



CITY COUNCIL STAFF REPORT

ITEM NO. 6.5

DATE: February 23, 2026

TO: Honorable Mayor and City Council

FROM: Brent Smith, Community Development Director

SUBJECT: Resolution determining Tract 8669, Cornerstone, located at the northwest corner of the intersection of Collier Canyon Road and Constitution Drive, is annexed to the City of Livermore Community Facilities District No. 2023-1 (Isabel Neighborhood Specific Plan Services).

RECOMMENDED ACTION

Staff recommends the City Council adopts a resolution determining Tract 8669, Cornerstone, located at the northwest corner of the intersection of Collier Canyon Road and Constitution Drive, is annexed to the City of Livermore Community Facilities District No. 2023-1 (Isabel Neighborhood Specific Plan Services) and directing the City Clerk to record the Notice of Annexation.

DECISION TYPE

Administrative

SUMMARY

The Cornerstone project, located at the northwest corner of the intersection of Collier Canyon Road and Constitution Drive, was conditioned to participate in a maintenance district to finance the maintenance and operation of services associated with the Isabel Neighborhood Specific Plan. The property owner, TPG AG EHC III (TRU) CA 2, L.P., is fulfilling this obligation by requesting annexation to Community Facilities District No. 2023-1 (Isabel Neighborhood Specific Plan Services) (CFD No. 2023-1) and has provided the attached Unanimous Approval document that constitutes a unanimous vote by TPG AG EHC III (TRU) CA 2, L.P., in favor of annexing their property into CFD No. 2023-1.

DISCUSSION

On June 12, 2023, City Council adopted Resolution 2023-92, approving the formation of CFD No. 2023-1 and a future annexation area (Future Annexation Area) for CFD No. 2023-1 under the Mello-Roos Community Facilities Act of 1982 (Mello-Roos Act). At that meeting, a special election of qualified landowner electors in CFD No. 2023-1 was held at which at least two-thirds of the electors voting approved the levy of the special tax in the original boundaries of CFD No. 2023-1 and an appropriations

limit for CFD 2023-1.

Subsequently, on June 26, 2023, the City Council adopted Ordinance No. 2147, to levy special taxes within CFD No. 2023-1, including any parcels that annex into CFD No. 2023-1.

The Future Annexation Area was established for CFD No. 2023-1 to create a streamlined process for projects to annex into this CFD and contribute maintenance funds for the public amenities and/or infrastructure that are installed within the Isabel Neighborhood Specific Plan. The Future Annexation Area coincides with the boundary of the Isabel Neighborhood Specific Plan area. Parcels within the Future Annexation Area may annex into CFD 2023-1 without any requirement for further public hearings or additional proceedings if their owners execute a unanimous approval (Unanimous Approval), which under the Mello-Roos Act constitutes the vote of the qualified elector in favor of the matters addressed in the Unanimous Approval for purposes of California law.

CFD No. 2023-1 was formed to provide funding for the maintenance and operation of the following public amenities within the Isabel Neighborhood Specific Plan:

- Neighborhood Streets - Main Street, Bicycle Streets, and Pedestrian Streets within the Isabel Neighborhood Specific Plan
- Neighborhood Parks
- Neighborhood Trails
- Neighborhood Plazas Pedestrian Bridge/Tunnel Crossing of Isabel Avenue
- Valley Link Plaza and Pedestrian Bridges
- Valley Link Parking Lot

Costs for CFD No. 2023-1 administration, as well as Alameda County's costs to collect the special taxes, will also be paid with special taxes levied in CFD No. 2023-1.

The Cornerstone project on APN 905-0015-008-00, 905-0015-026-00, 905-0015-027-00, 905-0015-028-00, and 905-0015-029-00 is located within the Future Annexation Area. The conditions of approval for the project require the property owner to participate in a maintenance district to finance the maintenance and operation of services associated with the Isabel Neighborhood Specific Plan. The property owner, TPG AG EHC III (TRU) CA 2, L.P., is fulfilling this obligation by requesting annexation to Community Facilities District No. 2023-1 (Isabel Neighborhood Specific Plan Services) (CFD No. 2023-1) and has executed the attached Unanimous Approval. Unanimous Approval constitutes a unanimous vote by TPG AG EHC III (TRU) CA 2, L.P. in favor of annexing their property to CFD No. 2023-1 and the annual levy of special taxes according to the rate and method of apportionment of the special tax (RMA).

To complete the annexation process for the Cornerstone project, APN 905-0015-008-00, 905-0015-026-00, 905-0015-027-00, 905-0015-028-00, and 905-0015-029-00, the City Council is asked to consider adopting a resolution determining that the property is annexed to CFD No. 2023-01. Adoption of the resolution will annex the project as Tax Zone 23 within CFD No. 2023-1 and direct the City Clerk to record a notice of the annexation with the Alameda County Recorder. Attachment 1 shows a map of the CFD No. 2023-1 boundary with all tax zones created to date. This map will be updated as new tax zones are annexed into CFD No. 2023-1.

FISCAL AND ADMINISTRATIVE IMPACTS

The City will administer CFD No. 2023-01 on an annual basis and will budget for, and manage, the

necessary maintenance, operation, and administration. All related expenditures will be paid by the City with special taxes collected in CFD No. 2023-1. At buildout of the Isabel Neighborhood Specific Plan area, the estimated annual cost for maintaining all the items in the Description of Services for CFD No. 2023-1 is approximately \$1,800,000, plus administrative expenses. As each new development within the specific plan is completed, they will be assessed their pro-rata share of the overall maintenance expenses of CFD No. 2023-1.

With this annexation, Cornerstone becomes Tax Zone 23 in CFD No. 2023-1. The FY 2025-26 Special Tax Requirement Max Cap for Tax Zone 23 is estimated at approximately \$137,123, an average of approximately \$959 per residential unit as shown in Table 9 of Exhibit A to the Resolution. This amount is the pro-rata share of the CFD maintenance costs attributed to Tax Zone 23. The max cap for Tax Zone 23 will adjust on July 1, 2026, and annually each July 1 thereafter, based upon the prior calendar year's change in the Consumer Price Index – All Urban Consumers (San Francisco-Oakland- San Jose, CA) plus one percent (CPI + 1%).

Future annexations will be numbered sequentially as distinct tax zones. Each new zone will be assessed separately, based on their pro-rata share of the maintenance funds for the Isabel Neighborhood Specific Plans public infrastructure and amenities.

COMMUNITY PILLAR

2: Economy That Prospers

GOAL

4: Implement the Isabel Neighborhood Specific Plan

ATTACHMENTS

1. CFD 2023-1 Tax Zone Map
2. Resolution
3. Exhibit A - Unanimous Approval

Prepared by: Kristina Mai
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Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director