



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**File #:** PH 16-071, **Version:** 1

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**DATE:** July 19, 2016

**TO:** Mayor and City Council

**FROM:** Development Services Director

### **SUBJECT**

Adopt Resolutions to Approve the Engineer's Report, Confirm the Assessment Diagram and Assessment, Order the Levy and Collection of Assessments, and Approve Funding Recommendations, and Appropriate Special Revenue Funds for Maintenance District No. 2 - Eden Shores Storm Water Buffer and Facilities, for Fiscal Year 2017

### **RECOMMENDATION**

That the City Council adopts the attached resolutions (Attachment I and II):

1. Approving the Engineer's Report,
2. Reconfirming the Base Maximum Assessment amount,
3. Confirming the Assessment Diagram and Fiscal Assessment,
4. Ordering the Levy and Collection of Fiscal Assessments,
5. Approving the Funding Recommendations, and
6. Appropriating Special Revenue Funds for Maintenance District No. 1

### **SUMMARY**

The annual Engineer's Report (the Report) for Maintenance District No. 2 (the District) is included as Attachment III and is presented to the City Council in compliance with Section 10-10.25 of the Hayward Municipal Code. The Report includes the recommended amount of fiscal assessment to be levied against each property for FY 2017 and is consistent with the preliminary engineer's report presented to Council on June 28, 2016. The City Council must formally adopt the District budget as required by the City Charter and in order to comply with certain regulations prescribed by the California Constitution.

Maintenance District No. 2 (the "District") was formed in June 2003 to fund the operation and maintenance of a pre-treatment storm water pond, the water buffer zone bordering the residential portion of Eden Shores, the pedestrian bridge crossing the water buffer channel, perimeter fencing adjacent to the water buffer channel, and miscellaneous landscaping adjacent to the water buffer channel. The District includes three residential tracts in Eden Shores, totaling 534 homes. The funds collected from the property owners within the District pay for annual operations and maintenance and to establish capital reserve funds, which would be utilized to repair or replace sections of fencing, pumps, or bridge components in the future. The District assumed full maintenance responsibility of the improvements at

the beginning of FY 2009.

A 2010 agreement between the City and the Alameda County Flood Control and Water Conservation District (the Flood Control District) vests responsibility for the annual maintenance and operation of the pre-treatment storm water pond with the Flood Control District. The 2010 agreement states that the Flood Control District concurred with the acceptance of the pond, subject to the District providing the Flood Control District with sufficient funds to operate, maintain, and provide for capital replacement and modifications that may become necessary for the optimal performance of the pond.

## **DISCUSSION**

On June 28, 2016, the Council adopted Resolution No. 16-317, approving the Preliminary Engineer's Report, declaring its intent to levy assessments for FY 2017, and setting July 19, 2016, as the public hearing date concerning the District.

The base maximum assessment amount of \$ 876.78 per parcel does have an allowance for future increases based upon the annual change in the Consumer Price Index. Therefore, the total gross revenue that can be generated annually from the parcels within the District is \$468,200.52.

The expenditure budget for FY 2017 is \$95,789, which funds normal operation activities. Based on these estimated operating costs, the collection amount needed to cover the FY 2017 operating expenses is \$198.95 per parcel. This collection amount is proposed as a 15 percent increase over the prior year amount of \$173.00. An assessment rate increase is recommended in order to maintain appropriate operating and capital reserves. The proposed FY 2017 assessment is below the base maximum assessment of \$876.78.

*Proposition 218 Compliance* - The increase in the assessment rate that can be levied in FY2017 is in compliance with the provisions of Proposition 218 because the assessment does not exceed the previously approved maximum base assessment formula. The proposed FY 2017 assessment of \$198.95 is below the base maximum assessment of \$876.78. In future years, the fiscal assessment amount may be increased up to the base maximum assessment amount, which would not require the noticing and balloting of property owners, pursuant to the requirements of Proposition 218.

## **FISCAL IMPACT**

There is no fiscal impact to the City's General Fund for this recommendation, because the present expenditures are to be paid for by District funds. Staff has evaluated the operating and capital reserve fund balances and asserts that they would be adequate for FY 2017.

## **PUBLIC CONTACT**

A public meeting was held on May 19, 2016, for the property owners within the District. At that meeting, staff was available to explain the District's responsibilities, fiscal assessment amount and funding, and property owners were given the opportunity to ask questions regarding assessments and services. No public member from the District attended the meeting.

The property owners will have another opportunity to raise concerns about their assessments during the

July 19, 2016 Council hearing. Notices were mailed to each property owner within the District and published once in *The Daily Review* newspaper on July 8, meeting the requirement of at least ten (10) days prior to the July 19, 2016 public hearing. At the time of completion of this report, no responses to such notice of public hearing had been received by City staff.

**NEXT STEPS**

If the City Council adopts the attached resolution, the final Assessor's tax roll will be prepared and filed with the County Auditor's Office, no later than the third Monday in August following such adoption, allowing the assessments to be included in the FY 2017 tax roll.

*Prepared by:* Peter Rei, P.E., P.L.S., Contract Development Review Engineer  
Denise Blohm, Management Analyst II

*Recommended by:* David Rizk, AICP, Development Services Director  
Todd Rullman, Maintenance Services Director

Approved by:



Fran David, City Manager

Attachments:

Attachment I	Resolution Approving Engineer's Report
Attachment II	Resolution Approving Funding Recommendations and Appropriating Funding for FY 2017
Attachment III	Engineer's Report