

**HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR FISCAL YEAR 2025/26**

June 6, 2025

Hayward Geologic Hazard Abatement District Board of Directors
Chair Mark Salinas
Boardmember Julie Roche
Boardmember Angela Andrews
Boardmember Ray Bonilla Jr.
Boardmember Dan Goldstein
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 2025/26

Dear Chair Salinas and Boardmembers:

Attached is the program budget for the Hayward Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2025/26. The proposed program budget is \$260,804. The budget expenses are broken down into the following amounts.

Administration – GHAD Manager	\$35,600
Administration - Outside Professional Services	\$27,404
Preventive Maintenance and Operations	\$191,800
Special Projects	\$6,000
Major Repair	\$0

The budget anticipates FY 2025/26 revenue of \$402,807, with an estimated contribution of \$179,503 to 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. 6671.002.024



Haley Ralston



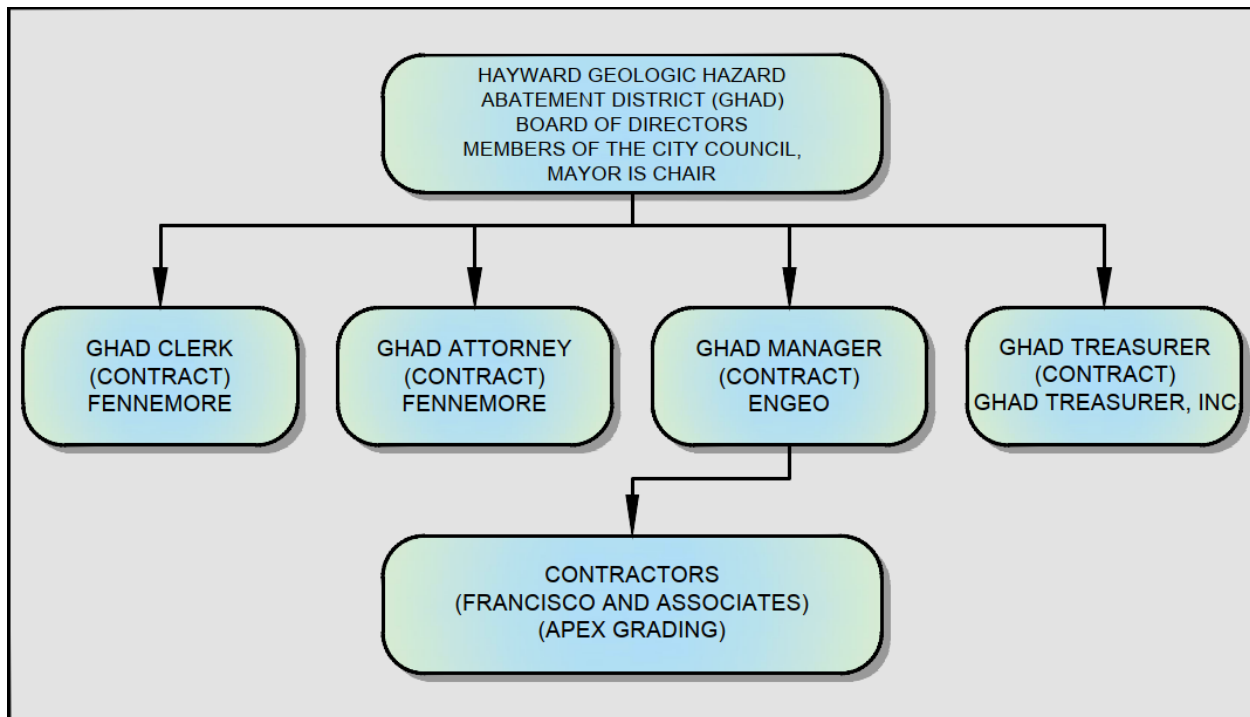
Robert H. Boeche

hjr/rhb/jg

**HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT
 PROPOSED PROGRAM BUDGET
 FISCAL YEAR 2025/26**

The following proposed program budget summarizes the anticipated revenues and expenditures for FY 2025/26 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 majority of the parcels within the GHAD for The Reserve (La Vista) and Hideaway (Ersted) developments except for those listed in Table 1. The GHAD accepted responsibilities for the parcels within each development by resolution on February 25, 2020, November 14, 2023, and November 19, 2024.

The parcels listed in Table 1 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 1: 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”) may start sometime in 2025; therefore, the future GHAD-maintained improvements on Parcel A may be offered for transfer in the 2025/26 fiscal year.

Parcels within the Hayward SoMi development are eligible for transfer during FY 2025/26, as eligibility occurs a minimum of 3 years after issuance of the first residential building permit, which was during FY 2021/2022. The GHAD Manager will work with the developer of Hayward SoMi on the transfer process and bring transfer of GHAD responsibilities to the GHAD Board for approval when ready.

The GHAD is funded through real property assessments. The Board of Directors approved the Engineer’s Report for each development in the GHAD and set the initial assessment limits. The assessment limits have been adjusted annually on June 30 to reflect the percentage change in the San Francisco-Oakland-Hayward Consumers Price Index (CPI) for All Urban Consumers. GHAD Staff are proposing to update the annual CPI reference month to December. The FY 2025/26 budget has been prepared with the December 2024 published CPI.

The annual assessment limits are shown in Table 2.

TABLE 2: Actual CPI Adjustments and Assessment Limit for Residential Properties

FISCAL YEAR	INDEX DATE	SAN FRANCISCO-OAKLAND-HAYWARD CPI	THE RESERVE ANNUAL ASSESSMENT LIMIT ¹	THE RESERVE ANNUAL ASSESSMENT LEVY ¹	HIDEAWAY ANNUAL ASSESSMENT LIMIT AND LEVY ¹	HAYWARD SOMI TOWNHOMES ANNUAL ASSESSMENT LIMIT AND LEVY ¹	HAYWARD SOMI CONDOMINIUMS ANNUAL ASSESSMENT LIMIT AND LEVY ¹
2016/2017			\$1,502.00	\$1,502.00			
2017/2018	6/30/2017	3.48%	\$1,554.30	\$1,554.30			
2018/2019	6/30/2018	3.91%	\$1,615.03	\$1,615.03	\$932.00		
2019/2020	6/30/2019	3.22%	\$1,666.96	\$1,666.96	\$961.96		
2020/2021	6/30/2020	1.62%	\$1,693.90	\$1,693.90	\$977.51		
2021/2022	6/30/2021	3.16%	\$1,747.34	\$1,747.34	\$1,008.35	\$567.00	\$454.00
2022/2023	6/30/2022	6.80%	\$1,866.14	\$0.00 ²	\$1,076.91	\$605.55	\$484.87
2023/2024	6/30/2023	2.88%	\$1,919.87	\$0.00 ²	\$1,107.91	\$622.98	\$498.83
2024/2025	6/30/2024	3.24%	\$1,982.02	\$931.00	\$1,143.78	\$643.15	\$514.97
2025/2026	12/30/2024	2.38%	\$2,029.17	\$1,217.50	\$1,170.99	\$658.45	\$527.22

¹ If assessment limit is an odd number, the annual levy is rounded down to nearest even cent.

² The assessment levy was suspended for The Reserve development only.

For FY 2024/25, all 179 residential parcels within The Reserve development, all 59 residential parcels in the Hideaway development, and 130 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 2024/25 fiscal year and submitted to the Alameda County Assessor’s Office identified 279 parcels subject to the levy of the GHAD assessment. The total levy amount for the 2024/25 FY was \$315,712.82.

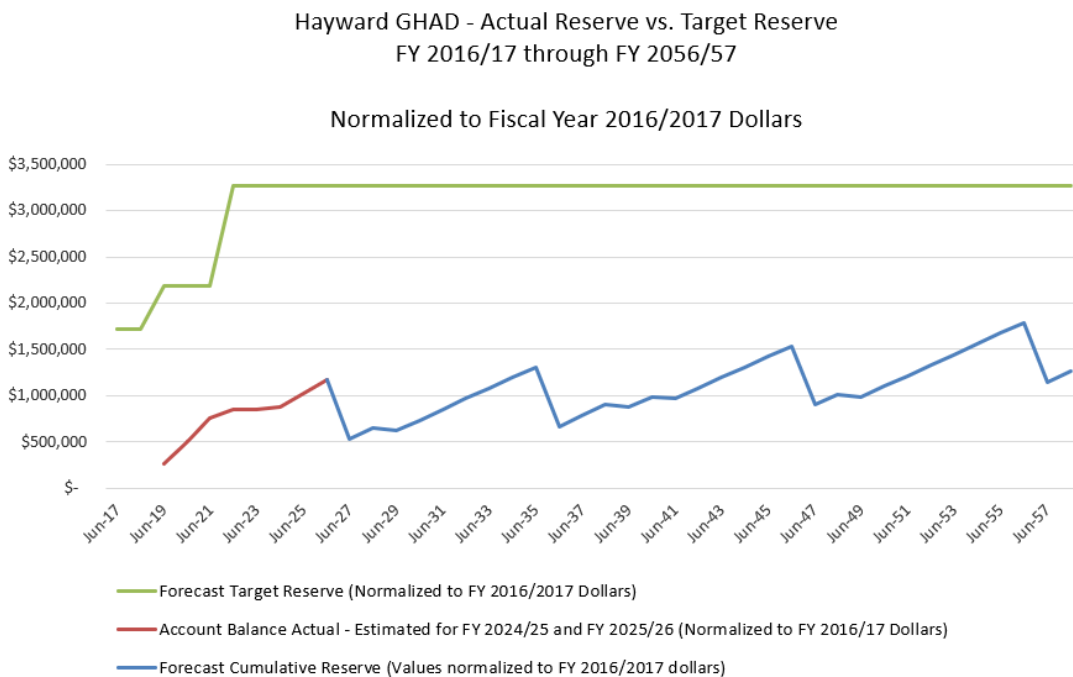
Based on the San Francisco-Oakland-Hayward CPI data reported in December 2024, an annual inflation rate adjustment rate of 2.38% will be used for FY 2025/26. We estimate that 427 residential units will be subject to assessment in FY 2025/26. Parcels are subject to the levy starting the first fiscal year following issuance of a building permit.

The GHAD is ahead of its 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, recommended an annual assessment levy amount less than the assessment limit if the listed conditions below are met. The budget prepared provides that The Reserve residential parcel levy be set at \$1,217.50 for FY 2025/26 to fund annual maintenance and operations and reserve accumulation.

- 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.

Graph 1 provides the actual and forecast account balances for the GHAD from the initial levy of the assessments in FY 2016/17 to FY 2056/57. The actual account balances and projected target reserve amounts have been normalized to 2016/17 dollars when the initial Engineer’s Report was approved. The cumulative reserve estimated at the end of FY 2024/25 is approximately \$1,023,000 in 2016/17 dollars and is below the cumulative target reserve amount of \$3,273,299 in 2016/17 dollars for all developments in the GHAD. The GHAD reserve is intended to fund unanticipated expenses that may occur.

GRAPH 1: Actual and Forecast Cumulative Reserve



Levying an assessment will assist The Reserve development in maintaining its target rate of reserve accumulation toward the target reserve amount. Fiscal Year 2025/26 levies for the Hideaway and Hayward SoMi Developments would still be imposed at the assessment limit as those developments have not yet met the above conditions.

The GHAD Treasurer has estimated that dividend and interest income for FY 2025/26 should be approximately 2 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. Based on the published CPI for December 2024, we provide the estimated total revenues in Table 3 for FY 2025/26.

TABLE 3: Estimated Revenue

	FY 2025/26 LEVY/REVENUE ESTIMATE
Residential Units (The Reserve)	179
Residential Units (Hideaway)	59
Residential Units (Hayward SoMi)	189
Assessment Revenue	\$402,807
Investment Income	\$37,500
Total Revenues	\$440,307

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, in 2019 for the Hideaway, and in 2021 for the Hayward SoMi development. The budget amounts have been inflation adjusted to provide the budget 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 for each development in the GHAD. 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. 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. The FY 2025/26 budget allocates funds for GIS and website development and maintenance in the Special Projects category.

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 \$250,000.

There are currently no major repair projects anticipated in the FY 2025/26 budget within the GHAD-maintained areas of the Hayward GHAD. The reserve portion of the budget allows for funding toward these unpredictable events.

TABLE 4: Summary of Proposed Fiscal Year 2025/26 Budget

BUDGET ITEM	FY 2024/25 ESTIMATED	FY 2024/2025 BUDGET ¹	FY 2025/26 FORECAST	PERCENT OF TOTAL EXPENDITURES (FY 2025/26)
ADMINISTRATION AND ACCOUNTING				
GHAD Manager Services				
Administration	\$31,500	\$31,500	\$32,250	
Annual Report and Budget Preparation	\$3,300	\$3,300	\$3,350	
Subtotal	\$34,800	\$34,800	\$35,600	14%
Outside Professional Administration Services				
Assessment Roll and Levy Update Preparation	\$1,850	\$1,850	\$1,850	
Alameda County Assessor's Fees	\$5,300	\$5,300	\$6,848	
California Association of GHADs Membership	\$195	\$200	\$207	
GHAD Clerk	\$1,500	\$1,500	\$1,500	
GHAD Treasurer	\$6,000	\$6,000	\$8,000	
GHAD Attorney	\$3,500	\$7,000	\$7,000	
Insurance- General Liability	\$1,815	\$1,600	\$2,000	
Subtotal	\$20,160	\$23,450	\$27,404	11%
Administration and Accounting Total	\$54,960	\$58,250	\$63,004	24%
PREVENTIVE MAINTENANCE AND OPERATIONS				
Contractor Services				
Sediment Removal from Drainage Ditches	\$8,200	\$8,500	\$8,600	
Detention Basin Maintenance	\$2,200	\$2,200	\$2,200	
Vegetation Management	\$13,600	\$20,600	\$21,800	
Access Roadway Maintenance	\$3,000	\$5,200	\$3,000	
Open Space Maintenance	\$0	\$2,000	\$2,000	
Subdrain Maintenance	\$0	\$2,900	\$3,900	
Slope Stabilization	\$1,000	\$33,000	\$93,000	
Conservation Easement Activities	\$0	\$10,000	\$10,000	
Subtotal	\$28,000	\$84,400	\$144,500	55%

BUDGET ITEM	FY 2024/25 ESTIMATED	FY 2024/2025 BUDGET ¹	FY 2025/26 FORECAST	PERCENT OF TOTAL EXPENDITURES (FY 2025/26)
GHAD Manager Services				
Scheduled Monitoring Events	\$10,800	\$10,800	\$12,800	
Heavy Rainfall Monitoring Events	\$1,400	\$2,000	\$2,500	
Detention Basin Scheduled Monitoring Events	\$4,000	\$4,000	\$4,100	
Detention Basin Heavy Rainfall Monitoring Event	\$0	\$1,000	\$1,000	
Sediment Removal from Drainage Ditches	\$1,700	\$1,700	\$1,720	
Detention Basin Maintenance	\$440	\$440	\$440	
Vegetation Management	\$4,120	\$4,120	\$4,360	
Access Roadway Maintenance	\$1,040	\$1,040	\$600	
Open Space Maintenance	\$400	\$400	\$400	
Subdrain Maintenance	\$580	\$580	\$780	
Slope Stabilization	\$6,600	\$6,600	\$18,600	
Subtotal	\$31,080	\$32,680	\$47,300	18%
Preventive Maintenance and Operations Total	\$59,080	\$117,080	\$191,800	
SPECIAL PROJECTS				
GIS	\$0	\$0	\$5,000	
Website Maintenance	\$0	\$0	\$1,000	
Subtotal	\$0	\$0	\$6,000	2%
MAJOR REPAIRS				
Subtotal	\$0	\$0	\$0	0%
TOTAL PROPOSED EXPENDITURES	\$114,040	\$175,330	\$260,804	100%

ESTIMATED RECEIVABLES	
Beginning Balance	
Balance (June 30, 2024)	\$1,116,356
Estimated FY 2024/25 Revenue	
Assessment Income	\$315,713
Investment Income	\$32,075
Estimated FY 2024/25 Expenses	
Estimated Expenses through 6/30/2025	\$114,040
ESTIMATED RESERVE ON JUNE 30, 2025	\$1,350,104
Estimated FY 2025/26 Revenue	
Estimated FY 2025/26 Assessment	\$402,807
Estimated FY 2025/26 Investment Income	\$37,500
Estimated 2025/26 Expenses	
Estimated Expenses through June 30, 2026	\$260,804
ESTIMATED RESERVE ON JUNE 30, 2026	\$1,529,607

For FY 2025/26, the payment limit for the GHAD Manager, ENGE0, is set at \$82,900. The tasks included within the payment limit may include oversight of maintenance and repair projects, administration, and monitoring events, as summarized in Table 5.

TABLE 5: Payment Limit

TASK	AMOUNT
Administration	\$32,250
Budget Preparation	\$3,350
Scheduled and Heavy Rainfall Monitoring Events	\$20,400
Sediment Removal from Drainage Ditches ¹	\$1,720
Detention Basin Maintenance ¹	\$440
Vegetation Management ¹	\$4,360
Access Roadway Maintenance ¹	\$600
Open Space Maintenance ¹	\$400
Subdrain Maintenance ¹	\$780
Slope Stabilization ¹	\$18,600
TOTAL	\$82,900

¹ Dependent on maintenance and/or repair activities by the GHAD during FY 2025/26. The GHAD Manager, ENGEO, payment limit is 20% of the total budget item.

Below is more detail about each line item included in the annual budget proposed above.

ADMINISTRATION AND ACCOUNTING

GHAD Manager

Administration

Administrative expenses include 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 GHAD Engineer's Reports.

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 Fennemore 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 2025/26. This budget item allows 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 that may occur during the 2025/26 fiscal year.

[Open Space Maintenance](#)

This budget item includes trail maintenance, fence repairs, and litter pickup on GHAD-owned parcels that may occur during the 2025/26 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, that may occur during FY 2025/26. Additionally, in FY 2025/26, the GHAD plans to repair a minor landslide impacting a maintenance road within The Reserve open space, and the budget has been prepared to reflect costs related to the repair.

[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 2025/26.

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 2025/26 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 2025/26.

[Detention Basin Heavy Rainfall Events](#)

We have budgeted for one heavy rainfall-monitoring event during the 2025/26 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

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. The FY 2025/26 budget allocates funds for GIS and website development and maintenance for the GHAD.

MAJOR REPAIRS

There currently are no major repair projects anticipated in the FY 2025/26 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 2025/26. The reserve portion of the budget allows for funding toward these unpredictable events.