

**HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT  
PROGRAM BUDGET FOR FISCAL YEAR 2024/25**



May 9, 2024

Hayward Geologic Hazard Abatement District Board of Directors  
 Chair Mark Salinas  
 Boardmember Angela Andrews  
 Boardmember Ray Bonilla Jr.  
 Boardmember Dan Goldstein  
 Boardmember Julie Roche  
 Boardmember George Syrop  
 Boardmember Francisco Zermeño

Hayward Geologic Hazard Abatement District  
 777 B Street  
 Hayward, CA 94541

Subject: The Reserve (La Vista) Development  
 Hideaway (Ersted Property) Development  
 Hayward SoMi Development  
 Hayward Geologic Hazard Abatement District  
 Hayward, California

**PROGRAM BUDGET FOR FISCAL YEAR 2024/25**

Dear Chair Salinas and Boardmembers:

Attached is the program budget for the Hayward Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2024/25. The proposed program budget is \$175,330. The budget expenses break down into the following amounts.

Administration – GHAD Manager .....	\$34,800
Administration - Outside Professional Services .....	\$23,450
Preventive Maintenance and Operations .....	\$117,080
Special Projects .....	\$0
Major Repair .....	\$0

The budget anticipates FY 2024/25 revenue of \$333,253, with an estimated increase of \$157,923 in the reserve fund. A summary of the expenses is shown in Table 3, followed by a brief description of each budget item on the following pages.

If you have any questions regarding the contents of this letter, please contact us.

Sincerely,

Hayward Geologic Hazard Abatement District  
 ENGEO Incorporated, GHAD Manager  
 ENGEO Project No. 6671.002.023

  
 Haley Ralston

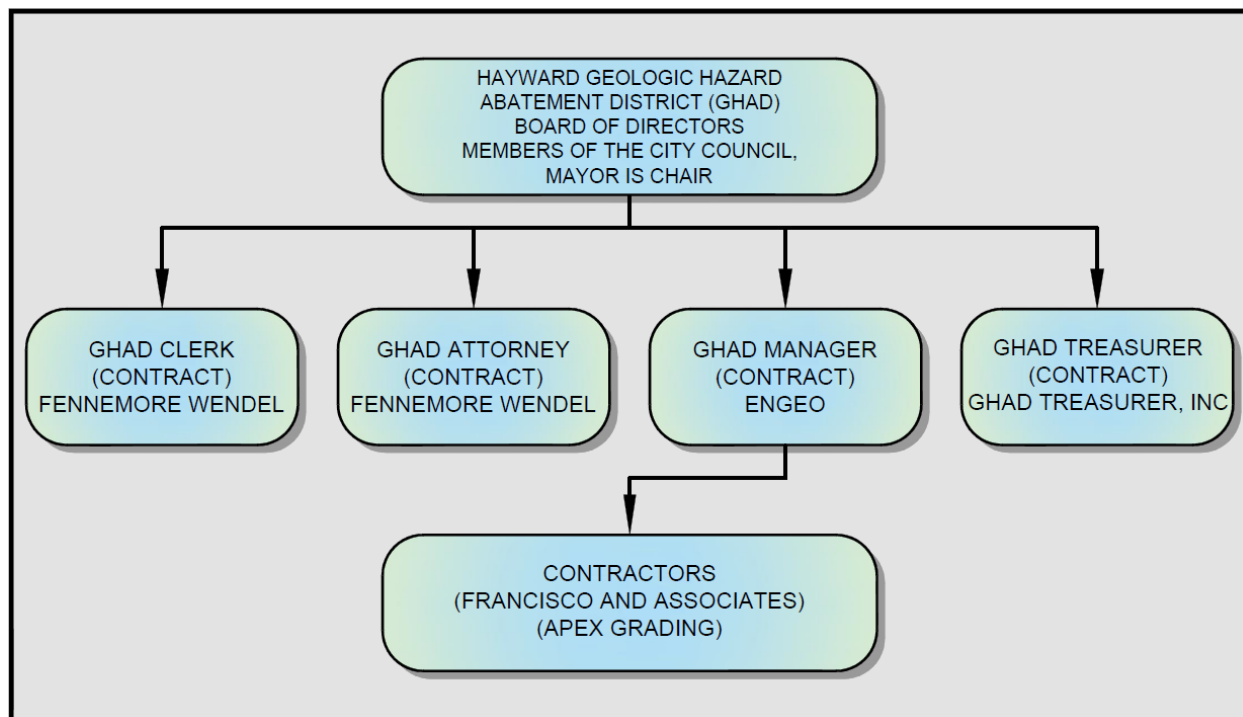
  
 Eric Harrell

hjr/eh/ar

**HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT  
 PROPOSED PROGRAM BUDGET  
 FISCAL YEAR 2024/25**

The following proposed program budget summarizes the anticipated revenues and expenditures for FY 2024/25 for the Hayward Geologic Hazard Abatement District (GHAD), which includes The Reserve (formerly known as La Vista (Tract 7620)), Hideaway (formerly known as Ersted Property (Tract 8439)), and Hayward SoMi (Tracts 8605 and 8614) developments. The structure of the Hayward GHAD is shown below.

**EXHIBIT 1: Hayward GHAD**



The GHAD has accepted maintenance and monitoring responsibilities for the following parcels within the District for only The Reserve (La Vista) development as listed in Table 1. In addition, those parcels that are owned by the GHAD are identified. Maintenance and monitoring responsibilities and ownership for the listed parcels were accepted by resolution on February 25, 2020, and November 14, 2023.

**TABLE 1: Accepted Parcels within The Reserve Development**

ASSESSOR'S PARCEL NUMBER	DESCRIPTION (Tract 7620)	GHAD OWNERSHIP
83-480-3	Parcel B	Yes
83-477-4	Parcel C	Yes
83-480-1	Parcel D	Yes
83-478-1	Parcel E	No
83-478-2	Parcel F	No
83-478-3	Parcel G	No
83-478-4	Parcel H	No
83-478-5	Parcel I	No

ASSESSOR'S PARCEL NUMBER	DESCRIPTION (Tract 7620)	GHAD OWNERSHIP
83-479-1	Parcel J	No
83-479-2	Parcel K	No
83-479-3	Parcel L	No
83-479-4	Parcel M	No
83-480-2	Parcel N	Yes
83-478-6	Parcel O	Yes
83-477-6	Parcel Q	No
83-477-7	Parcel R	No
83-478-7	Parcel S	No
83-477-8	Parcel T	No
83-480-3	Parcel U	Yes
83-480-4	Parcel V	Yes
83-75-2-15	Unsurveyed Remainder	Yes
83-75-2-9	La Vista LP 2006-301610	Yes
83-75-2-11	La Vista LP 2007-408664	Yes
83-75-2-13	La Vista LP 2007-408664	Yes
83-125-1-18	La Vista LP 2007-408664	Yes
83-125-1-21	La Vista LP 2007-408664	Yes
83-477-1	Public Roads	No
Various	Residential Lots 1 through 179	No

Maintenance and monitoring responsibilities for the remaining properties within The Reserve development not listed above are the responsibility of the individual property owners. The parcels listed in Table 2 within The Reserve development have been offered to the GHAD but have not yet been accepted by the GHAD due to "punch list" items that remain to be completed.

**TABLE 2: Parcels Not Yet Accepted within The Reserve Development**

ASSESSOR'S PARCEL NUMBER	DESCRIPTION (Tract 7620)	GHAD OWNERSHIP
83-477-2	Parcel A	No
83-477-5	Parcel P	No

Based on our discussions with the City of Hayward, construction on the Park site (Parcel "A") will start sometime in 2024, therefore, the future GHAD-maintained improvements on Parcel A may be offered for transfer in the 2024/25 fiscal year and GHAD expenses for monitoring and maintenance of these improvements are included in this budget.

Parcels within the Hideaway (Ersted) development was eligible for transfer during the 2023/24 fiscal year, as eligibility occurs a minimum of 3 years after the issuance of the first residential building permit. The first residential permit was issued on December 18, 2020, therefore, transfer of responsibilities could not have occurred earlier than December 2023. We anticipate transfer of GHAD responsibilities for the Hideaway development will occur during the 2024/25 fiscal year and have reflected costs for such responsibilities in the annual budget for the 2024/25 fiscal year. Additionally, no parcels within the Hayward SoMi development are yet eligible for transfer as eligibility occurs a minimum of 3 years after the issuance of the first residential building permit, which was during FY 2021/2022.

The GHAD is funded through real property assessments. The Board of Directors approved the initial assessment limits. The assessment limits are adjusted annually on June 30 to reflect the percentage change in the San Francisco-Oakland-Hayward Consumers Price Index (CPI) for All Urban Consumers.

The annual assessment limits are shown in Table 3.

**TABLE 3: Actual CPI Adjustments and Assessment Limit for Residential Properties**

FISCAL YEAR	INDEX DATE	SAN FRANCISCO-OAKLAND-HAYWARD CPI (JUNE /JUNE)	THE RESERVE ANNUAL ASSESSMENT LIMIT <sup>1</sup>	THE RESERVE ANNUAL ASSESSMENT LEVY <sup>1</sup>	ERSTED PROPERTY ANNUAL ASSESSMENT LIMIT AND LEVY <sup>1</sup>	HAYWARD SOMI TOWNHOMES ANNUAL ASSESSMENT LIMIT AND LEVY <sup>1</sup>	HAYWARD SOMI CONDOMINIUMS ANNUAL ASSESSMENT LIMIT AND LEVY <sup>1</sup>
2016/2017			\$1,502.00				
2017/2018	6/30/2017	3.48%	\$1,554.30				
2018/2019	6/30/2018	3.91%	\$1,615.03		\$932.00		
2019/2020	6/30/2019	3.22%	\$1,666.96		\$961.96		
2020/2021	6/30/2020	1.62%	\$1,693.90		\$977.51		
2021/2022	6/30/2021	3.16%	\$1,747.34		\$1,008.35	\$567.00	\$454.00
2022/2023	6/30/2022	6.80%	\$1,866.14	\$0.00 <sup>2</sup>	\$1,076.91	\$605.55	\$484.87
2023/2024	6/30/2023	2.88%	\$1,919.87	\$0.00 <sup>2</sup>	\$1,107.91	\$622.98	\$498.83
2024/2025	2/28/2024	3.0% <sup>3</sup>	\$1,977.47 <sup>3</sup>	\$931.00	\$1,141.15 <sup>3</sup>	\$641.67 <sup>3</sup>	\$513.79 <sup>3</sup>

<sup>1</sup> If assessment limit is an odd number the annual levy is rounded down to nearest even cent.

<sup>2</sup> The assessment levy was suspended for The Reserve development only.

<sup>3</sup> Assessment limit estimate based on Consumers Price Index through February 2024.

For FY 2023/24, all 179 residential parcels within The Reserve development, all 59 residential parcels in the Hideaway development, and 57 of 189 residential units in the Hayward SoMi development were subject to the levy of a GHAD assessment. Parcels are subject to the levy starting the first fiscal year following issuance of a building permit. As discussed below, an assessment was not levied on residential parcels within The Reserve development in FY 2022/23 and 2023/24 as minimum account balance and other conditions were met for this development. The final assessment roll prepared for the 2023/24 fiscal year and submitted to the Alameda County Assessor's Office identified 67 parcels subject to the levy of the GHAD assessment. The total levy amount for the 2023/24 FY was \$98,268.80.

Based on the San Francisco-Oakland-Hayward CPI data reported through February 2024, for budgeting purposes, we have estimated a FY 2024/25 annual inflation rate adjustment of 3 percent. We estimate that 368 residential units will be subject to assessment in FY 2024/25. Parcels are subject to the levy starting the first fiscal year following issuance of a building permit.

As shown in Graph 1 below, in FY 2022/2023, the GHAD had exceeded the target reserve rate of accumulation forecast in the approved 2016 Engineer's Report for The Reserve development. The excess revenue is primarily due to lower expenses than anticipated, as discussed below. In general, we have, and may in the future, recommend an annual assessment levy amount less than the assessment limit if the following conditions are met.

- Unencumbered reserve funds collected from within a development exceed the target reserve amount estimated in the approved Engineer’s Report or unencumbered reserve funds collected from a development exceed the target reserve.
- Reserve funds collected from within a development exceed the dollar amount estimated for a large-scale repair.
- Plan of Control responsibilities have been transferred from the developer to the GHAD.

Without a levy of residential parcels within The Reserve development in fiscal year 2024/25, we estimate that unencumbered reserve funds will fall below the target rate of accumulation established in the approved 2016 Engineer’s Report. The budget prepared provides that The Reserve residential parcel levy be set at \$931.00 for FY 2024/25 to fund annual maintenance and operations. Levying an assessment to fund annual maintenance and operations will assist The Reserve development in maintaining its target reserve fund amount. Fiscal Year 2024/25 levies for the Hideaway and SoMi Hayward Developments would still be imposed at the assessment limit as those developments have not met the above conditions yet.

The GHAD Treasurer has estimated that dividend and interest income for FY 2024/25 should be approximately 2 to 3 percent above the rate of inflation. The GHAD Treasurer maintains an estimate that the long-term inflation rate will average approximately 2 to 2½ percent, but in FY 2024/25 may be above this level. We have assumed an inflation rate of 3 percent for estimating total revenues in Table 4, based on CPI published through February 2024.

**TABLE 4: Estimated Revenue**

	<b>FY 2024/25 LEVY/REVENUE ESTIMATE</b>
Residential Units (The Reserve)	179
Residential Units (Hideaway)	59
Residential Units (Hayward SoMi)	130
Assessment Revenue	\$308,953
Investment Income	\$24,300
<b>Total Revenues</b>	<b>\$333,253</b>

The budget is divided into four categories including Major Repair, Preventive Maintenance and Operations, Special Projects, and Administration and Accounting. As needed, the GHAD Manager, at their discretion, may reallocate funds within the budget. A description of each of the categories is provided below. In general, the budget amounts listed are based on the Engineer’s Reports approved by the Hayward GHAD Board of Directors in 2016 for The Reserve development and in 2019 for the Hideaway development. The budget amounts have been inflation adjusted to provide the estimates.

**ADMINISTRATION AND ACCOUNTING**

This category includes administrative expenses for tasks of the GHAD Manager, clerical, and accounting staff related to the operation and administration of the GHAD. The budget amounts listed are based on the Engineers’ Reports approved by the Hayward GHAD Board of Directors in 2016 for The Reserve (La Vista) development and in 2019 for the Hideaway (Ersted Property) development. The budget amounts have been inflation adjusted to provide the listed budget estimates.

## PREVENTIVE MAINTENANCE AND OPERATIONS

Preventive maintenance and operations include slope stabilization services, erosion protection, and professional services within the District. Professional services include site-monitoring events as specified in the GHAD Plan of Control. Slope stabilization and erosion protection responsibilities include the open-space slopes and drainage swales. GHAD-maintained improvements generally include detention and water-quality basins, maintenance roads, concrete-lined drainage ditches, retaining walls, subsurface drainage facilities, storm drain facilities, trails, and debris benches.

## SPECIAL PROJECTS

The Special Projects category allows the GHAD to budget for projects beneficial to the GHAD that do not fit into one of the other three categories. Although not proposed in the FY 2024/25 budget, special projects can include items such as global positioning system (GPS)/geographic information system (GIS) development for GHAD-maintained improvements; website development and maintenance; and reserve studies to re-evaluate the financial condition of the GHAD.

## MAJOR REPAIR

Included within the major repair category are those repair or improvement projects that are intermittent and, by their nature, do not fit within a scheduled maintenance program. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. For the purposes of this budget, we define major repairs as those estimated at over \$50,000.

There are currently no major repair projects anticipated in the FY 2024/25 budget within the GHAD-maintained areas of the Hayward GHAD. The reserve portion of the budget allows for funding toward these unpredictable events.

**TABLE 5: Summary of Proposed Fiscal Year 2024/25 Budget**

BUDGET ITEM	FY 2023/2024 ESTIMATED	FY 2023/2024 BUDGET <sup>1</sup>	FY 2024/25 FORECAST	PERCENT OF TOTAL EXPENDITURES (FY 2024/25)
<b>ADMINISTRATION AND ACCOUNTING</b>				
<b>GHAD Manager Services</b>				
Administration	\$25,500	\$25,500	\$31,500	
Annual Report and Budget Preparation	\$3,200	\$3,200	\$3,300	
<b>Subtotal</b>	<b>\$28,700</b>	<b>\$28,700</b>	<b>\$34,800</b>	<b>20%</b>
<b>Outside Professional Administration Services</b>				
Assessment Roll and Levy Update Preparation	\$1,850	\$1,750	\$1,850	
Alameda County Assessor's Fees	\$2,000	\$2,000	\$5,300	
California Association of GHADs Membership	\$174	\$175	\$200	
GHAD Clerk	\$1,500	\$1,500	\$1,500	
GHAD Treasurer	\$5,000	\$5,000	\$6,000	
GHAD Attorney	\$7,000	\$7,000	\$7,000	
Insurance- General Liability	\$1,500	\$1,500	\$1,600	
<b>Subtotal</b>	<b>\$19,024</b>	<b>\$18,925</b>	<b>\$23,450</b>	<b>13%</b>
<b>Administration and Accounting Total</b>	<b>\$47,724</b>	<b>\$47,625</b>	<b>\$58,250</b>	

BUDGET ITEM	FY 2023/2024 ESTIMATED	FY 2023/2024 BUDGET <sup>1</sup>	FY 2024/25 FORECAST	PERCENT OF TOTAL EXPENDITURES (FY 2024/25)
<b>PREVENTIVE MAINTENANCE AND OPERATIONS</b>				
<b>Contractor Services</b>				
Sediment Removal from Drainage Ditches	\$8,200	\$8,200	\$8,500	
Detention Basin Maintenance	\$2,200	\$5,800	\$2,200	
Vegetation Management	\$11,000	\$16,000	\$20,600	
Access Roadway Maintenance	\$5,200	\$5,200	\$5,200	
Open Space Maintenance	\$0	\$0	\$2,000	
Subdrain Maintenance	\$0	\$4,000	\$2,900	
Slope Stabilization	\$20,000	\$32,000	\$33,000	
Conservation Easement Activities	\$0	\$10,000	\$10,000	
<b>Subtotal</b>	<b>\$46,600</b>	<b>\$81,200</b>	<b>\$84,400</b>	<b>48%</b>
<b>GHAD Manager Services</b>				
Scheduled Monitoring Events	\$10,500	\$10,500	\$10,800	
Heavy Rainfall Monitoring Events	\$648	\$2,000	\$2,000	
Detention Basin Scheduled Monitoring Events	\$2,000	\$2,000	\$4,000	
Detention Basin Heavy Rainfall Monitoring Event	\$0	\$1,000	\$1,000	
Sediment Removal from Drainage Ditches	\$1,951	\$2,000	\$1,700	
Detention Basin Maintenance	\$1,000	\$2,000	\$440	
Vegetation Management	\$4,000	\$4,000	\$4,120	
Access Roadway Maintenance	\$0	\$0	\$1,040	
Open Space Maintenance	\$1,200	\$1,200	\$400	
Subdrain Maintenance	\$0	\$1,000	\$580	
Slope Stabilization	\$7,600	\$7,600	\$6,600	
<b>Subtotal</b>	<b>\$28,899</b>	<b>\$33,300</b>	<b>\$32,680</b>	<b>19%</b>
<b>Preventive Maintenance and Operations Total</b>	<b>\$75,499</b>	<b>\$114,500</b>	<b>\$117,080</b>	
<b>SPECIAL PROJECTS</b>				
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>MAJOR REPAIRS</b>				
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>TOTAL PROPOSED EXPENDITURES</b>	<b>\$123,223</b>	<b>\$162,125</b>	<b>\$175,330</b>	<b>100%</b>
<b>ESTIMATED REVENUE</b>				
<b>Beginning Balance</b>				
Balance (June 30, 2023)	\$1,067,560			
<b>Estimated FY 2023/24 Revenue</b>				
Assessment Income	\$98,270			
Investment Income	\$24,840			
<b>Estimated FY 2023/24 Expenses</b>				
Estimated Expenses through 6/30/2023	\$123,223			
<b>ESTIMATED RESERVE ON JUNE 30, 2024</b>	<b>\$1,067,447</b>			
<b>Estimated FY 2024/25 Revenue</b>				
Estimated FY 2024/25 Assessment	\$308,953			
Estimated FY 2024/25 Investment Income	\$24,300			
<b>Estimated 2024/25 Expenses</b>				
Estimated Expenses through June 30, 2025	\$175,330			
<b>ESTIMATED RESERVE ON JUNE 30, 2025</b>	<b>\$1,225,370</b>			



For FY 2024/25, the payment limit for the GHAD Manager, EN GEO, is set at \$67,480. The tasks included within the payment limit may include oversight of maintenance and repair projects, administration, and monitoring events, as summarized in Table 6.

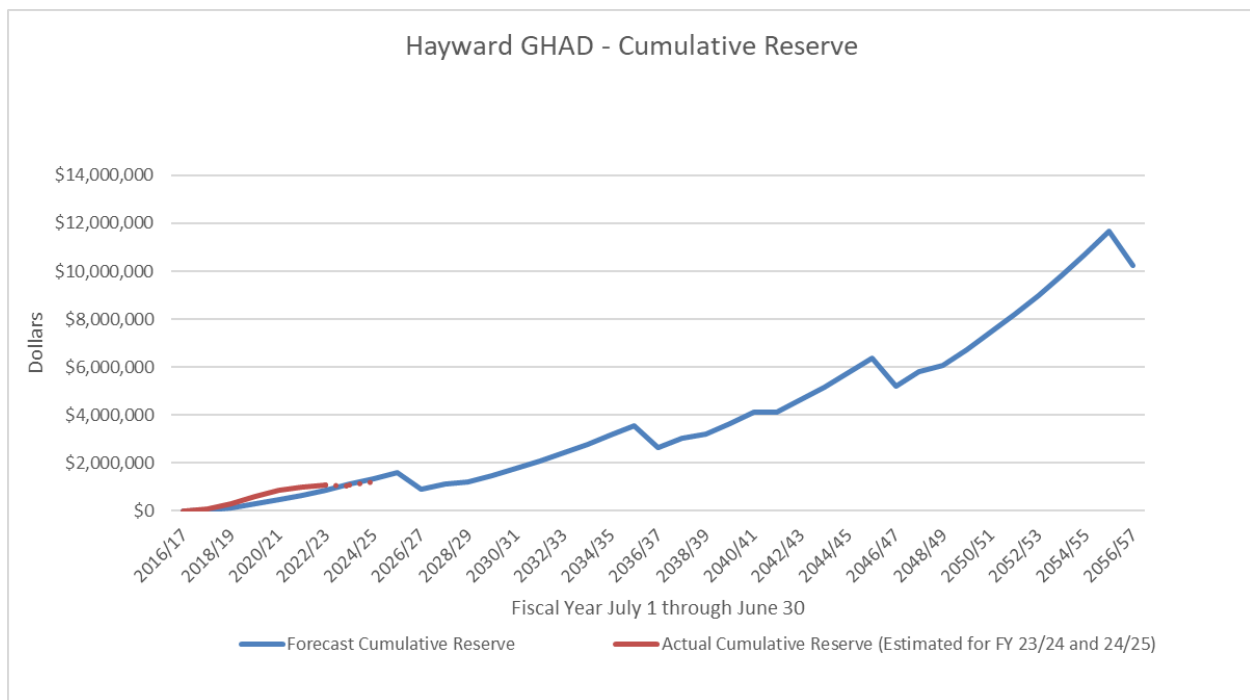
**TABLE 6: Payment Limit**

TASK	AMOUNT
Administration	\$31,500
Budget Preparation	\$3,300
Scheduled and Heavy Rainfall Monitoring Events	\$17,800
Sediment Removal from Drainage Ditches <sup>1</sup>	\$1,700
Detention Basin Maintenance <sup>1</sup>	\$440
Vegetation Management <sup>1</sup>	\$4,120
Access Roadway Maintenance <sup>1</sup>	\$1,040
Open Space Maintenance <sup>1</sup>	\$400
Subdrain Maintenance <sup>1</sup>	\$580
Slope Stabilization <sup>1</sup>	\$6,600
<b>TOTAL</b>	<b>\$67,480</b>

<sup>1</sup> Dependent on maintenance and/or repair activities by the GHAD during FY 2024/25. The GHAD Manager, EN GEO, payment limit is 20% of the total budget item.

As shown in the graph below, the forecast cumulative reserve is above the amount estimated in the 2016 Engineer’s Reports and is estimated to reach approximately \$10,000,000 by 2056. The GHAD reserve is intended to fund unanticipated expenses that may occur.

**GRAPH 1: Forecast and Actual Cumulative Reserve**



## **ADMINISTRATION AND ACCOUNTING**

### **GHAD Manager**

#### Administration

Administrative expenses include the GHAD Manager duties related to the operation and administration of the GHAD. The budget estimate for administrative services is derived from the original GHAD budget used to prepare the GHADs Engineer's Report.

#### Annual Report and Budget Preparation

This budget provides for the preparation of the annual report and budget.

### **Outside Professional Services – Non-Technical**

#### Assessment Roll and Levy Update

This budget item allows for preparation of the assessment roll for the District and the updated levy based on the Consumer Price Index adjustment.

#### Alameda County Assessor's Fees

This budget item accounts for fees from the Alameda County Assessor's Office.

#### California Association of GHADs Membership

The GHAD maintains membership in the California Association of GHADs.

#### GHAD Clerk

This budget item allows the GHAD to fund clerk services for the District. The Board appointed Wendel Rosen to serve as the GHAD Clerk on September 13, 2016, with the approval of Resolution No. 16-002.

#### GHAD Treasurer

This budget item accounts for fees related to the GHAD Treasurer and the investment manager functions. The Board appointed Watermark Asset Management, Inc, now GHAD Treasurer, Inc., on September 13, 2016, with the approval of Resolution No. 16-002 and authorized a change in the GHAD Treasurer designation to GHAD Treasurer, Inc. on February 25, 2020, with the approval of Resolution 20-02.

#### GHAD Attorney

This budget item allows the GHAD to fund legal counsel for the District. The Board appointed Wendel Rosen, now Fennemore Wendel, to serve as the GHAD Attorney on September 13, 2016, with the approval of Resolution No. 16-002. The duties of the legal counsel may include, but not be limited to, transfer documentation, preparation or review of contracts, grant deeds, right-of-entry, and board resolutions.

### Insurance – General Liability

The GHAD maintains general liability insurance for open-space areas within the District.

## **PREVENTIVE MAINTENANCE AND OPERATIONS**

### **Maintenance and Operations**

#### Sediment Removal from Drainage Ditches

This budget item is to provide for the annual removal of vegetation, cleaning, sealing, and minor repair of concrete-lined drainage ditches and storm drain inlets within The Reserve and Hideaway developments.

#### Detention Basin Maintenance

The budget item allows for ongoing maintenance activities, as described in the operations and maintenance manual for detention basins within The Reserve development.

#### Vegetation Management

This budget item includes annual firebreak mowing and litter removal, which will occur during FY 2024/25. This budget item has been increased to allow for a second cutting of fire breaks, as needed.

#### Access Roadway Maintenance

This budget item includes gravel-surfaced access roadway maintenance on GHAD-owned parcels which may occur during the 2024/25 fiscal year.

#### Open Space Maintenance

This budget item includes trail maintenance, fence repairs, and litter pickup on GHAD-owned parcels which may occur during the 2024/25 fiscal year.

#### Subdrain Maintenance

This budget item allows for construction of subdrain markers and outfall structures to facilitate future monitoring and maintenance of the subdrain outlets, which are critical to slope stability within The Reserve development. This item was included in the Request for Proposals scope of services and is a one-time expense.

#### Slope Stabilization

This is for unanticipated minor repairs, including slope instability or erosion, which may occur during FY 2024/25.

#### Conservation Easement Activities

This budget item includes activities that may be needed in relation to the City of Hayward Conservation Easement or East Bay Regional Park District Conservation Easement in FY 2024/25.

## **Professional Services**

### Scheduled Monitoring Events

As provided in the Plan of Control, there are two scheduled monitoring events within the GHAD that will occur during each calendar year.

### Heavy Rainfall Monitoring Event

We have budgeted for one heavy rainfall-monitoring event during the 2024/25 winter season. In the initial Engineer's Report, we anticipated that a heavy rainfall-monitoring event would be needed on average once every 2 years.

### Detention Basin Scheduled Monitoring Events

As provided in the Plan of Control, there are two scheduled monitoring events within the GHAD that will occur during each calendar year. The GHAD has not yet acquired detention basin monitoring or maintenance on Parcel A and does not expect to do so during FY 2024/25.

### Detention Basin Heavy Rainfall Events

We have budgeted for one heavy rainfall-monitoring event during the 2024/25 winter season. In the initial Engineer's Report, we anticipated that a heavy rainfall-monitoring event would be needed, on average, once every 2 years.

## **SPECIAL PROJECTS**

There are currently no special projects anticipated in the FY 2024/25 budget within the GHAD-maintained areas of the Hayward GHAD.

## **MAJOR REPAIRS**

There are currently no major repair projects anticipated in the FY 2024/25 budget within the GHAD-maintained areas of the Hayward GHAD. While no major repairs are ongoing at this time, by their nature, major repairs, such as landslides, are unpredictable and could occur during FY 2024/25. The reserve portion of the budget allows for the funding toward these unpredictable events.