** by applying the CPI-U for the San Francisco-Oakland- San Jose MSA (**3.40%** for the period February 2016 to February 2017).
- **Annual CPI increase:** the maximum base assessment amount *does increase* annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$196,104.96**.
- **Annual assessment charge:** each of the **348** 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 2018 per parcel charge *will remain the same* as the FY 2017 amount of **\$563.52** per parcel. This amount is *below* the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Proposition 218:** Future increases in the assessment amount *above* the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, **\$150,000** has also been budgeted for additional work which includes 1) resurface basketball court, 2) upgrade landscaping in both community entrances, medians, and shoulder, and 3) feasibility study of creating a dog park. If additional work occurs in FY 2018, it would be funded through capital reserves.
- Note: In FY 2016, water expenses were lower than in previous years. This was due to water line changes during the year. For FY 2018, the water usage is estimated to return to its previous, historical amount, which is budgeted at **\$26,260**.

- Note: In January 2016, the City met with Hayward Area Recreation and Park District (HARD) to reduce the annual maintenance. In FY 2016, the park maintenance charge was **\$73,771**. In FY 2018, the park maintenance budget is **\$45,248**.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

- Planting, irrigation, the multi-use pathway, landscape lighting and other associated improvements located within the landscape easements and street right-of-way along Mission Blvd. and Industrial Pkwy.;
- Medians and abutting landscaping along the Arrowhead Way entrance roads and traffic circles, including the bridge structure, signs, and decorative entry paving;
- Bus shelters;
- Walls and fences that face Mission Blvd., Industrial Parkway, the Arrowhead Way entrance roads, the golf course and along the Line N drainage channel (including graffiti removal);
- Specialty street lighting; and
- A two-acre neighborhood park. The City of Hayward has a Memorandum of Understanding with the HARD to maintain the park.

FY 2017: Landscape Upgrade Projects

- In FY 2017, the following improvements were completed: 1) Entrance sign repair, 2) Tree trimming.

FY 2018 Budget
Zone 7 - (Twin Bridges - Mission Blvd., Industrial Pkwy, Arrowhead Way)
Fund 274, Project 3746

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	Actual	Actual	Adopted	EOY Est	Proposed
Income					
a. Annual Assessment Revenue	192,444	196,105	196,105	196,105	196,105
b. Minus County Tax Collection Fee (1.7%)	(3,272)	(3,334)	(3,334)	(3,334)	(3,334)
c. Adjustment for Delinquencies	(976)	(4,215)	-	-	-
d. Other	-	-	-	1,300	1,300
Total Revenue:	188,196	188,556	192,771	194,071	194,071
Services					
a. Utilities: Water	29,094	14,540	30,000	26,000	26,260
b. Utilities: PGE	575	2,157	2,642	2,000	2,020
c. Landscape Maintenance	29,796	44,934	31,286	31,286	31,599
d. Park Maintenance - HARD	75,958	73,771	44,800	44,800	45,248
e. Park Maintenance - HARD - Past Due	33,550	-	-	-	-
f. Street Light Maintenance	-	-	-	-	1,000
g. Graffiti Abatement	-	-	-	-	2,000
h. One-Time Project/Maintenance	3,398	-	10,000	13,500	150,000
i. Property Owner Mtg/Legal Noticing	85	476	1,100	1,100	1,111
j. Annual Reporting	9,106	1,750	2,500	2,550	1,900
k. City Staff	4,000	3,696	5,150	5,150	5,202
Total Expenditures:	185,562	141,324	127,478	126,386	266,340
<i>Net Change</i>	<u>2,635</u>	<u>47,232</u>	<u>65,293</u>	<u>67,685</u>	<u>(72,268)</u>
Beginning Fund Balance	332,663	335,298	382,530	382,530	450,215
<i>Change</i>	<u>2,635</u>	<u>47,232</u>	<u>65,293</u>	<u>67,685</u>	<u>(72,268)</u>
Ending Fund Balance	335,298	382,530	447,823	450,215	377,947
Fund Balance Designations					
Operating Reserve ¹	94,098	94,098	94,098	94,098	94,098
Capital Reserve ²	241,200	288,432	353,725	356,117	283,849
Total Fund Balance	335,298	382,530	447,823	450,215	377,947
Maximum Base Assessment Amount Per Parcel	867.85	884.35	911.06	911.06	942.04
Annual Parcel Assessment	553.00	563.52	563.52	563.52	563.52
# of Parcels	348	348	348	348	348
Total Amount Assessed for the District	192,444.00	196,104.96	196,104.96	196,104.96	196,104.96

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 8 (Capitola Street)
Tract Nos. 7033
Formed: March 2, 1999
Resolution Number: 99-030
24 Parcels

FY 2018 Assessment Amount per Parcel: **\$150.00**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** was *increased* from the prior year's maximum base assessment amount of **\$651.59 to \$673.74** by applying the CPI-U for the San Francisco-Oakland- San Jose MSA (**3.40%** for the period February 2016 to February 2017).
- **Annual CPI increase:** the maximum base assessment amount *does increase* annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$3,600.00**.
- **Annual assessment charge:** each of the **24** 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 2018 per parcel charge will *remain the same* as the FY 2017 amount of **\$150.00** per parcel. This amount is *below* the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Proposition 218:** Future increases in the assessment amount *above* the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, **\$505** has been budgeted for 1) unanticipated irrigation repairs. If additional work occurs in FY 2018, it would be funded through capital reserves. In future years, if there is a need for additional funds, the assessment amount may be increased up to their maximum base assessment amount.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

- **Landscaping:** a 10-foot-wide landscaped area, between the wall and the Hesperian Blvd. frontage, to be improved with landscaping, irrigation, and other associated improvements located within the landscaped area.
- **Surface maintenance:** of the 8-foot-high decorative concrete wall along the tract's Hesperian Blvd. frontage. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair; and
- *The ownership and responsibility of the wall as a structure remains with the individual property owners.*

FY 2017: Landscape Upgrade Projects

- In FY 2017, the following improvements were completed: 1) Tree and shrub trimming.

FY 2018 Budget
Zone 8 - Capitola St.
Fund 275, Project 3748

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	Actual	Actual	Adopted	EOY Est	Proposed
Income					
a. Annual Assessment Revenue	6,000	6,000	3,600	3,600	3,600
b. Minus County Tax Collection Fee (1.7%)	(102)	(102)	(61)	(61)	(61)
c. Adjustment for Delinquencies	(123)	149	-	-	-
d. Other	-	-	-	-	-
Total Revenue:	5,775	6,047	3,539	3,539	3,539
Services					
a. Utilities: Water	223	1,216	1,521	300	303
b. Utilities: PGE	-	-	-	-	-
c. Landscape Maintenance	2,160	2,212	2,322	2,200	2,222
d. One-Time Capital Project/Maintenance	-	-	500	500	505
e. Property Owner Mtg/Legal Noticing	38	33	76	76	77
f. Annual Reporting	1,497	560	800	800	808
g. City Staff	2,330	2,112	2,000	2,000	2,020
Total Expenditures:	6,248	6,133	7,219	5,876	5,935
<i>Net Change</i>	<u><i>(473)</i></u>	<u><i>(86)</i></u>	<u><i>(3,680)</i></u>	<u><i>(2,337)</i></u>	<u><i>(2,396)</i></u>
Beginning Fund Balance	52,998	52,525	52,439	52,439	50,102
<i>Change</i>	<u><i>(473)</i></u>	<u><i>(86)</i></u>	<u><i>(3,680)</i></u>	<u><i>(2,337)</i></u>	<u><i>(2,396)</i></u>
Ending Fund Balance	52,525	52,439	48,759	50,102	47,706
Fund Balance Designations					
Operating Reserve ¹	2,888	2,888	2,888	2,888	2,888
Capital Reserve ²	49,638	49,552	45,871	47,215	44,819
Total Fund Balance	52,525	52,439	48,759	50,102	47,706
Maximum Base Assessment Amount Per Parcel	\$620.69	\$632.49	\$651.59	\$651.59	\$673.74
Annual Parcel Assessment	\$250.00	\$250.00	\$150.00	\$150.00	\$150.00
# of Parcels	24	24	24	24	24
Total Amount Assessed for the District	6,000.00	6,000.00	3,600.00	3,600.00	3,600.00

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 9 (Orchard Avenue)

Tract Nos. 7063

Formed: April 25, 2000

Resolution Number: 00-050

74 Parcels

FY 2018 Assessment Amount per Parcel: **\$30.00**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** was *increased* from the prior year's maximum base assessment amount of **\$173.98 to \$179.90** by applying the CPI-U for the San Francisco-Oakland- San Jose MSA (**3.40%** for the period February 2016 to February 2017).
- **Annual CPI increase:** the maximum base assessment amount *does increase* annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$2,220.00**.
- **Annual assessment charge:** each of the **74** 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 2018 per parcel charge *will increase* from **\$20.00** in FY 2017 to **\$30.00** per parcel in FY 2018. This amount is *below* the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Reason for assessment increase:** The assessment rate for FY 2018 is recommended to be *increased* based on the City's analysis of the financial stability of the zone. The recommended assessment rate for FY 2018 will generate revenues that are adequate to pay for the expected level of maintenance, and to also maintain a prudent capital reserve.
- **Proposition 218:** Future increases in the assessment amount *above* the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, **\$500** has been budgeted for 1) unanticipated graffiti removal. If additional work occurs in FY 2018, it would be funded through capital reserves. In future years, if there is a need for additional funds, the assessment amount may be increased up to their maximum base assessment amount.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

- **Surface maintenance:** of the 10-foot-high decorative concrete wall along the railroad and along the south property line abutting Lot 40. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair. To minimize this maintenance work, Boston Ivy is planted and maintained along most of the surface of the wall.
- *The ownership and responsibility of the wall as a structure remains with the individual property owners.*

FY 2018 Budget
Zone 9 - Orchard Ave.
Fund 276, Project 3749

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	Actual	Actual	Adopted	EOY Est	Proposed
Income					
a. Annual Assessment Revenue	740	740	1,480	1,480	2,220
b. Minus County Tax Collection Fee (1.7%)	(13)	(13)	(25)	(25)	(38)
c. Adjustment for Delinquencies	21	742	-	-	-
d. Other	-	-	-	-	-
Total Revenue:	748	1,469	1,455	1,455	2,182
Services					
a. One-Time Project/Maintenance	-	-	1,000	-	500
b. Property Owner Mtg/Legal Noticing	45	101	234	234	76
c. Annual Reporting	1,792	560	800	800	592
d. City Staff	1,435	1,280	1,458	1,458	1,200
Total Expenditures:	3,272	1,941	3,492	2,492	2,368
<i>Net Change</i>	<u><i>(2,523)</i></u>	<u><i>(472)</i></u>	<u><i>(2,037)</i></u>	<u><i>(1,037)</i></u>	<u><i>(186)</i></u>
Beginning Fund Balance	9,711	7,187	6,716	6,716	5,679
<i>Change</i>	<u><i>(2,523)</i></u>	<u><i>(472)</i></u>	<u><i>(2,037)</i></u>	<u><i>(1,037)</i></u>	<u><i>(186)</i></u>
Ending Fund Balance	7,187	6,716	4,679	5,679	5,493
Fund Balance Designations					
Operating Reserve ¹	374	735	727	727	1,091
Capital Reserve ²	6,813	5,981	3,951	4,951	4,402
Total Fund Balance	7,187	6,716	4,679	5,679	5,493
Maximum Base Assessment Amount Per Parcel	165.73	168.88	173.98	173.98	179.90
Annual Parcel Assessment	10.00	10.00	20.00	20.00	30.00
# of Parcels	74	74	74	74	74
Total Amount Assessed for the District	740.00	740.00	1,480.00	1,480.00	2,220.00

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 10 (Eden Shores Residential)

Tract Nos. 7317, 7360 & 7361

Formed: June 24, 2003

Resolution Number: 03-083

534 Parcels

FY 2018 Assessment Amount per Parcel: **\$192.50**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** was *increased* from the prior year's maximum base assessment amount of **\$1,037.44 to \$1,072.71** by applying the CPI-U for the San Francisco- Oakland-San Jose MSA (**3.40%** for the period February 2016 to February 2017).
- **Annual CPI increase:** the maximum base assessment amount *does increase* annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$102,795.00**.
- **Annual assessment charge:** each of the **534** 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 2018 per parcel charge will *increase* from **\$175.00** in FY 2017 to **\$192.50** in FY 2018. This amount is *below* the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Reason for assessment increase:** The assessment rate for FY 2018 is recommended to be *increased* based on the City's analysis of the financial stability of the zone. The recommended assessment rate for FY 2018 will generate revenues that are adequate to pay for the expected level of maintenance, and to also maintain a prudent capital reserve.
- **Proposition 218:** Future increases in the assessment amount *above* the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, **\$50,000** has been budgeted for 1) resurface of basketball court, 2) resurface of bathroom surfaces, and 3) tennis court screening. If additional work occurs in FY 2018, it would be funded through capital reserves. In future years, if

there is a need for additional funds, the assessment amount may be increased up to their maximum base assessment amount.

- In January 2016, the City met with Hayward Area Recreation and Park District (HARD) to reduce the annual maintenance cost. In FY 2016, the park maintenance was **\$106,558**. In FY 2018, park maintenance budget is **\$71,912**.
- The Eden Shores Homeowners Association (HOA) administers the landscape maintenance contract for the zone. The HOA invoices the City quarterly for reimbursement of this authorized expense thru the benefit district zone budget.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

- **Park maintenance:** A 5.58 acre park within the development which includes landscaping and irrigation and playground equipment. The City of Hayward has an Memorandum of Understanding with the Hayward Area Recreation Department (HARD) to maintain the park;
- **Landscaping and irrigation:** of medians, park strips, and parkway within the development; and
- **Surface maintenance:** of the decorative concrete and masonry walls along the perimeter and within the tract. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair.
- *The ownership and responsibility for the walls as structures remains with the individual property owners.*

FY 2017: Landscape Upgrade Projects

- In FY 2017, the following improvements were completed: 1) tree trimming and 2) painting of gazebo, seating area, stairway and red curb in parking lot.

FY 2018 Budget
Zone 10 - Eden Shores
Fund 277, Project 3750

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	Actual	Actual	Adopted	EOY Est	Proposed
Income					
a. Annual Assessment Revenue	190,211	190,211	93,450	93,450	102,795
b. Minus County Tax Collection Fee (1.7%)	(3,234)	(3,234)	(1,589)	(1,589)	(1,589)
c. Adjustment for Delinquencies	40	729	-	-	-
d. Other	-	-	-	2,500	2,000
Total Revenue:	187,017	187,706	91,861	94,361	103,206
Services					
a. Utilities: Water	17,707	12,965	15,576	15,576	15,732
b. Utilities: PGE	352	394	382	382	386
c. Landscape Maintenance - ES HOA	19,260	26,880	28,224	28,224	28,506
d. Graffiti Abatement	-	-	-	-	3,000
e. Park Maintenance - HARD	124,644	106,588	71,200	71,200	71,912
f. Park Maintenance - HARD - Past Due	54,594	-	-	-	-
g. One-Time Project/Maintenance	-	6,033	10,000	15,902	50,000
h. Property Owner Mtg/Legal Noticing	111	730	1,689	1,200	1,212
i. Annual Reporting	12,393	1,925	2,750	2,750	2,778
j. City Staff	3,469	4,165	5,150	5,150	5,202
Total Expenditures:	232,529	159,680	134,971	140,384	178,728
<i>Net Change</i>	<i>(45,512)</i>	<i>28,026</i>	<i>(43,110)</i>	<i>(46,023)</i>	<i>(75,522)</i>
Beginning Fund Balance	787,177	741,665	769,691	769,691	723,669
<i>Change</i>	<i>(45,512)</i>	<i>28,026</i>	<i>(43,110)</i>	<i>(46,023)</i>	<i>(75,522)</i>
Ending Fund Balance	741,665	769,691	726,581	723,669	648,147
Fund Balance Designations					
Operating Reserve ¹	93,509	93,509	93,509	93,509	93,509
Capital Reserve ²	648,156	676,183	633,073	630,160	554,638
Total Fund Balance	741,665	769,691	726,581	723,669	648,147
Maximum Base Assessment Amount Per Parcel	988.24	1,007.03	1,037.44	1,037.44	1,072.71
Annual Parcel Assessment	356.20	356.20	175.00	175.00	192.50
# of Parcels	534	534	534	534	534
Total Amount Assessed for the District	190,210.80	190,210.80	93,450.00	93,450.00	102,795.00

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 11 (Stonebrae Country Club)

Tract Nos. 5354

Formed: July 18, 2006

Resolution Number: 06-096

576 Parcels

FY 2018 Assessment Amount per Parcel (Current Development): **\$168.44**

FY 2018 Assessment Amount per Parcel (Future Development): **\$89.21**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** was *increased* from the prior year's maximum base assessment amount of **\$1,471.46 to \$1,521.49** by applying the CPI-U for the San Francisco- Oakland-San Jose MSA (**3.40%** for the period February 2016 to February 2017).
- **Annual CPI increase:** the maximum base assessment amount *does increase* annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$86,878.31**.
- **Annual assessment charge:** each of the **448** current development parcels shall be apportioned an equal share of the current development's total assessment for this zone as the special benefit derived by the individual parcels is indistinguishable from each other. The FY 2018 per parcel charge for current development parcels will *increase* from **\$155.96** in FY 2017 to **\$168.44** per parcel in FY 2018. Each of the **128** future development parcels shall be apportioned an equal share of the future development's total assessment for this zone as the special benefit derived by the individual parcels is indistinguishable from each other. The FY 2018 per parcel charge for future development parcels will *increase* from **\$82.60** in FY 2017 to **\$89.21** per parcel in FY 2018. These amounts are *below* the maximum base assessment, and are sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Reason for assessment increase:** The assessment rate for FY 2018 is recommended to be *increased* based on the City's analysis of the financial stability of the zone. The recommended assessment rate for FY 2018 will generate revenues that are adequate to pay for the expected level of maintenance, and to also maintain a prudent capital reserve.

- **Proposition 218:** Future increases in the assessment amount **above** the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- Similar to the Eden Shores residential development (Zone 10), the Stonebrae HOA administers the operation and maintenance of the zone. The HOA invoices the City quarterly for reimbursement of authorized expenses thru the benefit district zone budget.
- The Stonebrae Homeowner's Association provides landscape maintenance for the zone, including one-time project/maintenance. In FY 2018, **\$37,617** has been budgeted for one-time project/maintenance which includes 1) tree trimming, 2) flower bed planting, 3) plant replacement, 4) gopher control, and 5) upgrade to Weather Based Irrigation System. If additional work occurs in FY 2018, it would be funded through capital reserves. In future years, if there is a need for additional funds, the assessment amount may be increased up to their maximum base assessment amount.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

- **Landscaping and irrigation:** of median, park strips, parkway improvements, and multi-use pathway improvements along Fairview Ave., Carden Lane, Hayward Blvd., Stonebrae Country Club Drive, and the access road to the City water tank;
- **Slope maintenance:** along Carden Lane, Fairview Ave., Hayward Blvd., and Stone Country Club Drive;
- **Wall maintenance:** of decorative walls facing Fairview Ave. and Hayward Blvd. but not including the view fence of the lots along Fairview Ave. This maintenance includes painting, cleaning, graffiti removal, and replacement of the improvements if needed;
- **Street and landscape lighting:** along Fairview Ave., Carden Lane, Hayward Blvd.; and along the frontage of the school at the intersection of Hayward Blvd/Stonebrae Country;
- **Club Drive and Carden Lane:** this maintenance includes electrical costs, and replacement of the improvements if needed;
- As part of the roadway modifications for the Stonebrae Development, the landscaped corner at Hayward Blvd. and Fairview Blvd., previously located in benefit Zone No. 3, was substantially reduced in size and modified. The modified corner provides a benefit for the residents of the Stonebrae Development and is visually a vital part of the entrance to the development. By agreement of the

Stonebrae developer and the City and following consultation with the Prominence Landscape Committee (Benefit Zone No. 3), the corner was removed from Benefit Zone No. 3 and annexed into the Stonebrae Benefit Zone (Benefit Zone No. 11). The Stonebrae developer modified the corner as necessary to separate the irrigation and plantings so that the residents of Benefit Zone No. 3 can be assured that they are not bearing any of the future ongoing costs for the maintenance of this area.

- The project is proposed to be developed in multiple phases. The current development phase consists of **448** single-family parcels (increased from 429 in FY 2016). The future development phases will consist of the remaining **128** single-family parcels (decreased from 147 in FY 2016).

FY 2017: Landscape Upgrade Projects

- In FY 2017, the following improvements were completed: 1) Annual flower beds replacement, 2) irrigation repair, 3) gopher control, and 4) street light replacement.

FY 2018 Budget
Zone 11 - Stonebrae Country Club
Fund 279, Project 3731

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	Actual	Actual	Adopted	EOY Est	Proposed
Income					
a. Annual Assessment Revenue	180,741	192,332	79,049	80,443	86,880
b. Minus County Tax Collection Fee (1.7%)	(3,073)	(3,270)	(1,344)	(1,368)	(1,477)
c. Adjustment for Delinquencies	659	(541)	-	-	-
d. Other	-	-	-	2,000	2,000
Total Revenue:	178,327	188,521	77,705	81,075	87,403
Services					
a. Utilities: Water	52,820	52,233	74,778	54,000	54,540
b. Utilities: PGE	7,235	7,396	8,400	7,600	7,676
c. Landscape Maintenance	36,268	35,652	37,435	36,000	36,360
d. Tree Maintenance	9,109	1,430	3,000	9,109	9,200
e. Flower Bed Planting	5,100	6,128	6,000	6,000	6,060
f. Plant Replacement	-	3,509	3,000	-	2,500
g. Mulch Replacement - Every 3 years	-	27,257	3,000	-	-
h. Gopher Control	-	-	-	3,690	3,727
i. Irrigation Repair/Replacement	4,520	2,236	3,000	3,000	6,130
j. Weather Based Irrigation System	-	-	-	-	10,000
k. Street Light Maintenance	1,868	2,496	3,000	15,267	2,500
l. Property Owner Mtg/Legal Noticing	87	762	1,761	1,761	1,779
m. Annual Reporting	9,871	1,925	2,750	2,750	2,778
n. City Staff	2,588	1,939	3,058	3,058	3,089
Total Expenditures:	129,466	142,963	149,182	142,236	146,339
<i>Net Change</i>	<u>48,860</u>	<u>45,558</u>	<u>(71,477)</u>	<u>(61,160)</u>	<u>(58,936)</u>
Beginning Fund Balance	548,110	596,971	642,529	642,529	581,369
<i>Change</i>	<u>48,860</u>	<u>45,558</u>	<u>(71,477)</u>	<u>(61,160)</u>	<u>(58,936)</u>
Ending Fund Balance	596,971	642,529	571,052	581,369	522,433
Fund Balance Designations					
Operating Reserve ¹	89,163	94,261	38,853	40,538	43,702
Capital Reserve ²	507,807	548,268	532,200	540,831	478,731
Total Fund Balance	596,971	642,529	571,052	581,369	522,433
Maximum Base Assessment Amount Per Parcel	1,401.67	1,428.32	1,471.46	1,471.46	1,521.49
Development Parcels					
Annual Parcel Assessment	379.42	379.42	155.96	155.96	168.44
# of Parcels	364	429	429	448	448
Total Amount Assessed for the District	138,108.88	162,771.18	66,906.84	69,870.08	75,461.12
Future Development Parcels					
Annual Parcel Assessment	201.09	201.09	82.60	82.60	89.21
# of Parcels	212	147	147	128	128
Total Amount Assessed for the District	42,631.63	29,560.61	12,142.20	10,572.80	11,418.88

Note: Stonebrae HOA manages the maintenance for this zone. The City reimburses the HOA for expenses on a quarterly basis.

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 12 (Eden Shore East - Alden E. Oliver Sports Park & Spindrift Annexation)

Tract Nos. 7489, 7708 & 8148

Formed: May 15, 2007

Annexed Tract No. 8148: June 21, 2016

Resolution Number: 07-031 & 16-065

261 Parcels (Eden Shores East)

118 Parcels (Spindrift)

FY 2018 Assessment Amount per Parcel (Current Development): **\$112.00**

FY 2018 Assessment Amount per Parcel (Future Development): **\$33.60**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount (Eden Shores East):** was *increased* from the prior year's maximum base assessment amount of **\$194.98 to \$201.60** by applying the CPI-U for the San Francisco-Oakland-San Jose MSA (**3.40%** for the period February 2016 to February 2017).
- **Maximum base assessment amount (Spindrift):** was *increased* from the prior year's maximum base assessment amount of **\$194.97 to \$200.83** by applying the CPI-U for the San Francisco-Oakland-San Jose MSA, with a maximum annual CPI adjustment **not to exceed 3.00%** per Fiscal Year. Any change in the CPI **in excess of 3.00%** shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment rate in years in which the CPI is less than 3.00% (**3.00%** for the period December 2015 to December 2016, **0.53%** will be cumulatively reserved). The maximum assessment rate for future development parcels is **30%** of the current development rate or **\$60.25**.
- **Annual CPI increase:** the maximum base assessment amount *does increase* annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$35,157**.
- **Annual assessment charge:** each of the **286** current development parcels shall be apportioned an equal share of the current development's total assessment for this zone as the special benefit derived by the individual parcels is indistinguishable from each other. The FY 2018 per parcel charge *will be reduced* from **\$194.97** in FY 2017 to **\$112.00** in FY 2018. Each of the **93** future development parcels shall be apportioned an equal share of the future development's total assessment for this zone as the special benefit derived by the individual parcels is indistinguishable from each other. The FY 2018 per parcel charge *will be reduced* from **\$58.49** in FY 2017 to **\$33.60** in FY 2018. These amounts are *below* the maximum base assessment, and are sufficient for maintaining levels of service and for keeping a reserve

balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.

- **Reason for assessment decrease:** The assessment rate for FY 2018 is recommended to be **decreased** based on the City's analysis of the financial stability of the zone. The recommended assessment rate for FY 2018 will generate revenues that are adequate to pay for the expected level of maintenance, and to also maintain a prudent capital reserve.
- **Proposition 218:** Future increases in the assessment amount **above** the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In January 2016, the City met with Hayward Area Recreation and Park District (HARD) to reduce the annual maintenance cost. The amount for FY 2016 was **\$41,000**. The amount for FY 2018 is **\$31,000**.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

The City of Hayward has an agreement with the Hayward Area Recreation and Park District (HARD) to maintain the Alden E. Oliver Sports Park which benefits parcels within this benefit zone. The annual assessment pays for a minor portion of the Sports Park maintenance cost and City administrative costs associated with managing the benefit assessment program for this benefit zone. Maintenance of the neighborhood serving features of the Alden E. Oliver Sports Park include picnic tables, basketball courts, barbeque areas, soccer fields, etc.

Annexation to Zone 12 – Spindrift at Eden Shores (Tract 8148)

On May 24, 2016⁴, the City Council approved the Notice of Intent to Levy Assessments and set the Public Hearing for receipt of ballots for June 21, 2016 for the annexation of the Spindrift at Eden Shores project into existing Zone 12 of LLAD 96-1. The City Council approved the assessments for the annexation of Zone 12 at their June 21, 2016⁵ meeting. A total of 118 new lots are scheduled to be created and added to existing Zone 12 (Phase I, which was previously approved, created 66 new lots, while Phase II (project pending) is scheduled to approve 52 additional lots.) The new additions to Zone 12 will be assessed in a manner similar to the existing 261 lots in Zone 12 once developed, which currently pay for the maintenance of improvements at the Alden E. Oliver Sports Park.

⁴ <http://hayward.legistar.com/gateway.aspx?m=l&id=/matter.aspx?key=2030>

⁵ <http://hayward.legistar.com/gateway.aspx?m=l&id=/matter.aspx?key=2153>

FY 2018 Budget
Zone 12 - Eden Shores East - Sports Park
Fund 278, Project 3732

Note: New Annexation Established FY 2017

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	Actual	Actual	Adopted	EOY Est	Proposed
Income					
a. Annual Assessment Revenue	48,473	49,397	50,890	50,890	35,157
b. Minus County Tax Collection Fee (1.7%)	(824)	(840)	(865)	(865)	(598)
c. Adjustment for Delinquencies	42	-	-	-	-
d. Other	-	-	-	-	-
Total Revenue:	47,691	48,557	50,025	50,025	34,559
Services					
a. Park Maintenance - HARD	54,036	41,000	31,000	31,000	31,000
b. Park Maintenance - Past Due - HARD	15,575	-	-	-	-
c. One-Time Capital Project/Maintenance	-	-	500	-	-
d. Property Owner Mtg/Legal Noticing	72	361	835	835	835
e. Annual Reporting	6,077	1,260	1,800	1,868	1,400
f. City Staff	2,704	1,280	2,206	2,206	2,228
Total Expenditures:	78,464	43,901	36,341	35,909	35,463
<i>Net Change</i>	<u><i>(30,773)</i></u>	<u><i>4,657</i></u>	<u><i>13,684</i></u>	<u><i>14,116</i></u>	<u><i>(904)</i></u>
Beginning Fund Balance	24,530	(6,243)	(1,587)	(1,587)	12,529
<i>Change</i>	<u><i>(30,773)</i></u>	<u><i>4,657</i></u>	<u><i>13,684</i></u>	<u><i>14,116</i></u>	<u><i>(904)</i></u>
Ending Fund Balance	(6,243)	(1,587)	12,097	12,529	11,626
Fund Balance Designation					
No capital reserve					
Original Zone					
Maximum Base Assessment Amount Per Parcel	185.72	189.26	194.98	194.98	201.86
Annual Parcel Assessment	185.72	189.26	194.98	194.98	112.00
# of Parcels	261	261	261	261	261
Total Amount Assessed for the District	48,472.92	49,396.86	50,889.78	50,889.78	29,232.00
FY 2017 Annexation					
Annexation - Maximum Base Assessment Amount Per Parcel (Developed, Undeveloped)	N/A	N/A	194.97 / 58.49	194.97 / 58.49	200.83 / 60.25
Annual Parcel Assessment	N/A	N/A	N/A	Est FY 2017	112.00
# Developed Parcels	N/A	N/A	N/A	N/A	25
Total Amount Assessed for the District	N/A	N/A	N/A	N/A	2,800.00
Annual Parcel Assessment	N/A	N/A	N/A	Est FY 2017	33.60
# Future Development Parcels	N/A	N/A	N/A	N/A	93
Total Amount Assessed for the District	N/A	N/A	N/A	N/A	3,124.80

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue.

Zone 13 (Cannery Place)

Tract Nos. 7613, 7625, 7748 & 7749

Formed: June 17, 2008

Resolution Number: 08-0901

582 Condominium Style Units, **16** Duets, and **One** Commercial Retail Parcel

FY 2018 Assessment Amount per Parcel: **\$361.00**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2017:

- **Maximum base assessment amount:** was *increased* from the prior year's maximum base assessment amount of **\$1,106.48 to \$1,144.10** by applying the CPI-U for the San Francisco- Oakland-San Jose MSA (**3.40%** for the period February 2016 to February 2017).
- **Annual CPI increase:** the maximum base assessment amount *does increase* annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$216,239.00**.
- **Annual assessment charge:** each of the **599** 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 2018 per parcel charge *will remain the same* as the FY 2017 amount of **\$361.00** per parcel. This amount is *below* the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Proposition 218:** Future increases in the assessment amount *above* the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, **\$50,000** has been budgeted for unforeseen additional work, including 1) tree replacement and trimming. If additional work occurs in FY 2018, it would be funded through capital reserves. In future years, if there is a need for additional funds, the assessment amount may be increased up to their maximum base assessment amount.

The following is a detailed description of the improvements that are being operated, maintained and serviced throughout the benefit zone:

- **Landscaping and irrigation:** of park strips and parkway within the development;

- **Surface maintenance:** of the decorative concrete walls within the tract. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair; and
- **Park Maintenance:** approximately five (5) acres of park area which includes landscaping and irrigation and playground equipment and maintenance of a historic water tower within the development;
- **Maintenance:** of street trees;
- **Maintenance:** of paved walkways;
- *The ownership and responsibility for the walls as structures remains with the individual property owners.*

FY 2017: Landscape Upgrade Projects

- In FY 2017, the following improvements were completed: 1) installed dog waste stations, 2) installed Calsense flow sensors, and 3) replaced trash receptacles.

FY 2018 Budget
Zone 13 - Cannery Place
Fund 281, Project 3733

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 EOY Est	FY 2018 Proposed
Income					
a. Annual Assessment Revenue	89,850	216,239	216,239	216,239	216,239
b. Minus County Tax Collection Fee (1.7%)	(1,527)	(3,676)	(3,676)	(3,676)	(3,676)
c. Adjustment for Delinquencies	187	(1,992)	-	-	-
d. Other	-	-	-	900	900
Total Revenue:	88,510	210,571	212,563	213,463	213,463
Services					
a. Utilities: Water	39,800	59,773	85,950	95,000	95,950
b. Utilities: PGE	1,213	2,468	2,716	4,000	4,040
c. Landscape Maintenance	22,034	42,036	44,138	43,000	43,430
d. Street Light Maintenance	-	-	3,000	200	1,000
e. Graffiti Abatement	-	-	5,000	-	2,000
f. One-Time Capital Project/Maintenance	825	36,589	42,800	10,000	50,000
g. Property Owner Mtg/Legal Noticing	121	819	1,894	2,000	2,020
h. Annual Reporting	10,587	1,750	2,500	2,550	2,576
i. City Staff	18,597	3,699	5,150	7,788	7,866
Total Expenditures:	93,177	147,134	193,148	164,538	208,882
<i>Net Change</i>	<u><i>(4,667)</i></u>	<u><i>63,437</i></u>	<u><i>19,415</i></u>	<u><i>48,925</i></u>	<u><i>4,581</i></u>
Beginning Fund Balance	224,084	219,417	282,854	282,854	331,779
<i>Change</i>	<u><i>(4,667)</i></u>	<u><i>63,437</i></u>	<u><i>19,415</i></u>	<u><i>48,925</i></u>	<u><i>4,581</i></u>
Ending Fund Balance	219,417	282,854	302,269	331,779	336,360
Fund Balance Designations					
Operating Reserve ¹	44,255	44,255	44,255	44,255	44,255
Capital Reserve ²	175,162	238,599	258,014	287,524	292,105
Total Fund Balance	219,417	282,854	302,269	331,779	336,360
Maximum Base Assessment Amount Per Parcel	1,054.00	1,074.04	1,106.48	1,106.48	1,144.10
Annual Parcel Assessment	150.00	361.00	361.00	361.00	361.00
# of Parcels	599	599	599	599	599
Total Amount Assessed for the District	89,850.00	216,239.00	216,239.00	216,239.00	216,239.00

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 14 (La Vista)
Tract Nos. 7620
Formed: June 14, 2016
Resolution Number: 16-044
179 Parcels

FY 2018 Assessment Amount per Parcel (Undeveloped): **\$15.00**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount:** was *increased* from the prior year's maximum base assessment amount of **\$589.73 to \$607.42** by applying the CPI-U for the San Francisco-Oakland-San Jose MSA, with a maximum annual CPI adjustment **not to exceed 3%** per Fiscal Year. Any change in the CPI **in excess of 3.00%** shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment rate in years in which the CPI is less than 3.00% (**3.00%** for the period December 2015 to December 2016, **0.53%** will be cumulatively reserved). The maximum assessment rate for future development parcels is **30%** of the current development maximum rate or **\$182.23**.
- **Annual CPI increase:** the maximum base assessment amount *does increase* annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$2,685.00**.
- **Annual assessment charge:** each of the **179** 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 2018 per parcel charge *will be reduced* from **\$176.92** in FY 2017 to **\$15.00** in FY 2018. This amount is *below* the maximum base assessment, and is sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.
- **Reason for assessment decrease:** The assessment rate for FY 2018 is recommended to be *decreased* based on the City's analysis of the financial stability of the zone. The recommended assessment rate for FY 2018 will generate revenues that are adequate to pay for the expected level of maintenance, and to also maintain a prudent capital reserve.
- **Proposition 218:** Future increases in the assessment amount *above* the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.

- The La Vista Development will be constructed in three phases. Currently, the first phase is under construction and the City is expected to assume full maintenance responsibility in FY 2020. The vacant lots can be assessed at 30% of the maximum base assessment. However, the parcels will only be assessed at a rate to cover the annual reporting, noticing, and staff costs.

The following is a detailed description of the improvements that will be operated, maintained and serviced throughout the benefit zone upon completion of construction:

- **Landscaping and irrigation:** of the public right of ways of Tennyson Road, Vista Grande Drive, Cantera Drive, Mountain View Drive, Fortuna Way and Alquire Parkway, and firebreak landscaping along the perimeter of the backside of the development. Such 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;
- **Surface maintenance:** of the decorative concrete walls within the tract. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair;
- **Maintenance:** of street trees;
- **Maintenance:** of bioswales and Fitera Tree Filters;
- **Maintenance:** of street lighting;
- **Maintenance:** of private paved trails east of Alquire Parkways;

Proposed FY 2018 Budget
Zone 14 - La Vista
Fund 282, Project

	FY 2017 Adopted	FY 2017 EOY Est	FY 2018 Proposed
Income			
a. Annual Assessment Revenue	31,669	31,669	2,685
b. Minus County Tax Collection Fee (1.7%)	(538)	(538)	(46)
c. Adjustment for Delinquencies	-	-	-
d. Other	-	-	-
Total Revenue:	31,130	31,130	2,639
Services			
a. Utilities: Water	-	-	-
b. Utilities: PGE	-	-	-
c. Landscape Maintenance	-	-	-
f. One-Time Capital Project/Maintenance	-	-	-
g. Property Owner Mtg/Legal Noticing	-	300	300
h. Annual Reporting	-	1,200	1,200
i. City Staff	-	1,000	1,000
Total Expenditures:	-	2,500	2,500
<i>Net Change</i>	<u><i>31,130</i></u>	<u><i>28,630</i></u>	<u><i>139</i></u>
Beginning Fund Balance	-	-	28,630
<i>Change</i>	<u><i>31,130</i></u>	<u><i>28,630</i></u>	<u><i>139</i></u>
Ending Fund Balance	31,130	28,630	28,770
Fund Balance Designations			
Operating Reserve ¹	31,130	28,630	28,770
Capital Reserve ²	-	-	-
Total Fund Balance	31,130	28,630	28,770
Maximum Base Assessment Amount Per Parcel	589.73	589.73	607.42
Future Development Parcels: Zone A			
Annual Parcel Assessment	176.92	176.92	15.00
# of Parcels	179	179	179
Total Amount Assessed for the District	31,668.68	31,668.68	2,685.00

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

Zone 15 (Cadence)
Tract No. 8032
Formed: January 17, 2017
Resolution Number: 17-001
206 Parcels

For FY 2018, a *separate* Engineer's Report has been prepared to add a new zone (Zone 15), therefore is not included in this report. Information about the proceedings for this area is provided below.

On December 6, 2016⁶, the City Council approved the Notice of Intent to Levy Assessments and set the Public Hearing for receipt of ballots for January 17, 2017⁷ for the formation of Zone 15. The City Council approved the assessments for the Cadence Development (Zone 15) at their January 17, 2017 meeting. The project was previously approved to create 206 new lots.

Pursuant to the Owners Participation Agreement (OPA) for the Cadence Development, the Developer is responsible for the maintenance Cadence Public Park in perpetuity or for the life of the agreement. As detailed in the OPA, the Developer is required to submit a Park Maintenance Plan annually to the City for review and approval by City Council as part of the annual review of the District. The Park Maintenance Plan will include a maintenance budget and a schedule of maintenance activities. Thus, these lots will be assessed at \$0.00 per parcel. The Assessment District formation ensures adequate funding is available for the maintenance of the Park should the Developer default, not meet the maintenance standards, or in the event that the property is sold and the City assumes maintenance of the park.

⁶<https://hayward.legistar.com/LegislationDetail.aspx?ID=2898725&GUID=5D2E241D-E643-46F3-83E8-5301A12E2289&Options=&Search=>

⁷<https://hayward.legistar.com/LegislationDetail.aspx?ID=2938325&GUID=E7B2E633-8F1A-4C3E-BB16-D79BAD77740B&Options=&Search=>

Zone 16 (Blackstone at Cannery Place)

Tract Nos. 7894

Formed: May 17, 2016

Resolution Number: 16-044

157 Parcels

FY 2018 Assessment Amount per Parcel in Zone A (Developed): **\$315.00**

FY 2018 Assessment Amount per Parcel in Zone A (Undeveloped): **\$95.00**

FY 2018 Assessment Amount per Parcel in Zone B (Undeveloped): **\$99.75**

The following is an overview of the FY 2018 zone assessment, along with a description of any one-time items budgeted in FY 2018:

- **Maximum base assessment amount (Zone A):** was *increased* from the prior year's maximum base assessment amount of **\$407.86 to \$420.10** by applying the CPI-U for the San Francisco-Oakland-San Jose MSA, with a maximum annual CPI adjustment **not to exceed** 3% per Fiscal Year. Any change in the CPI **in excess of** 3.00% shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment rate in years in which the CPI is less than 3.00% (**3.00%** for the period December 2015 to December 2016, **0.53%** will be cumulatively reserved). The maximum assessment rate for undeveloped parcels is **30%** of the developed maximum rate or **\$126.03**.
- **Maximum base assessment amount (Zone B):** was *increased* from the prior year's maximum base assessment amount of **\$428.25 to \$441.10** by applying the CPI-U for the San Francisco-Oakland-San Jose MSA, with a maximum annual CPI adjustment **not to exceed** 3% per Fiscal Year. Any change in the CPI **in excess of** 3% shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment rate in years in which the CPI is less than 3% (**3.00%** for the period December 2015 to December 2016, **0.53%** will be cumulatively reserved). The maximum assessment rate for future development parcels is **30%** of the developed maximum rate or **\$132.33**.
- **Annual CPI increase:** the maximum base assessment amount *does increase* annually based upon the prior year's change in the CPI.
- **Assessment revenue:** the FY 2018 amount needed to operate and maintain the facilities and contribute to the capital reserve is: **\$26,909.00**
- **Annual assessment charge:** each of the **54 Zone A** current development parcels shall be apportioned an equal share of the current development's total assessment for this zone as the special benefit derived by the individual parcels is indistinguishable from each other. The FY 2018 per parcel charge *will be reduced* from **\$407.86** in FY 2017 to **\$315.00** in FY 2018. Each of the **79 Zone A** future development parcels shall be apportioned an equal share of the future development's total assessment for this zone as the special benefit derived by the

individual parcels is indistinguishable from each other. The FY 2018 per parcel charge **will be reduced** from **\$122.36** in FY 2017 to **\$95.00** in FY 2018. Each of the **24 Zone B** future development parcels shall be apportioned an equal share of the future development's total assessment for this zone as the special benefit derived by the individual parcels is indistinguishable from each other. The FY 2018 per parcel charge **will be reduced** from **\$128.48** in FY 2017 to **\$99.75** in FY 2018. These amounts are **below** the maximum base assessment, and are sufficient for maintaining levels of service and for keeping a reserve balance. In future years, if there is a need for additional funds, the assessment amount may be increased up to the maximum base assessment amount.

- **Reason for assessment decrease:** The assessment rate for FY 2018 is recommended to be **decreased** based on the City's analysis of the financial stability of the zone. The recommended assessment rate for FY 2018 will generate revenues that are adequate to pay for the expected level of maintenance, and to also maintain a prudent capital reserve.
- **Proposition 218:** Future increases in the assessment amount **above** the maximum base assessment amount would require the noticing and balloting of property owners per the requirements of Proposition 218.
- In FY 2018, the City expects to assume full maintenance responsibility half way through the fiscal year. The maintenance costs have been budgeted accordingly to reflect 50% of the maintenance cost for FY 2018.

The following is a detailed description of the improvements that are being operated, maintained, and serviced throughout the benefit zone:

- **Landscaping and irrigation:** of park strips and setback landscaping along frontages of Burbank Street and Palmer Avenue;
- **Surface maintenance:** of the decorative concrete walls within the tract. This maintenance includes painting, cleaning, graffiti removal, and minor surface repair;
- **Park Maintenance:** approximately two (2) acres of park area which includes landscaping and irrigation, exercise equipment, bocce ball courts, faux bridge, storm water basins and all other park amenities.
- **Maintenance:** of street trees;
- **Maintenance:** of street lights;
- **Maintenance:** of paved walkways and cobblestone pathways.

Proposed FY 2018 Budget

Zone 16 - Blackstone

Fund 284, Project 3753

Note: New Zone Established FY 2017

	FY 2017 Adopted	FY 2017 EOY Est	FY 2018 Proposed
Income			
a. Annual Assessment Revenue	19,357	19,357	26,909
b. Minus County Tax Collection Fee (1.7%)	(329)	(329)	(457)
c. Adjustment for Delinquencies	-	-	-
d. Other	-	-	-
Total Revenue:	19,028	19,028	26,452
Services			
a. Utilities: Water	-	-	2,050
b. Utilities: PGE	-	-	200
c. Landscape Maintenance	-	-	16,700
f. One-Time Capital Project/Maintenance	-	-	500
g. Property Owner Mtg/Legal Noticing	100	100	100
h. Annual Reporting	2,000	2,000	2,000
i. City Staff	2,000	2,000	2,000
Total Expenditures:	4,100	4,100	23,550
<i>Net Change</i>	<u>14,928</u>	<u>14,928</u>	<u>2,902</u>
Beginning Fund Balance	-	-	14,928
<i>Change</i>	<u>14,928</u>	<u>14,928</u>	<u>2,902</u>
Ending Fund Balance	14,928	14,928	17,830
Fund Balance Designations			
Operating Reserve ¹	14,928	14,928	13,226
Capital Reserve ²	-	-	4,604
Total Fund Balance	14,928	14,928	17,830
Maximum Base Assessment Amount Per Parcel			
Zone A (Developed/Undeveloped)	\$407.86 / \$122.36	\$407.86 / \$122.36	\$420.10 / \$126.03
Zone B (Developed/Undeveloped)	\$428.25 / \$128.48	\$428.25 / \$128.48	\$441.10 / \$132.33
Current Development Parcels: Zone A			
Annual Parcel Assessment	N/A	N/A	\$315.00
# of Parcels	N/A	N/A	54
Total Amount Assessed for the District	N/A	N/A	\$17,010
Future Development Parcels: Zone A			
Annual Parcel Assessment	\$122.36	\$122.36	\$95.00
# of Parcels	133	133	79
Total Amount Assessed for the District	\$16,274	\$16,274	\$7,505
Future Development Parcels: Zone B			
Annual Parcel Assessment	\$128.48	\$128.48	\$99.75
# of Parcels	24	24	24
Total Amount Assessed for the District	3,083.52	3,083.52	2,394.00

Notes: 1. Operating reserves are needed for future fiscal years because the City does not receive the property tax assessment revenue from the County until January, and then April, which makes it necessary to have cash in the bank in order to fund operations for the first six months (July - Dec). Amount is 50% of annual net revenue. 2. Capital reserves are needed in the event capital facilities need to be replaced because of natural disaster, failure, damage, etc., in accordance with our capital plan.

FISCAL YEAR 2018 ESTIMATE OF COST

ESTIMATE OF COSTS

The 1972 Act provides that the total cost of construction, operation, maintenance and servicing of the public landscaping, street lighting, open space facilities, parks, trails, etc. can be recovered by the District. Incidental expenses including administration of the district, engineering fees, legal fees and all other costs associated with the construction, operation, maintenance and servicing of the district can also be included.

The 1972 Act requires that a special fund be set up for the revenues and expenditures for the District. Funds raised by the assessments shall be used only for the purposes as stated herein. Any balance remaining on July 1 at the end of the fiscal year must be carried over to the next fiscal year.

The estimated FY 2018 *revenues and expenditures* for the proposed District are itemized by zone below:

For a detailed breakdown on the operation, maintenance and servicing costs for each Benefit Zone, refer to the budget in each of the zone descriptions.

TABLE 3: REVENUE AND EXPENDITURE PER BENEFIT ZONE

TABLE 3: ESTIMATED FUND BALANCE CHANGES FOR FY 2018						
Zone	Name/Location	Est Beg Fund Balance FY 18	FY 2018 Est Revenue	FY 2018 Est Expenditure	Change	Est End Fund Balance FY 18
1	Huntwood Ave. & Panjon St.	21,836.43	5,493.79	8,937.63	(3,443.84)	18,392.59
2	Harder Rd. & Mocine Ave.	9,580.09	12,832.38	10,579.15	2,253.23	11,833.31
3	Prominence	191,108.30	125,973.14	160,886.02	(34,912.88)	156,195.42
4	Stratford Village	94,503.03	25,135.30	20,690.47	4,444.83	98,947.86
5	Soto Rd. & Plum Tree St.	7,383.65	7,666.91	7,226.00	440.91	7,824.56
6	Pepper Tree Park	62,788.30	13,012.76	13,820.00	(807.24)	61,981.05
7	Twin Bridges	450,215.23	194,071.18	266,339.57	(72,268.39)	377,946.84
8	Capitola St.	50,102.19	3,538.80	5,934.65	(2,395.85)	47,706.34
9	Orchard Ave.	5,678.78	2,182.26	2,367.88	(185.62)	5,493.16
10	Eden Shores- Residential	723,668.54	103,206.35	178,728.00	(75,521.65)	648,146.89
11	Stonebrae Country Club	581,368.68	87,403.04	146,339.00	(58,935.96)	522,432.72
12	Eden Shores- Sports Park	12,529.36	34,559.13	35,462.85	(903.71)	11,625.65
13	Cannery Place	331,778.61	213,462.94	208,882.00	4,580.94	336,359.54
14	La Vista	28,630.31	2,639.36	2,500.00	139.36	28,769.67
16	Blackstone	14,928.32	26,451.55	23,550.00	2,901.55	17,829.87
District Total:		2,586,099.82	857,628.87	1,092,243.21	(234,614.35)	2,351,485.47

METHOD OF ASSESSMENT APPORTIONMENT

METHOD OF APPORTIONMENT

Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the operation, maintenance and servicing of landscaping and street lighting improvements.

Section 22573 of the Landscaping and Lighting Act of 1972 requires that maintenance assessments must be levied according to benefit rather than according to assessed value. This Section states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefit to be received by each such lot or parcel from the improvements."

The determination of whether or not a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000)) [of the Streets and Highways Code, State of California]."

Proposition 218 also 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 XIIA of the California Constitution.

The 1972 Act permits the designation of zones of benefit within any individual assessment district if "by reasons or variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement" (Sec. 22547). Thus, the 1972 Act requires the levy of a true "assessment" rather than a "special tax."

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.

ZONE CLASSIFICATION

Each benefit zone is unique and distinguishable from other benefit zones located within the District. Each benefit zone is evaluated to determine which improvements are of a specific and direct benefit to the parcels in that benefit zone. Once the improvements have been identified, a method of spreading those costs to the benefiting parcels was developed.

As certain subdivisions develop throughout the City of Hayward, they may be annexed into an existing zone or there may be a new zone formed. Each new subdivision is evaluated to determine which improvements are of a specific and direct benefit to the parcels within the subdivision and then a determination is made whether to annex them into an existing zone or whether to form a new zone. The parcels, which benefit from the improvements, are identified and a benefit assessment spread methodology is developed to spread the costs of the improvements to the benefiting parcels.

Details of the various zones in the District, their corresponding number of parcels in each benefit zone, and the method of apportioning the costs of the improvements are located in the zone description section.

ASSESSMENT

WHEREAS, the City Council of the City of Hayward, County of Alameda, California, pursuant to the provisions of the Landscaping and Lighting Act of 1972 and Article XIID of the California Constitution (collectively “the Act”), and in accordance with the Resolution of Intention, being Resolution No. 17-XXX, preliminarily approving the Engineer’s Report, as adopted by the City Council of the City of Hayward, on June 6, 2016.

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 under said Act 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 by the Act, 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.

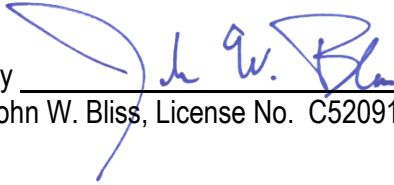
Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor’s Maps of the County of Alameda for the fiscal year 2018. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record 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 2018 for each parcel or lot of land within said Landscaping and Lighting Assessment District No. 96-1.

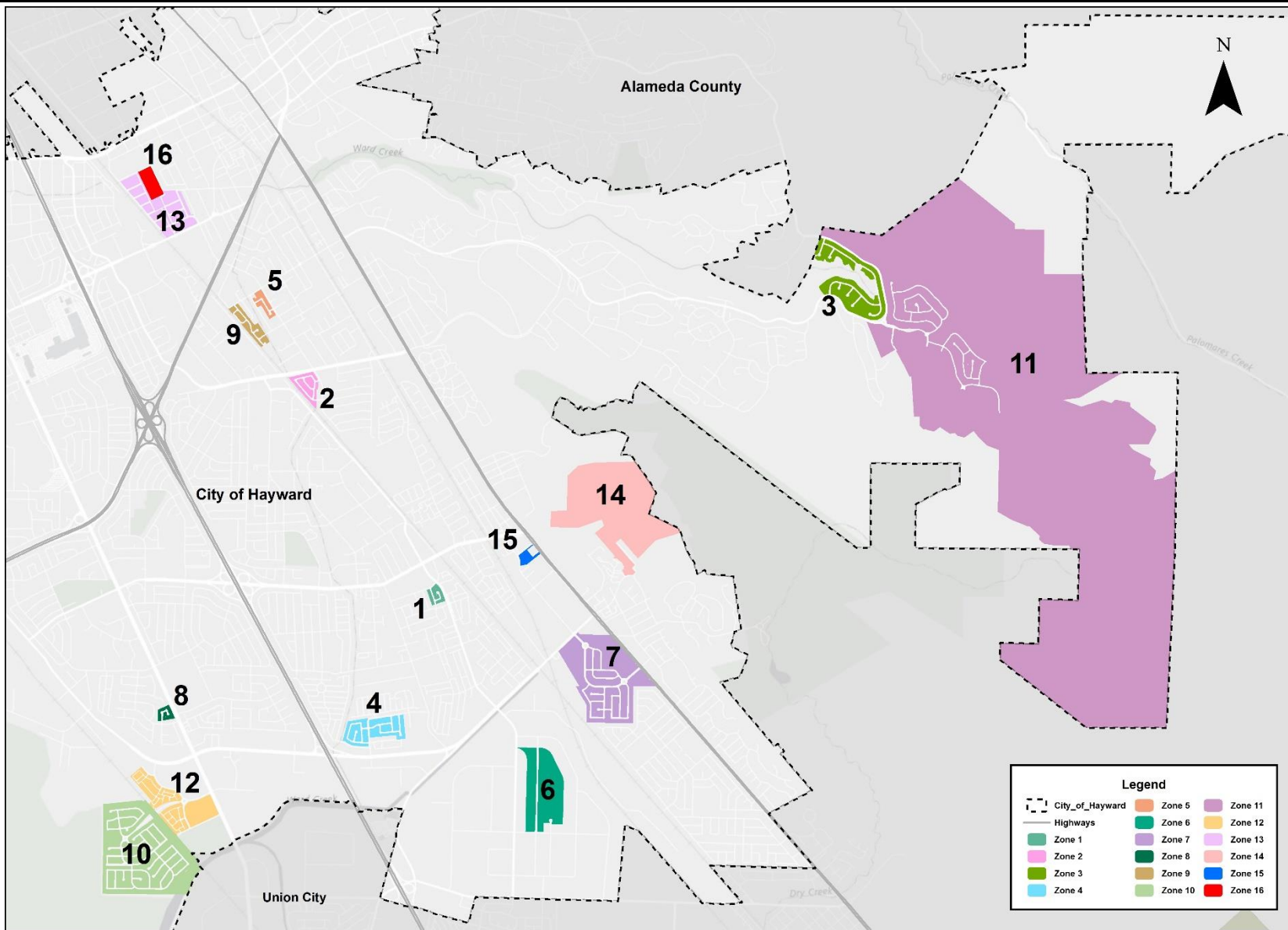
Dated: June 6, 2017



Engineer of Work

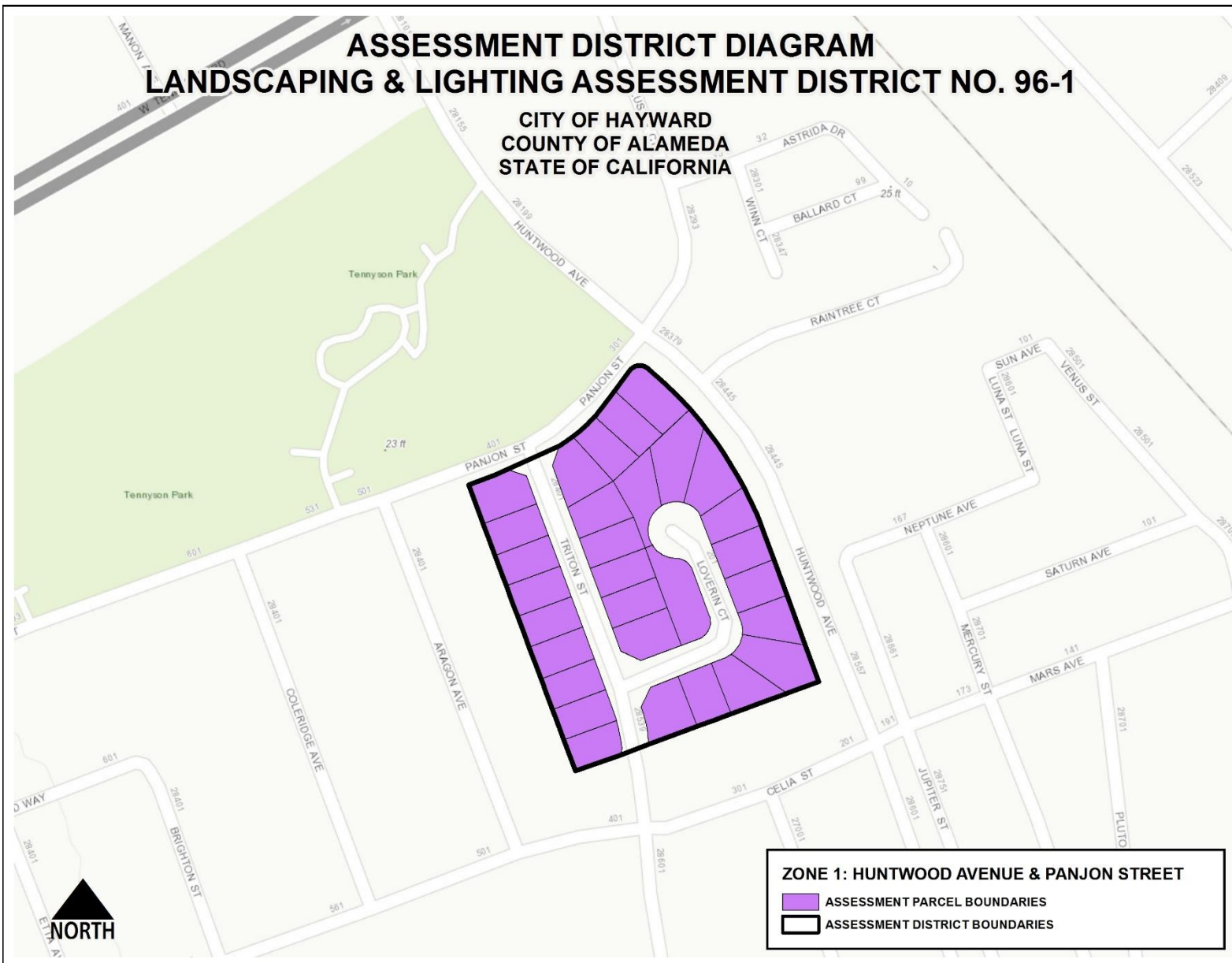
By 
John W. Bliss, License No. C52091

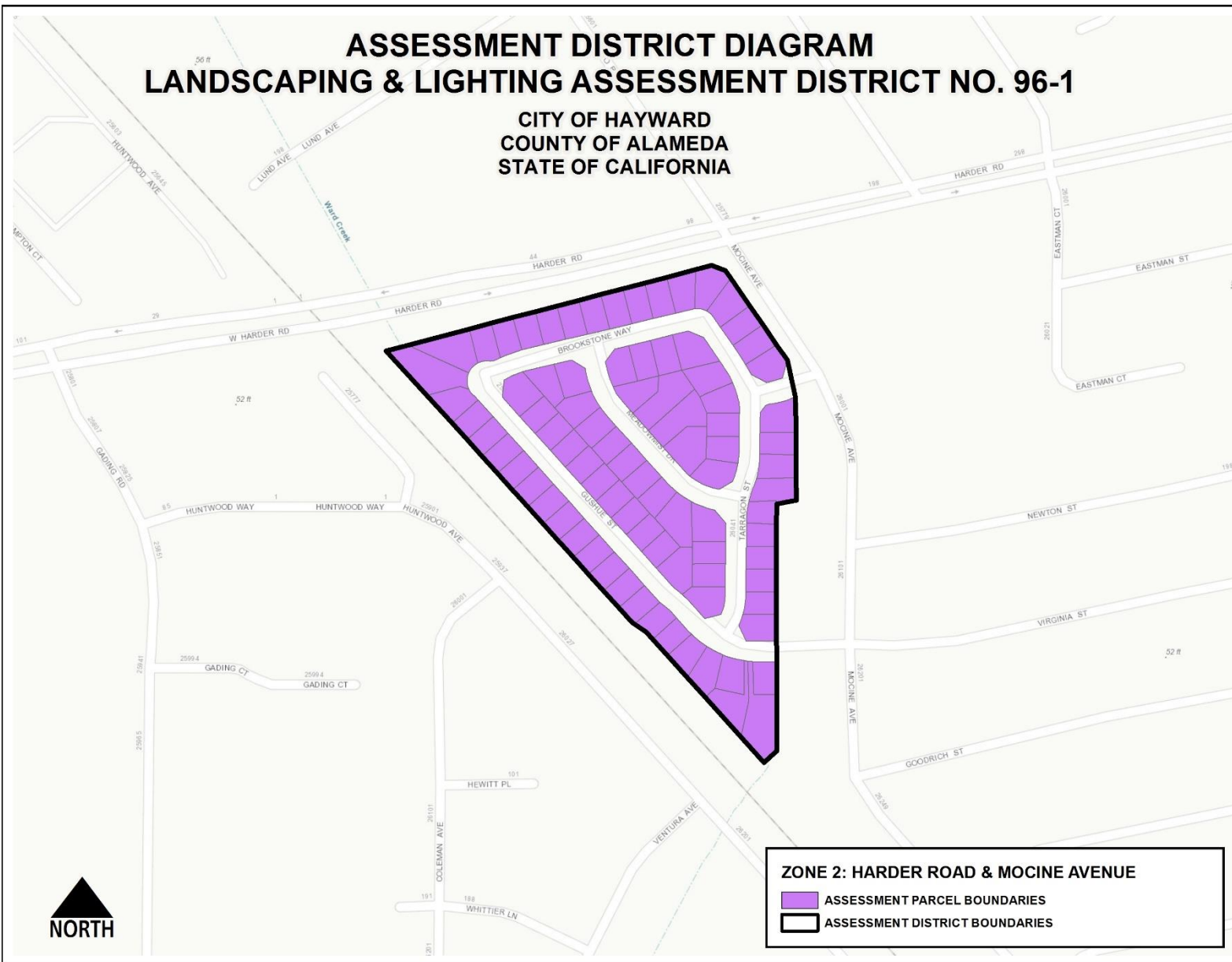
VICINITY MAP

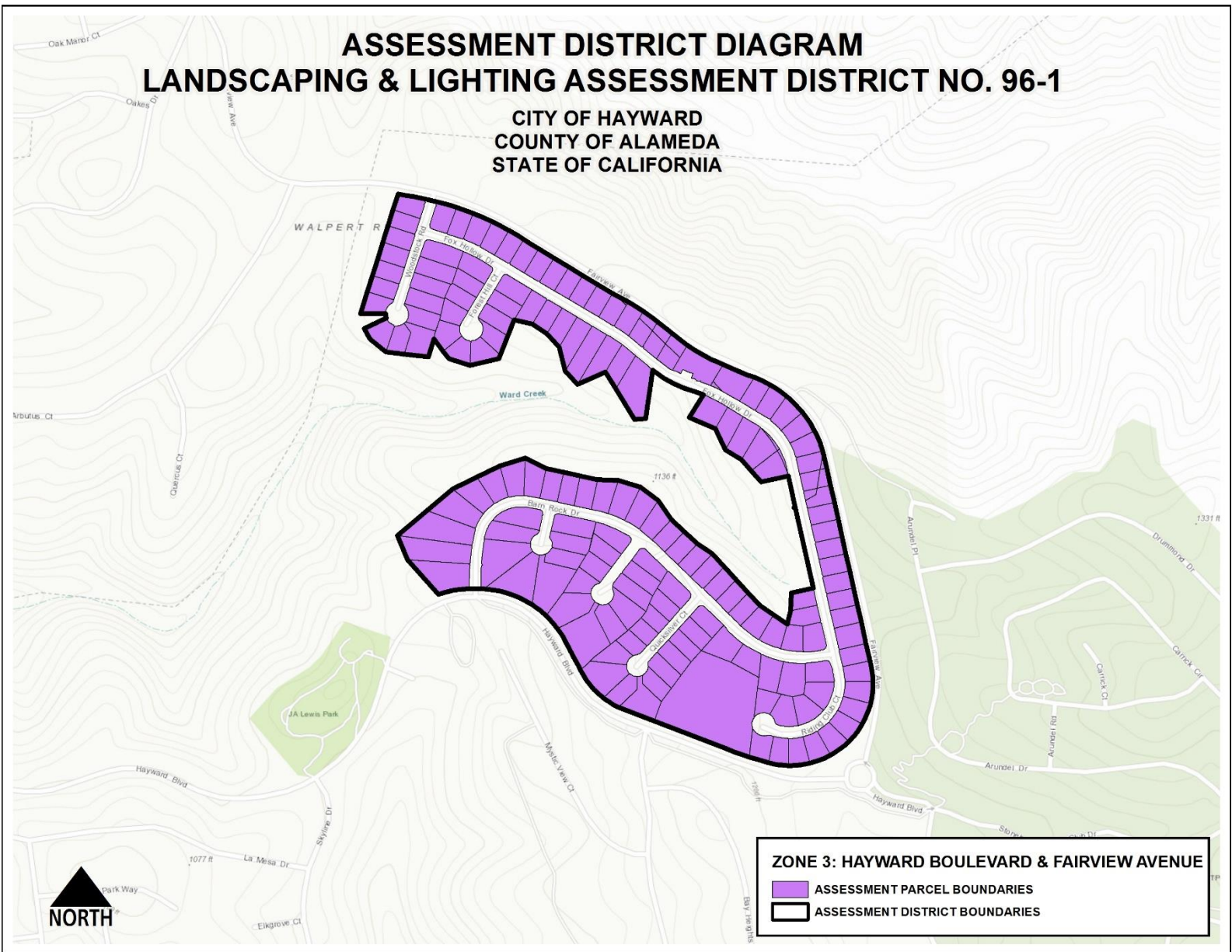


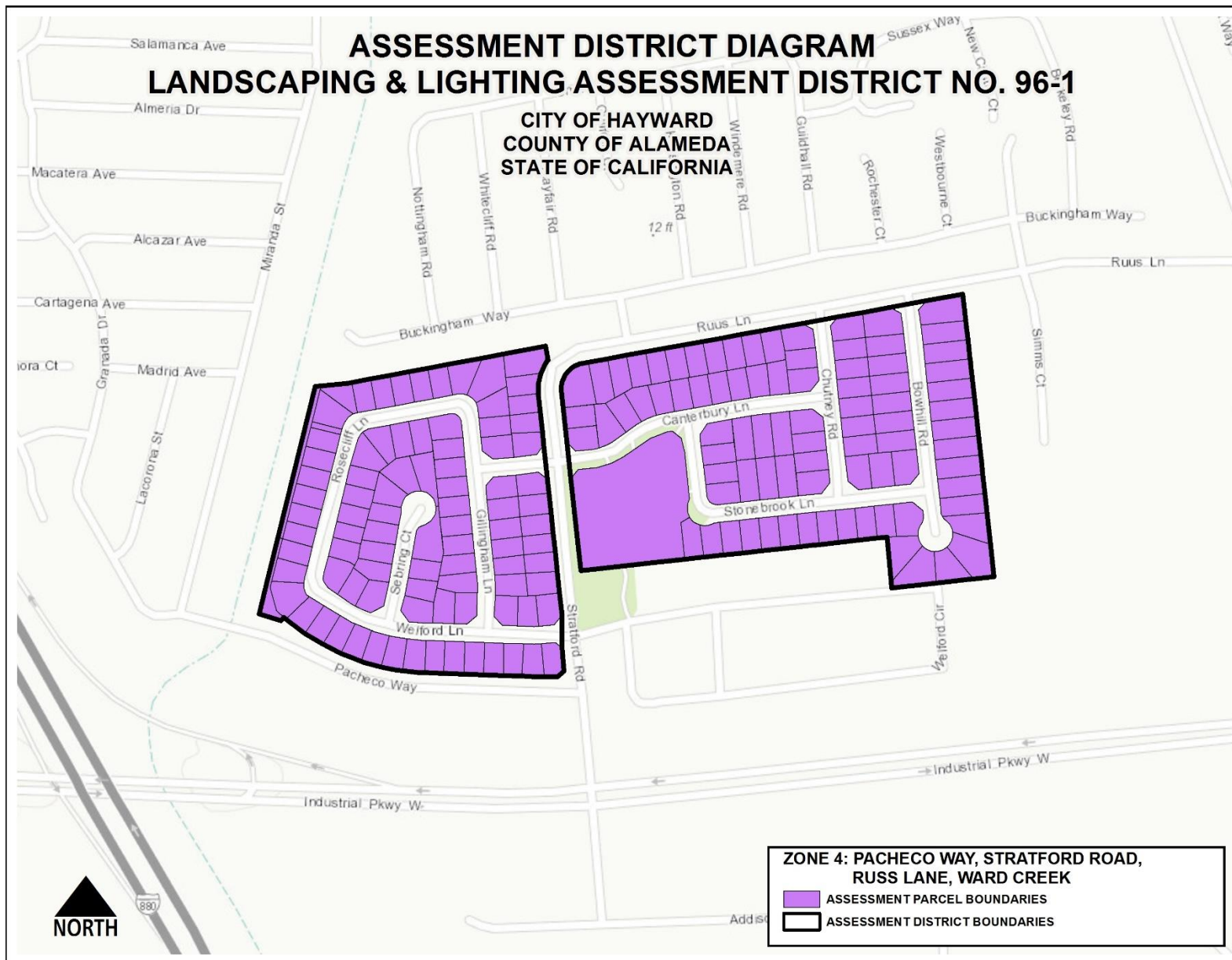
ASSESSMENT DIAGRAM

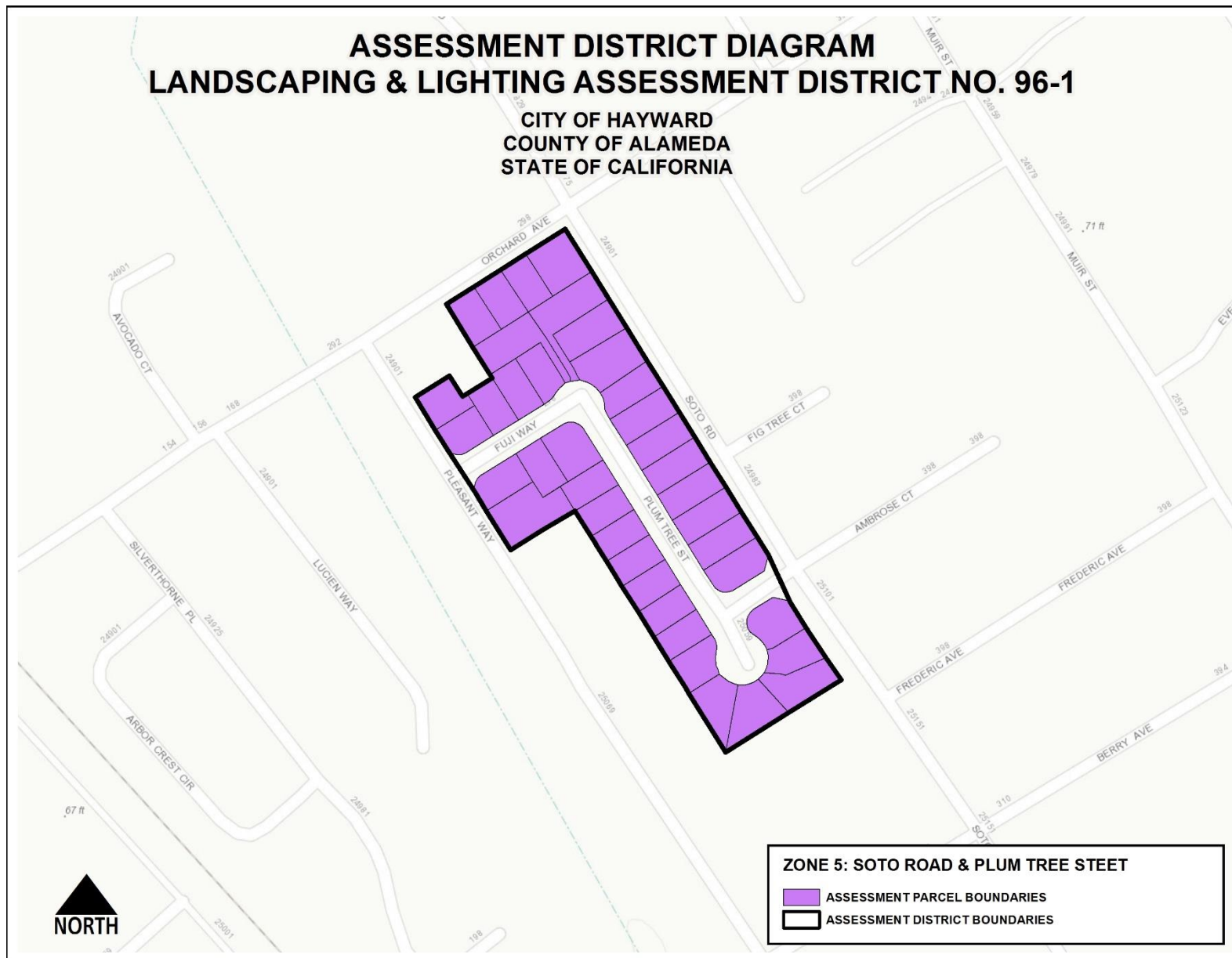
The boundary of the City of Hayward's Landscaping & Lighting Assessment District No. 96-1 is completely within the boundaries of the City of Hayward. The Assessment Diagram which shows the sixteen (16) zones is on file in the Office of the City Clerk of the City of Hayward. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Alameda, for the year when this report was prepared, and are incorporated by reference herein and made part of this report.

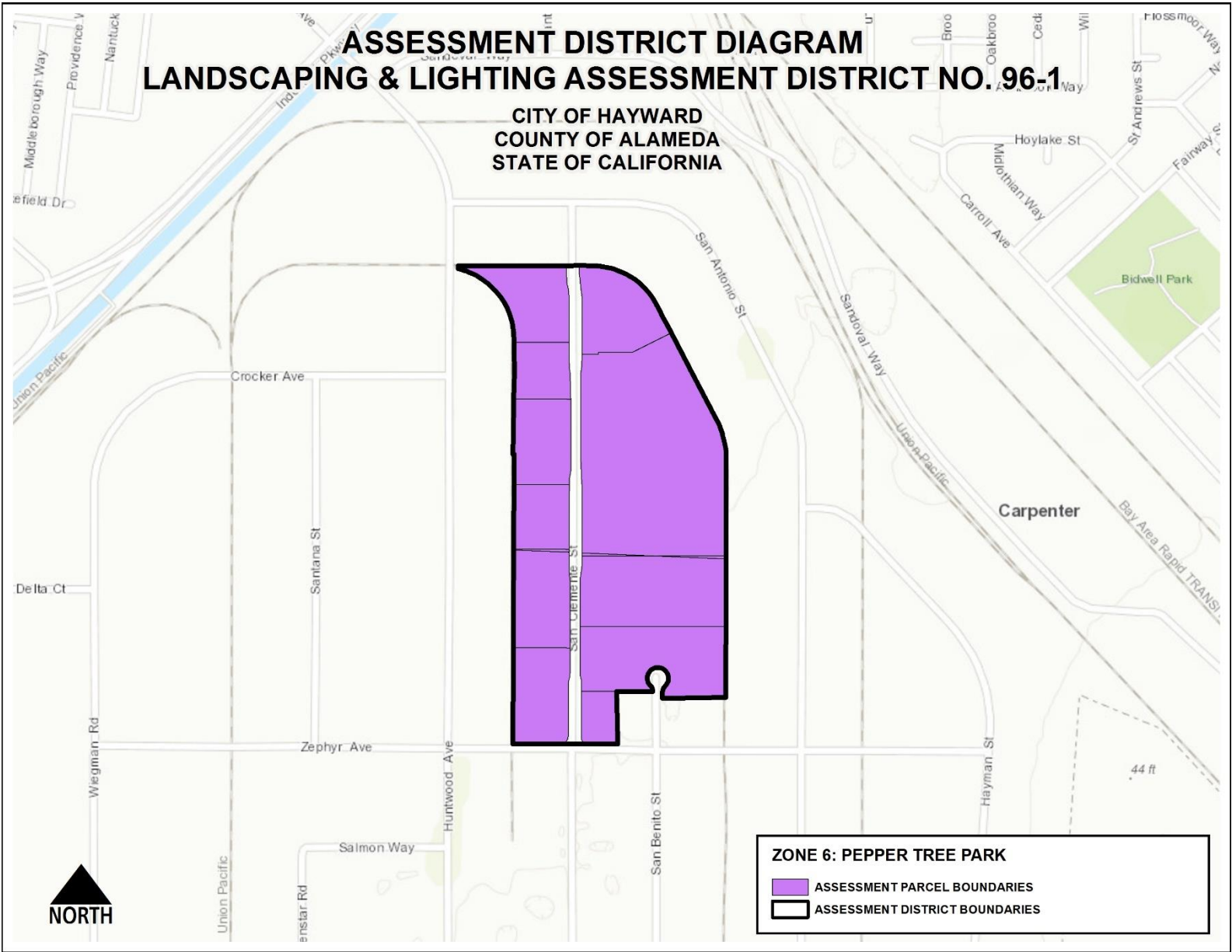


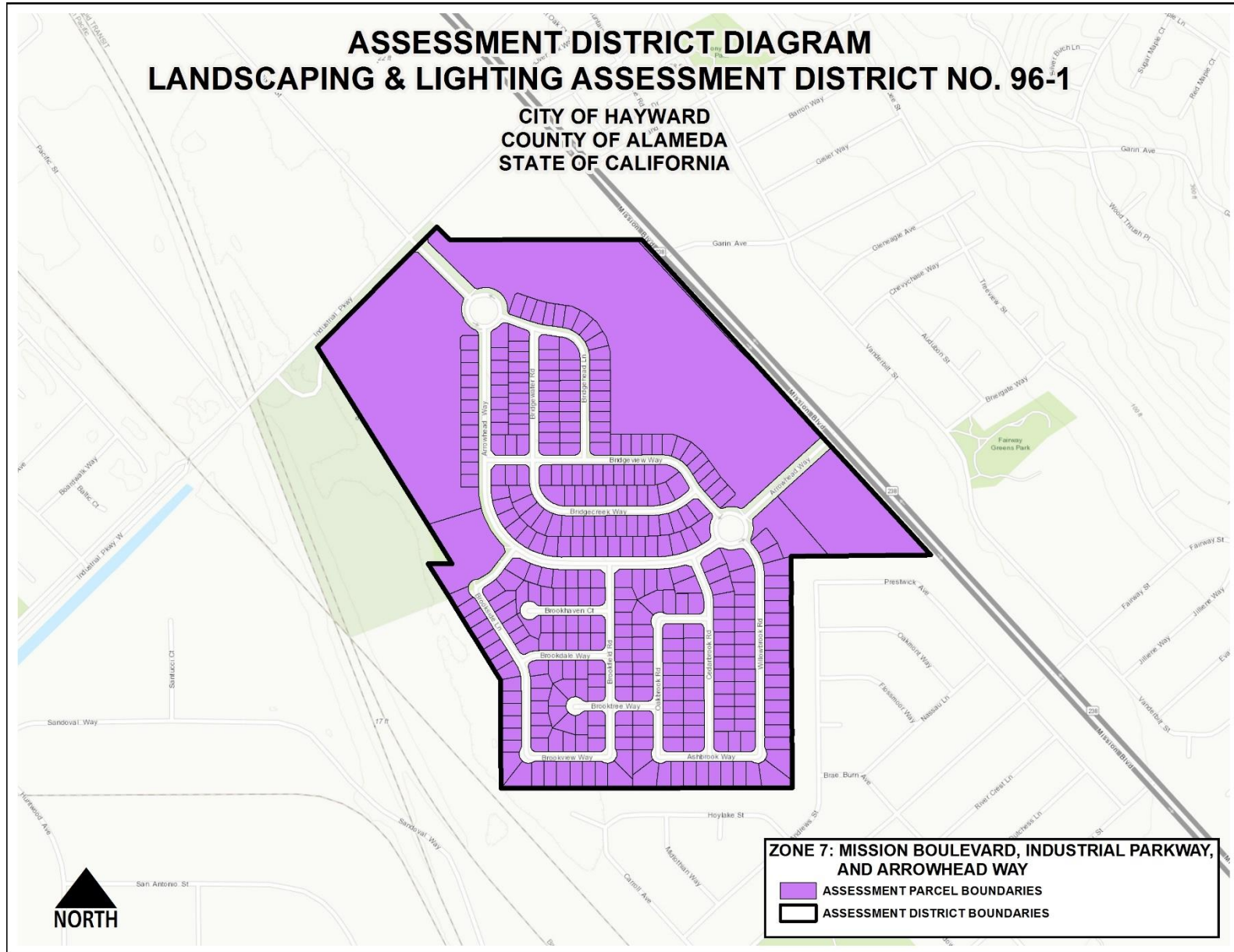


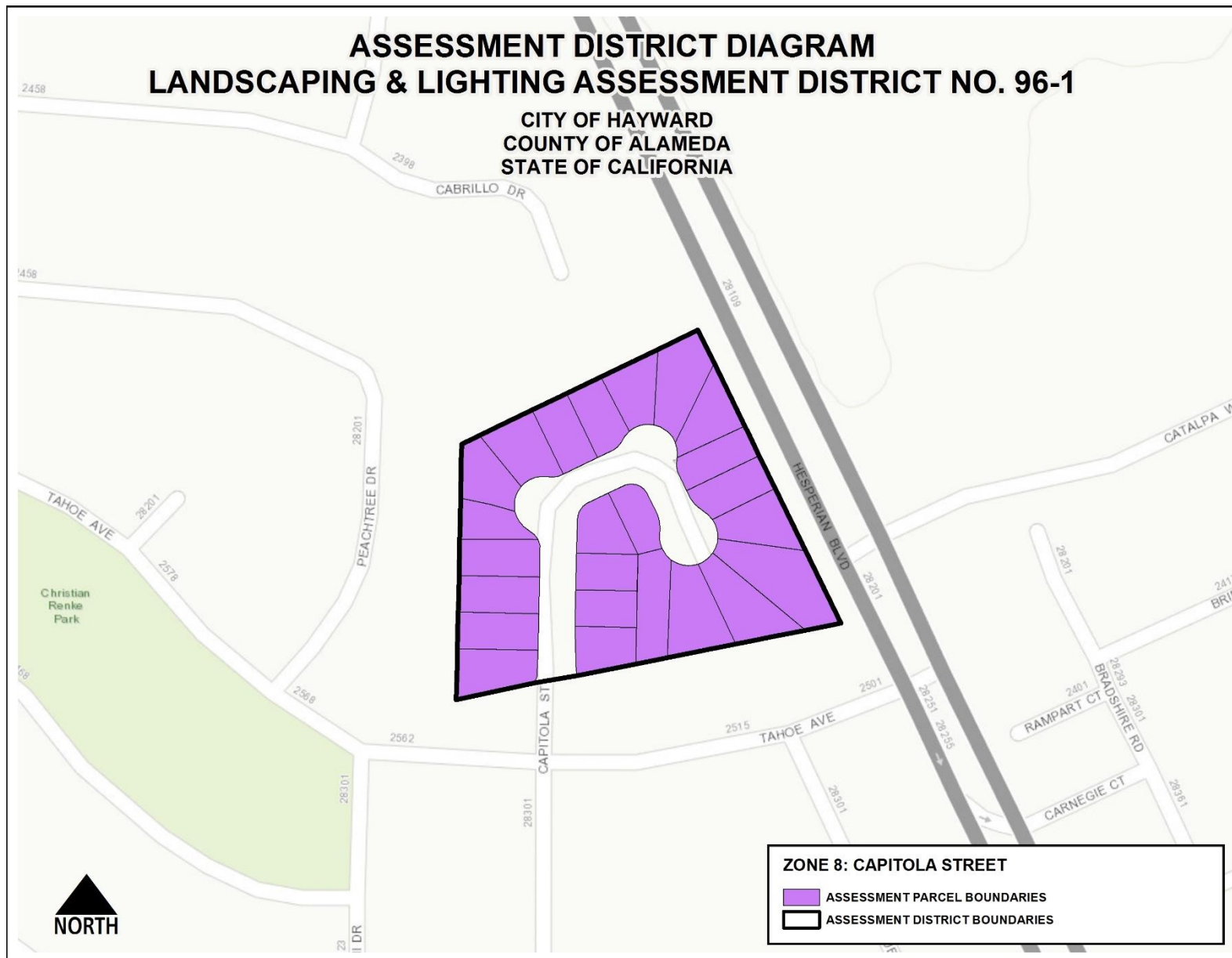


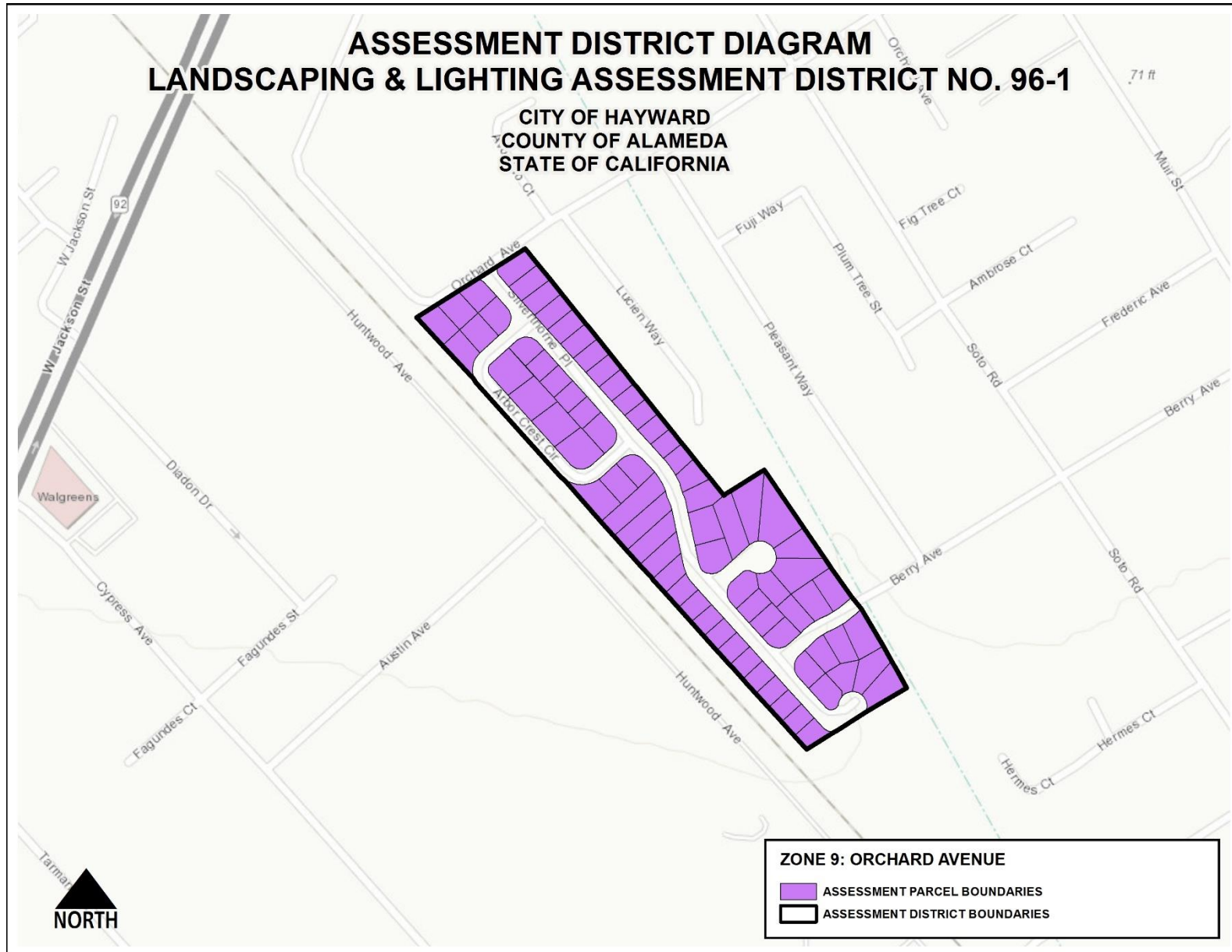






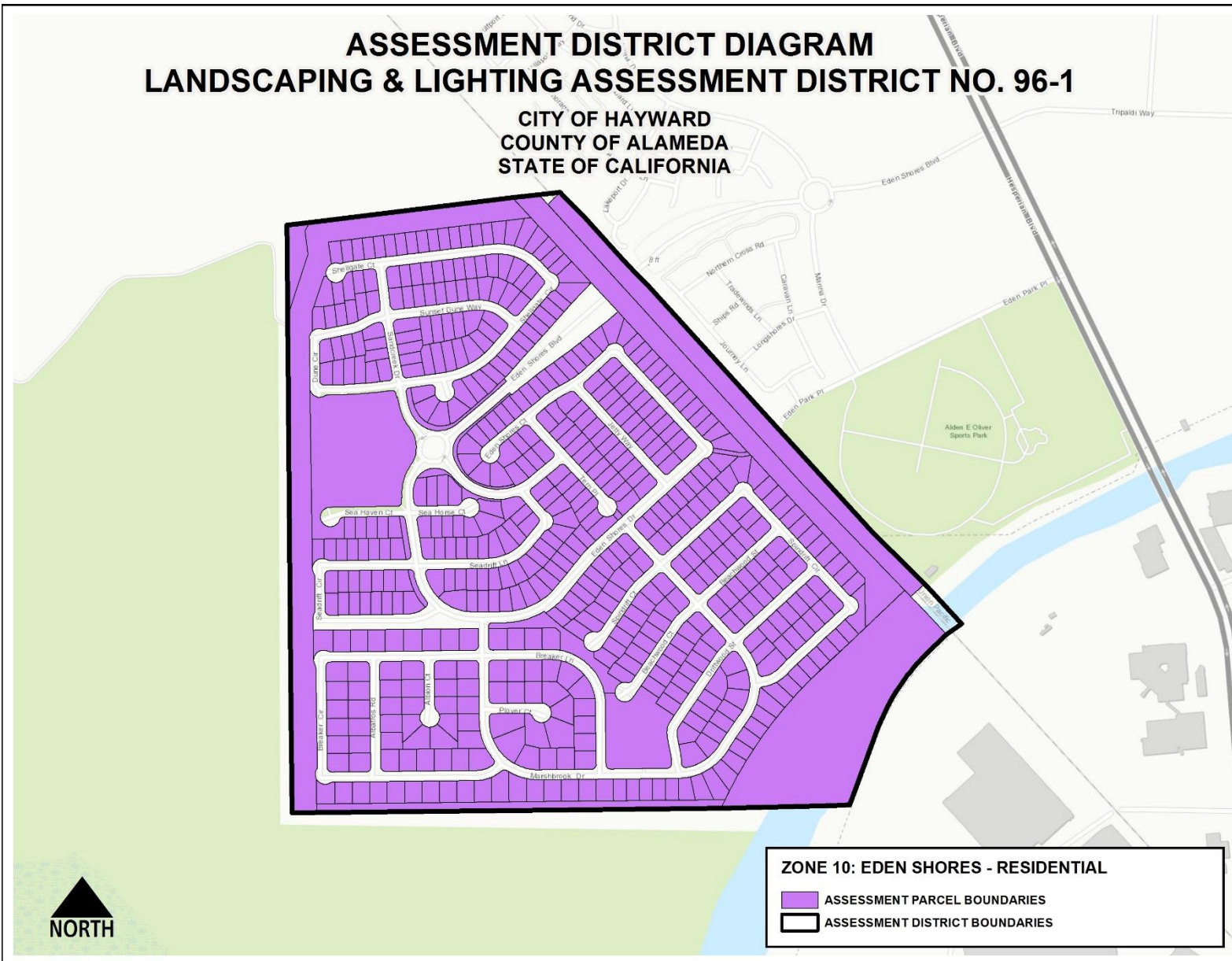


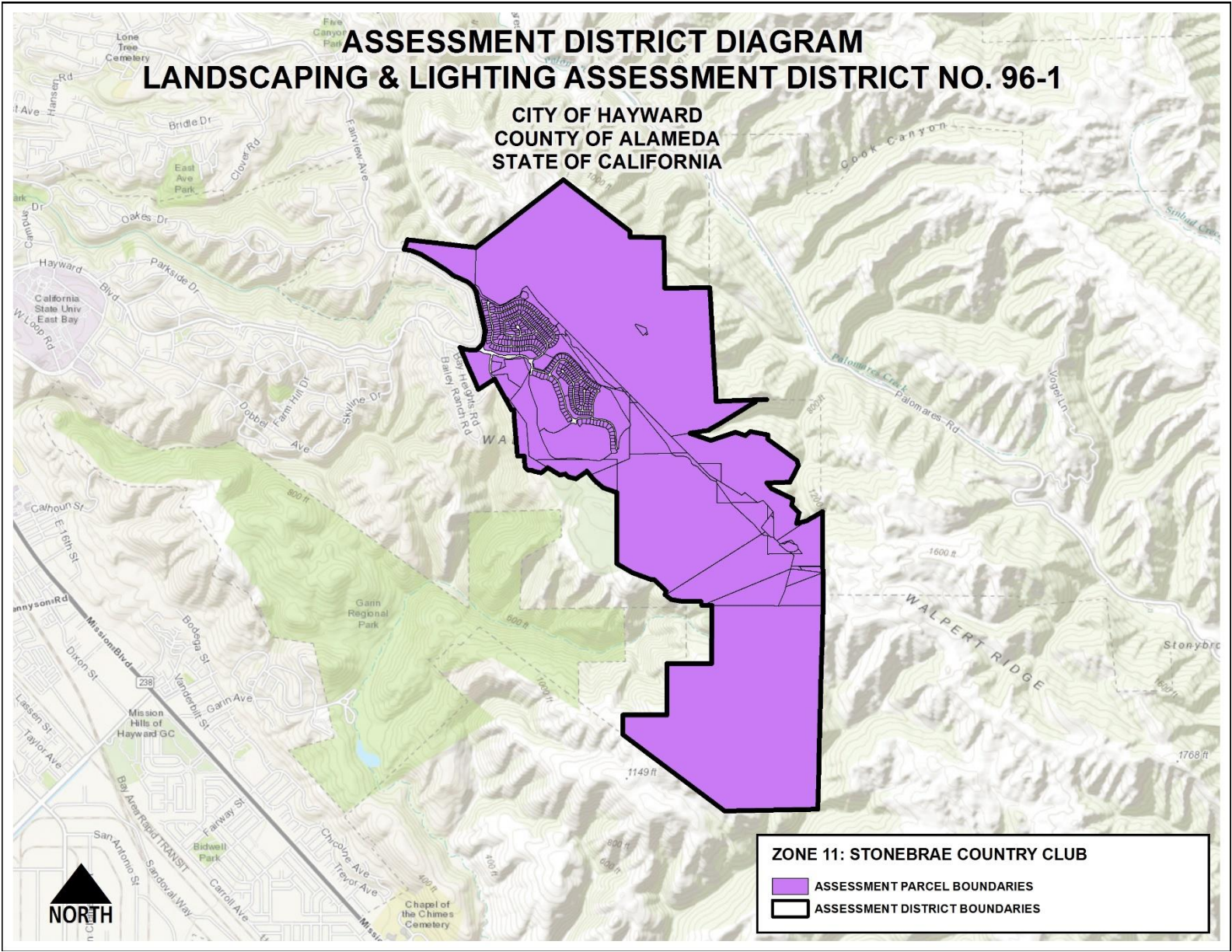


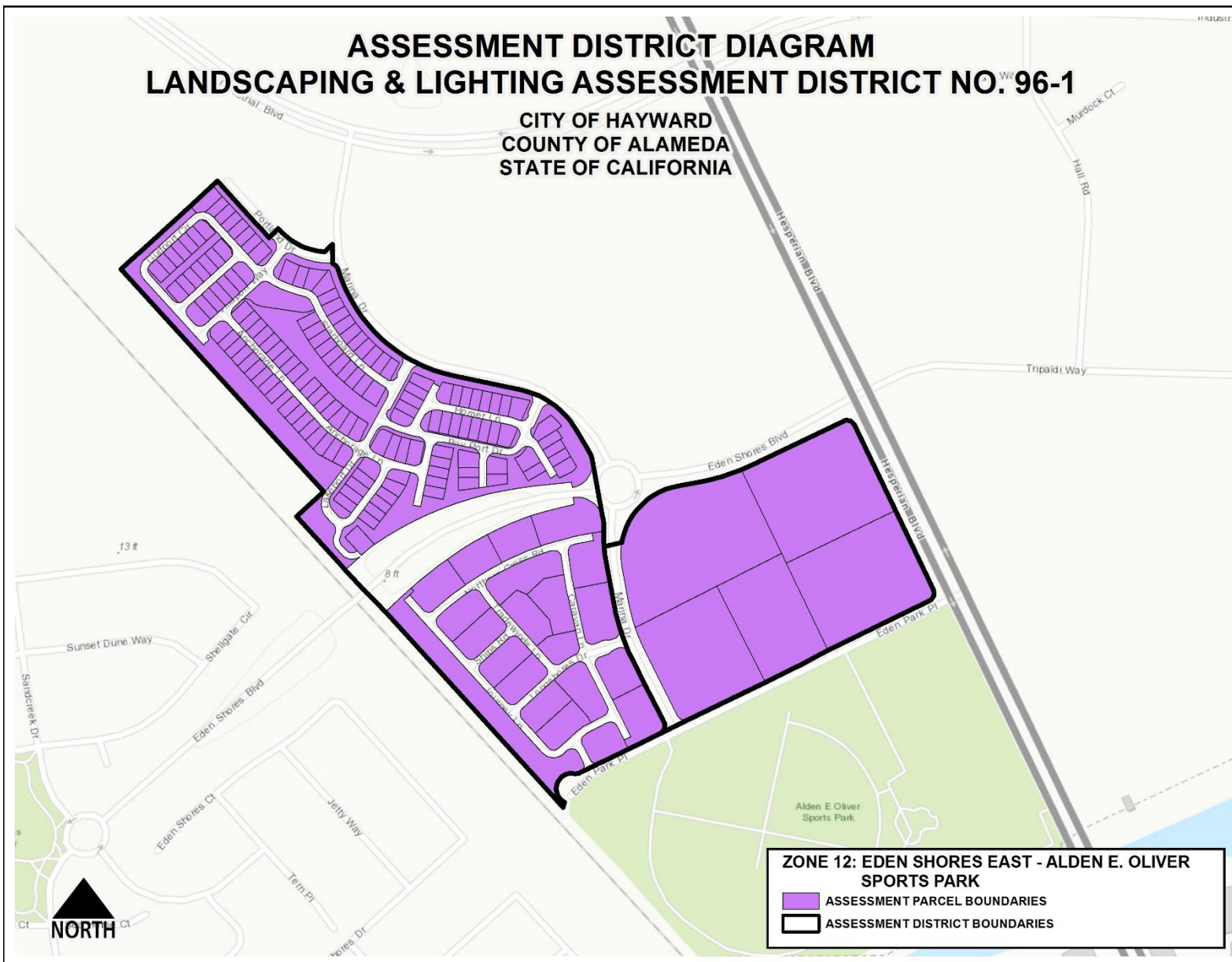


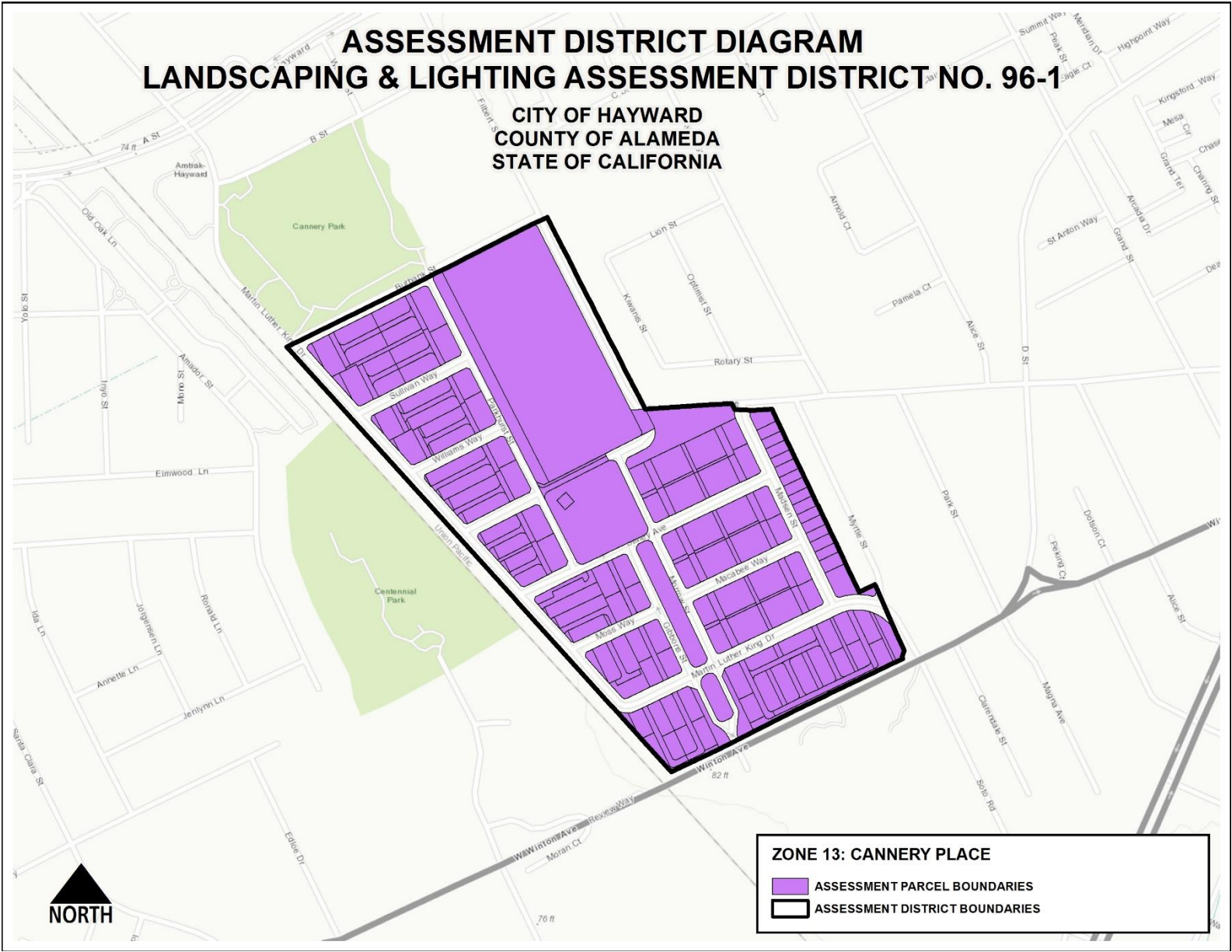
ASSESSMENT DISTRICT DIAGRAM LANDSCAPING & LIGHTING ASSESSMENT DISTRICT NO. 96-1

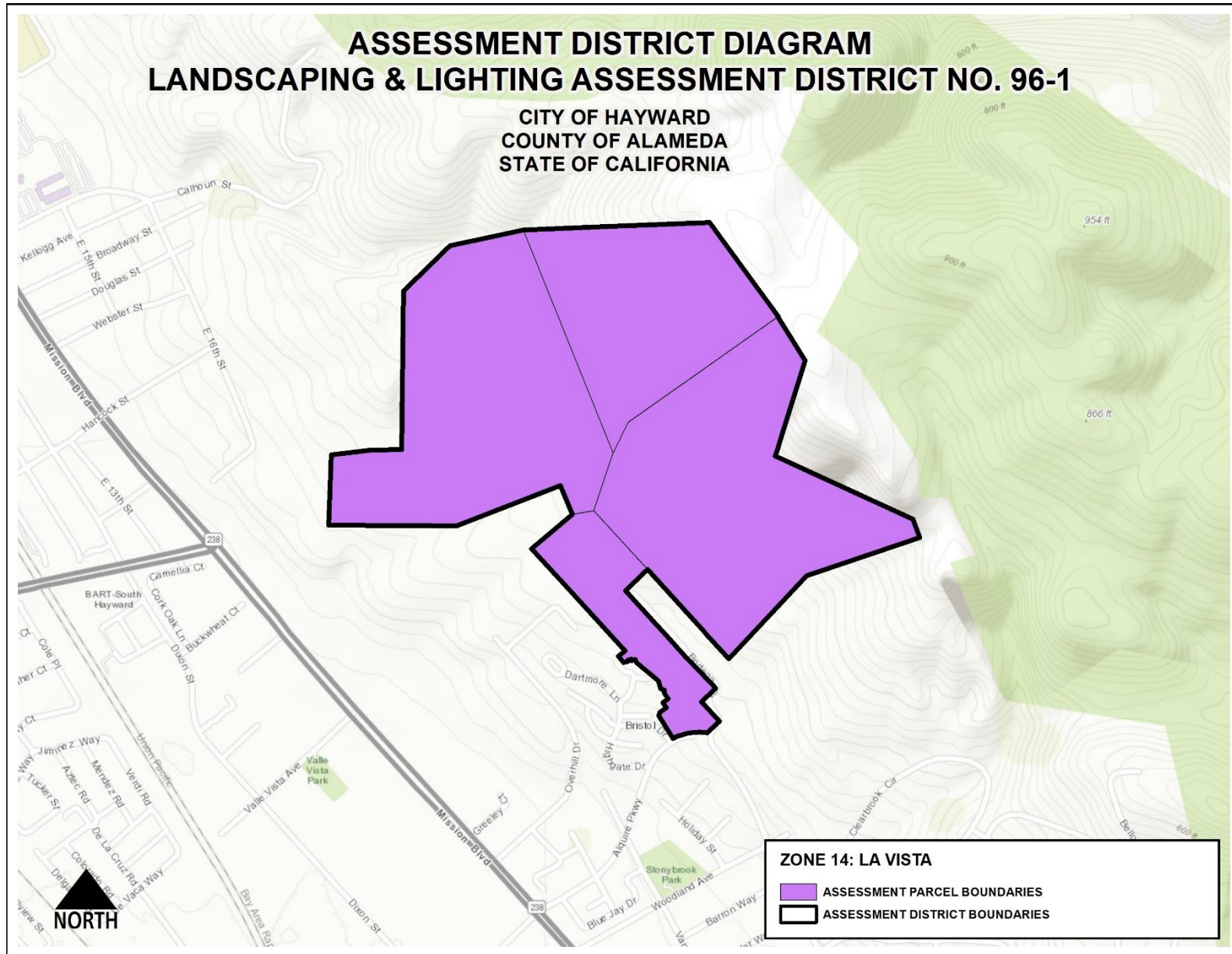
CITY OF HAYWARD
COUNTY OF ALAMEDA
STATE OF CALIFORNIA

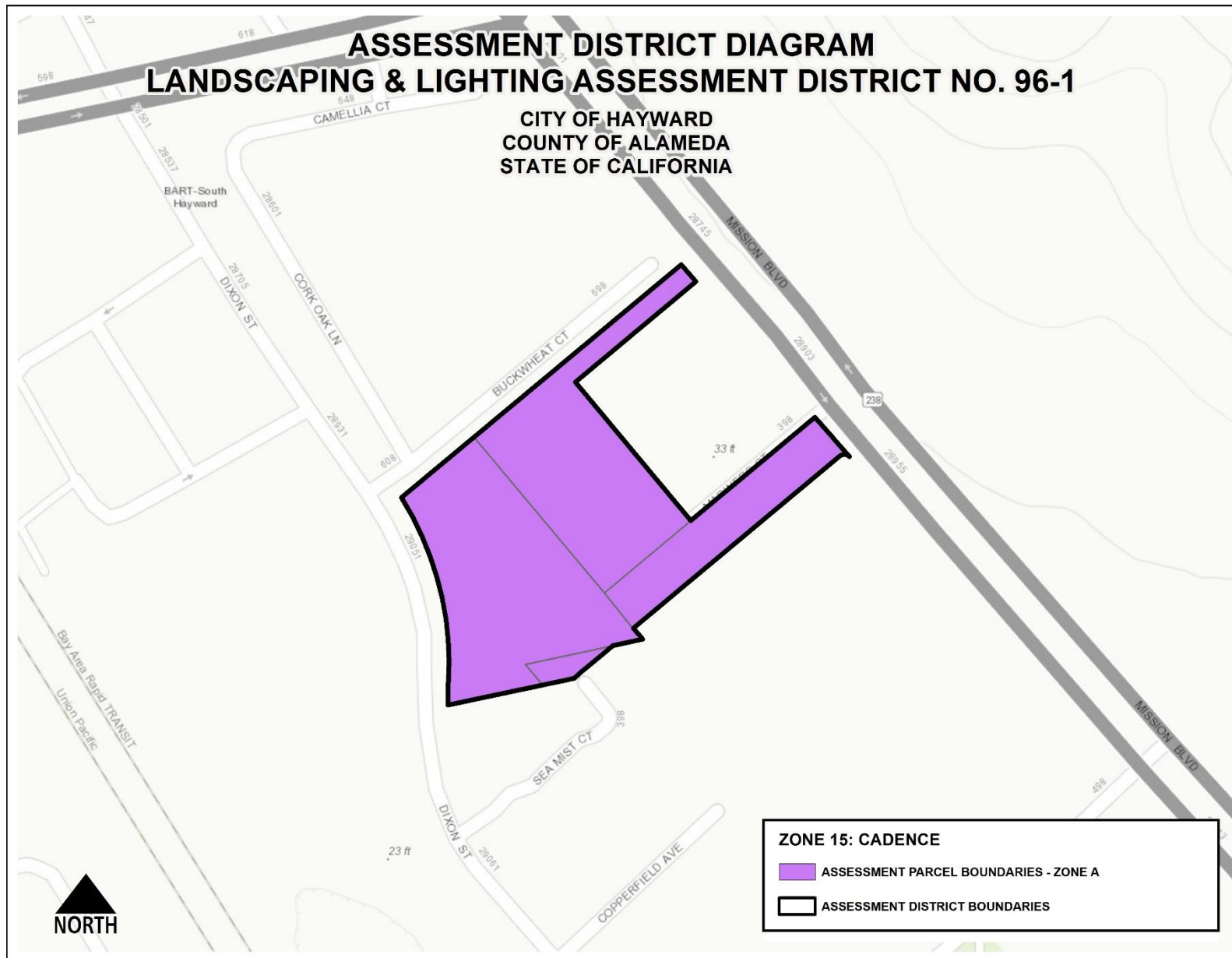


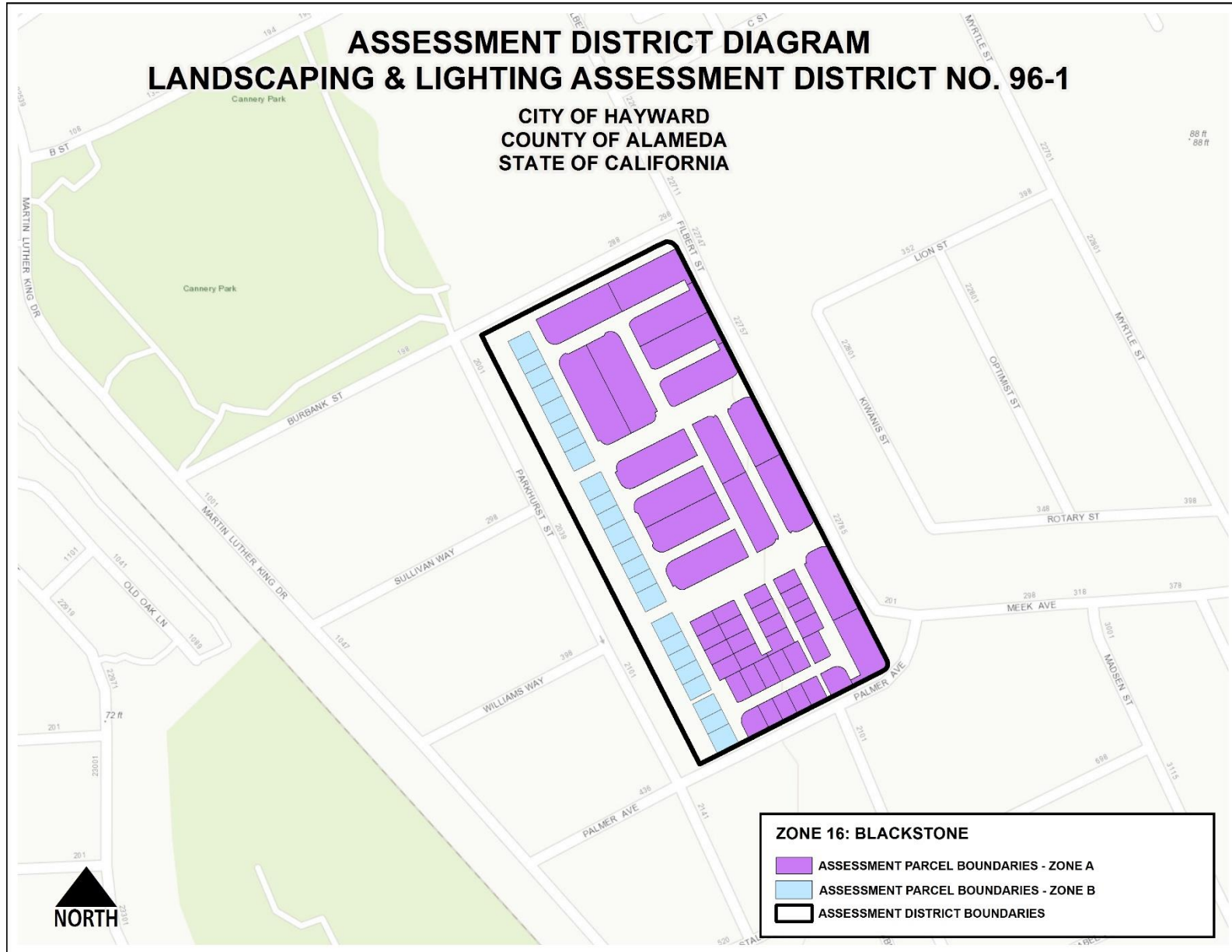












ASSESSMENT ROLL

A list of names and addresses of the owners of all parcels, and the description of each lot or parcel within the City of Hayward's Landscaping & Lighting Assessment District No. 96-1 is shown on the last equalized Property Tax Roll of the Assessor of the County of Alameda, which by reference is hereby made a part of this report.

This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll, which includes the proposed amount of assessments for FY 2018 apportioned to each lot or parcel. The Assessment Roll is on file in the Office of the City Clerk of the City of Hayward.