



Legislation Text

File #: 24-283, **Version:** 1

Adopt Two Resolutions: 1) Accept the Engineer's Report for Fiscal Year 2024-2025 for the Heron Bay Maintenance Assessment District, Assessment District No. 96-3; and
2) Order the Levy and Collection of Assessments Within the Heron Bay Maintenance Assessment District; Assessment District No. 96-3 for Fiscal Year 2024-2025

COUNCIL PRIORITY

- Infrastructure
- Sustainability & Resiliency
- Fiscal Sustainability and Transparency

SUMMARY

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) 2024-2025 is 100% of the maximum allowed by the District including an additional assessment for the reserve fund.

RECOMMENDATIONS

Staff recommends adopting the resolutions to:

- Accept the Annual Engineer's Report for FY 2024-2025; and
- Order 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.

Willdan Financial Services (Willdan) is currently retained as the Engineer-of-Work and has prepared the Annual Engineer's Report for FY 2024-2025 as well as the associated Assessment Roll for FY 2024-2025. 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 Public Works, Recreation and Parks, 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 2024-2025 is estimated at \$541,456 which includes capital improvement projects for the design and construction of six (6) interpretive signs along the Heron Bay Trail replacing existing signs in need of replacement.

The intent of the District is for the maximum regular assessment to be increased by 2% each successive year, over the rate of the previous year, to cover increases in maintenance costs. In recent years, the increase in maintenance costs has exceeded the 2% maximum and with several aging facilities in need of repairs, the regular assessment for FY 2024-2025 is proposed at the maximum amount allowed for the District.

In addition, District rules require that a minimum of \$300,000 reserve balance be maintained for capital improvement projects including unexpected or emergency repairs and budget overages. The District's fund balance at the end of FY 2023-2024 is estimated to be \$220,445. Because the estimated balance is less than the minimum required, the maximum allowed reserve fund assessment has been added to replenish the fund. However, unlike the regular assessment, the additional reserve fund assessment does not increase annually and will remain flat year over year. For this reason, the percentage change of the total assessment compared to the previous year is slightly lower than 2%.

Assessing the properties at the maximum allowed by the District's rules would fund the current maintenance and capital improvement needs of the District, reduce the impacts of rising costs, and help replenish the reserve fund balance.

| | |
|---|----------------------|
| Fund Balance end of FY 2023-2024 estimate | \$220,445 |
| District Costs FY 2024-2025 estimate | (\$541,455) |
| FY 2024-2025 Assessments | \$502,216 |
| <u>Interest Income FY 2023-2024 estimate</u> | <u>\$2,204</u> |
| Reserve Fund Balance FY 2024-2025 estimate | \$183,410 |

The Annual Engineer's Report includes the following:

- Description of improvements maintained using District Funds
- Budget based upon estimated costs for FY 2024-2025
- Table of maximum annual assessments, method of apportionment, and calculation of proposed assessment
- Reference to the District's Assessment Diagram
- Assessment Roll showing each property to be assessed and the amount of the assessment

The maximum recommended assessments and annual adjustments are as follows:

| Housing Type and Assessment | FY 2023-2024 Assessment | FY 2024-25 Estimated Annual Levy at Maximum | FY 2023-2024 Proposed Levy at Maximum |
|--|----------------------------|---|---|
| <u>Number of Units assessment)</u> | | <u>(includes reserve fund)</u> | |
| 451 Single-Family Units | \$390,738 | \$397,601 | \$397,601 |
| <u>178 Motor Court Units</u> | <u>\$102,809</u> | <u>\$104,614</u> | <u>\$104,614</u> |
| Total Assessments | \$493,547 | \$502,216 | \$502,216 |

Individual assessments will be \$881.60 for single family units and \$587.72 for motor court units, approximately a 1.8% 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 July 6, 2021, by Resolution Nos. 2021-107 and 2021-108, the City Council accepted the Engineer's Report and ordered the levy and collection of the assessment for Fiscal Year 2021-2022
- On July 5, 2022, by Resolution Nos. 2022-114 and 2022-115, the City Council accepted the Engineer's Report and ordered the levy and collection of the assessment for Fiscal Year 2022-2023
- On June 20, 2023, by Resolution Nos. 2023-090 and 2023-091, the City Council accepted the Engineer's Report and ordered the levy and collection of the assessment for Fiscal Year 2023-2024

Financial Impacts

There is no financial impact to the Fiscal Year 2024-2025 General Fund budget as the proposed levy, collection of the annual assessments, and reserve funds, support the activities of the Heron Bay Maintenance Assessment District.

All administrative and maintenance costs associated with the District are included in the proposed assessments.

Attachments

- *Attachment A: Resolution to Accept the Engineer's Report for Fiscal Year 2024-2025 for the Heron Bay Maintenance Assessment District, Assessment District No. 96-3*
- *Attachment B: Resolution to Order the Levy and Collection of Assessments Within the Heron Bay Maintenance Assessment District, Assessment District No. 96-3 for Fiscal Year 2024-2025*
- *Attachment C: Engineer's Report*
- *Attachment D: Preliminary Assessment Roll*

PREPARED BY: Erwin Ching, Engineering Manager, Public Works Department - Engineering Division