



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 16-241, **Version:** 1

DATE: May 24, 2016

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT

Approval to Initiate Proceedings to Annex the Spindrift at Eden Shores Property to Benefit Zone No. 12 of the Consolidated Landscaping and Lighting District 96-1, Setting of the Date for the Associated Public Hearing, and Ordering the Mailing of Ballots and Associated Waiver

RECOMMENDATION

That the City Council:

1. Adopts the two attached resolutions (Attachments I and II)
 - a. Proposing annexation into Benefit Zone No. 12 of the property known as "Spendrft at Eden Shores";
 - b. Defining the improvements to be paid for through the annexation;
 - c. Designating the Engineer of Work and ordering preparation of the Engineer's Report in accordance with law;
 - d. Establishing the maximum assessment rate for FY 2017;
 - e. Setting the date, time, and place for the public hearing ; and
 - f. Authorizing the City Clerk to issue the Notice of Hearing in accordance with law; and
 - g. Proposing to levy annual assessments; and
2. Preliminarily approves the Engineer's Report (Attachment III).

SUMMARY

The City Council approved the associated 118-unit residential development on May 20, 2014. One of the conditions of approval required formation of a new landscape and lighting assessment district or annexation into an existing district. The Engineer's Report, which is included as Attachment III, addresses the annexation of Spindrft at Eden Shores Property ("Annexation Area") into Zone 12 of the City of Hayward Consolidated Landscaping and Lighting District No. 96-1 ("District"), and includes the following information: (1) An estimated budget for the Annexation Area; (2) A description of the improvements to be operated, maintained, and serviced by the Zone No. 12 in the District; (3) Special Benefits section including the General Benefit calculation and methodology; and (4) The assessment apportionment and list of the assessments proposed to be levied upon each assessable parcel within the Annexation Area.

BACKGROUND

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

In 1996, six separate Landscaping and Lighting Districts, Benefit Zones 1-6, were consolidated into one district, Consolidated Landscaping and Lighting District No. 96-1 (the District), by the adoption of Resolution No. 96-63. In subsequent years, Benefit Zones 7-13 were individually created and annexed into the District.

On February 24, 2016, SCI Consulting Group was hired to assist the City of Hayward with the formation and/or annexation of three benefit zones to the existing Consolidated Landscaping and Lighting District 96-1. The Spindrifft development is a two phased project that will consist of 118 single-family residences. Per the Development Agreement, the construction of the residential lots must be done proportionally with commercial development north of the Annexation Area in an area bounded by Hesperian Boulevard to the east, Industrial Parkway to the north, Marina Boulevard to the west, and Eden Shores Boulevard to the south. At this time, only 58.4 percent of the Annexation Area (related to the Costco development), or 66 single-family residences, can be developed. The annexation of the Spindrifft property into Benefit Zone No. 12 of the District is proposed to provide additional funding for the maintenance and improvements of neighborhood serving facilities at Alden E. Oliver Sports Park. City staff worked with SCI to prepare the attached documentation, as well as the ballot documents.

DISCUSSION

The first attached resolution (Attachment I) initiates the proceedings for the formation and annexation of the Spindrifft Property into Benefit Zone No. 12 of the District and designates SCI Consulting Group as the Engineer of Work.

The second resolution (Attachment II) preliminarily approves the Engineer's Report, sets June 14, 2016 as the date for the public hearing, and orders the mailing of the ballots and waiver. Noteworthy in this document is that the total assessment and rates are shown in section seven of that resolution (\$194.97 per single-family equivalent).

The cost escalator mechanism describing the changes in the maximum assessment rate, calculated in accord with the Bay Area consumer price index (CPI), is contained in bullet ten.

Engineer's Report - The Engineer's Report ("Report") describes the methodology used to develop the proposed assessment, as well as the financial details related to the proposed assessment and services to be funded by the proposed assessment. Included in the Report is the following information:

- The total maintenance costs for the Spindrifft Annexation (Figure 1 on page 10 of the Report);
- The Special Benefits section including the General Benefit calculation and methodology (pages 11-17);

- The Assessment apportionment (described on pages 18-19);
- The CPI calculation in this report allows for an increase of up to 3% annually (page 21 of the Report).

For a geographical overview of the entirety of Benefit Zone 12 and the proposed Annexation Area, please see the color coded map provided on page 23 of the Report.

FISCAL IMPACT

There is no fiscal impact to the City's General Fund from this recommendation because expenditures are to be paid for by the Consolidated Landscaping and Lighting District No. 96-1 Benefit Zone 12 fund accounts.

NEXT STEPS

Assuming the City Council adopts the attached resolutions, the proceedings for the annexation of Spindrifft Property to Benefit Zone No. 12 of the District and associated balloting procedures required by Proposition 218 will be initiated.

Ballots will be mailed on May 25, 2016 to all property owners within the proposed Annexation Area.

A Waiver of the 45 Day Balloting Period required by law will also be sent on May 25, 2016 (this balloting period may be waived if there is only one property owner, which is the case).

If the property owner elects to proceed with the Waiver, which is expected, this will remove the need for the 45 day balloting period and allow the City Council to consider final approval of the Engineer's Report and a Resolution to Levy Assessments at a Public Hearing on the next available City Council meeting agenda, anticipated for June 14, 2016.

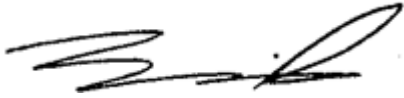
Should the noticed Public Hearing be held on June 14, 2016, the property owner within the Annexation Area will have an opportunity to raise concerns about assessments. Following the conclusion of the public input portion of the public hearing, the Council will order the close of the balloting and commence tabulation of the results. After tabulation of the ballots is completed, the Council may consider - provided a majority protest does not exist - a Resolution to Levy the Assessments for fiscal year 2017.

Prepared by: Peter Rei, PE, PLS, Contract Development Review Engineer

Reviewed by: Sara Buizer, AICP, Planning Manager

Recommended by: David Rizk, AICP, Development Services Director

Approved by:



Fran David, City Manager

Attachments:

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| Attachment I | Resolution to initiate formation and annexation of the Spindrifft at Eden Shores Property into benefit Zone 12 of Landscaping and Lighting Assessment District No. 96-1 |
| Attachment II | Resolution providing Intent to Levy Assessments, preliminarily approving the Engineers Report and setting the date for a Public Hearing for the annexation of Spindrifft at Eden Shores Property into benefit Zone 12 of Landscaping and Lighting Assessment District No. 96-1 |
| Attachment III | Preliminary Engineer's Report for "Spindrifft" property |