

CITY COUNCIL AGENDA REPORT

MEETING DATE: Tuesday, May 27, 2025
TO: CITY COUNCIL
WRITTEN BY: PARKS SUPERINTENDENT MEDINA
RECOMMENDED BY: DEPUTY CITY MANAGER CALUBAQUIB
APPROVED BY: TAMARA VIDES, CITY MANAGER

SUBJECT: RESOLUTIONS CONFIRMING DIAGRAM, ASSESSMENTS, AND LEVYING ASSESSMENTS FOR FISCAL YEAR 2025-2026 FOR BAY BREEZE LLMAD NO. PK-03-02, VISTA MONTANA LLMAD PK-03-03, AND GONZALES STREET ALLEYWAY LLMAD NO. PK-94-1

RECOMMENDATION:

Staff recommend that the City Council adopt:

1. A resolution confirming the diagrams, assessments, and levying the assessments for Fiscal Year 2025-2026 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 2025-2026 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 2025-2026 for the Gonzales Street Alley Landscaping and Lighting District (Gonzales LLMAD) No. PK-94-1.

DISCUSSION:

During the April 21, 2025, City Council meeting, the City Council accepted the Engineer's Reports for all LLMAD's for Fiscal Year 2025-2026 and set the public hearing for May 27, 2025, 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 May 8, 2025.

The amount collected in assessments for the Bay Breeze LLMAD only allows for a scaled back service from our landscape contractor and does not provide for the full scope of maintenance currently outlined in the Engineer's Report. City staff will be reaching out to the Bay Breeze residents in the next year to begin conversations about desired service levels and a potential assessment increase.

Staff is recommending that Council confirm the Diagrams, Assessments, and Levying Assessments, which recommends a 2.4% CPI increase for 2025-26 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 measures 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 the total number of Equivalent Dwelling Units (EDU's) and maximum annual assessments are included in the Engineer's Report.

Staff held an in-person community meeting at nearby Ann Soldo Elementary School for Vista Montaña property owners to inform them of LLMAD background, maintenance, and budget status on May 6, 2025.

The Vista Montaña LLMAD is severely underfunded. City staff worked with a consultant from 2023-2024 to formulate and present an option in July of 2024 to increase the assessment and provide the level of service that the community has demanded. The proposed overlay assessment was voted down by property owners. City staff has since reduced non-essential maintenance to minimal levels in order to continue service to critical infrastructure and to replenish the reserve account. This was described to property owners as an expected outcome in the community meetings of 2024.

Staff is recommending that Council confirm the Diagrams, Assessments, and Levying Assessments, which recommends a 2.4% CPI increase for 2025-26 to maintain the status quo.

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.

The amount collected in assessment for the Gonzalez LLMAD only allows for a partial service to happen once a year from our contractor. City staff will be reaching out to the Gonzalez residents at the near future to begin conversations about desired service levels and a potential assessment increase.

Staff is recommending that Council confirm the Diagrams, Assessments, and Levying Assessments, which does

not include a CPI increase for 2025-26.

STRATEGIC PLAN:

The Assessment District addresses the City Council's strategic goals of:

02-Infrastructure & Environment – Maintaining LLMAD assets per the development agreements and Engineer's Study and Reports sustains infrastructure.

05-Public Safety – Maintaining critical lighting, safety sighting, drainage and pump station assets protects the safety of residents.

FINANCIAL IMPACT:

Bay Breeze LLMAD (0360-810)

In 2024-2025 the assessment was \$627.38 per EDU and the total District assessment was \$71,521.

For Fiscal Year 2025-2026, the total annual assessment per EDU will be increased to \$642.44 and the total District assessment will be increased to \$73,237.66, which is the maximum allowed per the Engineer's Report and reflects the increase in the Consumer Price Index of 2.4%. This amount includes \$24,739 for annual maintenance and the remainder sum of \$48,499 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 2024-2025 the total annual assessment was \$157,646.91. The assessment for single family dwelling units was \$574.84 per unit, the assessment for townhomes was \$459.88 per unit and the assessment for apartments was \$158.58 per unit.

For Fiscal Year 2025-2026 the total annual assessment will be increased to \$161,428.44 to reflect the 2.4% increase in the consumer price index and includes funds in the amount of \$71,130 for annual maintenance and \$90,298 for the reserve, which provides for replacement costs of such assets as lighting or street trees based on current EDU's within the district. The assessment for single-family dwelling units will be \$588.63 per unit, the assessment for townhomes will be \$470.91 per unit, and the assessment for apartments will be \$162.39 per unit.

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 deficits, putting annual maintenance budgets farther behind due to the continued rising costs of labor and maintenance.

ATTACHMENTS AND/OR REFERENCES (IF ANY):

None.