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Staff Report for a Resolution Accepting the Engineer's Report for Fiscal Year 2016-17 for the Heron Bay Maintenance Assessment District, Assessment District No. 96-3 and Ordering the Levy and Collection of Assessments within the Heron Bay Maintenance Assessment District; Assessment District No. 96-3 for Fiscal Year 2016-17

SUMMARY AND RECOMMENDATIONS

The Heron Bay Maintenance Assessment District (District) provides funding for the on-going maintenance of public facilities at the Heron Bay development and shoreline. The Annual Engineer's Report summarizes the expenses for the previous fiscal year and recommends assessment amounts for the upcoming fiscal year to continue funding the District. The proposed assessment for Fiscal Year (FY) 2016-17 is 93.32% of the maximum allowed by the District and represents an increase of 2.53% above last year's assessment.

Staff recommends adopting the resolutions accepting the Annual Engineer's Report for FY 2016-17 and levying the assessments for the Heron Bay Maintenance Assessment District, Assessment District No. 96-3.

BACKGROUND

At its meeting on June 17, 1996, the City Council adopted Resolution No. 96-118 establishing the Heron Bay Maintenance Assessment District and subsequently approving a yearly assessment and levy. The District provides funding for the on-going maintenance of certain public facilities constructed as part of the Heron Bay development, including landscaping, storm water facilities, marshlands, and trail areas at the westerly end of Lewelling Boulevard.

Willdan Financial Services was retained as the Engineer of Work, and has prepared the Annual Engineer's Report for FY 2016-17. A copy of the Engineer's Report is attached to the resolution accepting the Engineer's Report.

Analysis

Services to the District are provided by the following: City of San Leandro Public Works Department; County of Alameda Public Works Agency; outside consultants; and outside contractors. The services cover maintenance of the facilities, monitoring of the marshland to confirm its health, feral animal removal, capital improvements, and administration. The cost of these services for FY 2016-17 is estimated at \$395,318.

The District reserve fund balance is estimated to be \$339,797 at the end of FY 2015-16. In accordance with District rules, \$300,000 of the funds must be held in reserve for capital improvements including unexpected or emergency repairs.

Reserve Fund Balance FY 2015-16 estimate	\$339,797
Maintenance costs FY 2016-17 estimate	(\$395,318)
FY 2016-17 Assessments	\$352,277
<u>Interest Income FY 2016-17 estimate</u>	<u>\$3,309</u>
Reserve Fund Balance FY 2016-17 estimate	\$300,065

The Annual Engineer's Report includes the following:

- Description of improvements maintained by funds provided by the District
- Budget based upon estimated costs for FY 2016-17
- Table of maximum annual assessments, method of apportionment, and calculation of proposed assessment
- Assessment Diagram for District
- Assessment Roll showing each property to be assessed and the amount of assessment

The maximum recommended assessments and annual adjustments for FY 2015-16 are as follows:

<u>Housing Type and Number of Units</u>	<u>FY 2015-16 Assessment</u>	<u>FY 2016-17 Estimated Annual Levy at Maximum (excludes reserve fund) Proposed</u>
451 Single-Family Units	\$271,980	\$298,815 \$278,898
<u>178 Motor Court Units</u>	<u>\$71,560</u>	<u>\$78,619</u> <u>\$73,379</u>
Total Assessments	\$343,540	\$377,434 \$352,277

The proposed assessment represents a minimal increase above last year's assessment. Maintenance items that are not critical have been deferred to allocate attendant costs over several fiscal years.

Previous Actions

- On July 17, 1996, by Resolution No. 96-118, the City Council established the Heron Bay Maintenance Assessment District.
- On July 20, 2015, by Resolution Nos. 2015-134 and 2015-135, the City Council accepted the Engineer's Report and ordered the levy and collection of the assessment for Fiscal Year 2015-16.

Fiscal Impacts

- The activities of the Heron Bay Maintenance Assessment District have no fiscal impact on the City since they are supported by the annual assessments.
- All administrative and maintenance costs associated with the District are included in the proposed assessments.

ATTACHMENTS

- Heron Bay Maintenance Assessment District Responsibilities exhibit

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