



CITY COUNCIL STAFF REPORT

ITEM NO. 7.2

DATE: June 22, 2026
TO: Honorable Mayor and City Council
FROM: Carl Brown, Public Works Director
SUBJECT: Public hearing for the confirmation of the levy of assessments for the City's Landscape Maintenance Districts for FY 2026-27.

RECOMMENDED ACTION

Staff recommends the City Council:

1. Conduct a public hearing for the confirmation of the annual levy of assessments for the City's Landscape Maintenance Districts for FY 2026-27; and
2. Upon closure of the public hearing, staff recommends the City Council adopt a resolution confirming the annual levy of assessments for the City's Landscape Maintenance Districts and directing actions with respect thereto for FY 2026-27.

SUMMARY

Staff reviews the maintenance costs and revenues for the City of Livermore (City) Landscape Maintenance Districts (Districts) annually and prepares the Annual Engineer's Reports containing recommended assessment levels for City Council approval.

In order to levy and collect annual assessments for the Districts under the Landscaping and Lighting Act of 1972 (Act), the City must follow certain legal procedures. On June 8, 2026, the City Council adopted resolutions initiating the annual process, declaring the intention to levy and collect assessments for FY 2026-27, and preliminarily approving the Annual Engineer's Reports. The City Council also set June 22, 2026, as the public hearing date for this matter. After conducting this public hearing, the City Council may then consider adopting a resolution confirming the levy of assessments for FY 2026-27. If the resolution is adopted, City Council then directs staff to file the assessments with the County Tax Assessor's Office.

DISCUSSION

The City Council took initial action for FY 2026-27 on June 8, 2026, by adopting Resolution No. 2026-088. Also on June 8, 2026, City Council took further action for FY 2026-27 by preliminarily approving the Annual Engineer's Reports, declaring the intent to levy and collect assessments within the Districts for

FY 2026-27, and establishing a public hearing date of June 22, 2026, by adopting Resolution No. 2026-089.

The Annual Engineer's Reports (see Exhibit C) has been prepared for the Districts listed below for FY 2026-27 in accordance with the requirements of the Act. This report includes estimates of expenditures and revenues for FY 2026-27.

Maintenance District No. LL-1; Annexation Nos. 1989-1, 1989-2, 1989-4, 1990-1, 1990-2; Maintenance District No. LL-2; Annexation Nos. 1992-0, 1992-1, 1993-1, 1993-2, 1994-1, 1994-2, 1994-3, 1994-4, 1994-6, 1994-7, 1994-8, 1995-1, 1995-2, 1995-3, 1995-4, 1995-6, 1995-7, 1996-1, 1996-2, 1996-3, 1996-5, 1996-6, 1996-7, 1996-8, 1996-9, 1997-2, 1997-3, 1997-4, 1997-5; and Maintenance District Nos. LL-801, LL-802, LL-803, LL-804, LL-805, LL-806, LL-807, LL-808, LL-809, LL-810, LL-811, LL-813, LL-814, LL-815, LL-817, LL-818, LL-819, LL-820, LL-821, LL-822, LL-823, LL-824, LL-826, LL-827, LL-828, LL-829, LL-830, LL-831, LL-832, LL-833, LL-835, LL-836, LL-837, LL-838, LL-839, LL-840, LL-841, LL-842, LL-843, LL-844, LL-845, LL-846, LL-847, LL-848, LL-849, LL-850, LL-851, LL-852, LL-853, LL-854, LL-855, LL-857, LL-858, LL-859, LL-860, LL-861, LL-862, and LL-863.

Part A of the Annual Engineer's Reports corresponds to all Districts listed above except LL-859 (Downtown Landscape Maintenance District). Part B of the Annual Engineer's Reports corresponds to LL-859 (Downtown Landscape Maintenance District).

Remaining Schedule for the Levy of Assessments for FY 2026-27

The remaining schedule to approve the FY 2026-27 assessments for the Districts is as follows:

- June 22, 2026 - City Council holds a public hearing and considers the levy of assessments for the Districts for FY 2025-26.
- August 8, 2026 - Deadline to submit assessments to the Alameda County Tax Assessor's Office.

FY 2026-27 Assessments

Depending upon the annual assessment escalator that was approved at the time of formation or subsequently approved by the District property owners, the maximum assessment for each District and zones of benefit may be adjusted annually by either the annual change in the Consumer Price Index (All Urban Consumers) published for the San Francisco-Oakland-Hayward Area by the U.S. Bureau of Labor Statistics ("CPI") for the month of February or the annual change in CPI plus 1%. For FY 2026-27, CPI is 2.48%, and therefore the maximum assessment rates for each District are increased by either 2.48% or 3.48%, as applicable.

Staff developed cost estimates that include revenue and expenditure budgets for each District based on the anticipated maintenance and reserve collection needs for FY 2026-27. Attachment 1 shows the comparison of proposed FY 2026-27 assessments versus current FY 2025-26 assessments for the Districts, except LL-859 for the Downtown Landscape Maintenance District (DTLMD). Attachment 2 compares the proposed versus current assessments for the DTLMD. The proposed assessment rates to be levied for the Districts are equal to or less than each District's respective FY 2026-27 maximum assessment rate with one exception. City staff recently received updated building square footage information for APN 097-0136-002-07. This information has been incorporated into the final version of the attached Annual Engineer's Report which has resulted in a slight adjustment to the assessment rates and assessment amounts reflected for some parcels in the DTLMD.

FISCAL AND ADMINISTRATIVE IMPACTS

Property owners within each District pay assessments to cover the cost of landscape maintenance, utilities, operation, and maintenance of equipment. Maintenance operations are performed by staff and supplemented by contracted vendors, under the direction of staff.

The aggregate projected maintenance costs for all Districts, except for the DTLMD, for FY 2026-27 is estimated to be approximately \$4.2 million. Projected revenue for all Districts, except for the DTLMD, is estimated to be approximately \$3.7 million. Any funds collected in excess of expenditures remain in each District's respective account for future needs such as asset replacement or repairs.

The DTLMD has projected maintenance costs of approximately \$1,020,000 in FY 2026-27. Projected revenue for the DTLMD is approximately \$640,000. The total cost for maintaining improvements benefiting the DTLMD includes approximately \$200,000 attributed to general benefit to the public at large, which the City pays directly. Additionally, the City's General Fund will also make a supplemental contribution of approximately \$180,000 because the maximum allowable assessments are not sufficient to cover the projected operational costs.

COMMUNITY PILLAR

5: A City That Works

GOAL

14: Develop and maintain the City's infrastructure

ATTACHMENTS

1. Resolution
2. Exhibit A - LMD Maximum and Budgeted Assessment Rates
3. Exhibit B - Proposed Assessments for LMD No. 859 Downtown for FY 2026-27
4. Exhibit C - FY 2026-27 Annual Engineer's Report

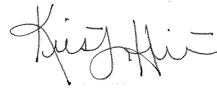
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City Manager

Fiscal Review by:



Kristen Hilton
Acting Administrative Services Director