



**DATE:** May 4, 2021

**TO:** Mayor and City Council

**FROM:** Director of Maintenance Services

**SUBJECT:** Adopt Two Resolutions to 1) Initiate Proceedings Pursuant to Government Code Section 53753, 2) Provide Intention to Levy Assessments for FY 2022, 3) Preliminarily Approve FY 2022 the Engineer's Report, 4) Provide a Notice of Proposition 218 Public Hearing for Stratford Village Flood Control Facilities Improvement Assessment (MD1 - 2021), 5) Approve the Mailing of Ballots, and 6) Adopt Proposition 218 Assessment Ballot Procedures

#### **RECOMMENDATION**

That the City Council adopts two resolutions (Attachments II and III):

1. Initiating proceedings pursuant to Government Code Section 53753,
2. Providing intention to levy assessments for FY 2022,
3. Preliminarily approving the FY 2022 Engineer's Report,
4. Providing a notice of Proposition 218 Public Hearing,
5. Approving the mailing of ballots, and
6. Adopting procedures for Proposition 218 Assessment Ballot Proceedings for the Stratford Village Flood Control Facilities Assessment District (MD1-2021).

#### **SUMMARY**

Maintenance District #1 ("District") was established in 1995 as a financial funding mechanism to fund the operation, maintenance, and the capital repair and replacement of the Stratford Village Storm Water Lift Station (SWLS). The station provides critical flood protection infrastructure for the neighborhood. Twenty-five years later, the funds generated from the annual assessment revenue are no longer sufficient to provide proper operation, maintenance, and the capital repair and replacement of the District's storm water drainage and pumping infrastructure. Staff is recommending a Proposition 218 assessment balloting procedure to propose adding an annual cost-of-living adjustment mechanism and an increase to the annual assessment to upgrade and restore this neighborhood's flood control infrastructure to the condition, efficiency, reliability, and effectiveness that was originally intended.

In preparation for the proposed Proposition 218 assessment balloting, an Engineer's Report has been prepared by SCI Consulting Group (Attachment IV) containing the benefit, assessment, and budget details for a new District. The Engineer's Report proposes to repeal the original District (MD1) and replace it with a new District (MD1-2021), which will include two key factors:

1. A cost-of-living adjustment mechanism to ensure that the flood control infrastructure is adequately funded over time for operations, maintenance, and capital repair and replacement.
2. A capital investment of \$379,000 to fund critical rehabilitation and upgrades to the existing lift station. These improvements will be funded through a temporary transfer of monies from the City's Stormwater Fund to be repaid from future assessment revenues, at a variable interest rate capped at 2.25%, adjusted annually based on the City's investment portfolio weighted average rate of return. The portfolio contains investments in the Local Agency Investment Fund (LAIF) and other investments.

Tonight, staff is recommending that the Council take formal action to initiate the Proposition 218 election process by preliminarily approving the Engineer's Report, providing a Notice of Public Hearing in compliance with Proposition 218, approving the mailing of ballots, and adopting Proposition 218 Assessment Ballot Proceeding Procedures.

By law, once the Proposition 218 process is initiated, ballots are mailed out to property owners, who then have 45 days to return their signed ballot by USPS pre-paid mail or in person to the Office of the City Clerk. Ballots returned by mail or in person to the City of Hayward Office of the City Clerk will be collected but not opened until the June 22, 2021 public hearing.

At the June 22, 2021 public hearing, the Office of the City Clerk will open the envelopes and tabulate the ballots, with the results presented to the Council for formal acceptance, approval, and action during the public hearing. Approval of the increase to the annual assessment requires a total of 50% plus 1 of the weighted ballots returned to the City in favor of the assessment. Should the assessment ballot tabulation result in a lack of approval for an increased assessment, the consequence would be further deterioration of the Stratford Village SWLS and increased risk of neighborhood flooding.

## **BACKGROUND**

The Stratford Village neighborhood is located within a large drainage basin, with the Ward Creek<sup>1</sup> drainage facilities running along the western edge of the neighborhood. In 1992, as part of the Stratford Village neighborhood pre-development analysis, it was determined that the neighborhood was located below the 100-year flood zone. Due to the increased risk of

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<sup>1</sup> [URL](#) – Ward Creek – Old Alameda Creek Watershed

flooding, the conditions of development required extensive grading to raise the elevation of the property to receive approvals from the City.

Development of the neighborhood was eventually made possible with the construction of a dedicated SWLS, built in 1995, designed solely to service this specific development. The SWLS was constructed at the end of Pacheco Way to pump storm water runoff from the developed area adjacent to Alameda County Flood Control and Water Conservation District's (ACFCWCD) Line B, Zone No. 3A, Ward Creek. The SWLS was designed with capacity to only process the stormwater run-off generated by the 174-lot development, a portion of Ruus Lane, Stratford Road, and the Stratford Village Park. No added capacity was constructed for run-off from other areas outside those mentioned above.

The Stratford Village SWLS, located at the end of Pacheco Way in the southwestern corner of Stratford Village, pumps water out of the neighborhood and into a drainage facility (Ward Creek). The ACFCWCD<sup>2</sup>, through an agreement with the City, provides a range of construction, repair, maintenance, operations, and upgrades to the district's storm drainage and pump station improvements. These improvements protect the usefulness, utility, desirability, and livability of all properties within its jurisdictional area by preventing flooding.

The District was formed as a financial mechanism for the property owners to fund the station's operation, maintenance, and capital replacement in perpetuity. This station is the only privately built SWLS in the City, initially funded by the developer, and able to be operated and maintained, with capital items being repaired and replaced solely with assessment revenue collected by the benefited property owners.

Presently, each of the 174 property owners contribute \$243.92 per year for the operation, maintenance, and capital repair and replacement of this critical flood protection infrastructure. Annually, \$42,442 in assessment revenue is collected. These funds are maintained and spent only for the operation, maintenance, repair, and replacement of this neighborhood's SWLS. The annual maximum charge rate ("Assessment") was established and set when the District was established in 1995 and cannot be legally increased without official property owner approval completed through a formal assessment balloting procedure. Twenty-five years later, the funds generated from the annual Assessment is no longer sufficient to properly operate and maintain the Stratford Village SWLS and to provide for repair and replacement of its critical infrastructure assets.

On March 23, 2021 staff presented the Council with an informational report<sup>3</sup> to advise the Council that additional funds are required, provide community outreach and input plans, present a project timeline, provide the legal requirements for a Proposition 218 ballot proceeding, and receive comments and questions from the Council pertaining to the report.

On April 14, 2021, staff conducted a second virtual Stratford Village Community Meeting via Zoom. Twenty-six attendees participated in the meeting, with the after-meeting survey

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<sup>2</sup> [URL](#) – ACFCWCD Site

<sup>3</sup> [URL](#) – March 23, 2021 Council Work session, Item 21-014

results showing a very positive response to both the meeting and to voting yes to increase the District's annual assessment.

## **DISCUSSION**

Properties in the Stratford Village neighborhood are currently at an increased risk for flooding if the SWLS is not operating properly. The proposed Assessment will fund an increase in maintenance, operations, and improvement activities to reduce the likelihood of SWLS failure and reduce the threat of flooding, thereby significantly reducing the risk of property damage potential and loss of life associated with floods. Proper flood control operation, maintenance, and capital repair and replacement helps to protect, and specifically benefits, all properties in the District.

Based upon input from the Stratford Village neighborhood, the City has decided to proceed with the formation of a new District (MD1-2021) which incorporates two critical modifications to the existing assessment including:

1. A cost-of-living adjustment mechanism to ensure that the flood control infrastructure is properly funded over time for operations, maintenance, and capital repair and replacement.
2. A capital investment of \$379,000 to fund critical rehabilitation and upgrades to the existing lift station. These improvements will be funded through a temporary transfer of moneys from the City's Stormwater Fund to be repaid from future assessment revenues, at a variable interest rate capped at 2.25%, adjusted annually based on the City's investment portfolio weighted average rate of return. The portfolio contains investments in the Local Agency Investment Fund (LAIF) and other investments.

The attached Engineer's Report (Attachment IV) serves as the basis for this proposed new District (MD1-2021) and updated Assessment to fund a specific portion of these critically needed improvements. The new District, if approved by property owners, would repeal, and replace the existing MD1 Assessment District with a new Assessment District, designated as "Stratford Village Flood Control Facilities Assessment District," MD1-2021.

The new District that will benefit from the proposed flood protection contains 174 single-family residential parcels. The area is characterized by relatively flat terrain, low elevation and drains into ACFCWCD's Flood Control District Line B, Zone No. 3A. The District zone is described below.

- Zone 1: A single-family residential area, containing 174 single-family residential parcels, served by the Stratford Village SWLS to manage storm runoff and avoid any surface flooding.

### **Legal Analysis of Proposition 218 to Fund Flood Control**

The proposed assessment complies with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996 and is now Article XIII C and XIII D of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services and improvements, as well as maintenance and operation expenses of a public improvement which provide a special benefit to the assessed property.

Proposition 218 imposes several important requirements, including property-owner balloting, for the formation and continuation of assessments, and these requirements are satisfied by the process being used to establish this proposed assessment.

Funding for flood control is a well-supported and appropriate use of a benefit assessment. In fact, when Proposition 218 was initially approved in 1996, it allowed for certain types of assessments, including flood control, to be “grandfathered” in, and these were exempted from the property-owner balloting requirement. Proposition 218 is manifested as Article XIII D of the State Constitution, and states in part in Section 5:

*“Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:*

*“(a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, **flood control, drainage systems** (emphasis added) or vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.”*

Specific mention of “flood control and drainage systems” underscores the fact that the drafters of Proposition 218 were satisfied that funding for such activities is an appropriate use of benefit assessments, and therefore confers a direct and special benefit to property.

### **Proposition 218 Process<sup>4</sup>**

*Principal requirements.* Section 4 of Article XIII D and the Proposition 218 Omnibus Implementation Act (Gov. Code § 53750 et seq.) sets forth Proposition 218’s procedural requirements. The principal requirements are:

1. An agency must provide 45 days’ written notice of a public hearing, and mail ballots to the owners of the parcels to be assessed;
2. The notice must include specified information, including information regarding the special assessments, the public hearing, and owners’ right to cast votes weighted by each owner’s special assessment amount;

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<sup>4</sup> [URL](#) – League of California Cities Review of Proposition 218 and 26

3. An agency must hold a noticed public hearing and tally the results of the majority protest vote; and
4. If a majority of the weighted votes does not oppose the special assessments, the agency may vote to levy the special assessment.

### **Funding Options**

A recent evaluation of the flood control facilities shows that various elements of the facility need repair, replacement, or rehabilitation. To upgrade the SWLS to the condition, efficiency, reliability, and effectiveness that it was originally intended, an additional amount of \$379,000 is required to fund the needed capital repairs. Were this entire cost charged to the property owners in 2022, the one-year assessment would need to be increased from **\$243** to **\$2,479** in **2022**. This amount is over ten times the \$243 currently being charged and was not an acceptable option to propose to the property owners.

Staff sought out creative ideas and methods to reduce the financial burden to the property owners. To lessen the financial impact to the property owners, the City is proposing to fund the \$379,000 in capital improvements through a temporary transfer of monies from the City's Stormwater Fund as authorized by Streets and Highways Code Section 5832.5.

During the April 14 Community Meeting, staff presented the following three funding options to the property owners for consideration to fund the needed infrastructure repairs:

1. **Option 1:** Pay 100% of Capital Funding in 2022. Station repaired in 2022. New Rate **\$2,479** in 2022, with rate being reduced to **\$375** in 2023, plus annual inflation factor thereafter.
2. **Option 2:** Accept temporary City transfer of monies in the amount of \$379,000. Station repaired in 2022. New Rate **\$498** in 2022, plus annual cost of living adjustment beginning in 2023 and thereafter. Transfer of funds will be repaid over several years at a low interest rate.
3. **Option 3:** No Change. Keep current rate of **\$243**, which includes no annual cost of living adjustment. District cannot fund needed capital repairs.

Option 2 provided the most balanced and conservative approach while affording a full funding of the needed capital repairs with the lowest annual fiscal impact to the property owners. This option is included in the Engineer's Report (Attachment IV) and will be listed as the proposal on the official ballot.

This option increases the annual assessment rate from **\$243** to **\$498**, which is an increase of about **\$5** per week, and will add an annual cost of living adjustment each year thereafter. After the temporary transfer of funds are re-paid, District assessment rates will be adjusted

back down to an amount no greater than the cost to provide annual operation, maintenance, and a minimal capital contribution to fund future repairs.

The capital improvements will be funded through a temporary transfer of moneys from the City's Stormwater Fund as authorized by Streets and Highways Code Section 5832.5. The temporary transfer will be repaid from future District assessment revenues, at a variable interest rate capped at 2.25%, adjusted annually based on the City's investment portfolio including the Local Agency Investment Fund (LAIF) and other investments.

The financial plan also includes the establishment of a fund balance equal to at least half of the annual operating costs to ensure positive cash flow to account for assessment revenues that lag approximately six months. The plan also includes a reasonable fund balance to allow for occasional major maintenance expenses in future years to ensure the pump station retains its capacity and reliability.

## **FISCAL AND ECONOMIC IMPACT**

A public hearing will be held on June 22, 2021 to open, tally, and report on ballots received by the Office of the City Clerk. Should the proposed Proposition 218 balloting be performed and pass, City staff will complete an official agreement between the District and the City's Stormwater Operating Fund to provide "a temporary transfer of funds" in the amount of \$379,000 in FY 2022. These funds would be repaid over 12 years at a variable interest rate capped at 2.25%, adjusted annually based on the City's managed investment portfolio weighted average rate of return.

Should the proposed balloting be performed and ***not*** pass, the condition of the Stratford Village SWLS would continue to degrade and would not be able to perform its flood control duties as originally designed and intended.

## **PUBLIC CONTACT**

Through a series of mailers, virtual community meetings, a dedicated webpage, flyers delivered to each of the 174 properties in the neighborhood, use of electronic message boards parked in the neighborhood, and Council meetings, staff has sought to inform and receive input from Stratford Village property owners and Council regarding the best path forward to protect Stratford Village from flooding. The following include staff's community outreach efforts:

1. **February 12:** Mailed informational letter to community, advertising February 25 community meeting.
2. **February 25:** Community Meeting #1: provided a virtual forum for community input via Zoom.
3. **March 23:** Council Meeting #1: provided an informational report and next steps.

4. **March 26:** Posted information about the Stratford Village Flood Prevention Project on the City's website<sup>5</sup>.
5. **March 29:** Advertised webpage and April 14 community meeting on social media via Next-door.
6. **April 2:** Mailed informational flyer to all property owners advertising April 14 community meeting.
7. **April 12:** Posted door flyers on each of 174 properties and on community mailboxes and placed two electronic message boards in the neighborhood to advertise the April 14 meeting.
8. **April 14:** Community Meeting #2: provided a virtual forum for community input via Zoom.
9. **April 27:** Council Meeting #2: request formal start to Proposition 218 election proceedings from the Council.

Upon adoption of the two resolutions, a notice, ballot, and stamped return envelope will be mailed to all property owners within the proposed, updated District, described as MD1 – 2021, the “Stratford Village Flood Control Facilities Assessment District.” In addition, a required legal notice will be published in the Daily Review, announcing June 22, 2021 as the public hearing date in which the ballots will be opened and counted. There will also be a third and final virtual community meeting on May 18, 2021 to provide the property owners with an educational presentation about the SWLS and provide an opportunity for property owners to ask questions and make comments.

## **NEXT STEPS**

If Council adopts the attached two resolutions, a notice and ballot materials will be sent to all property owners of record within the District at least 45 days prior to the scheduled public hearing. The ballot materials will include a postage paid return envelope, addressed to the City of Hayward Office of the City Clerk. The City Clerk will collect all received ballot envelopes and will only open those ballot envelopes at the June 22, 2021 public hearing.

*Prepared by:* Denise Blohm, Management Analyst

*Recommended by:* Todd Rullman, Director of Maintenance Services

*Approved by:*



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Kelly McAdoo, City Manager

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<sup>5</sup> [URL](#): Stratford Village Flood Prevention Project Website



HAYWARD CITY COUNCIL

RESOLUTION NO. 21-\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION INITIATING PROCEEDINGS PURSUANT TO GOVERNMENT CODE SECTION 53753 AND ARTICLE XIID OF THE CALIFORNIA CONSTITUTION, PROVIDING INTENTION TO LEVY ASSESSMENTS FOR FISCAL YEAR 2022, PRELIMINARILY APPROVING THE ENGINEER'S REPORT, AND PROVIDING FOR NOTICE OF HEARING, AND THE MAILING OF ASSESSMENT BALLOTS FOR THE STRATFORD VILLAGE FLOOD CONTROL FACILITIES IMPROVEMENT ASSESSMENT DISTRICT (MD1-2021)

WHEREAS, on June 6, 1995, by Resolution No. 95-103, the City Council ordered the formation Maintenance District No. 1 - Storm Drainage Pumping Station and Storm Drain Conduit - Pacheco Way, Stratford Road, and Russ Lane ("MD1") to provide for the operation and maintenance of the storm drainage improvements and the stormwater pumping facility to serve the area commonly known as Stratford Village; and

WHEREAS, the funds generated from the MD1 Assessment are no longer adequate to continue to provide proper operation, maintenance, and capital repair and replacement of the drainage and pump facilities; and

WHEREAS, Chapter 26 of Part 3 of Division 7 of the Streets and Highways Code of the State of California, authorizes formation of a maintenance district, and imposition of assessments to finance construction, improvement, and maintenance of drainage facilities; and

WHEREAS, the City of Hayward ("City") desires to initiate the proceedings for the formation of the Stratford Village Flood Control Facilities Improvement District pursuant to Government Code Section 53753 and Article XIID of the California Constitution; and to provide improved maintenance and operations services and improvements to the drainage and pump facilities within the proposed district; and

WHEREAS, Proposition 218 was adopted on November 6, 1996, adding Articles XIIC and XIID to the California Constitution; and

WHEREAS, Articles XIIC and XIID of the California Constitution and implementing statutes impose certain procedural and substantive requirements relating to assessments (as defined); and

WHEREAS, an Engineer's Report (the "Report") has been prepared by SCI Consulting Group (the "Engineer of Work") and submitted to the City Council (the "Council"), in which a new assessment is proposed to fund the cost to provide maintenance and operations services and improvements to the drainage and pump facilities within the proposed district boundaries; and

WHEREAS, this proposed assessment shall be described as the "Stratford Village Flood Control Facilities Improvement Assessment" (hereinafter the "Assessment") and the proposed district shall be known as the "Stratford Village Flood Control Facilities Improvement Assessment (MD1-2021)" (hereinafter the "Assessment District").

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward as follows:

**1. Reference to Initiation.** SCI Consulting Group, the Engineer of Work, has prepared an Engineer's Report in accordance with Article XIII D of the California Constitution and Government Code section 53750, 54710 et seq. (the "Report"). The Report has been made, filed with the City Clerk and duly considered by the Council and is hereby deemed sufficient and preliminarily approved. The Report shall stand as the Engineer's Report for all subsequent proceedings under and pursuant to the foregoing resolution.

**2. Description of the Services.** Within the Assessment District, the proposed "Services" will include improved maintenance and operations services and improvements to the drainage and pump facilities as described in the Engineer's Report.

**3. Reference to Engineer's Report.** Reference is hereby made to the Report for a full and detailed description of the Services, the boundaries of the Assessment District and the proposed assessments upon assessable lots and parcels of land within the Assessment District.

**4. Report of the Engineer of Work.** The Report, which is available for public review upon request is hereby incorporated by reference. This Engineer's Report includes:

- A. A description of the Services to be funded with Assessment proceeds;
- B. An estimate of the annual cost of such Services;
- C. A description of the assessable parcels of land within the District and proposed to be subject to the new Assessment;
- D. A description of the proportionate special and general benefits conferred on property by the proposed Assessment;
- E. A description of the boundaries of the proposed Assessment District;

- F. A specification of the amount to be assessed upon various types of assessable land to fund the cost of the Services.

**5. Description of Assessment District.** The Assessment District consists of the lots and parcels shown on the Assessment Diagram of the Assessment District on file with the City Clerk, and reference is hereby made to such map for further particulars. As proposed, the Assessment District will include a single benefit zone: Zone 1.

**6. Proposed Assessment Rate.** It is the intention of this Council to levy and collect assessments within the Assessment District. The estimated fiscal year 2022 cost of providing the Services to be funded by this proposed assessment is \$414,176. This cost results in a maximum proposed assessment rate per single-family equivalent benefit unit of FOUR HUNDRED AND NINETY-EIGHT DOLLARS (\$498.00) for Zone 1. If approved, these rates may be increased in future years by an amount equal to the annual change in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index – All Urban Consumers (“CPI”) for the San Francisco-Oakland-Hayward, CA MSA<sup>1</sup> Consumer Price Index for All Urban Consumers (CPI-U), not to exceed 3% per year. The February to February CPI will be used to calculate the CPI. Any CPI in excess of 3% may be used in subsequent years when the CPI is less than 3%. In the case of a negative February to February CPI, a 0.0% CPI will be used.

**7. Public Hearing.** The public hearing on the proposed assessment shall be held before the City Council on Tuesday, June 22, 2021, at the hour of 7:00pm and for the purpose of this Council’s determination of whether the public interest, convenience, and necessity require the Services and this Council’s final action upon the Report and the assessments therein.

**8. Notice and Ballot.** The City Clerk is hereby authorized and directed to cause Notice of the hearing ordered under Section 53753 of the Government Code and Article XIII D, Section 4 of the California Constitution law by mailing, postage prepaid, in the United States mail, and such Notice shall be deemed to have been given when so deposited in the mail. The envelope or cover of the mailing shall include the name of the District. The mailed Notice shall be given by such mailing by name to those persons whose names and addresses appear on the last equalized secured property tax assessment roll of the County of Alameda, or in the case of any public entity, the representative of such public entity at the address thereof known to the City Clerk. The Notice shall include, but not be limited to, the total amount of assessment proposed to be levied in the Assessment District for fiscal year 2022, the assessment proposed for the owner's particular parcel(s) and the duration thereof and the reason for the assessment. Each Notice shall also contain the proposed assessment and the basis upon which the amount of the assessment was calculated. Each Notice shall also contain an assessment ballot, a summary of the procedures applicable to the completion, return and tabulation of assessment ballots, the date, time, and location of the public hearing and a statement that the existence of a majority protest will result in the assessment not being imposed. The Notice herein provided shall be mailed not less than forty-five (45) days before the date of the public hearing.

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<sup>1</sup> URL: SF, Oakland, Hayward MSA CPI-U

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021.

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
          City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

HAYWARD CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION ADOPTING PROCEDURES FOR PROPOSITION 218 ASSESSMENT  
BALLOT PROCEEDINGS FOR THE STRATFORD VILLAGE FLOOD CONTROL  
FACILITIES IMPROVEMENT ASSESSMENT (MD1-2021)

WHEREAS, Proposition 218 was adopted on November 6, 1996, adding Articles XIIC and XIID to the California Constitution; and

WHEREAS, Articles XIIC and XIID of the California Constitution impose certain procedural and substantive requirements relating to assessments (as defined); and

WHEREAS, some of the requirements of Proposition 218 are unclear and require, or have required, judicial interpretation and/or legislative implementation; and

WHEREAS, the City of Hayward (the "City") believes it to be in the best interest of the City and its property owners to confirm and memorialize the City's procedures and guidelines regarding implementation of the provisions of Proposition 218 and pertinent statutes relating to assessments.

NOW, THEREFORE, the City Council of the City of Hayward does hereby resolve as follows:

**SECTION 1. Statement of Legislative Intent.** In adopting this resolution, it is the Council's intent to adopt assessment ballot proceedings, which are consistent and in compliance with Articles XIIC and XIID of the California Constitution and with Government Code Sections 53750 through 53754. It is not the intent of the Council to vary in any way from the requirements of either the California Constitution or the laws of the State of California. If there is any inconsistency between a provision of this resolution and state law, state law will govern.

**SECTION 2. Definition of Assessment.** Proposition 218 defines "assessment" as "any levy or charge by an agency upon real property that is based upon the special benefit conferred upon the real property by a public improvement or services, that is imposed to pay the capital cost of the public improvement, the maintenance and operation expenses of the public improvement or the cost of the service being provided." "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment," and "special assessment tax."

SECTION 3. **Assessment Ballot Proceeding.** The following procedures shall be used in an assessment ballot proceeding that follows the requirements of Article XIID, section 4 of the California Constitution:

- A. **Amount of Assessment.** Only special benefits are assessable. The amount of each assessment shall be each identified parcel's proportionate share of the cost of the additional flood control facilities and maintenance services based upon that parcel's special benefit from the Service. The amount shall be proportional to and no greater than the special benefits conferred on the property.
- B. **Engineer's Report.** The Council shall direct the filing of an engineer's report that shall comply with the applicable state statute authorizing the assessment and with Article XIID, Section 4, of the California Constitution. The engineer's report shall explain the special benefits conferred by the improvements and/or services funded by the assessments. The engineer's report shall also provide the evidence upon which the Council may find that a special benefit exists. If the improvement or service confers a general benefit, the engineer's report shall describe the general benefit and an alternative funding source for any general benefits. The engineer's report shall be prepared by a registered professional engineer certified by the State of California, (the "Assessment Engineer"). The cost of preparing the engineer's report shall be included as a cost of the assessment.
- C. **Notice.** The following guidelines shall apply to giving notice of an assessment:
1. The record owner(s) of each parcel to be assessed shall be determined from the last equalized property tax roll. If the property tax roll indicates more than one owner, each owner shall receive notice. Only property owners shall receive notice;
  2. The notice shall be sent at least forty-five (45) days prior to the date set for the public hearing on the assessment;
  3. The notice provided by this section shall contain the following information:
    - a. The total amount to be assessed for the entire assessment district;
    - b. The amount to be assessed to the owner's particular parcel;
    - c. The duration of the payments;
    - d. The reason for the assessment;
    - e. The basis upon which the amount of the proposed assessment was calculated;
    - f. The date, time and location of the public hearing on the proposed assessment;
    - g. A summary of the procedures for the completion, return and tabulation of the assessment ballots;

- h. A disclosure statement that the existence of a majority protest will result in the assessment not being imposed; and
    - i. A ballot to be completed by the owner, as further described in section D of this resolution.
  4. The notice provided by this section and in accordance with Government Code Sections 53753(b) and (c) shall supersede and be in lieu of any other statutes requiring notice to levy or increase an assessment, including but not limited to the notice required by the state statute authorizing the assessment and Government Code section 54954.6;
  5. Failure of any person to receive notice shall not invalidate the proceedings; and
  6. The cost of providing notice shall be included as a cost of the assessment.
- D. **Assessment Ballot.** The following guidelines shall apply to the assessment ballot:
  1. The ballot required by Article XIID, section 4(d), of the California Constitution shall be mailed to all property owners of record subject to the proposed assessment at least forty-five (45) days prior to the date of the public hearing on the proposed assessment. This ballot shall comply with Government Code Sections 53753(b) and (c). The ballot shall be designed in such a way that, once sealed, its contents are concealed.
  2. All ballots must be returned either by mail or by hand delivery; not later than the date for return of ballots stated on the notice and ballot described in this section. Mailed ballots must be returned to: Office of the City Clerk, 777 B Street, 4th Floor, Hayward, CA 94541, Attn: Stratford Village Flood Control Facilities Improvement Assessment District, or, if delivered at the time and location of the public hearing, to the City Clerk's Office drop box located on the 1st floor of City Hall, 777 B Street. Ballots must be returned either by mail or by hand delivery prior to the conclusion of the public input portion of the public hearing scheduled for 7:00 p.m. on June 22, 2021. The City Clerk, with the assistance of SCI Consulting Group shall tabulate the ballots (the "Tabulator").
    - a. Each ballot must be signed under penalty of perjury. In the event that more than one of the record owners of a parcel submits an assessment ballot, the amount of the proposed assessment to be imposed upon the parcel shall be allocated to each ballot submitted in proportion to the respective record ownership interests or, if the ownership interests are not shown on the record, as established to the satisfaction of the Council or Assessment Engineer by documentation provided by the record owners. If two or more persons own a parcel subject to the assessment, any one owner may cast an assessment ballot for all owners.

- b. If a parcel has multiple owners, any owner may request a proportional assessment ballot. If the ownership interest of the owner is not shown on the last equalized secured property tax assessment roll, such request must include evidence, satisfactory to the City, of the owner's proportional rights in the parcel. The Assessment Engineer will provide the proportional ballot to the owner at the address shown on the assessment roll. Any request for a ballot to be mailed to another location must include evidence, satisfactory to the City, of the identity of the person requesting the ballot. Each proportional ballot will be marked to identify it as a proportional ballot and to indicate the owner's proportional rights in the parcel. The Assessment Engineer will keep a record of each proportional ballot provided to an owner.
- c. The City will only accept official ballots mailed or otherwise provided to owners by the Assessment Engineer.
- d. If an assessment ballot is lost, withdrawn, destroyed, or never received, the Assessment Engineer will mail or otherwise provide a replacement ballot to the owner upon receipt of a request delivered to the City or the Assessment Engineer. The replacement ballot will be marked to identify it as a replacement ballot or a replacement proportional ballot. Any request for a replacement or replacement proportional ballot to be mailed to another location must include evidence, satisfactory to the City or the Assessment Engineer, of the identity of the person requesting the ballot. The same procedure applies to replacement ballots or replacement proportional ballots, which are lost, withdrawn, destroyed, or never received.
- e. If an assessment ballot is returned by the United States Post Office as undeliverable, the Assessment Engineer may mail a redelivered ballot to the current property owner, if updated ownership or owner mailing address can be determined. The redelivered ballot will be marked to identify it as a redelivered ballot.
- f. An assessment ballot proceeding is not an election.
- g. An assessment ballot is a disclosable "public record" as that phrase is defined by Government Code section 6252 during and after tabulation of the ballots.
- h. The California Government Code requires that assessment ballots be signed by property owners. However, property owner names and corresponding votes will remain strictly confidential, except as necessary to count the votes or as may be required by California law.



- i. To complete an assessment ballot, the owner of the parcel or his or her authorized representative must (1) mark the appropriate box (or circle) supporting or opposing the proposed assessment, and (2) sign, under penalty of perjury, the statement on the ballot that the person completing the ballot is the owner of the parcel or the owner's authorized representative. Only one box (or circle) may be stamped or marked on each ballot. All incomplete or improperly marked ballots shall be disqualified from balloting. The Tabulator will retain all such invalid ballots.
- j. After returning an assessment ballot to the City, or the Tabulator on behalf of the City, the person who signed the ballot may withdraw the ballot by submitting a written statement to the City directing the City to withdraw the ballot. Such statement must be received by the City or the Tabulator prior to the close of the public input portion of the public hearing on the proposed assessment. When ballots for the assessment are tabulated, the Tabulator will segregate withdrawn ballots from all other returned ballots. The Tabulator will retain all withdrawn ballots and will indicate on the face of such withdrawn ballots that they have been withdrawn.
- k. In order to change the contents of a ballot that has been submitted, the person who has signed that ballot may (1) request that such ballot be withdrawn, (2) request that a replacement ballot be issued, and (3) return the replacement ballot fully completed. Each of these steps must be completed according to the procedures set forth above.

**E. Tabulating Ballots.** The following guidelines shall apply to tabulating assessment ballots:

1. Assessment ballots shall remain sealed until tabulation commences at the conclusion of the public input portion of the public hearing.
2. An impartial person shall tabulate the assessment ballots. An impartial person includes, but is not limited to, the City Clerk, City staff, and any independent third party engaged by the City for the purpose of tabulating assessment ballots. The Tabulator shall follow the rules and procedures of the laws of the State of California, this resolution and any other rules and procedures of the Council. If the Tabulator needs clarification, then they shall inquire of the Council, who is the final arbiter. All ballots shall be accepted as valid except those in the following categories:
  - a. A photocopy of a ballot, a letter or other form of a ballot that is not an official ballot provided by the City or the Assessment Engineer on behalf of the City;
  - b. An unsigned ballot, or ballot signed by an unauthorized individual;
  - c. A ballot which lacks an identifiable mark in the box for a "yes" or "no" vote or with more than one box marked;

- d. A ballot which appears tampered with or otherwise invalid based upon its appearance or method of delivery or other circumstances;
  - e. A ballot for which the barcode representing the parcel number is damaged or obstructed, unless the parcel number or property ownership information is legible and allows the Tabulator to clearly determine the property(s) identified on the ballot;
  - f. A ballot received after the close of the balloting time period.
  - g. The Tabulator's decision, after consultation with the Council's legal counsel that a ballot is invalid, shall be final and may not be appealed to the Council.
3. If more than one of the record owners of a parcel submits an assessment ballot, the amount of the proposed assessment to be imposed upon the parcel shall be allocated to each ballot in proportion to the respective record ownership interests, as shown on the record or as established to the City's satisfaction by documentation provided by the record owners.
  4. In the event of a dispute regarding whether the signer of a ballot is the owner of the parcel to which the ballot applies, the Council will make such determination from the official County Assessor records and any evidence of ownership submitted to the Council prior to the conclusion of the public hearing. The Council will be under no duty to obtain or consider any other evidence as to ownership of property and its determination of ownership will be final and conclusive.
  5. In the event of a dispute regarding whether the signer of a ballot is an authorized representative of the owner of the parcel, the Council may rely on the statement on the ballot signed under penalty of perjury that the person completing the ballot is the owner's authorized representative and any evidence submitted to the Council prior to the conclusion of the public hearing. The Council will be under no duty to obtain or consider any other evidence as to whether the signer of the ballot is an authorized representative of the owner and its determination will be final and conclusive.
  6. A property owner who has submitted an assessment ballot may withdraw the ballot and submit a new or changed ballot up until the conclusion of the public input portion of the public hearing on the assessment. Assessment ballots may be withdrawn, and newer changed ballots submitted up until the conclusion of the public input portion of the public hearing on the assessment.
  7. A property owner's failure to receive an assessment ballot shall not invalidate the proceedings conducted under this section and section 4, Article XIID, of the California Constitution.
  8. The City shall retain all ballots for a period of three (3) years from the date of the public hearing.

**F. Public Hearing.**

1. At the public hearing, the Council shall hear and consider all public testimony, objections and protests regarding the proposed assessment and accept ballots until the close of the public input portion of the public hearing.
2. Reasonable time limits may be imposed on both the length of the entire hearing and the length of each speaker’s testimony.
3. At the conclusion of the public input portion of the hearing, but prior to the conclusion of the public hearing, the Tabulator shall begin tabulation of the ballots at the direction of the Council, including those received during the public hearing.
4. If it is not possible to tabulate the ballots on the day of the public hearing, or if additional time is necessary for public testimony, the Council may continue the public hearing to a later date to receive additional testimony or information, or to finish tabulating the ballots.
5. If according to the final tabulation of the ballots, ballots submitted against the assessment exceed the ballots submitted in favor of the assessment, weighted according to the proportional financial obligation of the affected property, a “majority protest” exists and the Council shall not impose the assessment.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021.

ADOPTED BY THE FOLLOWING VOTE:

AYES:                    COUNCIL MEMBERS:  
                                 MAYOR:

NOES:                    COUNCIL MEMBERS:

ABSTAIN:                COUNCIL MEMBERS:

ABSENT:                 COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
                                 City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward



# THE CITY OF HAYWARD

## STRATFORD VILLAGE FLOOD CONTROL FACILITIES IMPROVEMENT ASSESSMENT (MD1-2021)

### PRELIMINARY ENGINEER'S REPORT

APRIL 2021

PURSUANT TO CHAPTER 26 OF PART 3 OF DIVISION 7 OF THE STREETS AND HIGHWAYS  
CODE OF THE STATE OF CALIFORNIA, AND CHAPTER 10, ARTICLE 10, SECTION 10-  
10.25 OF THE HAYWARD MUNICIPAL CODE, AND ARTICLE XIID OF THE CALIFORNIA  
CONSTITUTION

ENGINEER OF WORK:

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**CITY OF HAYWARD**

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**CITY COUNCIL**

Barbara Halliday, Mayor  
Angela Andrews  
Sara Lamnin  
Elisa Márquez  
Mark Salinas  
Aisha Wahab  
Francisco Zermeño

**CITY MANAGER**

Kelly McAdoo

**CITY ATTORNEY**

Michael Lawson

**ENGINEER OF WORK**

SCI Consulting Group

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## INTRODUCTION

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On January 5, 1993, the City of Hayward (the “City”) City Council, by Resolution No. 93-010, approved Tentative Tract Map 6472, which authorized the subdivision of land on both sides of Stratford Road into 148 single-family home lots commonly known as Stratford Village. On April 4, 1995, the City Council, by Resolution No. 95-6, approved Tentative Tract Map 6682, which authorized the subdivision of the two existing properties at 1362 and 1384 Ruus Lane into 27 single-family homes. The storm drainage system serving these properties necessitates pumping the storm water run-off into Ward Creek. Conditions of Approval for the tentative map of Tract 6472 and Tract 6682 included provisions for storm drainage improvements and construction of an approved storm water pumping facility.

The drainage basin includes 29.1 acres of which 24.7 acres are residential, 1.9 acres are for Stratford Village Park, and 2.5 acres are for the collector streets of Stratford Road and Ruus Lane. Pacheco Way does not drain into this basin system nor does the industrial property to the south. The total number of lots in the drainage basin is approximately 175.

A Storm Water Lift Station (“SWLS”) was constructed at the end of Pacheco Way to pump storm water runoff for the developed area adjacent to Alameda County Flood Control and Water Conservation District’s (“ACFCD”) Line B, Zone No. 3A, Ward Creek. The SWLS was designed with capacity for only the development of the area encompassing the 175 potential lots, a portion of Stratford Road, Ruus Lane and the Stratford Village Park. No added capacity was constructed for run-off from other areas such as the Georgian Manor and Spanish Ranch Mobile Home Parks, although there is space for additional pumps if they wish to connect in the future. The mobile home parks are presently served by privately owned and operated pumping facilities located within each mobile home park.

On June 6, 1995, by Resolution No. 95-103, the City Council ordered the formation of Maintenance District No. 1 (“MD1”) to provide for the operation and maintenance of the storm drainage improvements and the stormwater pumping facility to serve the drainage basin. The maximum annual assessment rate is \$243.92 per parcel and it may not be increased to reflect any change in the Consumer Price Index.

On August 29, 1995, an agreement between the City and the ACFCD transferred ownership of the SWLS to the Flood Control District. The agreement states that the Flood Control District concurred with the SWLS transfer subject to the City providing the Flood Control District with the funds to operate, maintain, and provide for capital equipment replacement and for modifications that may become necessary for the optimal performance of the SWLS.

Each year the City evaluates the need to increase assessments to ensure there are adequate funds to continue to provide proper operation, maintenance, and capital replacement of the storm water pumping facilities. As part of this effort, the County of Alameda updated their capital replacement study to determine whether the MD1 is



adequately funded. Currently there are not sufficient funds to replace the MD1 capital facilities when they reach the end of their useful life.

Based upon input from the Stratford Village neighborhood, the City has decided to proceed with the formation of a new assessment which incorporates several critical improvements to the existing assessment including:

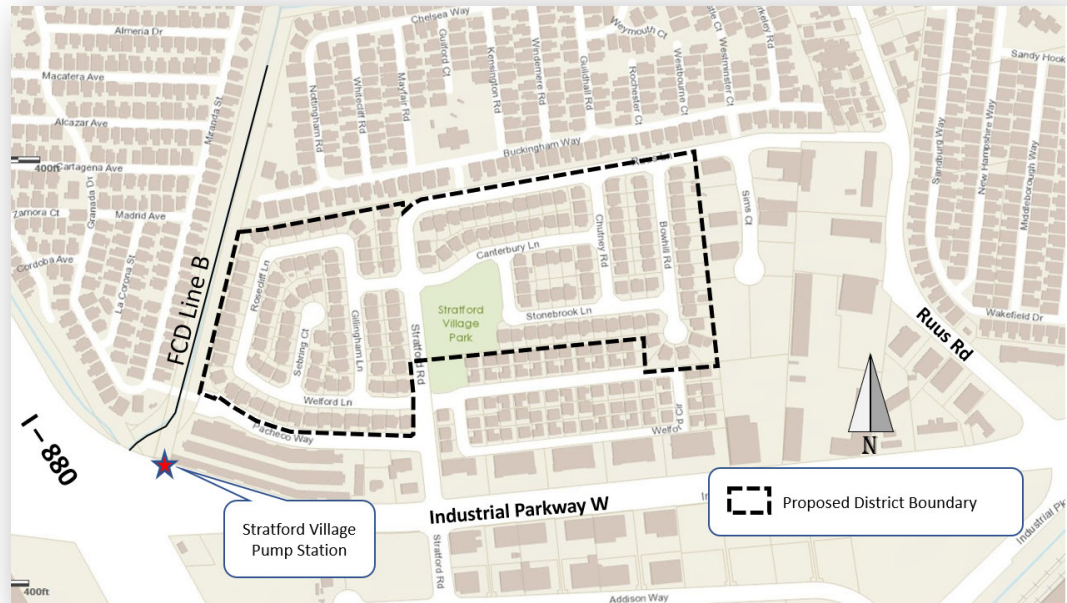
- 1.) A cost-of-living adjustment mechanism in order to ensure that the flood control infrastructure is properly funded over time for operations and maintenance.
- 2.) A capital investment of \$379,000 to fund critical rehabilitation and upgrade to the existing pump station. These improvements will be funded through a temporary transfer of moneys from the City's Stormwater Fund to be repaid from future assessment revenues, at a low interest rate adjusted annually based on the City's investment portfolio including the Local Agency Investment Fund (LAIF) and other investments, by the District.

This Engineer's Report serves as the basis for this proposed new assessment to fund a specific portion of these critically needed storm water pumping facilities. This assessment, if approved by property owners, would repeal and replace the existing MD1 assessment with a new assessment, designated as MD1-2021.

The area that will benefit from the proposed flood includes 29.1 acres, of which 24.7 acres are residential, 1.9 acres are for a park site, and 2.5 acres are for the collector streets associated with Stratford Road and Ruus Lane. Pacheco Way does not drain into this drainage basin system nor does the industrial property to the south. The area is characterized by relatively flat terrain, low elevation and drains into Alameda County Flood Control and Water Conservation District's ("Flood Control District") Line B, Zone No. 3A. The area is served by a pump station to manage storm runoff and avoid any surface flooding.

The boundary of the District is shown in Figure 1.

**FIGURE 1 – AREAS BENEFITED FROM PROPOSED IMPROVEMENTS**



**SPECIAL FLOOD HAZARD AREAS**

A Special Flood Hazard Area is defined by FEMA as a high-risk area in which land would be inundated by a flood having a one percent chance of occurring in any given year. Owners of properties within a Special Flood Hazard Area are 1) Required to purchase flood insurance if they have federally-backed mortgages, and 2) Required to make significant improvements to their property prior to any development or major renovation, including raising the elevation of the property to above the base flood level.

FEMA is responsible for creating and updating maps which indicate Special Flood Hazard Areas within flood-prone communities throughout the United States. The current maps adopted in August 2009 for the City of Hayward indicate that 15 single-family parcels, the park, and several street areas fall within a Special Flood Hazard Area.

**LEGAL ANALYSIS OF PROPOSITION 218 TO FUND FLOOD CONTROL**

The proposed assessment complies with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996 and is now Article XIII C and XIII D of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services and improvements, as well as maintenance and operation expenses of a public improvement which provides a special benefit to the assessed property.

Proposition 218 imposes a number of important requirements, including property-owner balloting, for the formation and continuation of assessments, and these requirements are satisfied by the process being used to establish this proposed assessment.

Funding for flood control is a well-supported and appropriate use of a benefit assessment. In fact, when Proposition 218 was initially approved in 1996, it allowed for certain types of assessments, including flood control, to be “grandfathered” in, and these were exempted from the property-owner balloting requirement. Proposition 218 is manifested as Article XIIIID of the State Constitution, and states in part in Section 5:

“Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:

“(a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, **flood control, drainage systems** (emphasis added) or vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.”

Specific mention of “*flood control and drainage systems*” underscores the fact that the drafters of Proposition 218 were satisfied that funding for such activities is an appropriate use of benefit assessments, and therefore confers a direct and special benefit to property.

**SILICON VALLEY TAXPAYERS ASSOCIATION, INC. V SANTA CLARA COUNTY OPEN SPACE AUTHORITY (2008) 44 CAL.4TH 431**

On July 14, 2008, the California Supreme Court issued its ruling on the *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (“*Silicon Valley*”). Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general benefit
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the Assessment District

**DAHMS V. DOWNTOWN POMONA PROPERTY (2009) 174 CAL.APP.4TH 708**

On June 8, 2009, the 4<sup>th</sup> District Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court granted review and transferred the case to the Court for Appeal for reconsideration in light of the Supreme Court’s discussion in the above cited *Silicon Valley*. In *Dahms*, the Appellate Court on reconsideration upheld the assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

**BONANDER V. TOWN OF TIBURON (2009) 46 CAL.4TH 646**

On December 31, 2009, the California Supreme Court overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

**BEUTZ V. COUNTY OF RIVERSIDE (2010) 184 CAL.APP.4TH 1516**

On May 26, 2010, the 4th District Court of Appeal issued a decision on the *Steven Beutz v. County of Riverside* (“*Beutz*”) appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services were not explicitly calculated, quantified and separated from the special benefits.

**GOLDEN HILL NEIGHBORHOOD ASSOCIATION V. CITY OF SAN DIEGO (2011)199 CAL.APP.4TH 416**

On September 22, 2011, the 4th District Court of Appeal issued a decision in *the Golden Hill Neighborhood Association v. City of San Diego*. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, as in *Beutz*, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to document the basis for the assessment on its own parcels.

**COMPLIANCE WITH CURRENT LAW**

This Report is consistent with the requirements of Article XIII C and XIII D of the California Constitution and with the *Silicon Valley* decision because the Services to be funded are clearly defined; the Services and Improvements are available to and will be directly provided to all benefited property in the proposed assessment district; the Services and Improvements provide a direct advantage to property in the Assessment District that would not be received in absence of the assessment, and are benefits that are over and above general benefits conferred on real property located in the district or to the public at large by other public entities that make up the membership of the District.

This Report is consistent with *Dahms* because, similar to the Downtown Pomona assessment validated in *Dahms*, the services and improvements will be directly provided to property in the Assessment District. More specifically, as discussed hereafter, the services and improvements afford benefits specifically unique and supplied only to property owners within the District with a corresponding effect that is not shared by other parcels outside of the District or real property in general including the public at large.

The Report is also consistent with *Bonander* because the Assessment has been apportioned based on the proportional special benefit to each property. Furthermore, the Assessment is

consistent with *Beutz* and *Golden Hill* because the general benefits have been explicitly calculated, quantified, and excluded from the assessment.

### **ASSESSMENT PROCESS AND FUTURE CONTINUATION OF ASSESSMENTS**

Following submittal of this Report to the City for preliminary approval, the City of Hayward City Council may, by Resolution, call for an assessment ballot proceeding and public hearing on the proposed establishment of a Flood Control Facilities Improvement Assessment.

If the City Council approves such a Resolution, a notice of assessment and assessment ballot shall be mailed to each property owner within the proposed Assessment District boundaries who will be subject to the proposed assessment. Such notice will include a description of the services and improvements to be funded by the proposed assessments, the total amount of the proposed assessment chargeable to the entire Assessment District and the amount chargeable to the specific owner's parcel, the reasons for the proposed assessments and the basis upon which they were calculated, and an explanation of the process for submitting a ballot. Each notice would also include a postage prepaid return envelope and a ballot on which the property owner may mark his or her approval or disapproval of the proposed assessments as well as affix his or her signature.

After the ballots are mailed to property owners in the Assessment District, a minimum 45-day time period must be provided for the return of the assessment ballots. Following this balloting time period, a public hearing must be held for the purpose of allowing public testimony regarding the proposed assessments. At the public hearing, the public will have the opportunity to speak on the issue.

If it is determined that the assessment ballots submitted in opposition to the proposed assessments do not exceed the assessment ballots submitted in favor of the assessments (weighted by the proportional financial obligation of the property for which ballots are submitted), the City Council may take action to approve the imposition of assessments for fiscal year 2022 and each fiscal year thereafter. The levy and collection of the assessments would continue year to year until terminated by the City Council.

The authority granted by the ballot proceeding would be for a Fiscal Year 2022 maximum assessment rate of \$498.00 per parcel, with a possible adjustment each subsequent year by the annual change of the U.S. Department of Labor, Bureau of Labor Statistic Consumer Price Index – All Urban Consumers ("CPI") for the San Francisco-Oakland-Hayward, CA MSA Consumer Price Index for All Urban Consumers (CPI-U), not to exceed 3% per year.

## DESCRIPTION OF FACILITIES IMPROVEMENTS

---

The City of Hayward, through an agreement between the City and the ACFCD, provides a range of construction, repair, maintenance, operations, and upgrades to its storm drainage and pump station improvements. These improvements protect the usefulness, utility, desirability, and livability of property within its jurisdictional area by preventing flooding.

The additional improvements (the “Improvements”) proposed to be undertaken by the City and the cost thereof to be paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the Assessment District as defined in the Method of Assessment herein. These proposed Improvements are over and above the current level of service of the existing facilities.

The formula below describes the relationship between the final level of Services, the baseline level of Service if the assessment is not instituted, and the enhanced level of services funded by the assessment.

<b>Final Level of Service</b>	=	<b>Baseline Level of Service</b>	+	<b>Enhanced Level of Service</b>
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In this case, the Baseline Level of Service is that which is provided by the existing flood control facilities. The Enhanced Level of Service will be provided by the City’s Stratford Village Flood Control Improvements.

Below is a more detailed description of these improvements that are proposed to be provided for the special benefit of property in the Assessment District.

### FACILITY IMPROVEMENTS

The existing facilities, which have been constructed within the City’s MD1 boundaries, and which will be operated, maintained, and serviced and are generally described as follows:

The Stratford Village Storm Water Lift Station (SWLS):

- 2 - 15 H.P. Pumps
- 1 - 5 H.P. Pump
- 1 - 3 H.P. Dewatering Pump
- 1 - Generator
- 1 - Supervisory Control and Data Acquisition (SCADA) System
- 1 - Masonry Building to house the SCADA System and Generator

These existing facilities are approximately 26 years old. A recent evaluation of the flood control facilities shows that various elements of the facility are in need of repair, replacement, or rehabilitation. Those improvements are detailed below in Table 1.

**TABLE 1 – PROPOSED CAPITAL IMPROVEMENTS**

<b>Element</b>	<b>Cost Estimate</b>
Evaluation / Design	\$ 41,560.00
SCADA Upgrades	255,000.00
Pump Rehabilitation	49,248.00
Other Improvements	33,241.00
<b>TOTAL</b>	<b>\$ 379,049.00</b>

The Improvements will include the installation and maintenance of the Stratford Village Storm Water Lift Station as referenced above, as well as financing costs and other expenses associated with the financing for the improvements, and incidental expenses.

“Installation” means the construction or installation of improvements, including, but not limited to, land preparation, such as grading, leveling, cutting and filling.



## COST AND BUDGET ESTIMATE

The City of Hayward developed a long-range financial plan which includes ongoing operating and maintenance costs as well as the capital improvement costs described above. The District budget showing the first four years of the financial plan is shown in Table 2 below.

**TABLE 2 – PROPOSED BUDGET**

	FY 2021 Estimated	FY 2022 Proposed	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected
<b>Assessment</b>					
a. Maximum Assessment per SFE	244	498	513	528	544
b. Annual Per Parcel Assessment	244	498	513	528	544
c. # of SFEs	174.00	174.00	174.00	174.00	174.00
d. <b>Total Amount Assessed</b>	<b>42,442</b>	<b>86,652</b>	<b>89,252</b>	<b>91,929</b>	<b>94,687</b>
<b>Income</b>					
a. Annual Assessment Revenue	42,442	86,652	89,252	91,929	94,687
b. County Tax Collection Fee (1.7%)	(722)	(1,473)	(1,517)	(1,563)	(1,610)
c. Adjustment for Delinquencies	-	-	-	-	-
d. Temporary Transfer of Moneys	-	379,000	-	-	-
e. <u>Other</u>	-	-	-	-	-
f. <b>Total Revenue:</b>	<b>41,721</b>	<b>464,179</b>	<b>87,734</b>	<b>90,366</b>	<b>93,077</b>
<b>Services</b>					
a. Utilities: PGE	1,800	2,000	2,060	2,122	2,185
b. Pump Station O&M - ACFC	18,000	34,000	35,020	36,071	37,153
c. SCADA Upgrade		255,000			
d. SCADA Consultant	36,613				
e. Equipment Rehabilitation		82,489			
f. Annual Capital Contribution			5,000	5,000	5,000
g. Repayment of Temporary Moneys		35,838	35,838	35,838	35,838
h. Proposition 218 Process	27,500				
i. Property Owner Noticing	100	103	106	109	113
j. Annual Reporting	1,002	1,032	1,063	1,095	1,128
k. City Administration	3,605	3,713	3,825	3,939	4,058
l. <b>Total Expenditures:</b>	<b>88,620</b>	<b>414,176</b>	<b>82,912</b>	<b>84,174</b>	<b>85,474</b>
<b>Account Balance</b>					
a. Beginning Account Balance	28,780	(18,120)	31,883	36,706	42,898
b. <u>Net Change (Rev - Exp)</u>	<u>(46,900)</u>	<u>50,003</u>	<u>4,822</u>	<u>6,192</u>	<u>7,603</u>
c. <b>Ending Account Balance:</b>	<b>(18,120)</b>	<b>31,883</b>	<b>36,706</b>	<b>42,898</b>	<b>50,501</b>



The capital improvements will be funded through a temporary transfer of moneys from the City's Stormwater Fund as authorized by Streets and Highways Code Section 5832.5. The temporary transfer will be repaid as revenues are acquired through the proposed assessments and charged an interest rate to be established by the City's Finance Department (estimated to be 2% annually). It is estimated that full reimbursement will require 12 years.

The financial plan also includes the establishment of a fund balance equal to at least half of the annual operating costs to ensure positive cash flow while revenues lag approximately six months.<sup>1</sup> The plan also includes a reasonable additional fund balance to allow for occasional major maintenance expenses in future years to ensure the pump station retains its capacity and reliability.

Article XIID of the California Constitution (Proposition 218) limits the assessment amount to reasonable costs of the proportional special benefit conferred. Therefore, future assessments may be set below the maximum allowable in order not to exceed that limit.

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<sup>1</sup> Assessments are collected on the property tax bills. Proceeds from those collections are not sent to the City until approximately six months into each fiscal year.

## METHOD OF APPORTIONMENT

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This section includes an explanation of the special benefits to be derived from the maintenance, operations and repair activities, the criteria for the expenditure of assessment funds and the methodology used to apportion the total assessments to properties within the proposed Assessment District. The proposed Assessment District area consists of all Assessor Parcels included within the Stratford Village boundaries.

The method used for apportioning the assessment is based upon the proportional special benefits conferred to the properties over and above the general benefits conferred to real property in the Assessment District, or to the public at large. Special benefit is calculated for each parcel in the District using the following process:

- 1.) Identification of all benefit factors derived from the Improvements
- 2.) Calculation of the proportion of these benefits that are general
- 3.) Determination of the relative special benefit within different areas of the Assessment District
- 4.) Determination of the relative special benefit per property type
- 5.) Calculation of the specific assessment for each individual parcel based upon special vs. general benefit, zones, property type and other supporting attributes

### DISCUSSION OF BENEFIT

California Streets and Highways Code Section 5820 *et seq.* allows agencies which provide flood control and drainage services, such as the City, to levy assessments for those Services. Section 5821 states that the governing body may:

*“... in its resolution declaring its intention to order work done or improvements made or by separate resolution, declare its intention to order that the expenses of maintaining and operating any or all of said improvements or any or all other improvements such as are permitted to be constructed herein, including the cost of necessary repairs, replacements, fuel, power, electrical current, care, supervision, and any and all other items necessary for the proper maintenance and operation thereof, shall be assessed, either partly or wholly, upon the real property or upon the land only lying within the district to be benefited by and to be assessed to pay the cost of the construction of said improvement.”*

In addition, California Government Code Section 53750 defines the terms “drainage” and “flood control” as follows:

e) *"Drainage System" means any system of public improvement that is intended to provide for erosion control, for landslide abatement, or for other types of water drainage."*

f) *"Flood control" means any system of public improvements that is intended to protect property from overflow by water.*

Therefore, the maintenance, operational and improvement activities to be provided by the proposed Assessment District fall within the scope of Services that may be funded by assessments under the Code.

The assessments can be levied based only on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner's specific use of the maintenance, operations and improvements activities or a property owner's specific demographic status. With reference to the requirements for assessments, Proposition 218, as codified in Article XIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

*"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

Since assessments are levied on the basis of special benefit, they are not a tax and are not governed by Article XIII A of the California Constitution.

The benefit factors below, when applied to property in the proposed Assessment District, confer special benefits to property and ultimately protect property in the proposed Assessment District and improve the safety, utility, and functionality of such property.

### **FLOOD CONTROL IS A SPECIAL BENEFIT TO PROPERTIES**

The Engineer's Report concludes that enhanced flood control is a special benefit directly to the property that is being protected from flooding. The proposed Maintenance and Operations Services and Improvements, which would be over and above the baseline level, will result in the storm drainage and pump facilities being maintained to a much higher standard, and accordingly will reduce the risk of flooding and the associated damage to property.

The following Benefit Factors section describes how and why the Services and Improvements specially benefit properties. This benefit is particular and distinct from its effect on property in general or to the public at large.

### **BENEFIT FACTORS**

The primary special benefit from the Services and Improvements is the significantly reduced risk of damage to property from flooding. In addition, this section describes other special benefits conferred to residential and other lots and parcels resulting from the Services and

Improvements that will be provided. These types of special benefit are summarized as follows:

**REDUCED RISK OF DAMAGE TO REAL PROPERTY ASSETS FOR ALL PROPERTY OWNERS WITHIN THE ASSESSMENT DISTRICT**

Properties in the proposed Assessment District are currently at higher risk for flood. The proposed Assessments will fund an increase in maintenance, operations, and improvement activities to reduce the likelihood of pump station failure and reduce the threat from flooding, thereby significantly reducing the risk of property damage potential and loss of life associated with floods. Clearly, flood control maintenance helps to protect and specifically benefits all properties in the Assessment District. The following citations illustrate the importance of the proposed maintenance, operational and improvement activities:

- 1.) *Dams and levees are designed to provide only a certain level of protection and can be overtopped and even fail in large flood events. Also, levees can and do decay over time, and maintenance can become a serious challenge. When levees do fail, or are overtopped, they fail catastrophically. The flood damage after a levee failure can be more significant than if the levee was not there.*<sup>2</sup>
- 2.) *[T]he one flood variable that is always expected to be associated with an increase in flood damages is the depth of flooding or flood stage. As the water gets deeper, damages increase.*<sup>3</sup>
- 3.) *During and after Hurricane Katrina, many of those levees and floodwalls were overtopped and several were breached, allowing billions of gallons of water from the Gulf of Mexico, Lake Borgne, and Lake Pontchartrain to flow into New Orleans and flood major portions of the city. As of August 2, 2006, 1,118 people were confirmed dead in Louisiana as a result of Hurricane Katrina. Another 135 people are still missing and presumed dead. Thousands of homes were destroyed. Direct damage to residential and non-residential property is estimated at \$21 billion, damage to public infrastructure another \$6.7 billion. Nearly half the region's population has not yet returned after evacuating.*<sup>4</sup>

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<sup>2</sup> FEMA FloodSmart web site

([http://www.floodsmart.gov/floodsmart/pages/ask\\_your\\_realestate\\_agent.jsp](http://www.floodsmart.gov/floodsmart/pages/ask_your_realestate_agent.jsp))

<sup>3</sup> US Army Corps of Engineers, National Economic Development (NED) Procedures Manual for Flood Damage Reduction (<http://www.hq.usace.army.mil/nedp/DB%20Pages/Content.asp?ID=17>)

<sup>4</sup> American Society of Civil Engineers, The New Orleans Hurricane Protection System, What Went Wrong and Why (<http://www.asce.org/files/pdf/ERPreport.pdf>)

- 4.) *The flood that followed inundated the town of Olivehurst and 15 square miles of farmland and towns. One man is known dead and two other people are missing, 180 homes and businesses were destroyed and another 480 were damaged, according to the state Office of Emergency Services, which put preliminary damage estimates at \$200 million.<sup>5</sup>*
- 5.) *After natural disasters such as hurricanes, tornadoes, and floods, excess moisture and standing water contribute to the growth of mold in homes and other buildings<sup>6</sup>.*

#### **REDUCED RISK OF LOSS OF LIFE OR HARM TO PROPERTY FROM FLOODING**

The proposed Assessments will fund maintenance, operations, and improvement activities to reduce the likelihood of pump station failure and reduce the threat from flooding. These services will reduce the loss of life, injuries, and other public health issues associated with flooding. The reduced risk of direct and indirect contact with flood water will increase public safety and will provide positive health benefits in the Assessment District. These are special benefits to property in the Assessment District because property is ultimately more desirable and valuable in areas that are safer and have less risk of harmful flooding.

*Annually, the nation experiences an average of 100 flood-related fatalities<sup>7</sup>.*

*Every effort should be made to limit contact with flood water due to potentially elevated levels of contamination associated with raw sewage and other hazardous substances.<sup>8</sup>*

*Six inches of water will reach the bottom of most passenger cars causing loss of control and possible stalling.*

*A foot of water will float many vehicles.*

*Two feet of rushing water can carry away most vehicles including sport utility vehicles (SUV's) and pick-ups<sup>9</sup>.*

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<sup>5</sup> San Francisco Chronicle, January 12, 1997, Page C 1

<sup>6</sup> Centers for Disease Control and Prevention, "Protect Yourself from Mold"  
(<http://www.bt.cdc.gov/disasters/mold/protect.asp>)

<sup>7</sup> "Be Aware and Be Prepared" Weather Service Issues Annual Flood Outlook", National Weather Service Press Release 99-20 (<http://www.publicaffairs.noaa.gov/releases99/mar99/noaa99-20.html>)

<sup>8</sup> US Environmental Protection Agency, "Response to 2005 Hurricanes – Health Precautions"  
(<http://www.epa.gov/katrina/precautions.html>)

<sup>9</sup> FEMA FloodSmart web site ([http://www.fema.gov/hazard/flood/fl\\_during.shtm](http://www.fema.gov/hazard/flood/fl_during.shtm))

### **PROTECTION OF TRANSPORTATION SYSTEMS AFFECTING PROPERTY**

The proposed Assessment District will provide funding for maintenance, operational and improvement activities that will reduce the risk of significant disruption and harm in the Assessment District. The maintenance, operations and improvement activities will also better protect the roads and transportation systems in the Assessment District that are crucial for maintaining access for residents, goods movement, maintenance of utilities, and emergency vehicles. Without reliable roads and access, the value of property in the Assessment District would be diminished. Therefore, another special benefit to property is the protection of the local transportation systems.

### **ELIMINATION OF LIMITATIONS ON DEVELOPMENT/RENOVATION RESULTING FROM SHFA DESIGNATION BY FEMA**

The Assessments would fund Improvements that may prevent additional properties in the proposed district from being mapped in a SFHA flood zone. Without such funding for the Improvements, additional properties within the proposed Assessment District may be designated as being in a SFHA by FEMA. Additional SFHA designations would result in limitations on property development; therefore, prevention of limitations on development is another tangible and direct special benefit to property in the proposed Assessment District.

*Our findings support the hypothesis that increases in flood risk decrease values for residential properties within the 100-year floodplain. Unlike other studies which conclude that there are uniform impacts within the floodplain, we find declining effects with reduced risk. Furthermore, there is evidence suggesting that flooding events heighten sensitivity to such risks and raise the property price premium associated with a given level of flood risk<sup>10</sup>.*

### **GENERAL VERSUS SPECIAL BENEFIT**

Proposition 218 requires any local agency proposing to increase or impose a special assessment to “separate the general benefits conferred on a parcel.”<sup>11</sup> The rationale for separating special and general benefits is to ensure that property owners are not charged a benefit assessment in order to pay for general benefits. Thus, a local agency carrying out a project that provides both special and general benefits may levy an assessment to pay for the special benefits, but must acquire separate funding to pay for the general benefits.<sup>12</sup>

In other words:

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<sup>10</sup> “Using GIS To Evaluate The Effects Of Flood Risk On Residential Property Values “, Bartosova et. al, Proceedings of “Environmental Problem Solving with Geographical Information Systems: A National Conference”, U.S. EPA, September 22-24, 1999, Cincinnati, Ohio

<sup>11</sup> California Constitution Article XII D 4

<sup>12</sup> *Silicon Valley Taxpayers’ Association, Inc. v. Santa Clara County Open Space Authority* (2008) 44 Cal 4<sup>th</sup> 431,450

<b>Total Benefit</b>	<b>=</b>	<b>General Benefit</b>	<b>+</b>	<b>Special Benefit</b>
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However, flood control operations, such as the Services, provide only special benefits. Special benefits are benefits that are “peculiar and distinct over and above general benefits located in the district or to the public at large.”<sup>13</sup> Because flood control infrastructure protects particular identifiable parcels (including residents of the parcel and any appurtenant facilities or improvements) from damage due to inundation or force by rising floodwaters, the benefits are provided directly to those parcels, and to no other parcels. By contrast, general benefits provided to the public at large are discussed in terms of general enhanced property values, provision of general public Services such as police and fire protection, and recreational opportunities that are available to people regardless of their location.<sup>14</sup>

The issue of general benefits merits further discussion, however, because flood control Services and improvements have an obvious indirect relationship to the provision of general benefits. For example, the Services may protect restaurant and/or recreation facilities in the Assessment District that may be used by people regardless of whether they own property in the District. But this indirect relationship does not mean that the Services and Improvements themselves will provide any general benefits. Rather, the Services will provide direct special benefits to parcels that may themselves be used in the provision of general benefits.

More to the point, the public at large will be paying for the general benefits provided to benefiting “public use” property, and specially-benefited property owners’ assessments will not be used to subsidize general benefits provided to the public at large or to property outside the Assessment District. All property that is specially benefited by the Services and Improvements will be assessed, including the parcels used in the provision of general benefits. Thus, the general public will pay for a portion of the provision of the flood control Services and Improvements because the assessed public agencies will use general taxes and other public revenue to pay their Assessments, and privately-owned parcels (such as restaurants) will collect revenue from customers to pay for any “general benefits.”

The Assessment Engineer finds that the Services and Improvements are of distinct and direct special benefit to the property within the Assessment District.

The Assessment Engineer conducted a parcel-by-parcel analysis and has developed an approach, described below as the industry standard. In any case, following is a description of the separation of general benefit from special benefit, and the quantification of the general benefit, in the District. In each step of this analysis, conservative assumptions and

<sup>13</sup> California Constitution Article XII D 2(i)

<sup>14</sup> *Silicon Valley Taxpayers’ Association, Inc. v. Santa Clara County Open Space Authority* (2008) 44 Cal 4<sup>th</sup> 431, 450-56



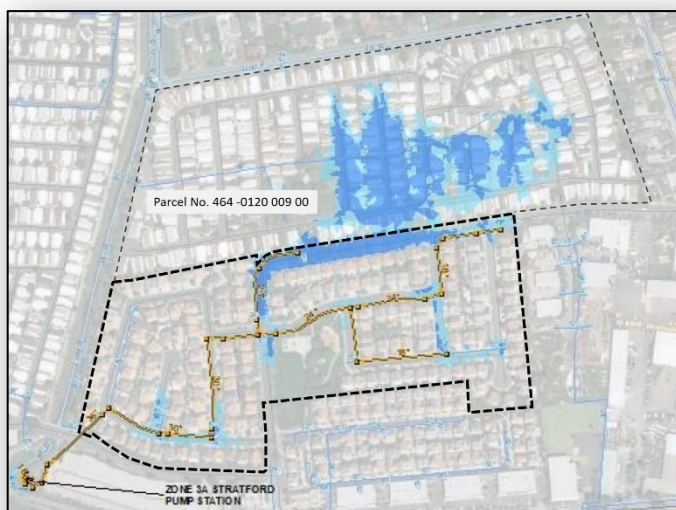
determinations have been used in order to ensure that the total calculated general benefit is maximized which reduces the special benefit assessed on any one parcel.

A formula to estimate the general benefit is listed below:

$$\text{General Benefit} = \text{Benefit to real property outside of improvement district} + \text{Benefit to real property inside of improvement district} + \text{Benefit to public at large}$$

### GENERAL BENEFIT TO PROPERTY OUTSIDE, BUT PROXIMATE, TO THE ASSESSMENT DISTRICT

An inundation analysis<sup>15</sup> shows that only one parcel outside the boundaries of the District may benefit from the City's pump station: Parcel number 464 -0120-009-00, which contains a mobile home community with approximately 265 home sites. Of those sites, approximately 92 home sites have the potential to be affected by ponding water up to one foot in depth in the scenario where all the pump fail.



Such flooding events can cut off or temporarily interrupt access by residents, movements of goods, and response times for emergency vehicles. In order to evaluate the relative impacts of interruptions to access, the primary metric used was average daily trips by residents. Parcels within the District are single family residential; parcel number 464 -0120-009-00 is an age-restricted mobile home park. According to a study conducted by the San Diego Association of

Governments (SANDAG), the average daily trips for these two residential land uses is 10 and 3, respectively. Therefore, trips within the District are estimated at  $(174 \times 10 =) 1,740$ , and trips attributed to the 92 affected home sites in the parcel number 464 -0120-009-00 is estimated at  $(92 \times 3 =) 276$ , which is 16% of the trips within the District.

However, a telephone conversation with the authors<sup>16</sup> of the inundation analysis confirmed that the on-site drainage system of parcel 464 -0120-009-00 was not factored into the

<sup>15</sup> "Zone 3A - Stratford Pump Station Assessment Summary", Wood Rogers, Feb. 2020

<sup>16</sup> Jeremiah McMahon, Satish Kumar; Wood Rogers, April 26, 2021



analysis. They agreed that, while not known precisely, it is reasonable to assume that the on-site drainage system (consisting of a piping system and a privately-owned pump station) could alleviate all or most of the flooding on that parcel caused by a complete failure of the District's pump station. Therefore, the home sites on parcel number 464 -0120-009-00 may not receive any benefit from the District's pump station. The true benefit received by this parcel is within the range of zero to 16% and is likely to be at the lower end of that range. For this Report, that benefit is conservatively estimated at half of the maximum, or 8%.

**TOTAL GENERAL BENEFIT TO PROPERTIES OUTSIDE, BUT PROXIMATE, TO THE DISTRICT = 8%**

#### **GENERAL BENEFIT TO PROPERTY WITHIN THE ASSESSMENT DISTRICT**

The "indirect and derivative" benefit to property within the Assessment District is particularly difficult to calculate. A solid argument can be presented that all benefits within the Assessment District are special because the improvements are clearly "over and above" and "particular and distinct" when compared with the baseline level of service and the unique proximity of and access to the improvements enjoyed by benefiting properties in the Assessment District. Percentage of parcels receiving indirect and derivative benefit = 0%

**TOTAL GENERAL BENEFIT TO PROPERTIES WITHIN THE ASSESSMENT DISTRICT = 0%**

#### **GENERAL BENEFIT TO THE PUBLIC AT LARGE**

The Stratford Village Park within Stratford Village is used almost exclusively used by property owners within the Assessment District. While there is some occasional use by non-property owners, with no connection with property owners, including bikers, walkers, picnickers, etc., the Park itself derives no benefit from the Improvements and Services due to its elevation (no inundation) and adequate access during a flood event. Therefore, there is no benefit under this category.

**GENERAL BENEFIT TO THE PUBLIC AT LARGE = 0%**

#### **TOTAL GENERAL BENEFITS**

Using a sum of these three measures of general benefit, we find that 8% of the benefits conferred by the Improvements may be general in nature and must be funded by sources other than the assessment.

#### General Benefit Calculation

8%	Property outside the District
+ 0%	Property within the District
+ 0%	Public at large
<u>8%</u>	<b>TOTAL General Benefit</b>

### **SPECIAL NOTE ON GENERAL BENEFITS**

In the 2009 *Dahms* case, the court upheld an assessment that was 100% special benefit on the rationale that the Services funded by the assessments were directly provided to property in the assessment district. Similar to the assessments in Pomona that were validated by *Dahms*, the Assessments described in this Engineer's Report fund Flood Control Services that are directly provided to property in the assessment area. Moreover, as noted in this Report, the Services directly reduce flood risk on all property in the assessment area. Therefore, *Dahms* establishes a basis for minimal or zero general benefits from the Assessments. However, in this report, the general benefit is more conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

### **THE CURRENT GENERAL BENEFIT CONTRIBUTION FROM THE CITY**

This general benefit cannot be funded from the Assessments; it must be funded from other sources such as the City's General Fund or other non-District funds. These contributions can also be in the form of in-lieu contributions to the installation and maintenance of the Improvements such as other City assets that support and protect the Improvements. The City of Hayward will contribute both monetary and in-lieu resources to ensure that the general benefits conferred by the proposed Improvements are not funded by the District's Assessments.

A summary and quantification of these other contributions from the City is discussed below:

The City of Hayward owns, maintains, rehabilitates, and replaces curb and gutter along the border of the District Improvements. This curb and gutter serve to support, contain, retain, manage stormwater flows. The contribution from the City towards general benefit from the maintenance, rehabilitation, and replacement of the curb and gutter is conservatively estimated to be 3%.

The City owns and maintains a storm drainage system throughout the District. This system serves to prevent flooding and associated damage to the Improvements, and manage urban runoff including local pollutants loading from the Improvements. The contribution from the City towards general benefit from the maintenance, and operation of the local storm drainage system is conservatively estimated to be 3%.

The City owns and maintains local public streets along the border of the District Improvements. These public streets provide access to the Improvements to facilitate efficient maintenance. The contribution from the City towards general benefit from the maintenance of local public streets is conservatively estimated to be 3%.

The value of the construction of the improvements can be quantified and monetized as an annuity. Since this construction was performed and paid for by non-assessment funds, this "annuity" can be used to offset general benefit costs and is conservatively estimated to contribute 10%.

The total General Benefit is liberally quantified at 8% which is entirely offset by the conservatively quantified total non-assessment contribution towards general benefit described above of 19%. Therefore, no additional General Benefit must be funded by the City.

### **ASSESSMENT APPORTIONMENT**

In the process of determining the appropriate method of assessment, various alternatives were considered. For example, a fixed or flat assessment for all properties was deemed to be inappropriate because properties less likely to be affected by flooding would be assessed the same as properties more likely to be affected. Hence, the appropriate method of assessment should be based on the type and use of the property, the relative size of the property, and the level of potential damage to property. This method is further described below.

### **ZONES OF BENEFIT**

Many assessment districts, including assessment districts to fund flood protection, confer different types and amounts of special benefit on parcels in different areas of the assessment district. Therefore, the creation of zones of benefit, corresponding to these various areas, are routinely considered in the development of an assessment district for flood control. However, this District contains a relatively homogenous community in which zone partitions are not of value. As such, no zones are differentiated.

### **METHOD OF ASSESSMENT**

The next step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a "benchmark" property, a single family detached dwelling on one parcel (one "Single Family Equivalent Unit" or "SFE"). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefits. In this Engineer's Report, all properties are assigned an SFE value, which is each property's relative benefit in relation to a single-family home on one parcel.

The relative benefit to properties from maintenance, operational and improvement activities that reduce the potential for flooding is described by the following equations:

TABLE 3 – EQUATIONS

Equation	
1	$\sum \text{Special Benefit}_{\text{parcel}} = \sum \text{Assessment}_{\text{parcel}}$
2	$\text{Assessment}_{\text{parcel}} = \text{Rate}_{\text{zone}} \times f(\text{Replacement Factors, Parcel Specific Factors})$
3	$\text{Rate}_{\text{zone}} = \text{Base Rate} * \text{Relative Zone Factor}$
4	$\text{Base Rate} = \frac{\sum \text{Costs}}{\sum \text{SFEs}}$

The special benefit conferred to property is a function of flood risk factors, flood damage factors, shared facilities factors and land use factors. The derivation of these factors is described in the sections below.

**FLOOD RISK FACTORS (PARCEL SPECIFIC FACTOR I)**

Flood risk factors are typically derived from an analysis of the relative risks corresponding to specific sections of flood protection system, and then assigned to specific corresponding geographic zones. However, all parcels within the proposed Assessment District are equally protected by the storm drainage system of gutters, pipes, and pumps, all with the same relative risk of failure. Therefore, the relative risk factors are the same for all parcels.

**FLOOD DAMAGE FACTORS (PARCEL SPECIFIC FACTOR II)**

Flood damage is generally a function of the depth of flooding, with higher water levels causing greater damage to structures and property. Flood Inundation maps were used to evaluate elevation data and the risk to property improvements in the event that the pump station failed to operate during a 100-year storm event. Inundation levels were determined to be below the levels of any permanent residential units on private property. While there are some private improvements that will be inundated such as roadways, driveways, walkways and landscaping, no permanent damage is anticipated beyond minor clean up after flood waters have receded. Based on the foregoing, the flood risk factors are the same for all parcels.

**SHARED FACILITY FACTORS (PARCEL SPECIFIC FACTOR III)**

Shared facilities factors affect zones of parcels in similar ways. A weighted system is used based upon an equal distribution for each of the four critical shared facilities to model the effect of the degradation of these facilities in different zones during a flood event. Three of the categories (water, sewer, and power) will experience minimal disruption. The fourth (access) will experience a more pronounced interruption to access by residents, movements

of goods, and response times for emergency vehicles. However, the level of disruption for all four categories will be the same for all parcels within the District.

### **WEIGHTED PARCEL FACTOR SUBTOTALS**

Within the proposed Assessment District boundaries, Flood Risk Factors, Flood Damage Factors and Shared Facility Factors describe the relative benefit to each parcel within a group and are adjusted by their relative importance (weighting). However, since all three factors are equal across all parcels in the District, there is no differentiation to be made.

### **LAND USE FACTORS TO DETERMINE REPLACEMENT FACTORS**

The final step in determining the apportionment is to factor in the land use, or replacement value for each type of use within a Group. There are no permanent residential improvements at risk in this District. As a result, the Land Use Factors are considered to be embedded in the analysis above and no further weighting is warranted.

### **SFES AND RATE FACTORS**

The metric used for assessments is the Single-Family Equivalent (SFE), which is defined as the special benefit received by the benchmark property (single-family residential).

#### **SINGLE-FAMILY RESIDENTIAL**

The residential portion of the District is made up of 174 single-family residential units. Each of the rate factors were determined to be equal among all residential parcels. As the benchmark property, these are assigned one SFE each.

#### **PUBLICLY OWNED PARCELS**

Article XIII D, Section 4 of the California Constitution states that publicly owned properties shall not be exempt from assessment unless there is clear and convincing evidence that those properties receive no special benefit.

Publicly owned parcels were individually reviewed and assigned the most appropriate property type. The only public parcel within this District is the Stratford Village Park, which contains a playground, sport court, skate park, and a turf area – none of which will be inundated in a flood event. Furthermore, access during a flood event is not likely necessary (due to the associated extreme weather). Therefore, this parcel will not be impacted by a flood event nor benefited by the drainage facilities; it receives no special benefit and is exempt from the assessment.

#### **ASSESSMENT RATES**

Assessment rates are determined by dividing the total benefit by the number of Single-Family Equivalents (SFEs) in order to determine an assessment rate per SFE. The base rate for a single-family home is set at  $(\$86,652 \div 174 =) \$498.00$  per parcel.

## **CRITERIA AND POLICIES**

### **PARCEL CHANGES**

The signatory Assessment Engineer is responsible for a parcel by parcel analysis, and determination of special benefit and assessment amount for each parcel in the proposed Assessment District. Each year, the Assessment Engineer will re-analyze and re-calculate individual benefits and corresponding assessments for each parcel, incorporating parcel splits and combinations, land use changes, specific flood risks, etc. The Assessment Engineer shall use the lien date roll obtained from the County of Alameda, or a third-party distributor of this data as the basis for the levy roll. Review of aerial photos and other data including real estate data, and site visits are anticipated.

### **APPEALS OF ASSESSMENTS LEVIED TO PROPERTY**

Any property owner who feels that the assessment levied on their property is in error as a result of incorrect information being used to apply the foregoing method of assessment may file a written appeal with the Maintenance Services Director of the City of Hayward or his or her designee. Any such appeal is limited to correction of an assessment during the then current fiscal year. Upon the filing of any such appeal, the Maintenance Services Director or his or her designee will promptly review the appeal and any information provided by the property owner. If the Maintenance Services Director or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the Maintenance Services Director or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the Maintenance Services Director or his or her designee shall be referred to the City Manager of the City of Hayward and the decision of the City Manager shall be final.

### **DURATION OF THE ASSESSMENT**

If approved by property owners in an assessment ballot proceeding conducted pursuant to the Article and Government Code Section 53750 et seq., the assessments can be levied annually commencing with Fiscal Year 2022.

### **COST OF LIVING ADJUSTMENTS TO ASSESSMENT RATE**

The assessment cannot be increased in future years without approval from property owners in another assessment ballot proceeding, except for an annual adjustment tied to the annual change of the U.S. Department of Labor, Bureau of Labor Statistic Consumer Price Index – All Urban Consumers (“CPI”) for the San Francisco-Oakland-Hayward, CA MSA Consumer Price Index for All Urban Consumers (CPI-U), not to exceed 3% per year. The February to February CPI will be used to calculate the CPI. Any CPI in excess of 3% may be used in subsequent years when the CPI is less than 3%. In the case of a negative February to February CPI, a 0.0% CPI will be used.

This sub-section describes the criteria that shall govern the expenditure of assessment funds and ensures equal levels of benefit for properties of similar type. The criteria established in

this Report, as finally confirmed, cannot be substantially modified; however, the Council may adopt additional criteria to further clarify certain criteria or policies established in this Report or to establish additional criteria or policies that do not conflict with this Report.

**ASSESSMENT FUNDS MUST BE EXPENDED WITHIN THE PROPOSED ASSESSMENT DISTRICT**

The net available assessment funds, after incidental, administrative and other costs, shall be expended exclusively for Improvements provided to levees that protect property within the boundaries of the proposed Assessment District.

**SENIOR AND LOW-INCOME EXEMPTIONS**

The Government Code does not provide for exemptions to assessments for senior citizen or low-income property owners.

**ASSESSMENT**

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**WHEREAS**, the City Council of the City of Hayward is proceeding with the proposed formation of the Stratford Village Flood Control Facilities Improvement Assessment District under Chapter 26 of Part 3 of Division 7 of the Streets and Highways Code of the State of California, and Chapter 10, Article 10, Section 10-10.25 of the Hayward Municipal Code, and Article XIID of the California Constitution, to proceed with the proposed levy of assessments;

**WHEREAS**, the undersigned Engineer of Work has prepared and filed a report presenting an estimate of costs, a diagram for the Assessment District and an assessment of the estimated costs of the Improvements upon all assessable parcels within the Assessment District;

**NOW, THEREFORE**, the undersigned, by virtue of the power vested in me under State law and the order of the City Council, hereby makes the following assessment to cover the portion of the estimated cost of said Improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

The amount to be paid for said Improvements and the expense incidental thereto, to be paid by the Assessment District for the fiscal year 2022 is generally as follows:

COSTS	
Operations & Maintenance	\$ 36,000
SCADA	255,000
Consultant	-
Annual Improvements	82,489
Repayment of Temporary Moneys	35,838
Other Administration	4,848
	<u>414,176</u>

An Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Assessment District. The distinctive number of each parcel or lot of land in said Assessment district is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of said Improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said Assessment District, in accordance with the special benefits to be received by each parcel or lot, from the Improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.



The assessment is subject to an annual adjustment tied to the annual change of the U.S. Department of Labor, Bureau of Labor Statistic Consumer Price Index – All Urban Consumers (“CPI”) for the San Francisco-Oakland-Hayward, CA MSA Consumer Price Index for All Urban Consumers (CPI-U), not to exceed 3% per year. The February to February CPI will be used to calculate the CPI.

In the event that the actual assessment rate for any given year is not increased by an amount equal to the maximum of 3% or the yearly CPI change plus any CPI change in previous years that was in excess of 3%, the maximum authorized assessment shall increase by this amount. In such event, the maximum authorized assessment shall be equal to the base year assessment as adjusted by the increase to the CPI, plus any and all CPI adjustments deferred in any and all prior years. The CPI change above 3% can be used in a future year when the CPI adjustment is below 3%.

If property owners, in an assessment ballot proceeding, approve the initial fiscal year benefit assessment for the special benefits to their property including the CPI adjustment schedule, the assessment may be levied annually and may be adjusted by up to the maximum annual CPI adjustment without any additional assessment ballot proceeding. In the event that in future years the assessments are levied at a rate less than the maximum authorized assessment rate, the assessment rate in a subsequent year may be increased up to the maximum authorized assessment rate without any additional assessment ballot proceeding.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor’s Maps of the County of Alameda for the fiscal year 2022. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of Alameda County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2022 for each parcel or lot of land within the said Assessment District.<sup>17</sup>

Dated:



Engineer of Work

By

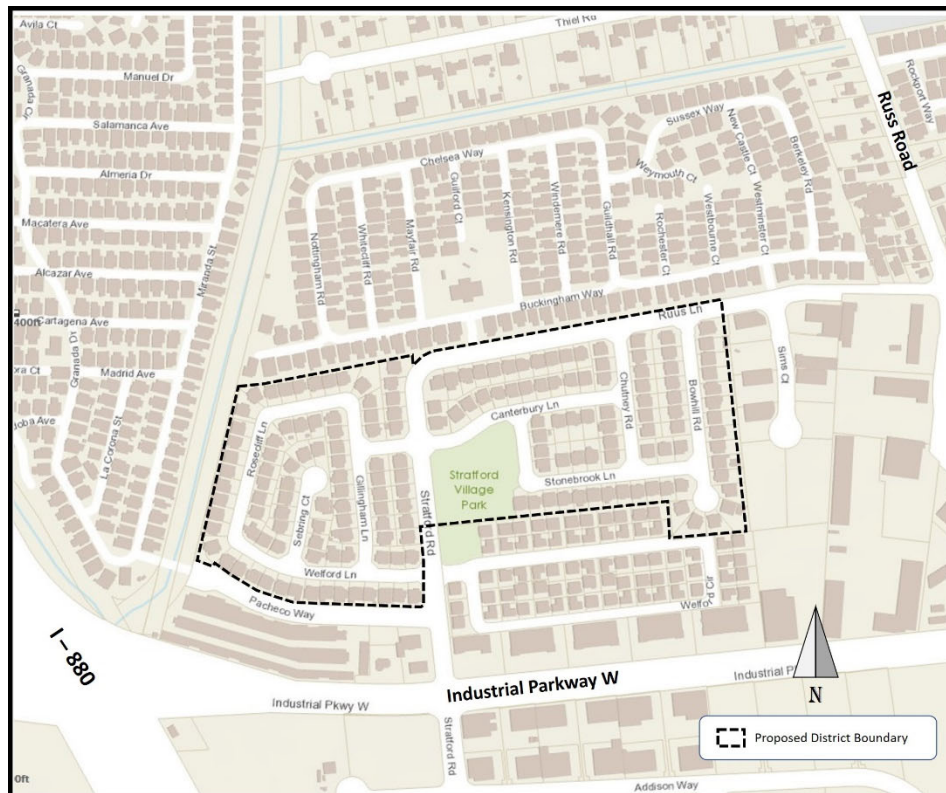
Jerry Bradshaw, License No. C048845

<sup>17</sup> Each parcel has a calculated assessment based on the estimated level of special benefit to the property.

**ASSESSMENT DIAGRAM**

The Assessment District includes all properties within the proposed boundaries of the Stratford Village Flood Control Facilities Improvement Assessment. The boundaries of the Assessment District are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions as shown on the maps of the Assessor of the County of Alameda, for fiscal year 2022, and are incorporated herein by reference, and made a part of this Diagram and this Report.

**FIGURE 2 – STRATFORD VILLAGE FLOOD CONTROL ASSESSMENT DIAGRAM FY 2022**



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF HAYWARD, COUNTY OF ALAMEDA, CALIFORNIA, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_.

CITY CLERK \_\_\_\_\_

RECORDED IN THE OFFICE OF THE PUBLIC WORKS DIRECTOR OF THE CITY OF HAYWARD, COUNTY OF ALAMEDA, CALIFORNIA, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_.

PUBLIC WORKS DIRECTOR \_\_\_\_\_

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ AT THE HOUR OF \_\_\_\_\_ M. IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA AT THE REQUEST OF THE CITY COUNCIL OF THE CITY OF HAYWARD.

COUNTY AUDITOR, COUNTY OF ALAMEDA \_\_\_\_\_

AN ASSESSMENT WAS CONFIRMED AND LEVIED BY CITY COUNCIL OF THE CITY OF HAYWARD, COUNTY OF ALAMEDA, ON THE LOTS, PIECES AND PARCELS OF LAND ON THIS ASSESSMENT DIAGRAM ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ FOR FISCAL YEAR 2021-22 AND SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL FOR SAID FISCAL YEAR WERE FILED IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF ALAMEDA ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_. REFERENCE IS HEREBY MADE TO SAID RECORDED ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND.

CITY CLERK \_\_\_\_\_

NOTE: REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF ALAMEDA FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCELS SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER

**City of Hayward**  
**Stratford Village Flood Control Facilities Improvements**  
**Assessment District (MD1-2021)**  
**Assessment Diagram**

Prepared by: SCI Consulting Group  
4745 Mangels Blvd.  
Fairfield, CA 94534

## APPENDICES

## APPENDIX A – ASSESSMENT ROLL, FY 2022

The Assessment Roll is made part of this report and is available for public inspection during normal office hours. Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference, made part of this report. These records shall govern for all details concerning the description of the lots or parcels.

Parcel Number	Tax Amt	Parcel Number	Tax Amt	Parcel Number	Tax Amt	Parcel Number	Tax Amt
464 -0121-001-00	\$ 498.00	464 -0121-051-00	\$ 498.00	464 -0121-096-00	\$ 498.00	464 -0122-046-00	\$ 498.00
464 -0121-002-00	\$ 498.00	464 -0121-052-00	\$ 498.00	464 -0122-003-00	\$ 498.00	464 -0122-047-00	\$ 498.00
464 -0121-003-00	\$ 498.00	464 -0121-053-00	\$ 498.00	464 -0122-004-00	\$ 498.00	464 -0122-048-00	\$ 498.00
464 -0121-004-00	\$ 498.00	464 -0121-054-00	\$ 498.00	464 -0122-005-00	\$ 498.00	464 -0122-049-00	\$ 498.00
464 -0121-005-00	\$ 498.00	464 -0121-055-00	\$ 498.00	464 -0122-006-00	\$ 498.00	464 -0122-050-00	\$ 498.00
464 -0121-006-00	\$ 498.00	464 -0121-056-00	\$ 498.00	464 -0122-007-00	\$ 498.00	464 -0122-051-00	\$ 498.00
464 -0121-007-00	\$ 498.00	464 -0121-057-00	\$ 498.00	464 -0122-008-00	\$ 498.00	464 -0122-052-00	\$ 498.00
464 -0121-008-00	\$ 498.00	464 -0121-058-00	\$ 498.00	464 -0122-009-00	\$ 498.00	464 -0122-053-00	\$ 498.00
464 -0121-009-00	\$ 498.00	464 -0121-059-00	\$ 498.00	464 -0122-010-00	\$ 498.00	464 -0122-054-00	\$ 498.00
464 -0121-010-00	\$ 498.00	464 -0121-060-00	\$ 498.00	464 -0122-011-00	\$ 498.00	464 -0122-055-00	\$ 498.00
464 -0121-011-00	\$ 498.00	464 -0121-061-00	\$ 498.00	464 -0122-012-00	\$ 498.00	464 -0122-056-00	\$ 498.00
464 -0121-012-00	\$ 498.00	464 -0121-062-00	\$ 498.00	464 -0122-013-00	\$ 498.00	464 -0122-057-00	\$ 498.00
464 -0121-013-00	\$ 498.00	464 -0121-063-00	\$ 498.00	464 -0122-014-00	\$ 498.00	464 -0122-058-00	\$ 498.00
464 -0121-014-00	\$ 498.00	464 -0121-064-00	\$ 498.00	464 -0122-015-00	\$ 498.00	464 -0122-059-00	\$ 498.00
464 -0121-015-00	\$ 498.00	464 -0121-065-00	\$ 498.00	464 -0122-016-00	\$ 498.00	464 -0122-060-00	\$ 498.00
464 -0121-016-00	\$ 498.00	464 -0121-066-00	\$ 498.00	464 -0122-017-00	\$ 498.00	464 -0122-061-00	\$ 498.00
464 -0121-017-00	\$ 498.00	464 -0121-067-00	\$ 498.00	464 -0122-018-00	\$ 498.00	464 -0122-062-00	\$ 498.00
464 -0121-018-00	\$ 498.00	464 -0121-068-00	\$ 498.00	464 -0122-019-00	\$ 498.00	464 -0122-063-00	\$ 498.00
464 -0121-019-00	\$ 498.00	464 -0121-069-00	\$ 498.00	464 -0122-020-00	\$ 498.00	464 -0122-064-00	\$ 498.00
464 -0121-020-00	\$ 498.00	464 -0121-070-00	\$ 498.00	464 -0122-021-00	\$ 498.00	464 -0122-065-00	\$ 498.00
464 -0121-021-00	\$ 498.00	464 -0121-071-00	\$ 498.00	464 -0122-022-00	\$ 498.00	464 -0122-066-00	\$ 498.00
464 -0121-022-00	\$ 498.00	464 -0121-072-00	\$ 498.00	464 -0122-023-00	\$ 498.00	464 -0122-067-00	\$ 498.00
464 -0121-023-00	\$ 498.00	464 -0121-073-00	\$ 498.00	464 -0122-024-00	\$ 498.00	464 -0122-068-00	\$ 498.00
464 -0121-024-00	\$ 498.00	464 -0121-074-00	\$ 498.00	464 -0122-025-00	\$ 498.00	464 -0122-069-00	\$ 498.00
464 -0121-025-00	\$ 498.00	464 -0121-075-00	\$ 498.00	464 -0122-026-00	\$ 498.00	464 -0122-070-00	\$ 498.00
464 -0121-026-00	\$ 498.00	464 -0121-076-00	\$ 498.00	464 -0122-027-00	\$ 498.00	464 -0122-071-00	\$ 498.00
464 -0121-027-00	\$ 498.00	464 -0121-077-00	\$ 498.00	464 -0122-028-00	\$ 498.00	464 -0122-072-00	\$ 498.00
464 -0121-028-00	\$ 498.00	464 -0121-078-00	\$ 498.00	464 -0122-029-00	\$ 498.00	464 -0122-073-00	\$ 498.00
464 -0121-029-00	\$ 498.00	464 -0121-080-00	\$ 498.00	464 -0122-030-00	\$ 498.00	464 -0122-074-00	\$ 498.00
464 -0121-030-00	\$ 498.00	464 -0121-081-00	\$ 498.00	464 -0122-031-00	\$ 498.00	464 -0122-075-00	\$ 498.00
464 -0121-031-00	\$ 498.00	464 -0121-082-00	\$ 498.00	464 -0122-032-00	\$ 498.00	464 -0122-076-00	\$ 498.00
464 -0121-032-00	\$ 498.00	464 -0121-083-00	\$ 498.00	464 -0122-033-00	\$ 498.00	464 -0122-077-00	\$ 498.00
464 -0121-033-00	\$ 498.00	464 -0121-084-00	\$ 498.00	464 -0122-034-00	\$ 498.00	464 -0122-078-00	\$ 498.00
464 -0121-034-00	\$ 498.00	464 -0121-085-00	\$ 498.00	464 -0122-035-00	\$ 498.00	464 -0122-079-00	\$ 498.00
464 -0121-035-00	\$ 498.00	464 -0121-086-00	\$ 498.00	464 -0122-036-00	\$ 498.00	464 -0122-080-00	\$ 498.00
464 -0121-036-00	\$ 498.00	464 -0121-087-00	\$ 498.00	464 -0122-037-00	\$ 498.00	464 -0122-081-00	\$ 498.00
464 -0121-037-00	\$ 498.00	464 -0121-088-00	\$ 498.00	464 -0122-038-00	\$ 498.00	464 -0122-082-00	\$ 498.00
464 -0121-038-00	\$ 498.00	464 -0121-089-00	\$ 498.00	464 -0122-039-00	\$ 498.00	464 -0122-083-00	\$ 498.00
464 -0121-039-00	\$ 498.00	464 -0121-090-00	\$ 498.00	464 -0122-040-00	\$ 498.00	464 -0122-084-00	\$ 498.00
464 -0121-040-00	\$ 498.00	464 -0121-091-00	\$ 498.00	464 -0122-041-00	\$ 498.00	464 -0122-085-00	\$ 498.00
464 -0121-041-00	\$ 498.00	464 -0121-092-00	\$ 498.00	464 -0122-042-00	\$ 498.00	464 -0122-086-00	\$ 498.00
464 -0121-042-00	\$ 498.00	464 -0121-093-00	\$ 498.00	464 -0122-043-00	\$ 498.00	464 -0122-087-00	\$ 498.00
464 -0121-049-00	\$ 498.00	464 -0121-094-00	\$ 498.00	464 -0122-044-00	\$ 498.00		
464 -0121-050-00	\$ 498.00	464 -0121-095-00	\$ 498.00	464 -0122-045-00	\$ 498.00		