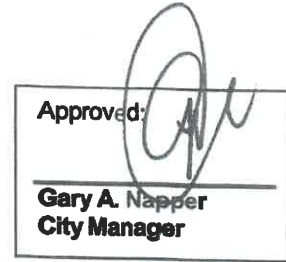




Agenda Date: 6-19-2018
Agenda Item: 9b



STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: SCOTT ALMAN, CITY ENGINEER

DATE: JUNE 19, 2018

SUBJECT: PUBLIC HEARING ON PROPOSED ASSESSMENTS FOR THE DIABLO ESTATES AT CLAYTON BENEFIT ASSESSMENT DISTRICT (BAD); ORDERING IMPROVEMENTS AND CONFIRMING ASSESSMENTS FOR FY 2018-19

RECOMMENDATION

Open the Public Hearing, receive public comments, close the Public Hearing, and approve the attached Resolution.

BACKGROUND

The City Council, at its May 15th meeting, adopted Resolution 14-2018 approving the Engineer's Report dated May 1st including the proposed assessment amounts which included an allowable 3.22% increase over FY 2017-18 assessments. These assessments are collected annually to pay for the maintenance and rehabilitation of various improvements benefiting the twenty four (24) real property owners within the Diablo Estates at Clayton development. These tasks are included in the property management contract awarded previously to Pinnacle Construction Services (Matrix Management Services). Pinnacle's (Matrix) contract provides for an annual increase each December equal to the increase in the San Francisco – Bay Area CPI.

As required by law, a notice regarding this public hearing was mailed to all 24 of the property owners on May 25, 2018. The approved Engineer's Report was attached to the public hearing notice. For the benefit of the residents, the Engineer's Report was expanded to include the expenditures of the District to date, the proposed FY 2018-19 budget, an accounting of the reserve funds and the Scope of Services for Matrix Management's on-going contract.

Tonight, the City Council will open the required public hearing to hear any comments from the assessed property owners. Upon completion of public testimony, the City Council should close the public hearing. The City Council may then consider any public comments received and proceed to act on this Resolution levying the annual assessments on the real properties within the District for FY 2018-19.

Subject: Diablo Estates at Clayton BAD – Confirmation of Assessments for FY 2018-19

Date: June 19, 2018

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FISCAL IMPACT

If the annual assessment is approved as recommended, the City will continue to oversee the maintenance duties specified in the Engineer's Report on behalf of the benefited real property owners through the contracted property management company (Pinnacle/Matrix).

Should the 3.22% increase not be levied as recommended on the assessments, the automatic CPI increase in the property management contract (Pinnacle) must then be funded by drawing on District reserves. Further, bypassing the allowable CPI increase can never be recouped by the District in the future as each annual increase allowed is strictly limited to that year's adjustment in annual CPI increase.

The BAD fund balance will cover the District's costs until receipt of the first tax payment from the County in December. Therefore, this action will not impact the City's General Fund.

CONCLUSION

Staff recommends the City Council approve this Resolution confirming the levy of assessments within the Diablo Estates at Clayton Benefit Assessment District FY 2018-19.

Attachments: Resolution confirming Assessments [2 pp.]
Notice to Property Owners [1 pg.]
BAD FY 2018-19 Engineer's Report [41 pg.]