ATTACHMENT III

Fiscal Year 2023

ENGINEER'S REPORT

City of Hayward

Old Highlands Area Road Improvement District

July 2022
Final Engineer's Report

Engineer of Work:

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Introduction

Overview

The City of Hayward ("City") established the Old Highlands Area Road Improvement Assessment District (the "Assessment District," or "assessment") to improve street pavement within the Old Highlands area. This Assessment District provides funding for the improvements, including repaving the streets in this area. The City has agreed to provide 50% of the project funding for this project and to work closely with the local property owners to maintain the existing character of the roads while repaving them.

The area known as the Old Highlands area (and also known as "OHHA" in reference to the Old Highlands Homeowners Association, which is an active HOA in the area) is located in the Hayward hills just east of the California State University East Bay campus and was annexed into the City in 1963.

In 1967, sewer and water improvements were made through an assessment district that was approved by property owners. However, the streets in this area, which were in poor condition even then, were not brought up to City standards upon annexation. In 1972, a second assessment district for street improvements was halted by a property owner lawsuit claiming that the cost of improvements was too high.

Since then, there have been numerous discussions between the City and OHHA, most recently in 2008-2010 when the OHHA board proposed an assessment district to reconstruct and improve the streets. At the time, the City offered a $2 million capital funding allocation to help reduce each property owner's annual assessment over the thirty-year term of the proposed bonds. Regardless, the proposed assessment district was overwhelmingly rejected by affected property owners within the Old Highlands area. Since rejection of the proposed 2010 assessment district, all significant street repair efforts in the Old Highlands area have remained on hold, with the exception of emergency repairs by the City estimated at $270,000.

The Assessment District contains 299 parcels, most of which are used as single-family residential properties, and there are also some vacant, multi-family and government uses. The assessments for this Assessment District will be used to improve certain road facilities and will be levied annually for 20 years beginning in FY 2022. The assessment rate is $665.50 per year per developed single-family residential parcel, with different rates for different uses, as described and supported in this report, based upon the underlying following analysis.

The Assessment District contains approximately 124.77 acres of privately and publicly owned parcels as well as approximately 6.2 acres of roadway. Based upon the last equalized assessment roll of the county, the total assessed land value of the parcels within the Assessment District is $51,958,296 and the total assessed value of the improvements and personal property within the proposed Assessment District is $96,854,059. There are approximately 536 inhabitants living in the proposed Assessment District.

Legislative Analysis

Proposition 218

This assessment is formed consistent 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 codified as Articles XIIIC and XIIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

Proposition 218 describes a number of important requirements, including property-owner balloting, for the imposition, increase and extension of assessments, and these requirements are satisfied by the process used to establish this assessment.

Permanent Road Division Law

This assessment is formed consistent with Article 3. By Permanent Road Divisions [1160 - 1197], also known as the Permanent Road Division Law, which is in Chapter 2 of Division 4 of the California Streets and Highways Code. This code section explicitly supports the generation of funding for the “construction, improvement, or maintenance” of roads.

For clarification, Section 1813 of the California Streets and Highways Code indicates that “the provisions of Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 for the construction or maintenance of county roads may be utilized within any city for the construction and maintenance of city streets”.

Also, the funding for the road improvements are generated as an assessment, not a tax, per Section 1179.5 of the California Streets and Highways Code, which stipulates that “In lieu of, or in addition to, any special tax levied pursuant to Section 1178, the board [City Council] may fix and collect parcel charges for any permanent road division pursuant to the assessment ballot procedures in Section 53753 of the Government Code”.

Silicon Valley Taxpayers Association, Inc. v Santa Clara County Open Space Authority

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("SVTA vs. SCCOSA"). This ruling is the most significant legal document in further legally clarifying Proposition 218. 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

This Engineer's Report and the assessments are consistent with the SVTA vs. SCCOSA decision and with the requirements of Article XIIIC and XIIID of the California Constitution based on the following factors:

1. The assessment revenue derived from real property in the Assessment District is extended only for specifically identified improvements and/or maintenance and servicing of those improvements in the Assessment District that confer special benefits to property in that Assessment District.
2. The use of the Assessment District ensures that the improvements constructed and maintained with assessment proceeds are located in close proximity to the real property subject to the assessment, and that such Improvements provide a direct advantage to the property in the Assessment District.
3. Due to their proximity to the assessed parcels, the improvements and maintenance thereof financed with assessment revenues in the Assessment District benefit the properties in the Assessment District in a manner different in kind from the benefit that other parcels of real property in the City derive from such improvements, and the benefits conferred on such property in Assessment District are more extensive and direct than a general increase in property values.
4. The assessments paid in the Assessment District are proportional to the special benefit that each parcel within the Assessment District receives from such improvements and the maintenance thereof because of the following:
    a. The Engineer's Report specifically identifies the permanent public improvements that the assessments will finance;
    b. The costs of such improvements are estimated and calculated; and

c. Such improvement and maintenance costs in the Assessment District are allocated to each property within the Assessment District based upon the estimated special benefits received from the improvements.

Dahms v. Downtown Pomona Property

On June 8, 2009, the 4th District Court of Appeals 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 denied review. Hence Dahms is good law and binding precedent for assessments. In Dahms the Court upheld an 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

On December 31, 2009, the 1st District Court of Appeals 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

On May 26, 2010 the 4th District Court of Appeals 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

On September 22, 2011, the San Diego Court of Appeals issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. 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, like 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 of San Diego had failed to record the basis for the assessment on its own parcels.

Compliance with Current Law

This Engineer's Report is consistent with the requirements of Article XIIIC and XIIID of the California Constitution and with the SVTA decision because the improvements to be funded are clearly defined; the improvements are directly available to and will directly benefit property in the Assessment District; and the improvements provide a direct advantage to property in the Assessment District that would not be received in absence of the assessments.

This Engineer's Report is consistent with Beutz, Dahms and Greater Golden Hill because the improvements will directly benefit property in the Assessment District and the general benefits have been explicitly calculated and quantified and excluded from the assessments. The Engineer's Report is consistent with Bonander because the assessments have been apportioned based on the overall cost of the improvements and proportional special benefit to each property.

Engineer's Report and Continuation of Assessment

In order to allow property owners to ultimately decide whether funding should be provided to improve street pavement within the Old Highlands area, the City on October 10th, 2020, authorized the initiation of proceedings for a proposed benefit assessment to provide local funding for the improvements, including repaving the streets in this area. The proposed assessment was named the Old Highlands Area Road Improvement Assessment District (the "Assessment District"). In December 2020 through February of 2021, the District conducted an assessment ballot proceeding pursuant to the requirements of Article XIIID of the California Constitution ("The Taxpayer's Right to Vote on Taxes Act") and the Government Code. During this ballot proceeding, owners of property in the Assessment District were provided with a notice and ballot for the proposed special assessment. A 45-day period was provided for balloting and a public hearing was conducted on February 2, 2021.

It was determined after the conclusion of the public hearing that 78.55% of the weighted ballots returned were in support of the assessment. Since the assessment ballots submitted in opposition to the proposed assessments did not exceed the assessment ballots submitted in favor of the assessments (with each ballot weighted by the proportional financial obligation of the property for which ballot was submitted), the City gained the authority to approve the levy of the assessments for fiscal year 2022 and to continue to levy them in future years. The City Council took action, by Resolution No. 21-020 passed on February 2, 2021, to approve the levy of the assessments for the first time for fiscal year 2022.

In each subsequent year for which the assessments will be continued, the City Council must approve an updated Engineer's Report for the upcoming fiscal year. The Engineer's Report should include a budget for the upcoming fiscal year's costs and services and an updated assessment roll listing all parcels and their proposed assessments for the upcoming fiscal year.

This Engineer's Report ("Report") was prepared by SCI Consulting Group (SCI) to establish the estimated costs for the pavement rehabilitation project that will be funded by the assessments, to determine the special benefits and general benefits received from the services and to apportion the assessments to lots and parcels within the District based on the estimated special benefit each parcel receives from the services funded by the benefit assessment.

If the City Council approves this Engineer's Report and the continuation of the assessments it establishes for fiscal year 2023, the assessments would be submitted to the County Auditor for inclusion on the property tax rolls for fiscal year 2023.

Description of the Assessment District

Improvements and Services within the Assessment District:

Background

The existing roads within the Old Highlands area were built consistent with County standards at the time they were built. Property owners in the City are typically required to upgrade all facilities to City standards, including City streets, sanitary sewers, water lines and so on. Annexation of the Old Highlands area into the City of Hayward occurred in 1963, and in 1967, sewer and water improvements were made through an assessment district that was approved by property owners. However, the roads were not brought up to City standards and have remained sub-standard and poorly maintained ever since.

Recent conversations between City staff and local property owners have resulted in several roadway infrastructure goals and considerations listed below:

- A more rural type of street cross-section, narrow street widths, with or without on-street parking is desired.
- The roadway improvements will not include curb and gutter, rolled curbs, storm drain inlets, street lighting or sidewalks.
- The roads require full depth reconstruction in most places.
- The roadway improvements are intended to include pavement reconstruction only. Very minor improvements to eliminate roadway water ponding may also be included.
- The roadway improvements will follow the existing roadway footprint. The intent is to construct a 20-foot wide one-way street and a 24-foot wide two-way street, unless existing obstructions prevent this from being implemented. In the case of obstructions, the roadway will be narrowed.
- The City will only improve roadways that are 100% public right-of-way. The City's surveyor will identify street sections that are currently private property. The City's surveyor will create a plat/legal description for these roadway segments. The City will prepare all documents that are necessary to complete the dedication of private right-of-way to the City.
- The OHHA Board is responsible for all communications with property owners necessary to support the financing mechanism and to dedicate private street areas for public right-of-way.
- The roads do not qualify for preventive maintenance as they are in very poor condition and require more extensive rehabilitation or reconstruction in order to realize a longer lasting improvement.

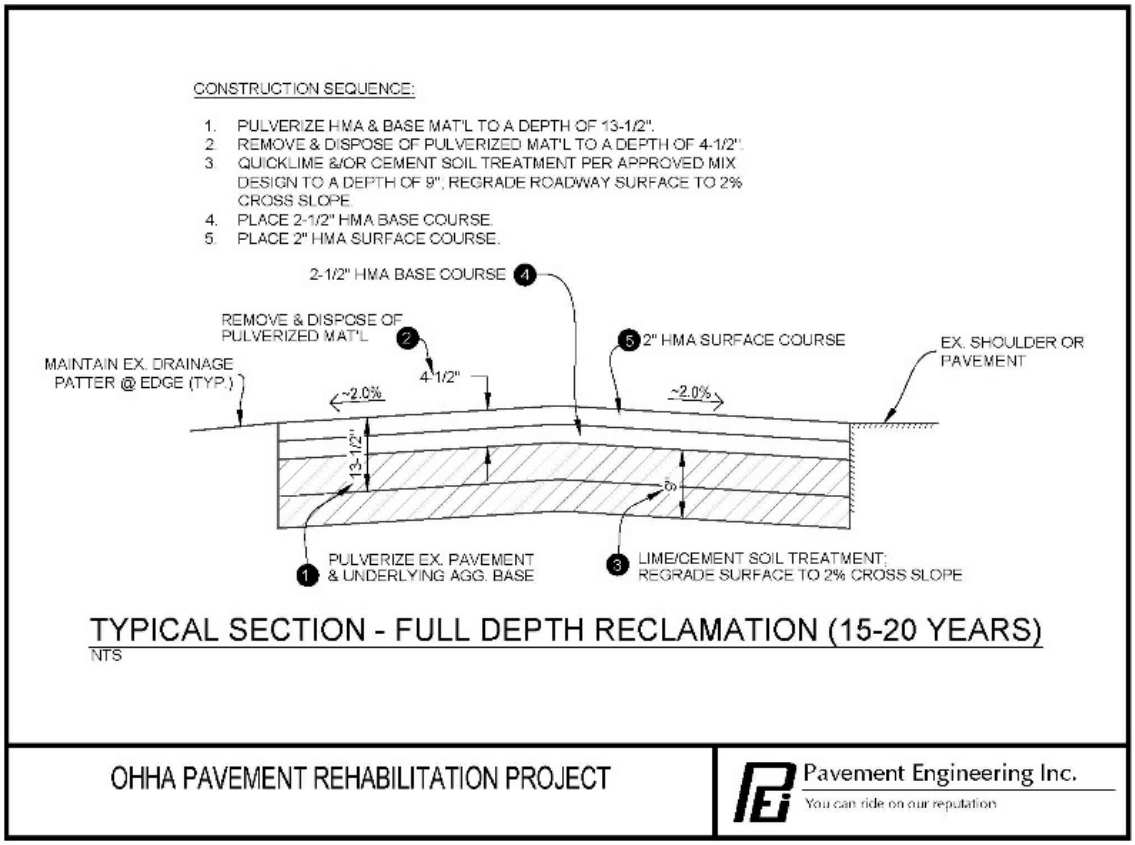
The improvements for the Assessment District will include roadway reconstruction and repaving as described in Table 1, below:

Table 1 – Description of Improvements

Item	Street Name	From	To	Approx Area	Unit
1	Call Avenue	Tribune Ave	Chronicle Way	17,656	SF
2	Campus View	Grand View Way	New Dobbel Ave	21,178	SF
3	Chronicle Avenue	Parkside Drive	End	40,823	SF
4	Cotati Avenue	Grand View Ave	Civic Ave	10,018	SF
5	Grand View Avenue	Campus View Way	End	42,551	SF
6	Hillcrest Avenue	Parkside Drive	End	35,726	SF
7	Home Avenue	Parkside Drive	Hillcrest Ave	16,844	SF
8	New Dobbel Avenue	Campus View Way	Civic Avenue	16,537	SF
9	Parkside Drive	Hayward Blvd	Hayward Blvd	100,177	SF
10	Tribune Avenue	Old Hayward	Parkside Drive	31,870	SF

A typical cross section is shown in Figure 1 below:

Figure 1 –Typical Road Cross Section



The work and improvements to be funded from the Assessment District and the cost thereof 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.

The improvements include all necessary service, operations, administration, and maintenance required to keep the above-mentioned improvements in a safe, clean, and reliable condition.

"Incidental expenses" may include any of the following: (a) The costs of preparation of the Engineer's Report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance of the Improvements; (f) any expenses incidental to the issuance of bonds or; (g) costs associated with any elections held for the approval of a new or increased assessment; and (h) any administrative costs including general administration and insurance.

The assessment proceeds will be exclusively used for improvements serving the Assessment District plus incidental expenses. The following section of this Report specifically identifies the improvements to be funded by the assessment proceeds and to the plans and specifications, including specific expenditure and improvement plans, which are on file with the City.

Estimate of Cost

Introduction

Improvements funded by the assessments will be used to enhance the roads within Assessment District over and above the existing conditions. The formula below describes the relationship between the final level of improvements, the existing baseline level of improvements, and the level of improvements for the road facilities funded by the assessments.

Final Level of Improvements	=	Baseline Level of Improvements	+	Enhanced Level of Improvements

The Assessment District boundaries have been narrowly drawn to include properties, within the Old Highlands area, that have good proximity and access to the improvements.

Estimate of Costs

Table 2, below, shows the estimate of the cost of the improvements that would be funded by the Assessment District. Roadway funding considerations have been agreed upon between the City and the property owners, and include:

- City will provide the initial funding for improvements from the Capital Improvement Program over a period of five to six years. The City will improve one or two streets each year. The OHHA Board will set construction priorities.
- Assessment District property owners will reimburse the City for 50% of the project costs over 20 years with 2% interest.
- All existing deferred improvement agreements will be voided upon Assessment District property owners' approval of a financing mechanism.
- The City will not begin any work, except development of an Engineer's Report for the proposed financing mechanism, until financing is approved by the Assessment District property owners. This Engineer's Report will include a rough estimate of anticipated costs only with appropriate contingencies.

Table 2 – Estimate of Cost

Old Highlands Area Road Improvement Assessment District Budget Fiscal Year 2023	
	Total Budget
Beginnning Fund Balance (July 1, 2021)	$0
Installation, Maintenance & Servicing Costs	
Road Repaving	$325,215
Total for Installation, Maintenance and Servicing (a)	**$325,215**
Less:	
Contributions from City of Hayward towards Project Costs(50%) (b)	**($162,608)**
Contributions from City of Hayward towards annual adminstration (c)	**($15,929)**
Plus Annual Interest Burden at 2% to City (d)	**$34,818**
Total Road Maintenance Assessment District Budget (a+b+c+d) (Net Amount to be Assessed)	**$181,496**
Budget Allocation to Property	
Total Assessment Budget (e)	**$181,496**
Assessment Contribution	
Number of Single Family Equivalent benefit units (f)	272.72
Assessment per Equivalent Dwelling Unit in Zone (e/f)	**$665.50**

Notes to Estimate of Cost:

1. Annual "Road Reconstruction" cost of $325,215 is calculated from total project costs of $6,504,300 divided by 20 years (6,504,330/20 = 325,215).
2. The City will contribute 50% of the project costs. The Assessment District is responsible for the other 50% of project costs plus the costs of financing its portion at 2% over 20 years. The annual 2% interest burden of $34,818 is the difference between the annual repayment costs at $197,425 with 2% interest and the annual repayment costs of $162,608 with 0% interest.
3. As determined in the following section, at least 18.0% of the cost of road-related improvements must be funded from sources other than the assessments to cover any general benefits. Therefore, out of the total cost of improvements of $325,215, the City must contribute at least $58,538 from sources other than the assessments. The City's contribution of $162,608 satisfies this requirement. Refer to the calculations and description in the following section "Method of Apportionment," below.
4. The Act requires that proceeds from the assessments must be deposited into a special fund that has been set up for the revenues and expenditures of the Assessment District. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Report.

Method of Apportionment

Method of Apportionment

This section of the Engineer's Report includes an explanation of the special and general benefits derived from the improvements to the Old Highlands Area Road Improvement Assessment District, and the methodology used to apportion the total assessment to properties within the Assessment District.

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 Assessment District using the following process:

1. Identification of all benefit factors derived from the improvements
2. Calculation of the portion of these benefits that are general
3. Determination of the relative special benefit within different areas within 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; location, property type, property characteristics and other supporting attributes

Discussion of Benefit Factors

Assessments can only be levied based on the special benefit to property. This special benefit is received by property over and above any general benefits. Any and all general benefit must be funded from another source. Proposition 218, as codified in Article XIIID 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 XIIIA of the California Constitution.

The SVTA v. SCCOSA decision clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits.

Finally, Proposition 218 twice uses the phrase "over and above" general benefits in describing special benefit. (Art. XIIID, sections 2(i) & 4(f).) The SVTA v. SCCOSA decision further clarifies that special benefits must provide a direct advantage to benefiting property and that proximity to a park is an example of a special benefit.

Special Benefits from Road Improvements to Old Highlands

The roadway improvements provide clear and direct special benefits to the parcels subject to the assessment.

The special benefits are summarized below:

- Improved ingress and egress
- Improved traffic safety
- Reduction of noise pollution
- Improved emergency access and reduced cost of local government in law enforcement, public health care, fire prevention, and natural disaster response
- Improved desirability for development (i.e. development amplification)

General versus Special Benefit

Article XIIIC of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to "separate the general benefits from the special benefits conferred on a parcel." The rationale for separating special and general benefits is to ensure that property owners subject to the benefit assessment are not paying for general benefits. The assessment can fund special benefits but cannot fund general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section.

In other words:

Total Benefit = General Benefit + Special Benefit

There is no widely-accepted or statutory formula for general benefit. General benefits are benefits from improvements or services that are not special in nature, are not "particular and distinct" and are not "over and above" benefits received by other properties. SVTA vs. SCCOSA provides some clarification by indicating that general benefits provide "an indirect, derivative advantage" and are not necessarily proximate to the improvements.

The starting point for evaluating general and special benefits is the current, baseline level of service. The assessments fund Improvements "over and above" this general, baseline level and the general benefits estimated in this section are over and above the baseline.

Special benefit, on the other hand, is defined in the state constitution as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." The SVTA v. SCCOSA decision indicates that a special benefit is conferred to a property if it "receives a direct advantage from the improvement (e.g., proximity to a park)." In this Assessment, as noted, properties in the Assessment District have close proximity and uniquely improved desirability from the improvements as do other properties and the public at large.

Calculating General Benefit

In this section, the general benefit is liberally estimated and described, and then budgeted so that it is funded by sources other than the assessment, as required.

The following formula has been developed based upon the Silicon Valley and other judicial decisions, and has widespread use by this Engineer to estimate the general benefit for complex, multi-benefit assessments:

General Benefit	=	**Benefit to Real Property Outside the Assessment District**	+	**Benefit to Real Property Inside the Assessment District that is Indirect and Derivative**	+	**Benefit to the Public at Large**

The Old Highlands Area Road Improvement Assessment District improvements benefit the assessed parcels (as special benefits) and also provide some limited, extraneous general benefits in three ways as shown in the formula above: 1) to properties outside the Assessment District, 2) indirectly to properties within the Assessment District, and 3) to the public at large.

General Benefit

General Benefit to Real Property Outside, But Proximate to, the Assessment District

Properties within the Assessment District receive almost all of the special benefits from the improvements because properties in the Assessment District enjoy unique proximity and access to the improvements that is not enjoyed by other properties or the public at large.

There are a limited number (a total of 5) of ingresses and egresses into the Assessment District. Nonetheless, there are the equivalent of 43 properties that are proximate to the improvements, but outside of the boundaries of the Assessment District, that receive some benefit from the improvements. This benefit is general and is conferred to properties just outside the Assessment District's boundary but are accessed by the roads to be improved. This benefit contributes to the overall general benefit calculation and will not be funded by the assessments.

The general benefit to property outside of the Assessment District is calculated as follows with the parcel and data analysis performed by SCI Consulting Group.

Assumptions:

43 parcels outside and adjacent to the District
299 parcels in the Assessment District

Calculation

General Benefit to Property outside the Improvement District=
(43/(43+299)) = **13%**

Percentage of units outside Old Highlands receiving benefit = **13%**

Road General Benefit to Real Property Inside the Assessment District that is Indirect and Derivative

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 = **0.0%**

Road General Benefit to the Public at Large

The roads within the Old Highlands area are almost exclusively used by property owners (which includes deliveries, visitors, workers, landscapers, refuse collection, etc.) within the Assessment District. However, there is some use by non-property owner including bikers, walkers, pleasure-drivers, or for a detour from Hayward Boulevard, etc. This benefit is difficult to quantify as it relies on an unpredictable circumstance. Therefore, this benefit is liberally estimated at 5%.

General Benefit to the public at large = **5.0%**

Total General Benefit

The total general benefit is calculated as the sum of the three components above:

Total General Benefit = 13% +0.0% + 5% = 18.0%

The Assessment District's total budget for improvement of road-related facilities is $325.215. Therefore, out of the total cost of improvements of $325,215, the City must contribute at least $58,538 from sources other than the assessments. The City's contribution of $162,608 satisfies this requirement.

Benefit Zones Not Required within Old Highlands

The internal road networks are well distributed such that all parcels within the Old Highlands are relatively equally served by the improvements. Even properties closer to Hayward Boulevard receive benefit from neighborhood vitality, walkability and access from improved roads serving properties farther from Hayward Boulevard. Hence, there is no requirement to share in the cost of benefits in an unequal manner, and no benefit zones are created.

Method of Assessment

As previously discussed, the Assessment District will fund comprehensive improvements that will clearly confer special benefits to properties in the Assessment District.

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 single family home, or, in other words, on the basis of Single Family Equivalent benefit units (SFE or "Benefit Units"). This benefit unit methodology is commonly used to distribute assessments in proportion to estimated special benefit and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. For the purposes of this Engineer's Report, all properties are designated with a SFE value, which is each property's relative benefit in relation to a single-family home on one parcel. In this case, the "benchmark" property is a single family home. Such properties are assigned one benefit unit, which is one Single Family Equivalent (1 SFE).

Approach

Special benefit to individual parcels from proximate improved residential streets is directly related to the use of such streets to access the parcel. For many years, the Institute of Traffic Engineers (https://www.ite.org/) has provided and updated the industry-standard of average daily car trips for specific property uses and sizes – and this research serves as the basis for the assessment methodology in this Engineer's Report.

Each parcel has been categorized by land use and evaluated for acreage and number of residential units where relevant. This analysis is illustrated in Table 3, with the Average Trip Generation Rate tabulated from the most current Institute of Traffic Engineers study, (with additional clarification on Notes), below

Table 3 – Relative Special Benefit based upon Average Daily Car Trips

Property Use	Average Trip Generation Rate	Units	Normalized Factor	Development Amplifier	Proposed SFE Rate	Proposed $ Rate	Notes
Single Family Residential (SFR)	9.57	Dwelling Unit	1.00	1	1.000	$665.50	1
Multiple SFR on one parcel	9.57	Dwelling Unit	1.00	1	1.000	$665.50	2
Multi-Family Residential	5.81	Dwelling Unit	0.61	1	0.607	$404.03	3
Vacant	0.4	Parcel	0.04	5	0.209	$139.08	4
Park	2.28	Acres	0.24	1	0.238	$158.55	5
Water Tank	0.2	Parcel	0.02	1	0.021	$13.91	6
Formulae:	*a*		*(b = a/SFR trip rate)*	*c*	*(b*c=d)*	*(d *SFR $ rate)*	

Notes:

1. Single Family Residential as SFE Benchmark

   The Single-Family Equivalent ("SFE") is defined as the Special benefit assigned to each single-family residence. All other SFEs are proportionate to the average daily car trips for a single-family residence.

2. Multiple Single Family Residential on One Parcel

   There are six parcels with the Assessment District with multiple, stand-alone single-family residences on the parcel. In these cases, the special benefit is calculated as the sum of the number of single-family residences at the rate of 1 SFE per single family residence.

3. Multi-Family Residential

Special benefit is assigned to multi-family residential parcels (duplexes, triplexes, quads) at the rate of 0.61 SFEs per dwelling unit based upon the normalization of average daily car trips versus single family residences. (5.87/9.57 = 0.61)

4. Vacant

   The Institute of Traffic Engineers does not provide average daily car trips to vacant residential parcels, so this amount has been estimated as approximately 1 trip per work week or 1/5 of a trip per day which equals 0.2 daily trips. However, the increase in desirability for development of a vacant lot with greatly improved road access is difficult to measure but it is very significant. Hence, a development amplification factor of 5 has been conservatively implemented to account for the increased desirability to develop a vacant property adjacent to improved roads.

5. Park

   Special benefit is assigned to the three park parcels at the rate of 0.24 SFEs per acre unit based upon the normalization of average daily car trips versus single family residences. (2.28/9.57 = 0.24)

6. Water Tank

   The City of Hayward owns and operates a large water tank on one large parcel and two smaller parcels. The assessment will be assigned to the large parcel (081D-1665-002-01.) The Institute of Traffic Engineers does not provide average daily car trips to large water tank sites, so this amount has been estimated as approximately 1 trip per work week or 1/5 of a trip per day which equals 0.2 daily trips. Hence the rate of 0.04 SFEs per vacant parcels based upon the normalization of average daily car trips versus single family residences. (0.02)/9.57 = 0.02)

7. Other Properties

   Article XIIID stipulates that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment.
   Miscellaneous, small, and other parcels such as roads, right-of-way parcels, and common areas typically do not generate significant numbers of employees, residents, customers, or guests and have limited economic value. These miscellaneous parcels receive minimal benefit from the improvements and are assessed an SFE benefit factor of zero.

Duration of Assessment

The assessment shall be levied for FY 2022 and continued every year thereafter for a total of 20 years.

Annual Cost Indexing

The assessment is not subject to an annual adjustment tied to an index.

Certificate

I do hereby 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 made upon the parcels or lots of land within the Assessment District in proportion to the special benefits to be received by the parcels or lots of land, from said improvements.

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 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 said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for each parcel or lot of land within the said Assessment District.

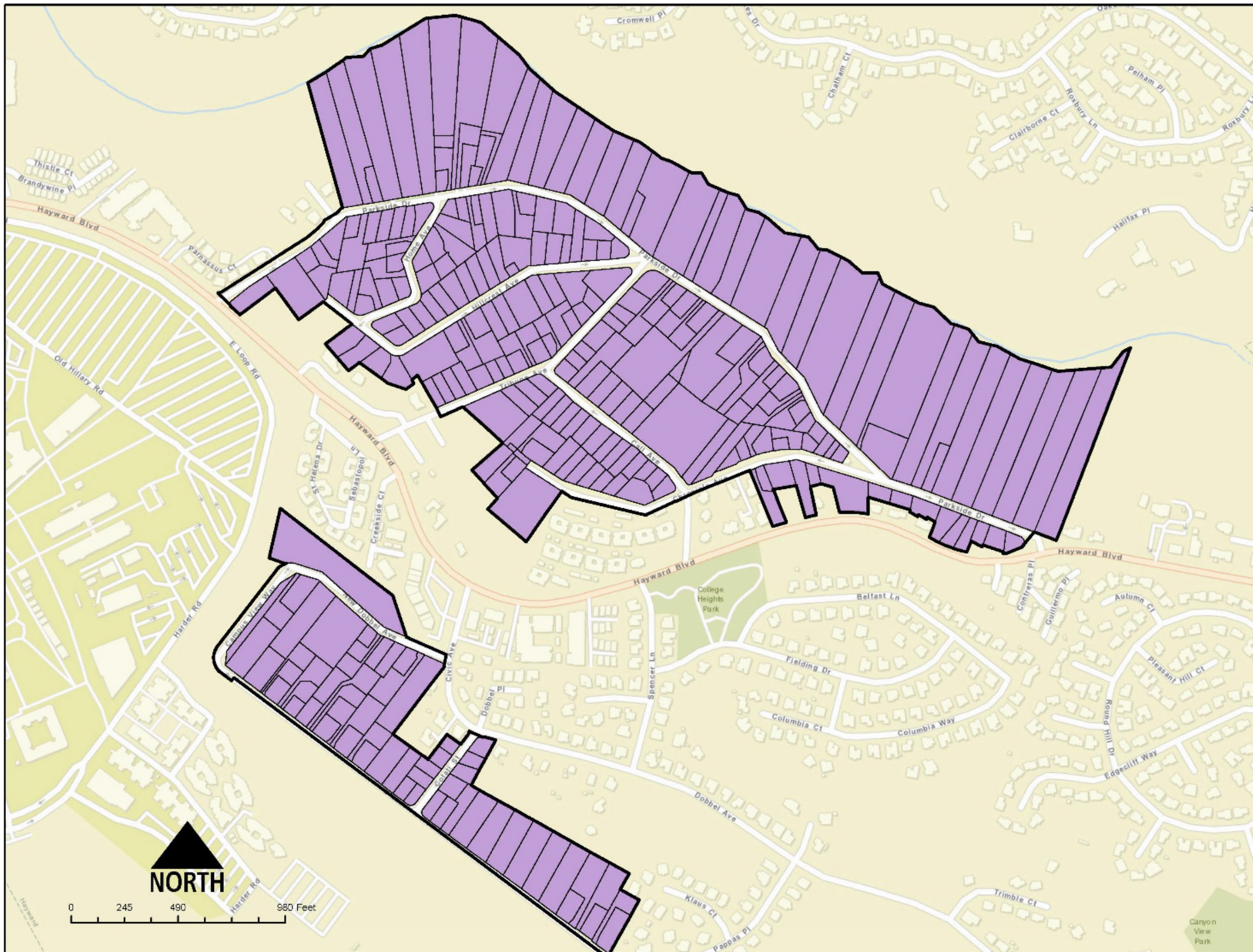
Dated: May 26, 2022

Engineer of Work

By _____
John W. Bliss, License No. C052091

Assessment Diagram

The District Boundary and the parcels to be assessed in Old Highlands Area Road Improvement Assessment District are displayed on the Assessment Diagram, which is on file with the City Clerk of the City of Hayward. The following Assessment Diagram is for general location only and is not to be considered the official boundary map. The lines and dimensions of each lot or parcel within the District are those lines and dimensions as shown on the maps of the Assessor of the County of Alameda for Fiscal Year 2023, and are incorporated herein by reference, and made a part of this Diagram and this Report.



FILED IN THE OFFICE OF THE CLERK OF THE COUNCIL, CITY OF HAYWARD, COUNTY OF ALAMEDA, CALIFORNIA, THIS ______ DAY OF _________________, 2022.

____

CLERK OF THE COUNCIL, CITY OF HAYWARD

RECORDED IN THE OFFICE OF THE CLERK OF THE COUNCIL, CITY OF HAYWARD, COUNTY OF ALAMEDA, CALIFORNIA, THIS ______ DAY OF _________________, 2022.

____

CLERK OF THE COUNCIL, CITY OF HAYWARD

AN ASSESSMENT WAS CONFIRMED AND LEVIED BY THE CITY COUNCIL, CITY OF HAYWARD, COUNTY OF ALAMEDA, CALIFORNIA, ON THE LOTS, PIECES AND PARCELS OF LAND ON THIS ASSESSMENT DIAGRAM ON THE _______ DAY OF____________, 2022 FOR FISCAL YEAR 2023 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_______________, 2022.

REFERENCE IS HEREBY MADE TO SAID RECORDED ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND.

____

CLERK OF THE COUNCIL, CITY OF HAYWARD

Legend

- Assessment District Boundary
- Assessment District Parcels

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.

SCI Consulting Group
4745 Mangels Boulevard
Fairfield, CA 94534

CITY OF HAYWARD
OLD HIGHLANDS AREA ROAD IMPROVEMENT ASSESSMENT DISTRICT
ASSESSMENT DIAGRAM

Appendix A - Assessment Roll

Assessments shown below reflect the prospective assessments for the single lots in the fully-built scenario using the current configuration and rate.

Parcel	Rate
081D-1585-007-00	$139.09
081D-1585-008-01	$665.50
081D-1585-012-00	$665.50
081D-1585-013-00	$665.50
081D-1585-022-00	$139.09
081D-1585-025-04	$665.50
081D-1585-026-00	$1,211.88
081D-1585-027-00	$665.50
081D-1585-028-01	$665.50
081D-1585-028-02	$665.50
081D-1585-029-00	$665.50
081D-1585-030-00	$665.50
081D-1585-031-00	$1,996.50
081D-1585-036-00	$665.50
081D-1585-037-00	$665.50
081D-1585-038-00	$665.50
081D-1585-039-00	$665.50
081D-1585-040-00	$665.50
081D-1585-041-00	$665.50
081D-1585-042-00	$665.50
081D-1585-043-01	$665.50
081D-1585-044-00	$665.50
081D-1585-045-00	$665.50
081D-1585-046-00	$665.50
081D-1585-047-00	$665.50
081D-1585-048-00	$665.50
081D-1585-049-00	$665.50
081D-1585-050-00	$665.50
081D-1585-051-00	$665.50
081D-1585-052-00	$665.50
081D-1585-053-00	$665.50
081D-1585-054-00	$665.50
081D-1585-055-00	$665.50
081D-1585-056-00	$665.50
081D-1585-057-00	$665.50
081D-1585-058-00	$665.50
081D-1585-059-01	$665.50
081D-1585-060-00	$665.50
081D-1595-001-00	$665.50
081D-1595-002-01	$665.50
081D-1595-002-02	$665.50
081D-1595-009-02	$665.50
081D-1595-010-01	$665.50
081D-1595-011-02	$665.50
081D-1595-012-02	$665.50
081D-1595-012-06	$665.50
081D-1595-012-08	$665.50
081D-1595-019-00	$665.50
081D-1595-020-00	$665.50
081D-1595-021-04	$1,331.00
081D-1595-022-02	$665.50
081D-1595-023-02	$139.09
081D-1595-031-00	$665.50
081D-1595-079-00	$665.50
081D-1595-085-00	$665.50
081D-1595-086-00	$665.50
081D-1595-087-00	$665.50
081D-1635-005-05	$1,331.00
081D-1635-006-02	$665.50
081D-1635-008-00	$665.50
081D-1635-009-04	$139.09
081D-1635-014-03	$665.50

Parcel	Rate
081D-1635-015-02	$665.50
081D-1635-016-02	$665.50
081D-1635-017-00	$665.50
081D-1635-018-02	$665.50
081D-1635-021-02	$665.50
081D-1635-024-00	$665.50
081D-1635-025-00	$665.50
081D-1635-027-00	$665.50
081D-1635-028-00	$665.50
081D-1635-029-00	$665.50
081D-1640-004-00	$665.50
081D-1640-006-00	$139.09
081D-1640-019-00	$0.00
081D-1640-020-00	$665.50
081D-1640-021-00	$665.50
081D-1645-001-00	$665.50
081D-1645-008-01	$0.00
081D-1645-008-02	$1,331.00
081D-1645-009-04	$665.50
081D-1645-010-03	$665.50
081D-1645-011-00	$665.50
081D-1645-012-00	$665.50
081D-1645-013-00	$665.50
081D-1645-014-00	$665.50
081D-1645-015-00	$665.50
081D-1645-016-00	$665.50
081D-1645-018-01	$665.50
081D-1645-019-00	$665.50
081D-1645-020-00	$665.50
081D-1645-021-00	$139.09
081D-1645-022-00	$139.09
081D-1645-023-01	$665.50
081D-1645-024-01	$665.50
081D-1645-025-01	$665.50
081D-1645-026-00	$665.50
081D-1645-027-00	$665.50
081D-1645-028-00	$665.50
081D-1645-029-00	$665.50
081D-1645-030-00	$665.50
081D-1645-032-00	$665.50
081D-1645-033-00	$665.50
081D-1645-034-00	$665.50
081D-1645-035-00	$665.50
081D-1650-001-01	$665.50
081D-1650-008-00	$665.50
081D-1650-009-01	$665.50
081D-1650-009-02	$665.50
081D-1650-010-00	$665.50
081D-1650-011-03	$665.50
081D-1650-012-02	$665.50
081D-1650-013-00	$665.50
081D-1650-014-00	$665.50
081D-1650-015-00	$665.50
081D-1650-016-00	$665.50
081D-1650-017-00	$665.50
081D-1650-018-00	$665.50
081D-1650-019-00	$139.09
081D-1650-020-01	$665.50
081D-1650-022-00	$665.50
081D-1650-023-00	$665.50
081D-1650-024-00	$665.50
081D-1650-025-00	$665.50

Parcel	Rate
081D-1650-026-00	$665.50
081D-1650-027-00	$665.50
081D-1650-028-00	$665.50
081D-1650-029-00	$665.50
081D-1650-030-00	$665.50
081D-1650-031-00	$665.50
081D-1650-032-00	$665.50
081D-1650-033-00	$665.50
081D-1650-034-00	$665.50
081D-1650-035-00	$665.50
081D-1655-001-04	$665.50
081D-1655-002-06	$665.50
081D-1655-002-07	$139.09
081D-1655-005-00	$665.50
081D-1655-006-02	$139.09
081D-1655-011-00	$665.50
081D-1655-012-00	$665.50
081D-1655-013-02	$665.50
081D-1655-014-02	$665.50
081D-1655-015-00	$665.50
081D-1655-017-02	$665.50
081D-1655-018-03	$665.50
081D-1655-018-04	$665.50
081D-1655-019-00	$665.50
081D-1655-020-00	$665.50
081D-1655-021-00	$665.50
081D-1655-022-00	$139.09
081D-1655-024-00	$665.50
081D-1655-025-01	$665.50
081D-1655-026-00	$665.50
081D-1655-027-00	$665.50
081D-1655-028-00	$665.50
081D-1655-029-00	$665.50
081D-1660-001-00	$139.09
081D-1660-002-00	$665.50
081D-1660-003-00	$807.92
081D-1660-004-00	$665.50
081D-1660-005-01	$665.50
081D-1660-005-02	$665.50
081D-1660-005-03	$665.50
081D-1660-008-01	$665.50
081D-1660-008-02	$665.50
081D-1660-011-02	$665.50
081D-1660-014-00	$665.50
081D-1660-016-00	$665.50
081D-1660-017-00	$665.50
081D-1660-020-00	$665.50
081D-1660-021-00	$665.50
081D-1660-023-03	$665.50
081D-1660-024-00	$665.50
081D-1660-025-00	$665.50
081D-1660-026-00	$665.50
081D-1660-027-00	$665.50
081D-1660-028-00	$665.50
081D-1660-029-00	$139.09
081D-1660-030-00	$139.09
081D-1660-031-00	$665.50
081D-1660-032-00	$665.50
081D-1660-033-00	$665.50
081D-1660-034-00	$665.50
081D-1660-035-00	$665.50
081D-1660-036-02	$665.50

Parcel	Rate
081D-1660-037-00	$665.50
081D-1660-038-00	$665.50
081D-1660-039-00	$665.50
081D-1660-040-00	$139.09
081D-1660-041-00	$139.09
081D-1660-042-00	$665.50
081D-1660-043-00	$665.50
081D-1660-044-00	$139.09
081D-1665-001-03	$665.50
081D-1665-001-06	$665.50
081D-1665-002-01	$0.00
081D-1665-003-01	$0.00
081D-1665-003-02	$139.09
081D-1665-004-00	$665.50
081D-1665-006-01	$0.00
081D-1665-006-02	$139.09
081D-1665-008-01	$665.50
081D-1665-009-01	$665.50
081D-1665-012-01	$665.50
081D-1665-014-00	$665.50
081D-1665-015-01	$665.50
081D-1665-015-02	$665.50
081D-1665-018-00	$665.50
081D-1665-019-02	$665.50
081D-1665-020-01	$1,331.00
081D-1665-021-00	$665.50
081D-1665-022-00	$665.50
081D-1665-023-00	$665.50
081D-1665-024-00	$139.09
081D-1665-025-00	$665.50
081D-1665-026-00	$139.09
081D-1665-027-00	$665.50
081D-1665-030-02	$665.50
081D-1665-031-00	$665.50
081D-1665-032-00	$665.50
081D-1665-033-00	$665.50
081D-1665-034-00	$665.50
081D-1665-035-00	$665.50
081D-1665-036-00	$665.50
081D-1665-037-00	$665.50
081D-1665-038-00	$665.50
081D-1665-039-00	$665.50
081D-1665-040-00	$665.50
081D-1665-041-00	$665.50
081D-1665-042-00	$665.50
081D-1665-043-00	$665.50
081D-1665-044-00	$139.09
081D-1665-045-00	$665.50
081D-1665-047-01	$665.50
081D-1665-049-01	$665.50
081D-1665-051-01	$665.50
081D-1665-052-00	$665.50
081D-1665-053-00	$665.50
081D-1665-054-00	$665.50
081D-1665-055-00	$665.50
081D-1665-056-00	$665.50
081D-1665-057-00	$665.50
081D-1665-058-00	$139.09
081D-1665-059-00	$665.50
081D-1665-060-02	$139.09
081D-2091-001-00	$665.50
081D-2091-002-00	$139.09

Parcel	Rate
081D-2091-003-00	$665.50
081D-2091-004-00	$665.50
425 -0420-002-00	$1,331.00
425 -0420-003-00	$665.50
425 -0420-004-00	$665.50
425 -0420-005-00	$0.00
425 -0420-006-00	$0.00
425 -0420-007-00	$0.00
425 -0420-009-00	$665.50
425 -0420-010-00	$665.50
425 -0420-013-00	$665.50
425 -0420-014-00	$665.50
425 -0420-015-00	$665.50
425 -0420-016-00	$665.50
425 -0420-017-00	$665.50
425 -0420-018-00	$665.50
425 -0420-019-00	$665.50
425 -0420-020-01	$665.50
425 -0420-021-02	$139.09
425 -0420-022-00	$665.50
425 -0430-002-03	$139.09
425 -0430-002-04	$665.50
425 -0430-004-00	$665.50
425 -0430-005-00	$139.09
425 -0430-006-00	$665.50
425 -0430-007-00	$665.50
425 -0430-008-00	$665.50
425 -0430-009-00	$139.09
425 -0430-011-00	$665.50
425 -0430-013-00	$665.50
425 -0430-014-00	$665.50
425 -0430-015-00	$665.50
425 -0430-016-00	$139.09
425 -0430-017-00	$139.09
425 -0430-018-00	$665.50
425 -0430-019-00	$665.50
425 -0450-001-00	$665.50
425 -0450-002-00	$665.50
425 -0450-004-07	$665.50
425 -0450-004-09	$665.50
425 -0450-005-02	$665.50
425 -0450-006-00	$665.50
425 -0450-007-00	$665.50
425 -0450-008-00	$665.50
425 -0450-009-00	$665.50
425 -0450-010-00	$665.50
425 -0450-011-02	$665.50
425 -0460-009-00	$665.50
425 -0460-010-00	$665.50
445 -0280-001-04	$0.00
445 -0290-005-08	$139.09