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**Title:** Staff Report for a City of San Leandro City Council Resolution to Accept the Engineer's Report for Fiscal Year 2021-2022 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 2021-2022  
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Staff Report for a City of San Leandro City Council Resolution to Accept the Engineer's Report for Fiscal Year 2021-2022 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 2021-2022

**SUMMARY AND RECOMMENDATIONS**

The Heron Bay Maintenance Assessment District provides funding for the on-going maintenance of public facilities at the Heron Bay development and the shoreline area. 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) 2021-2022 is 75% of the maximum allowed by the District

Staff recommends adopting the resolutions accepting the Annual Engineer's Report for FY 2020-2021 and ordering the levy and collection of 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 (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. The District in 2020 completed a \$365,000 project that installed engineered rip rap to restore a deteriorated shoreline levee that provides an emergency access route for the Heron Bay housing development.

Willdan Financial Services (Willdan) is currently retained as the Engineer-of-Work and has prepared the Annual Engineer's Report for FY 2021-2022 as well as the associated Assessment Roll for FY 2021-2022. A copy of the Engineer's Report is attached to the Resolution accepting the Engineer's Report and a copy of the Assessment Roll is attached to the Resolution ordering the levy and collection of assessments.

**Analysis**

Services to the District are provided by the City of San Leandro's Engineering & Transportation, Public Works, and Police Departments; the 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 services for FY 2021-2022 is estimated at \$647,317 including capital improvement projects that include additional levee repair and trail maintenance.

The District fund balance is estimated to be \$592,196 at the end of FY 2020-2021. In accordance with District rules, \$300,000 must be held in reserve for capital improvements including unexpected or emergency repairs.

Fund Balance end of FY 2020-2021 estimate	\$592,196
District Costs FY 2021-2022 estimate	(\$647,317)
FY 2021-2022 Assessments	\$312,529
<u>Interest Income FY 2021-2022 estimate</u>	<u>\$3,300</u>
<b>Reserve Fund Balance FY 2021-2022 estimate</b>	<b>\$260,708</b>

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 2021-2022;
- Table of maximum annual assessments, method of apportionment, and calculation of proposed assessment;
- Reference to an Assessment Diagram for the District; and
- Assessment Roll showing each property to be assessed and the amount of the assessment.

The maximum recommended assessments and annual adjustments are as follows:

<u>Housing Type and Number of Units</u>	FY 2020-2021 Assessment	FY 2021-22 Estimated Annual Levy at Maximum <u>(excludes reserve fund)</u>	FY 2021-2022 Proposed Assessment
451 Single-Family Units	\$242,575	\$329,907	\$247,428
<u>178 Motor Court Units</u>	<u>\$63,827</u>	<u>\$86,803</u>	<u>\$65,102</u>
<b>Total Assessments</b>	<b>\$306,402</b>	<b>\$416,710</b>	<b>\$312,530</b>

Individual assessments will be \$548.62 for single family units and \$365.74 for motor court units approximately a 2% increase from the previous year.

### **Current Agency Policies**

- Maintain and enhance San Leandro's infrastructure
- Place San Leandro on a firm foundation for long-term fiscal sustainability

### **Previous Actions**

- On July 17, 1996, by Resolution No. 96-118, the City Council established the Heron Bay Maintenance Assessment District.
- On June 15, 2020, by Resolution Nos. 20-189 and 20-190, the City Council accepted the Engineer's Report and ordered the levy and collection of the assessment for Fiscal Year 2020-2021.

### **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 to Resolutions**

- Engineer's Report
- Preliminary Assessment Roll

**PREPARED BY:** Sheila Marquises, Principal Engineer, Engineering and Transportation Department