

ANNUAL REPORT

Fiscal Year 2017-2018

**Castle Homes
County Service Area
Service Zones 1, 2, & 3**

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INTRODUCTION

The 2016-2017 Annual Report for County Service Area R-1982-1 (CSA), Castle Homes, is presented for approval of the Alameda County Board of Supervisors in compliance with requirements of County Service Area Law and the Alameda County Ordinance Code.

Annually, Public Works Agency staff evaluates road conditions within the Castle Homes CSA. Staff then meets with the Castle Homes CSA property owners' representatives to review proposed service programs. After the work programs are reviewed with each of the CSA's zones, County staff calculates service charges required to fund the program and the administration of the CSA. The proposed service charges are then reviewed by the CSA representatives and any required adjustments are made.

Recommended service charges are then submitted to your Board for review and public comment, and approval. This report describes the proposed road improvement program and proposed service charges for the Fiscal Year as requested by property owners within the CSA. Copies of the Report are available for review or purchase at the Public Works Agency, 951 Turner Court, Hayward, CA 94545. Copies of Reports may be purchased in person for \$5.00 each, or by mail for \$8.00 prepaid. Copies are also posted on the Public Works Agency website where they can be downloaded and printed for free. They can be found at: <http://www.acgov.org/pwa>. The Annual Report is listed under Publications. The Reports are updated on the County's website each year in September.

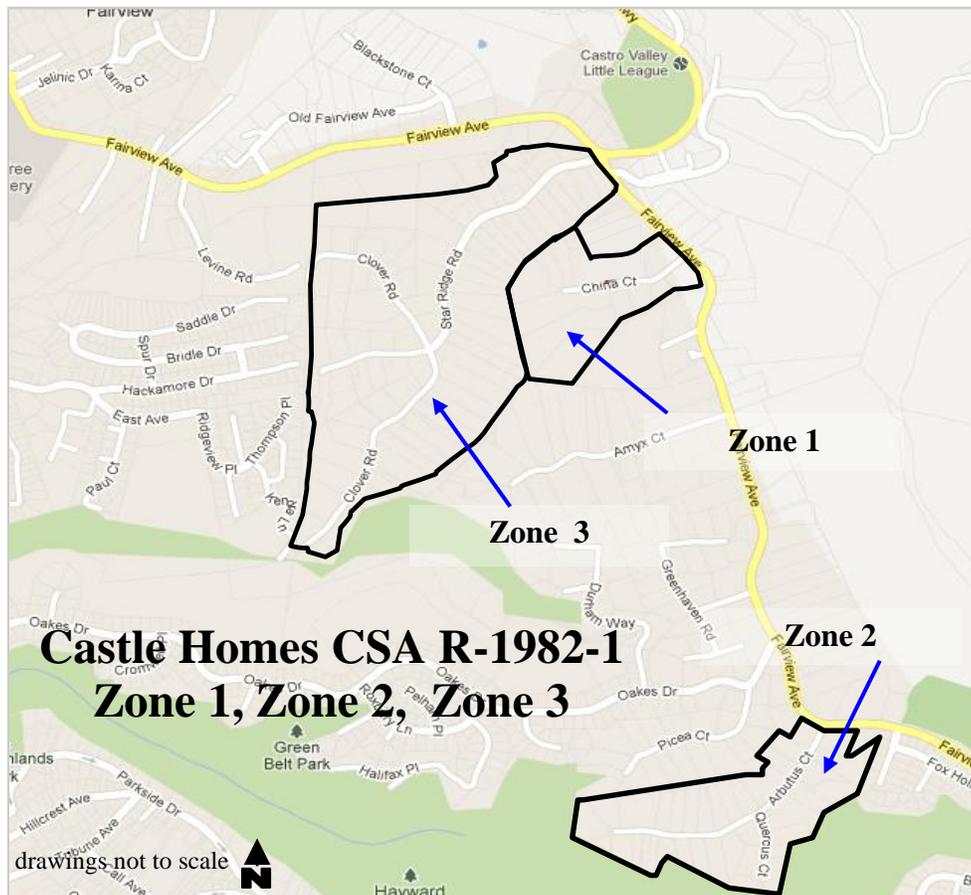
SCOPE OF SERVICE

The Castle Homes CSA was established in January 1983 to provide road maintenance services for three private roads: Clover Road, Star Ridge Road (formerly East Avenue) and China Court. In November 1996, the Board approved the annexation of properties adjacent to Quercus and Arbutus Courts, both private roads, to the CSA for road maintenance services. In September 2010, the property owners on Star Ridge Road and Clover Road petitioned the County to separate from Zone 1 to form their own zone of service. Following numerous public meetings and hearings, the Board of Supervisors approved the formation of a Zone 3 service zone for Clover Road and Star Ridge Road in February 2012. As part of the process, the County conducted a successful ballot for property owners on China Court China Court, Zone 1, asking them to vote to increase their service charges for their smaller zone. China Court is now the remaining roadway in service Zone 1. Zone 3 was filed with the State Board of Equalization in December 2012 and will be established for Star Ridge Road and Clover Road beginning July 1, 2013.

LOCATION AND VICINITY MAP

All five private roads are located in the Fairview Area, north and easterly of the Hayward City Limits and southerly of Castro Valley. The three service zones are shown below.

CASTLE HOMES COUNTY SERVICE AREA



PROPOSED SERVICE CHARGES

ZONE 1 (China Court)

The Maximum Service Charge that can be charged (as approved by ballot during Fiscal Year 2011-2012 for China Court) is \$1,000.00 for Developed Parcels and \$500.00 for Undeveloped Parcels. Actual service charges for each fiscal year may be less than the maximum, with the recommended service charge for each Fiscal Year discussed at the annual business meeting with property owners.

During the 2010-11 Fiscal Year, a number of property owners on Star Ridge and Clover Roads from original Zone 1 with three roadways petitioned the County to separate Star Ridge and Clover Roads into their own service zone which is now Zone 3. This allowed them to collect service charges and pay for their own level of services. It also allowed China Court to collect service charges and pay for their services separately. This was completed with a Zone 3 Formation for Star Ridge and Clover Roads by resolution of the Board of Supervisor during fiscal year 2011-2012 and a successful ballot to increase the maximum service charge for China Court in Zone 1.

At the Annual Business Meeting in the spring of 2017 for Castle Homes CSA Zone 1, the property owners in attendance recommended next year’s CSA program which included continuing the annual service charge at the maximum levels of \$1,000.00 for developed parcels and \$500.00 for undeveloped parcels. We will determine the roadway repair breakdown during the walk through with the committee in May 2017 for fiscal year 2017/2018.

Zone 1 Annual Service Charge Summary

Previous Annual Service Charge (FY 2016-2017)	Approved Maximum Annual Service Charge	Proposed Annual Service Charge (FY 2017-2018)	Parcel Description
\$1,000.00	\$1,000.00	\$1,000.00	Developed
\$500.00	\$500.00	\$500.00	Undeveloped

EXCEPTIONS

Parcel 425-0060-023-00	0.	part of 425-0060-024-01 (TRA boundary split)
Parcel 425-0060-024-01	500.	improved parcel with lesser benefit
Parcel 425-0270-005-00	500.	improved parcel with lesser benefit

ZONE 2 (Quercus Court and Arbutus Court)

During the 1997/1998 Fiscal Year, Zone 2 property owners voted to levy service charges to fund repayment of an eight-year loan, and to fund routine administrative, engineering, and maintenance services. The eight-year loan was paid in full in Fiscal Year 2005/2006. When it was approved by the property owners, the maximum annual service charge was set to terminate after FY 2007/08. Without service charges collected in FY 2008/09 or beyond, the fund balance for Zone 2 would be depleted in a few years and further maintenance work would have to be suspended. During the summer of 2007, at the request of property owners, the County conducted a successful ballot on their behalf to continue the current maximum annual service charges beyond the FY 2007/2008 without a termination date.

At the Annual Business Meeting in the spring of 2015 for Castle Homes CSA Zone 2, property owners in attendance recommended the continuance of the Annual Service Charge at the previous year’s level of \$525.00 for developed parcels and \$262.50 for undeveloped parcels. We will determine the roadway repair breakdown during the walk through with the committee in May 2017 for fiscal year 2017/2018.

Zone 2 Annual Service Charge Summary

Previous Annual Service Charge (FY 2016-2017)	Approved <i>Maximum</i> Annual Service Charge	Proposed Annual Service Charge (FY 2017-2018)	Parcel Description
\$525.00	\$525.00	\$525.00	Developed
\$262.50	\$262.50	\$262.50	Undeveloped Less Benefit

Parcels 425-0500-016 and 425-0500-042 are improved parcels which will be charged at the unimproved parcel rate to reflect lesser benefit under the proposed work program.

ZONE 3 (Clover Road and Star Ridge Road)

The property owners on Star Ridge and Clover Roads have separated from China Court into their own zone of service, Zone 3. This allows them to collect their own service charges and use those funds to pay for different levels of services. The formation of Zone 3 was completed by resolution of the Board of Supervisor during fiscal year 2011-2012. The Maximum Service Charge that can be charged is \$300.00 for Developed Parcels and \$150.00 for Undeveloped Parcels. Actual service charges for each fiscal year may be less than the maximum, with the recommended service charge for each Fiscal Year discussed at the annual business meeting with property owners.

At the Annual Business Meeting in the spring of 2015 for Castle Homes CSA Zone 3, all the property owners present at the meeting recommended increasing to the Service Charges to the Approved Maximum amount to increase their revenue for expenses. This would be, \$300.00 for developed parcels and \$150.00 for undeveloped parcels. The Annual Service Charge Summary is shown in the table below. We will determine the roadway repair breakdown during the walk through with the committee in May 2017 for fiscal year 2017/2018.

Zone 3 Annual Service Charge Summary

Previous Annual Service Charge (FY 2016-2017)	Approved Maximum Annual Service Charge	Proposed Annual Service Charge (FY 2017-2018)	Parcel Description
\$300.00	\$300.00	\$300.00	Developed
\$150.00	\$150.00	\$150.00	Undeveloped

EXCEPTIONS

Parcel 425-0060-008-00	\$ 125.	improved parcel with lesser benefit
Parcel 425-0230-005-01	0.	portion of Clover Road only
Parcel 425-0230-006-01	0.	portion of Clover Road only
Parcel 425-0050-010-00	250.	unimproved parcel with full benefit

**CASTLE HOMES
COUNTY SERVICE AREA - ZONE 1 China Court**

**FIVE YEAR BUDGET PROJECTIONS
(ESTIMATES)**

INCOME

Prior Year Carryover

Interest on Investments

Service Charges (estimates after Auditor
(Collection Fee-1.75% approx \$321)

TOTAL INCOME

EXPENSES

Road Service Program (labor & material)*

China Court base repair (labor,equipment, materials)

Publications & Legal

County Administrative Expenses**

County Counsel (YTD is estimate)

County Risk Management

Additional Est

TOTAL EXPENSES

Carryover (06/30)

Zone 1	Zone 1	Zone 1	ZONE 1
ACTUAL	TO DATE	ESTIMATE	PROPOSED
2015-16	2016-17	2016-17	2017-18
\$28,944.75	\$43,250.34	\$43,250.34	56,513.34
\$14,305.59	\$8,343.42	\$13,263.00	13,300
\$43,250.34	\$51,593.76	\$56,513.34	69,813.31
			17,547
\$0.00	\$0.00	\$0.00	
\$0.00	\$0.00	\$0.00	
\$0.00	\$0.00	\$0.00	
\$43,250.34	\$51,593.76	\$56,513.34	52,266.34

* County M&O Labor usually included as part of Service Program cost except for Slurry Seal and Road Reconstruction

** County engineering, and CSA administration

**CASTLE HOMES
COUNTY SERVICE AREA - ZONE 2
Quercus & Arbutus**

**BUDGET PROJECTIONS
(ESTIMATES)**

	ACTUAL 2015-16	TO DATE 2016-17	ESTIMATE 2016-17	PROPOSED 2017-18
INCOME				
Prior Year Carryover	\$79,369.00	\$89,260.64	\$89,260.64	\$105,577.36
Interest on Investments				
Service Charges (estimates after Auditor (Collection Fee-1.75% approx \$298)	\$17,293.51	\$9,526.13	\$16,514.00	\$16,500.00
TOTAL INCOME	\$96,662.51	\$98,786.77	\$105,774.64	\$122,077.36
EXPENSES				
Road Service Program - Zone 2*	\$0.00	\$0.00	\$0.00	\$13,781.00
Road Service Program - Zone 2 Contractor	\$0.00	\$0.00	\$0.00	\$0.00
Publications & Legal	\$0.00	\$0.00	\$0.00	\$0.00
County Administrative Expenses**	\$7,401.87	\$0.00	\$197.28	\$8,000.00
County Counsel	\$0.00	\$0.00	\$0.00	\$0.00
County Risk Management				
TOTAL EXPENSES	\$7,401.87	\$0.00	\$197.28	\$21,781.00
Carryover (06/30)	\$89,260.64	\$98,786.77	\$105,577.36	\$100,296.36

County M&O Labor included as part of Road Service Program (spring walk thru, sign installation, * base repairs, etc) expenses except for Slurry Seal and Road Reconstruction

** County Administrative Expenses: Engineering, and CSA administration
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**CASTLE HOMES
COUNTY SERVICE AREA - ZONE 3 STAR RIDGE & CLOVER RDS**

BUDGET PROJECTIONS (ESTIMATES)

	Zone 3	Zone 3	Zone 3	Zone 3
	ACTUAL 2015-16	TO DATE 2016-17	ESTIMATE 2016-17	PROPOSED 2017-18
INCOME				
Prior Year Carryover	\$48,855.47	\$26,019.26	\$37,852.21	\$53,994.21
Interest on Investments				
Star Ridge & Clover Rd				
Service Charges (estimates after Auditor (Collection Fee-1.75% approx \$321) Star Ridge & Clover Rd	\$19,248.99	\$12,241.89	\$16,142.00	\$20,265.00
Credit - Survey work				
TOTAL INCOME	\$68,104.46	\$38,261.15	\$53,994.21	\$74,259.21
EXPENSES				
Road Service Program (labor & material)* Details				
Star Ridge & Clover Rd				
Base Repair Labor and material	\$19,220.13			
FY 2015-16 Base Repair Star Ridge, 4" thick in front #3759 600 SF, and #3559-#3565 293 SF				
FY 2015-16 Crack Seal, Clover from # 26145-#26137				
Future Expenses				
FY 2017-18 Base Repair Star Ridge 4" Thick				\$65,944.00
FY 2017-18 Base Repair Clover, 4" Thick				\$12,478.00
supplies- Asphalt concrete	\$2,985.19			
Publications & Legal	\$0.00	\$0.00	\$0.00	\$0.00
County Administrative Expenses**	\$19,879.88	\$408.94		
County Counsel (YTD is estimate)	\$0.00	\$0.00	\$0.00	\$0.00
County Risk Management	\$0.00	\$0.00	\$0.00	\$0.00
Additional Est				
TOTAL EXPENSES	\$42,085.20	\$408.94	\$0.00	\$78,422.00
Carryover (06/30)	\$26,019.26	\$37,852.21	\$53,994.21	-\$4,162.79

County M&O Labor usually included as part of Service Program cost except for Slurry Seal and Road Reconstruction, other bid items

* County engineering, and CSA administration