



DATE: April 21, 2026

TO: Mayor and City Council

FROM: Director of Maintenance Services

SUBJECT: Stratford Village Proposition 218 Hearing: Proposition 218 Public Hearing to Receive and Tabulate Property Owner Ballots Regarding the Establishment and Levying of a New Assessment for the Stratford Village Flood Control Facilities Improvement Assessment District (MD1); Adopt a Resolution Establishing the New Stratford Village Flood Control Facilities Improvement Assessment (MD1-2026); Approve the Final Engineer’s Report; and Order Levy and Collection of Assessments for Fiscal Year 2027

RECOMMENDATION

That the City Council conducts a public hearing pursuant to Proposition 218 to consider objections and protests to the proposed Stratford Village Flood Control Facilities Improvement Assessment (MD1-2026). If tabulation of the property-owner ballots results in approval of the proposed assessment, that Council adopts a resolution (Attachment II) establishing the proposed Assessment, approving the Final Engineer’s Report (Attachment III), and ordering the levy and collection of the approved assessments for Fiscal Year 2027.

SUMMARY

Maintenance District 1 (District) was established in 1995 as a financial funding mechanism to fund the operation, maintenance, and the capital repair and replacement of the Stratford Village Storm Water Lift Station (SWLS), the critical flood protection infrastructure for the neighborhood. Thirty years later, the funds generated from the annual assessment revenue are no longer sufficient to provide proper operation, maintenance, and the capital repair and replacement of the District’s storm water drainage and pumping infrastructure. To meet this need, staff recommended a Proposition 218 assessment balloting procedure to propose a new assessment at the January 27, 2025, City Council Meeting.

On January 27, the City Council took formal action to initiate the Proposition 218 election process. Since then, ballot materials were mailed to all property owners of record 45 days prior to this Public Hearing. This Public Hearing on April 21 is to receive the ballot tabulation and consider objections and protests. If it is determined that the assessment ballots submitted in opposition to the proposed assessments do not exceed the assessment ballots submitted in favor of the assessments (weighted by the proportional financial obligation of the property

for which ballots are submitted), staff recommends the City Council take action to approve the imposition of assessments for fiscal year 2027 (July 2026 through June 2027) and each fiscal year thereafter. The levy and collection of the assessments would continue year to year until terminated by the City Council. Pursuant to the Council's approval, the assessment roll will be forwarded to the County for collection with annual property taxes.

FISCAL AND ECONOMIC IMPACT

This action has no impact on the City's General Fund.

The District funds the operations and maintenance of the SWLS through its assessments. Presently, \$42,456 in assessment revenue is collected annually, with each of the 174 property owners contributing \$243.92 per year. The annual maximum charge rate (Assessment) was established and set when the District was established in 1995 and cannot be legally increased without official property owner approval completed through a formal assessment balloting procedure. Currently, there are insufficient funds to properly maintain or replace the SWLS, increasing the risk of neighborhood flooding.

If a majority of property-owner ballots approve the proposed assessment and the City Council proceeds with establishing the new Assessment, it would be levied in addition to the existing MD1 Assessment. Should the proposed balloting be performed and ***not*** pass, the condition of the Stratford Village SWLS would continue to degrade and would not be able to perform its flood control duties as originally designed and intended.

The estimated fiscal year 2027 cost of providing the Services to be funded by this proposed assessment is \$17,020.23 This cost results in a maximum proposed assessment rate per single-family equivalent benefit unit of \$97.82. If approved, these rates may be increased in future years by an amount equal to the annual change in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index – All Urban Consumers (CPI) for the Northern California Consumer Price Index, SAN FRANCISCO-OAKLAND-HAWYARD, not to exceed 3% per year. The February-to-February CPI will be used to calculate the CPI. The CPI adjustment will be applied to the sum of the existing 1995 assessment and the proposed new assessment.

BACKGROUND

The Stratford Village neighborhood is located within a large drainage basin, with the Ward Creek¹ drainage facilities running along the western edge of the neighborhood. In 1992, as part of the Stratford Village neighborhood pre-development analysis, it was determined that the neighborhood was located below the 100-year flood zone. Due to the increased risk of flooding, the conditions of development required extensive grading to raise the elevation of the property to receive approvals from the City.

¹ [URL](#) – Ward Creek – Old Alameda Creek Watershed

Development of the neighborhood was eventually made possible with the construction of a dedicated SWLS , built in 1995, designed solely to service this specific development. The SWLS was constructed at the end of Pacheco Way to pump storm water runoff from the developed area adjacent to Alameda County Flood Control and Water Conservation District's (ACFCWCD) Line B, Zone No. 3A, Ward Creek. The SWLS was designed with capacity to only process the stormwater run-off generated by the 174-lot development, a portion of Ruus Lane, Stratford Road, and the Stratford Village Park. No added capacity was constructed for run-off from other areas outside those mentioned above.

The Stratford Village SWLS , located at the end of Pacheco Way in the southwestern corner of Stratford Village, pumps water out of the neighborhood and into a drainage facility (Ward Creek). The ACFCWCD², through an agreement with the City, provides a range of construction, repair, maintenance, operations, and upgrades to the district's storm drainage and pump station improvements. These improvements protect the usefulness, utility, desirability, and livability of all properties within its jurisdictional area by preventing flooding.

The District was formed as a financial mechanism for the property owners to fund the station's operation, maintenance, and capital replacement in perpetuity. This station is the only privately built SWLS in the City, initially funded by the developer, and able to be operated and maintained, with capital items being repaired and replaced solely with assessment revenue collected by the benefited property owners.

Presently, each of the 174 property owners contribute \$243.92 per year for the operation, maintenance, and capital repair and replacement of this critical flood protection infrastructure. Annually, \$42,442 in assessment revenue is collected. These funds are maintained and spent only for the operation, maintenance, repair, and replacement of this neighborhood's SWLS. The annual maximum charge rate (Assessment) was established and set when the District was established in 1995 and cannot be legally increased without official property owner approval completed through a formal assessment balloting procedure.

Thirty years later, the funds generated from the annual Assessment are no longer sufficient to properly operate and maintain the Stratford Village SWLS and to provide for repair and replacement of its critical infrastructure assets.

On January 27, 2026, the City Council adopted Resolutions No. 26-004 and No. 26-005, initiating proceedings pursuant to Government Code Section 53753, and Prop. 218 (California Constitution Article XIIC and XIID; Government Code Section 53753) preliminarily approving the Engineer's Report, providing notice of public hearing in compliance with Prop. 218, and approving the mailing of ballots and adopting Proposition 218 Assessment Ballot Proceedings Procedures for the Stratford Village Flood Control Facilities Improvement Assessment (MD1-2026). Council also set the date for the public hearing for the ballots to be counted at the April 21, 2026 City Council meeting.

² [URL](#) – ACFCWCD Site

DISCUSSION

Properties in the Stratford Village neighborhood are currently at an increased risk for flooding if the SWLS is not operating properly. The proposed Assessment will fund capital improvements, increase in maintenance, operations, and improvement activities to reduce the likelihood of SWLS failure and reduce the threat of flooding, thereby significantly reducing the risk of property damage potential and loss of life associated with floods. Proper flood control operation, maintenance, and capital repair and replacement help to protect, and specifically benefits, all properties in the District.

Based upon input from the Stratford Village neighborhood, the City has decided to proceed with the establishment of a new assessment (MD1-2026) which incorporates several critical improvements to the existing assessment including:

- 1.) A cost-of-living adjustment mechanism in order to ensure that the flood control infrastructure is properly funded over time for operations and maintenance.
- 2.) An annual augmentation of approximately \$7,544 (2025-26 dollars) to the annual operating budget.
- 3.) A capital investment of \$379,049, to be financed over 40 years to fund the Pump and Equipment Replacement Fund/2030 Pump replacement.

An Engineer's Report has been prepared by SCI (Attachment III) and serves as the basis for this proposed new Assessment (MD1-2026) to fund a specific portion of these critically needed improvements.

PUBLIC CONTACT

Through a series of mailers, in-person and virtual community meetings, flyers delivered to each of the 174 properties in the neighborhood, and Council meetings, staff have sought to inform and receive input from Stratford Village property owners and Council regarding the best path forward to protect Stratford Village from flooding.

NEXT STEPS

If a majority of property-owner ballots approve the proposed assessment, the City Council may proceed with approving the Final Engineer's Report and ordering the levy and collection of the approved assessments for Fiscal Year 2027. Pursuant to the Council's approval, the assessment roll will be forwarded to the County for collection with annual property taxes.

If a majority of property-owner ballots protest the proposed assessment, the assessment will not be imposed. City Council may move forward with the process of levying the existing MD1 assessment for FY 2027, and staff will begin evaluating options to achieve fiscal solvency, such as reducing maintenance or dissolving the District.

Prepared by: Manny Grewal, Management Analyst

Recommended by: Todd Rullman, Director of Maintenance Services

Approved by:

A handwritten signature in blue ink, appearing to read "Jennifer Ott". The signature is fluid and cursive, with the first name "Jennifer" and the last name "Ott" clearly distinguishable.

Jennifer Ott, City Manager