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Title: Staff Report for a Resolution Accepting the Engineer's Report for Fiscal Year 2013-14 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 2013-14

Sponsors: Uchenna Udemezue

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Staff Report for a Resolution Accepting the Engineer's Report for Fiscal Year 2013-14 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 2013-14

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. 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) 2013-14 is 96% of the maximum allowed by the District and represents an increase of about 23.54% over last year's amount.

Staff recommends adopting the resolutions accepting the Annual Engineer's Report for FY 2013-14 and levying the assessments for the Heron Bay Maintenance Assessment District, Assessment District No. 96-3.

BACKGROUND

At its regular meeting on June 17, 1996, the City Council adopted Resolution No. 96-118 establishing the Heron Bay Maintenance Assessment District and has subsequently approved a yearly assessment and levy. This Assessment 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 2013-14. 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: the City of San Leandro Public Works Department; the County of Alameda Public Works Agency; outside consultants; and outside contractors. In addition to the maintenance of the facilities, the marshland will be monitored to confirm its health and feral animals will be removed from the area. The total cost of these services for FY 2013-14 is estimated at \$368,991.

The District fund balance is estimated to be \$299,998 at the end of FY 2013-14. In accordance with the District rules, \$300,000 of the funds must be held as a maintenance reserve for capital improvements and unexpected or emergency repairs.

Fund Balance end of FY 2012-13 estimated	\$324,409.00
Maintenance costs FY 2013-14 estimated	(\$368,991.00)
FY 2013-14 Assessments	\$339,858.98
<u>Interest Income FY 2012-13 estimated</u>	<u>\$4,721.00</u>
Fund Balance at end of FY 2013-14 estimated	\$299,997.98

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 2013-14
- Table of maximum annual assessments, method of apportionment, and calculation of proposed assessment
- Reference to location of Assessment Diagram for District
- Assessment Roll showing each property to be assessed and the amount of assessment

The maximum recommended assessments and annual adjustment for FY 2013-14 are as follows:

<u>Housing Type and Number of Units</u> <u>Unit</u>	<u>FY 2012-13 Assessment Per Unit</u>	<u>FY 2013-14 Proposed Maximum FY 2013-14 Per Unit Assessment (not incl. reserve fund)</u>	<u>Per</u>
451 Single-Family Units	\$482.95	\$624.34	\$596.60
<u>178 Motor Court Units</u>	<u>\$321.94</u>	<u>\$416.20</u>	<u>\$397.71</u>
Total Assessments	\$275,115.77	\$355,660.94	\$339,858.98

The proposed assessment represents a 23.5% increase over last year's assessment. Two years ago, the assessment was reduced by 47% in order to spend down a large reserve balance. Hence, this year's increase represents the last of a two year restoration period to reach equalization between

revenue and expenditure for the district.

Previous Actions

- On July 17, 1996, by Resolution No. 96-118, the City Council established the Heron Bay Maintenance Assessment District
- On July 16, 2012, by Resolution Nos. 2012-090 and 2012-091, the City Council accepted the Engineer's Report and ordered the levy and collection of the assessment for FY 2012-13

Fiscal Impacts

- The activities of this Maintenance Assessment District have no fiscal impact on the City
- All administrative and maintenance costs associated with the District are included in the proposed assessments

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