



Agenda Date: \_\_\_\_\_

Agenda Item: \_\_\_\_\_

# STAFF REPORT

Approved: \_\_\_\_\_

**Gary A. Napper**  
City Manager

**TO: HONORABLE MAYOR AND COUNCILMEMBERS**

**FROM: RICK ANGRISANI, CITY ENGINEER**

**DATE: JULY 18, 2017**

**SUBJECT: PUBLIC HEARING ON PROPOSED ASSESSMENTS FOR THE DIABLO ESTATES AT CLAYTON BENEFIT ASSESSMENT DISTRICT (BAD); ORDERING IMPROVEMENTS AND CONFIRMING ASSESSMENTS FOR FY 2017-18**

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## **RECOMMENDATION**

Open the Public Hearing, receive public comments, close the Public Hearing, and approve the attached Resolution.

## **BACKGROUND**

The City Council, at its May 16<sup>th</sup> meeting, approved the Engineer's Report dated May 16<sup>th</sup>, including the proposed assessment amounts which included an allowable 3.78% increase over FY 2016-17 assessments. The majority of the assessments are to pay for the maintenance of various improvements benefiting real property owners within the Diablo Estates at Clayton development. These tasks are included in the property management contract awarded previously to Pinnacle Construction Services. Pinnacle's contract provides for an annual increase each December equal to the increase in the San Francisco – Bay Area CPI.

As required by law, a notice regarding the public hearing was mailed to the property owners. We attached the Engineer's Report to the notice. For the benefit of the residents, the Engineer's Report was expanded to include the expenditures of the District and an accounting of the reserve funds.

Tonight, the City Council will open the required public hearing to hear any comments from the assessed property owners. Upon completion of public testimony, the City Council should close the public hearing. The City Council may then consider any public comments received and proceed to act on this Resolution levying the annual assessments on the real properties within the District for FY 2017-18.

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### **FISCAL IMPACT**

If the annual assessment is approved as recommended, the City will continue to manage for the maintenance duties specified in the Engineer's Report on behalf of the benefited real property owners.

Should the 3.78% increase not be levied as recommended on the assessments, the automatic CPI increase in the property management contract (Pinnacle) must then be funded by drawing on District reserves. Further, bypassing the allowable CPI increase can never be recouped by the District in the future as each annual increase allowed is strictly limited to that year's adjustment in annual CPI increase.

The BAD fund balance will cover the District's costs until receipt of the first tax payment from the County in December. Therefore, this action will not impact the City's General Fund.

### **CONCLUSION**

Staff recommends the City Council approve this Resolution confirming the levy of assessments within the Diablo Estates at Clayton Benefit Assessment District FY 2017-18.

Attachments:    Resolution confirming Assessments [2 pp.]  
                     Notice to Property Owners [1 pg.]  
                     BAD FY 2017-18 Engineer's Report [12 pg.]