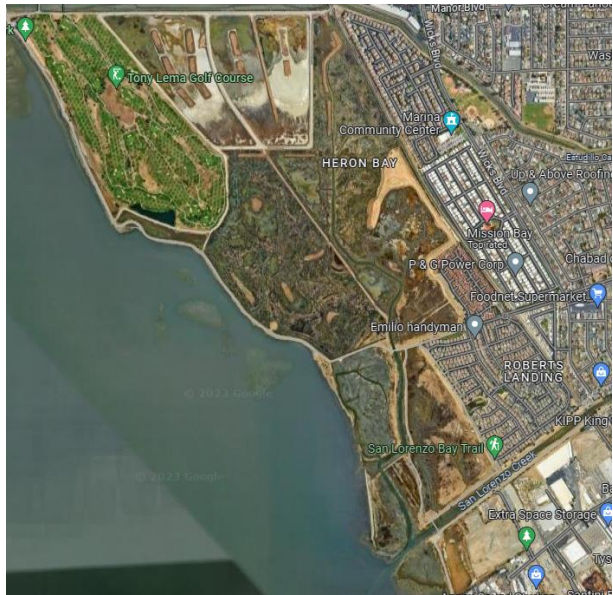


Heron Bay Maintenance Assessment District (MAD 96-3) Formation:

The Heron Bay Development (formerly known as Roberts Landing Development) was envisioned as a place where people could live and enjoy the Bayshore. The conditions of approval of this development included the construction and maintenance of certain facilities to ensure public access along the Bay, flood protection, and certain public improvements that specifically benefit the development.

To fund the construction, installation, purchase, and maintenance of these improvements, Citation Homes Central, the Developer of the project, petitioned to establish a Maintenance Assessment District (District). In 1996, the City Council subsequently approved the formation of the District, approved the preparation of the Engineer's Report, and levy an annual assessment to the properties within the District. A copy of the formation documents can be found in [link 1](#) and a map showing the areas and public facilities that is the responsibility of the District is provided in [link 2](#).

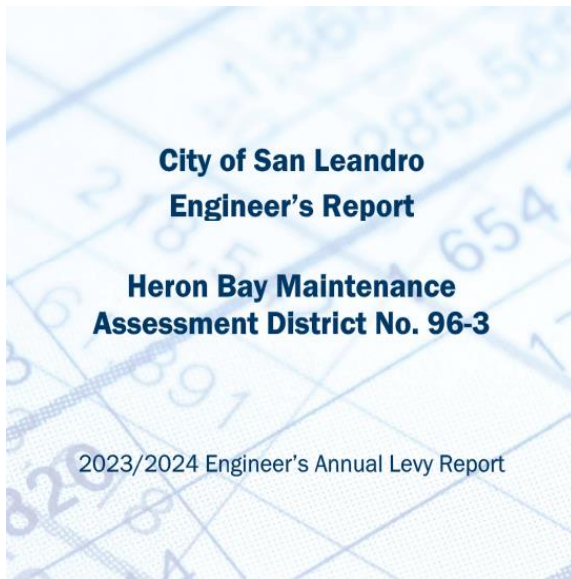


The District consists of 629 housing units (451 single family units and 178 motor court units). The total District expenses each year is pro-rated with consideration to the type of the housing units, so that the relative allocation to each motor court unit is 66 2/3% of the allocation to each single-family detached unit. The assessment of the total housing units totals the estimated costs of the District each fiscal year.

Property owners pay for the maintenance and servicing of these public improvements through payment of their annual property tax. The maximum assessments are increased by 2% each successive year (over the rate of the previous year) to cover approximate increases in costs of maintenance.

At the time the District was formed, the annual assessment included a levy to accumulate a maximum reserve fund of up to \$300,000, estimated about \$60,000 per year. The additional assessment will only be levied when the maximum reserve fund is used, and a levy may be collected in successive years until the reserve fund is restored in full. The reserve fund can be used for emergency repairs, capital improvements, and overages to the annual maintenance budget.

FY2023/24 District Engineer's Report:



On June 20, 2023, the City Council accepted the Engineer's Report for FY 2023-24 for the Heron Bay Maintenance District (District) and ordered the levy and collection of assessments on properties within the District. A copy of the Engineer's report is attached in [link 3](#).

The cost of services for FY 2023-2024 is estimated to be \$493,193 including capital improvement projects which include maintenance of tide gates and a hydrology study of the marshlands. A summary of this fiscal year's expenses can be found in [link 4](#).

Because of increasing costs, current and future repairs of aging facilities, this fiscal year's regular annual assessment has been increased to the maximum amount allowed by District Laws. Additionally, since the additional reserve fund is below \$300,000, an additional levy of about \$60,000 per year will be assessed in successive years until the reserve fund is restored in full. The current reserve fund balance from the previous year is \$164,998. See [link 5](#) for the projected expenses and planned future capital improvement projects through FY 2028/29. The calculations for the maximum regular annual assessment and the maximum reserve fund assessment are stated in Section III of the Engineer's Report, pages 8-9. The maximum regular assessment increases by 2% each year while the maximum reserve fund assessment does not increase.

The total increase in assessment for each property owner is approximately \$300 and \$200, for single family and motor court units, respectively. This is an increase of about 55% from the prior year. The increase by comparison is because the prior year's assessments were only 75% of the maximum regular assessment, and there were no reserve fund assessments levied. See page 7, Section III of the Engineer's Report for the rate of increases and assessments from prior years.

If you have any questions, please feel free to reach out to Erwin Ching, Engineering Manager, at (510) 577-3439 or by email at eching@sanleandro.org.