



Agenda Report

MEETING DATE: Tuesday, July 9, 2024

TO: City Council

FROM: PARKS & COMMUNITY SERVICES DIRECTOR CALUBAQUIB
PARKS SUPERINTENDENT MEDINA
PUBLIC WORKS AND UTILITIES PRINCIPAL ENGINEER FONTES

SUBJECT: RESOLUTIONS CONSIDERING CONFIRMATION OF DIAGRAMS,
ASSESSMENTS, AND LEVYING ASSESSMENTS FOR FISCAL
YEAR 2024-2025 FOR BAY BREEZE LLMAD NO. PK-03-02, VISTA
MONTANA LLMAD PK-03-03, AND GONZALES STREET
ALLEYWAY LLMAD NO. PK-94-1

RECOMMENDED ACTION:

Staff recommends that the City Council adopt:

1. A resolution confirming the diagrams, assessments, and levying the assessments for Fiscal Year 2024-2025 for the Bay Breeze Subdivision Landscaping and Lighting Maintenance Assessment District No. PK-03-02,
2. A resolution confirming the diagrams, assessments, and levying the assessments for Fiscal Year 2024-2025 for the Vista Montaña Subdivision Landscaping and Lighting Maintenance Assessment District (LLMAD) No. PK-03-03,
3. A resolution confirming the diagrams, assessments, and levying the assessments for Fiscal Year 2024-2025 for the Gonzales Street Alley Landscaping and Lighting District (Gonzales LLMAD) No. PK-94-1.

DISCUSSION:

During the May 14, 2024, City Council meeting, the City Council accepted the Engineer's Reports for Fiscal Year 2024-2025 and set the public hearing for July 9, 2024, to confirm the diagrams, assessments, and levy the assessments for the three LLMADs. The Engineer's Reports are on file in the City Clerk's office.

Bay Breeze LLMAD

The Bay Breeze Subdivision is located at the southwest corner of Ohlone Parkway and Harkins Slough Road. The Bay Breeze Landscaping and Lighting Maintenance Assessment District (LLMAD) program includes the following:

1. Maintenance and replacement of the street trees within the subdivision.
2. Operation, maintenance, repair, and replacement of the detention basins and the detention basin access roads within the subdivision.

3. Operation, maintenance, repair, and replacement of the perimeter fencing around the entire subdivision.
4. Maintenance and replacement of the plantings done as part of the wetland mitigation plan.
5. Maintenance of the environmental management parcel created within the subdivision.
6. Maintenance, repair, and replacement of the landscaping within the public right-of-way abutting and within the subdivision, including the Ohlone Parkway medians.
7. Operation, maintenance, repair and replacement of the sewer pump station.
8. Maintenance of the graffiti coatings on the public exposure of the perimeter walls along the district boundaries.

The Bay Breeze Subdivision LLMAD is comprised of 114 single family residential parcels. The annual costs for the operation, maintenance, and servicing of landscaping and street lighting improvements are apportioned to each parcel within the district in proportion to the EDU's (Equivalent Dwelling Unit) assigned to the parcel as a percentage of the total number of EDU's assigned to all parcels within the district.

Staff held a community meeting for Bay Breeze property owners to inform them of LLMAD background, maintenance, and budget status on June 18, 2024.

Staff is recommending that Council confirm the Diagrams, Assessments, and Levying Assessments, which recommends a 2.6% CPI increase for 2024-25 to maintain the status quo.

Vista Montaña LLMAD

The Vista Montaña Subdivision is located off East Lake Avenue and adjacent to Ann Soldo Elementary School and the Bay Village subdivision. The Vista Montaña Subdivision Landscaping and Lighting Maintenance Assessment District includes the following:

1. Regular maintenance, repair, and replacement of all facilities within the agricultural buffer area (except the street and utilities) which includes but is not limited to, the landscaping, signage, perimeter wall, retaining walls, pedestrian path and erosion control plantings within or adjacent to the detention basins and drainage swale.
2. Operation, maintenance, repairs, and replacement of and power for the street lighting within the district.
3. Regular maintenance, repair, and replacement of the parkway strip and street trees on Cipres, Roble, Arce, Manzana, Cirvelo, Cereze, and Secoya Streets and Vista Montaña, Franich, and Marcela Drives.
4. Operation, maintenance, repair, and replacement of the storm drain detention basins, drainage channel, drainage facilities, and erosion control measurers within the agricultural buffer, including the storm drain culvert crossing Highway 152 and the inlet structure on the west side of Highway 152.
5. Regular maintenance, repair, and replacement of the landscaping and perimeter wall along the Highway 152 frontage adjacent to the district boundaries, including graffiti removal.
6. Regular maintenance, repair, and replacement of the pedestrian/bike path connecting Secoya Street and McKenzie Avenue, adjacent to the district boundaries.

7. Regular maintenance, repair, and replacement of pedestrian pathways located at the end of Roble Street, at the end of Cirvelo Street, within the agricultural buffer area and parallel to Bridge Street, on the south side of the town homes parallel to Franich Drive and on the west side of the town homes parallel to Marcela Drive.

The Vista Montaña Subdivision LLMAD is comprised of two Zones: A and B. Zone A benefits all parcels within the district which includes, for example, the street lighting installed along Highway 152, the landscape improvements along Highway 152 and the agricultural buffer area. Zone B benefits those parcels within the single-family residential area primarily and includes the maintenance of the street end caps, the park strips and street lighting.

The Assessment District is based on a total number of Equivalent Dwelling Units (EDU's) and maximum annual assessments are included in the Engineer's Report.

Fees for Fiscal Year 2020-2021 were not increased from the prior year due to concerns from some property owners regarding the quality of service to the landscape strip in front of their homes and who expressed that they did not want an increase to their assessments.

Since then, City staff have held several community outreach efforts with district property owners to present the details of the scope of district services the City provides and the associated budget that limits the City's work. Meetings were held on June 15th, 2023 and June 21st, 2023, to discuss this. Staff provided details regarding the LLMAD's reserve account, which is currently well below levels needed to afford inevitable repairs as the development nears the 20-year mark. Since 2023, City staff have been working with a consultant, SCI Consulting Group, to develop updated annual maintenance and future replacement costs. The results of this work highlighted the budget deficit and confirmed the need for an assessment increase. Staff worked with the consultant to develop and propose a rate increase earlier this year. SCI assisted City Staff in sharing the proposal with homeowners and bringing the option to Council for approval. Meetings were held on January 24th, 2024, and February 15th, 2024, as well as multiple newsletters sent, and a website created with the proposed annual rate increase. After Council approved the Engineers Report for the new assessment and directed Staff to issue ballots, the Consultant delivered ballots to property owners, allowing them to vote on whether to increase fees and maintenance. The balloting process will culminate on July 9, 2024, where votes will be tabulated at the City Council Meeting.

Should a fee increase be approved, the process to reapportion assessments while engaging the community is expected to be brought to the Council in Fiscal Year 2024-2025. Regardless of the results of the vote, City staff will continue outreach to the community regarding the needs and expectations of maintenance and budgeting including rebuilding the reserve.

Staff is recommending that Council confirm the Diagrams, Assessments, and Levying Assessments, which recommends a 2.6% CPI increase for 2024-25 to maintain the status quo, while we await the results of the vote.

Gonzales Street Alleyway LLMAD

The Gonzales Street Alleyway LLMAD was established to assist the residents bordering the alleyway and adjoining small parcel to cooperatively maintain this parcel that is now owned by the City but benefits its neighbors. The annual cost of \$600 to maintain the area was spread among the 17 parcels with one parcel not immediately adjacent to the alley paying slightly less.

STRATEGIC PLAN:

The Assessment District addresses the City Council's strategic goals of:
03-Infrastructure & Environment
06-Public Safety

FINANCIAL IMPACT:

Bay Breeze LLMAD (0354-958)

In 2023-2024 the assessment was \$611.48 per EDU and the total District assessment was \$69,708.

For Fiscal Year 2024-2025, the total annual assessment per EDU will be increased to \$627.38 and the total District assessment will be increased to \$71,521.15 which is the maximum allowed per the Engineer's Report and reflects the increase in the Consumer Price Index of 2.6%. This amount includes \$24,159 for annual maintenance and the remainder sum of \$47,362 will be placed in a reserve for the replacement of trees, lights, sewer pump station, and perimeter fencing.

Vista Montaña LLMAD (0354-959)

In Fiscal Year 2023-2024 the total annual assessment was \$153,651.96. The assessment for single family dwelling units was \$560.28 per unit, the assessment for townhomes was \$448.22 per unit and the assessment for apartments was \$154.56 per unit.

For Fiscal Year 2024-2025 the total annual assessment will be increased to \$157,646.91 to reflect the 2.6% increase in the consumer price index and includes funds in the amount of \$59,601 for annual maintenance and \$98,037 for the reserve, which provides for replacement costs of such things as lighting or street trees based on current EDU's within the district (0354-959). The assessment for single-family dwelling units will be \$574.84 per unit, the assessment for townhomes will be \$459.88 per unit, and the assessment for apartments will be \$158.58 per unit. These numbers assume the proposed assessment increase described above is rejected by property owner vote. If the proposed increase is approved, City Staff will present a budget amendment to City Council at a later date.

Gonzales LLMAD (0291-604)

The total of \$600 in assessments will go towards maintenance costs currently under contract with K&D Landscaping Inc., including maintenance costs allocated toward plant care, mowing, clearing of vegetation, and/or general alleyway maintenance.

ALTERNATIVE ACTION:

The Council could elect to:

1. Not confirm the Diagrams, Assessments, and Levying Assessments, thereby not adjusting assessments.

2. Confirm the Diagrams and Assessments, and not confirm Levying Assessments, thereby not adjusting assessments.

Not adjusting assessments for CPI will continue to increase the deficit, putting annual maintenance budgets farther behind due to the rising costs of labor and maintenance.

ATTACHMENTS AND/OR REFERENCES (If any):

None