

GHAD BUDGET REPORT

DATE: JUNE 19, 2007

TO: BOARD OF DIRECTORS

FROM: RICK ANGRISANI, DISTRICT MANAGER

RE: FISCAL YEAR 2007-08

BACKGROUND

In April 2000, the property owners within the District approved, by ballot, assessments to cover the routine maintenance and operations needs of the District. The ballot measure also approved increases in the annual assessment not to exceed the CPI. These annual assessments are the only source of revenues to the District as it is solely funded by the property owners within the District. Without property owners' approval, the District cannot create or mandate additional revenues to fund hazard abatement or prevention services.

The settlement proceeds from the Presley lawsuit have funded the investigation and monitoring of the slope below Kelok Way. The monitoring of the slope has confirmed that some movement is occurring at a depth some 30 feet below the Golden Eagle Place cul-de-sac. Stabilization costs far exceed the limited resources of the District. On several previous opportunities, property owners within the District soundly rejected any willingness to approve increases in the annual assessments. Aside from the continued monitoring of the slope below Kelok Way, no additional work is anticipated for the upcoming fiscal year.

The GHAD remains in a poor financial condition as it is anticipated that there will only be \$76,905 remaining in its reserves at the beginning of the upcoming fiscal year. As stated in the past, the lack of interest by the property owners in raising the annual assessments means that hazard repair/abatement projects must be left undone. There will not be any funds available to assist affected property owners as the proposed CPI-adjusted assessments will not provide any increase to the District's reserve fund.

This budget proposes to continue funding just the routine operations of the District through the allowable annual assessments. The year to year increase allowable per the most current CPI is 3.32% (April 2006 to April 2007, San Francisco, All Items, All Urban Consumers Index).

FY 2007-08 BUDGET

Following is the recommended budget for the GHAD for FY 2007-08:

EXPENSES

Postage	\$630.00
Printing and Binding	1,000.00
County Collections Charge	890.00
Engineering Services	12,000.00
Legal Services	15,000.00
Pebble Beach Inclinometers	9,300.00
Administration (transfer to General Fund)	<u>6,000.00</u>
TOTAL EXPENSES	\$44,820.00

INCOME

Property Assessments	\$31,326.38
Interest on Funds	<u>200.00</u>
SUBTOTAL INCOME	\$31,526.38
Appropriation from District Reserves	<u>\$13,293.62</u>
TOTAL INCOME	\$44,280.00

FY 2007-08 PROPERTY ASSESSMENTS

As stated above, the annual assessment will be the same as last year except for an increase in consistent with the increase in the CPI. Exhibit A explains the methodology of the assessments and provides a summary of the proposed assessment for this year.

EXHIBIT A

OAKHURST GEOLOGIC HAZARD ABATEMENT DISTRICT

METHOD OF ASSESSMENT

A geologic hazard abatement district is essentially a benefit assessment district. Therefore, the assessments must be apportioned to individual parcels according to the benefit received.

Based upon discussions with the City's consultant, Randy Leptien of Leptien, Cronin & Cooper, the various areas and types of development in Oakhurst require that the assessments be broken down by area as well as type of unit. The areas have been broken down to reflect, as much as possible, units with an equal amount of risk and benefit.

The total development has been divided into three areas for assessment:

Area 1	Lower 6000's, lower 5000's, Duets, and Townhouses
Area 2	Upper 6000's, upper 5000's, 8,000's, condominiums
Area 3	10000's

After reviewing the needs of each area and the benefits of the District to each area, we have assigned each area the following share of the District's costs (including reserves);

Area 1	25%
Area 2	50%
Area 3	25%

As will be noted, the number of units in each area is not considered a factor and the amount of assessment per unit will vary greatly from area to area. Since there are different types of housing mixed in Areas 1 and 2, we have assigned different assessment units to each type of housing as follows:

Single Family (regardless of size)	1.00
Duets	0.75
Multi-family	0.50

District Boundaries

As of FY 1999-00, the District was complete and consisted of 200 single family homes, 226 duets, and 169 townhouses in Area 1; 612 single family homes and 136 condos in Area 2; and 141 single family homes in Area 3.

Summary of Assessments

AREA I 2007-08 ASSESSMENT			Total =	\$7,836.60		
Subarea	# Units	Type	Factor	Ass. Units	07/08 Asses	Total
Tr. 6990	92	sfd	1.00	92.00	\$17.26	\$1,587.92
Tr. 7065	108	duets	0.75	81.00	\$12.90	\$1,397.52
Tr. 7066	117	multifamily	0.50	58.50	\$8.64	\$1,010.88
Tr. 7303	52	multifamily	0.50	26.00	\$8.64	\$449.28
Tr. 7311	118	duets	0.75	88.50	\$12.94	\$1,526.920
Tr. 7768	55	sfd	1.00	55.00	\$17.26	\$949.30
Tr. 7769	53	sfd	1.00	53.00	\$17.26	\$914.78
Subtotals	595			454.00		\$7,836.60
AREA II 2007-08 ASSESSMENT			Total =	\$15,669.92		
Subarea	# Units	Type	Factor	Ass. Units	07/08 Asses	Total
Tr. 7256	70	sfd	1.00	70.00	\$23.04	\$1,612.80
Tr. 7257	60	sfd	1.00	60.00	\$23.04	\$1,382.40
Tr. 7260	75	sfd	1.00	75.00	\$23.04	\$1,728.00
Tr. 7261	70	sfd	1.00	70.00	\$23.04	\$1,612.80
Tr. 7262	99	sfd	1.00	99.00	\$23.04	\$2,280.96
Tr. 7263	101	sfd	1.00	101.00	\$23.04	\$2,327.04
Tr. 7264	102	sfd	1.00	102.00	\$23.04	\$2,350.08
Tr. 7766	35	sfd	1.00	35.00	\$23.04	\$806.40
Tr. 7766	60	multifamily	0.50	30.00	\$11.54	\$692.40
Tr. 7767	76	multifamily	0.50	38.00	\$11.54	\$877.04
Subtotals	748			680.00		\$15,669.92
AREA III 2007-08 ASSESSMENT			Total =	\$7,819.86		
Subarea	# Units	Type	Factor	Ass. Units	07/08 Asses	Total
Tr. 7249	69	sfd	1.00	69.00	\$55.46	\$3,826.74
Tr. 7255	72	sfd	1.00	72.00	\$55.46	\$3,993.12
Subtotals	141			141.00		\$7,819.86
Grand Totals	1,484			1,275.00		\$31,326.38