



Legislation Text

File #: 23-239, **Version:** 1

Adopt Two Resolutions: 1) Accept the Engineer's Report for Fiscal Year 2023-2024 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 2023-2024

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) 2023-2024 is set at 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 2023-2024; 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 2023-2024 as well as the associated Assessment Roll for FY 2023-2024. 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 2023-2024 is estimated at \$493,193 including capital improvement projects that include maintenance of tide gates and a hydrology study of the marshlands. The rising maintenance costs and aging facilities needing repairs require that the regular assessment be set to the maximum amount.

In addition, the District rules require a \$300,000 minimum balance that must be held in reserve for capital improvement projects including unexpected or emergency repairs. The District fund balance at the end of FY 2022-2023 is estimated to be \$164,998, which is less than the required balance. Therefore, a maximum reserve fund assessment has been included in the total assessment to replenish the fund.

Assessing the properties to the maximum allowed by the District rules would fund the current maintenance and capital improvement needs and reduce the impacts of rising costs.

Fund Balance end of FY 2022-2023 estimate	\$164,998
District Costs FY 2023-2024 estimate	(\$493,193)
FY 2023-2024 Assessments	\$493,551
<u>Interest Income FY 2023-2024 estimate</u>	<u>\$1,650</u>
Reserve Fund Balance FY 2023-2024 estimate	\$167,002

The Annual Engineer's Report includes the following:

- Description of improvements maintained using District Funds;
- Budget based upon estimated costs for FY 2023-2024;
- 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:

Proposed Housing Type and Assessment	FY 2022-2023	FY 2023-24	FY 2023-2024
	Assessment	Estimated Annual	Levy at Maximum
<u>Number of Units</u>			<u>(includes reserve fund levy)</u>
451 Single-Family Units	\$247,428	\$390,738	\$390,738
<u>178 Motor Court Units</u>	<u>\$65,102</u>	<u>\$102,809</u>	<u>\$102,809</u>
Total Assessments	\$312,530	\$493,547	\$493,547

Individual assessments will be \$866.38 for single family units and \$577.58 for motor court units (an approximately 55% 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

Financial Impacts

There is no financial impact to the Fiscal Year 2023-2024 General Fund budget as the proposed levy and collection of the annual assessments 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 2023-2024 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 2023-2024*
- **Attachment C:** *Engineer's Report*
- **Attachment D:** *Preliminary Assessment Roll*
- **Attachment E:** *Public Comment on Heron Bay Engineer's Report*

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