



CITY COUNCIL STAFF REPORT

ITEM NO. 6.5

DATE: April 13, 2026

TO: Honorable Mayor and City Council

FROM: Brent Smith, Community Development Director

SUBJECT: A Resolution Initiating and Declaring the Intention to Order the Annexation of the Shea Aura (Tract 8612) Project to City of Livermore Landscape Maintenance District No. LL-857 (Tract 7610), Montage.

RECOMMENDED ACTION

Staff recommends the City Council take the following actions:

1. Accept the petition from the property owner requesting the Initiation and Declaring the Intention to annex Shea Aura (Tract 8612) Project, located at the southeast corner of Isabel Avenue and Portola Avenue, into City of Livermore Landscape Maintenance District No. LL-857, to finance certain maintenance, services; and
2. Adopt a resolution initiating and declaring the Intention to Order the Annexation of the Shea Aura (Tract 8612) Project to City of Livermore Landscape Maintenance District No. LL-857 (Tract 7610), Montage and call for a public hearing on June 8, 2026, to consider the annexation.

DECISION TYPE

Administrative

SUMMARY

Tentative Tract Map 8612 (Shea Aura) was approved by City Council on July 8, 2024. The project was conditioned to annex into City of Livermore Landscape Maintenance District No. LL-857 to provide funding for the maintenance of public amenities installed by Shea Homes, Inc., for the Montage and Sage subdivisions.

To meet this condition of approval for Tract Map 8612, the property owner, Shea Homes, Inc., has submitted a signed petition (Attachment 1) and consents to the annexation of Tract 8612 (Shea Aura) into City of Livermore Landscape Maintenance District No. LL-857 (LMD). The amended boundary of the district is shown in Attachment 2.

Under the Landscaping and Lighting Act of 1972, a Resolution Initiating Annexation and Declaring the

Intention must be adopted to establish the public hearing date for district annexation. The Resolution Initiating Annexation and Declaring the Intention describes maintenance services provided by City of Livermore Landscape Maintenance District No. LL-857. The resolution also establishes the Public Hearing date of June 8, 2026, for the annexation. The Public Hearing allows for public protest of the annexation into the district and enables the City Council to conduct a landowner election. Following the public hearing the City Council will tabulate ballots received for the landowner election. If the assessment ballot tabulation is favorable, the City Council may adopt a Resolution Ordering Annexation to annex Tract 8612 (Shea Aura) into City of Livermore Landscape Maintenance District No. LL-857 and authorize the City Manager to levy the assessment in perpetuity each year based on the rate and method set within the Engineer's Report for the LMD.

With the annexation of Tract 8612 (Shea Aura) into City of Livermore Landscape Maintenance District No. LL-857, the residential units within Tract 8612 will provide their pro-rata share of maintenance funds for the public median landscaping, parks, trails, and irrigation as defined within the Engineer's Report.

DISCUSSION

Development projects with new public amenities such as trails, landscaping, and other public infrastructure are required, through conditions of approval, to provide for the long-term maintenance of the new public infrastructure.

Tentative Tract Map 8612 (Shea Aura), located at the southeast corner of Isabel Avenue and Portola Avenue, was conditioned to annex all new parcels into LMD LL-857 to finance the maintenance and operation of the median landscaping within the public right-of-way on Portola Avenue east of Campus Hill Drive, Cayetano Park area east of Campus Hill Drive, the multi-use trail along Campus Hill Drive and adjacent to the northern property line of Tract 7610, the multi-use trail extending from Collier Canyon Creek to just south of the Portola Avenue overcrossing, median landscaping within the public right-of-way on Campus Hill Drive, and irrigation along west side of Campus Hill Drive.

City of Livermore Landscape Maintenance District No. LL-857 was formed on June 6, 2006, to provide funding for the maintenance of public landscape amenities installed by Shea Homes, Inc., for Tract 7610 Montage, Tract 8121 Sage and Tract 8216 Sage filed in 2015 and 2016, respectively. At the time of district formation, only land that was zoned for residential development was included in the district boundary. The land on which Shea Aura (Tract 8612) is situated, which is adjacent to the City of Livermore Landscape Maintenance District No. LL-857 boundary, was excluded because the land was originally zoned for commercial development back in 2006. With the approval of the Isabel Neighborhood Specific Plan in 2020, the land was rezoned from commercial to residential use.

Tentative Tract Map 8612 was approved by City Council on July 8, 2024. The project was conditioned to annex into City of Livermore Landscape Maintenance District LL-857 to provide funding for the maintenance of public amenities installed by Shea Homes, Inc., for the Montage and Sage subdivisions. In order to fulfill this condition, Shea Homes, Inc., has elected to annex Tract Map 8612 (Shea Aura) into City of Livermore Landscape Maintenance District No. LL-857 pursuant to the Landscaping and Lighting Act of 1972. The amended boundary of the City of Livermore Landscape Maintenance District No. LL-857 is shown in Attachment 2.

Incidental costs for City administration of the LMD maintenance items, as well as Alameda County's processing fees, will also be funded by the LMD.

PROCEDURE - INTENT TO FORM

The City's consultant, Francisco and Associates, has prepared the Engineer's Report for proposed Annexation No. 1 (Shea Aura / Tract 8612) to the City of Livermore Landscape Maintenance District No. LL-857 (Montage) Engineer's Report which outlines the estimated costs, rate and method of apportionment, assessment diagram, and assessment roll for the LMD. (See Attachment 3). The law firm of Jones Hall LLP has prepared the legal documents associated with the LMD annexation. Staff has reviewed the Engineer's Report and legal documents for proposed Annexation No. 1 (Shea Aura / Tract 8612) to City of Livermore Landscape Maintenance District No. LL-857 (Montage), pursuant to which the City will levy the assessments specified in the LMD to pay for the maintenance services described above.

Staff recommends that City Council use the following process to annex Tract 8612 (Shea Aura) into Livermore Maintenance District No. LL-857:

April 13, 2026 - City Council receives the executed petition from the landowner/developer for the proposed annexation into the LMD; petition asks City Council to incorporate Tract 8612 (Shea Aura) into City of Livermore Landscape Maintenance District No. LL-857.

April 13, 2026 - City Council adopts the Resolution Initiating and Declaring the Intention to order the annexation of Tract 8612 (Shea Aura) into City of Livermore Landscape Maintenance District No. LL-857. This Resolution will set the date, time, and place of the public hearing along with the next City Council agenda item, which is anticipated to be held on June 8, 2026. Prior to the adoption of the Resolution Initiating and Declaring the Intention, the Engineer's Report must be filed with the City Clerk. The Engineer's Report describes the services that will be required to adequately meet the needs of the LMD and estimates the fair and reasonable cost of the services and incidental expenses related to the services, and all other related costs.

Following the adoption of the Resolution Initiating Annexation and Declaring the Intention to Order the Annexation of the Shea Aura (Tract 8612) to City of Livermore Landscape Maintenance District No. LL-857 (Montage), the Engineer's Report will be available for public review at City Hall. A mailed notice and ballot will be sent to the respective property owner(s) prior to the City Council public hearing on June 8, 2026.

June 8, 2026 - City Council holds a public hearing and adopts a Resolution Ordering Annexation which annexes Tract 8612 (Shea Aura) into City of Livermore Landscape Maintenance District No. LL-857 and adopts the Engineer's Report for Annexation No. 1 (Shea Aura / Tract 8612) to City of Livermore Landscape Maintenance District No. LL-857 (Montage). Upon adoption of the Resolution, the City Clerk is directed to file and record the assessment diagram with the City's Superintendent of Streets and the County's Recorder office in accordance with the Streets and Highways Code Section 3114. City Council authorizes the City Manager to levy the assessment in perpetuity each year based on the Rate and Method set within the Engineer's Report for the LMD. After confirmation of the recorded assessment and diagram, the City Clerk shall record a notice of assessment in the County's Recorder office.

August 10, 2026 is the deadline to file the tax assessment with Alameda County for FY 2026-27.

FISCAL AND ADMINISTRATIVE IMPACTS

The City will administer the LMD on an annual basis and will budget for, and manage, the necessary maintenance, operation, and administration. All related expenditures will be paid by the LMD. The total estimated annual cost for maintaining all the items in the Description of Services for the LMD is approximately \$688,929.

The FY 2026-27 Maximum Assessment Rate is estimated at \$573 per residential unit. The Maximum Assessment Rate is determined by dividing the total estimated annual cost by the number of units within the assessable LMD parcels. The maximum assessment rate will escalate annually each February 1 based upon the prior calendar year's change in the Consumer Price Index (CPI) - All Urban Consumers (San Francisco-Oakland-Hayward) plus one percent (CPI +1%). There will be a total of 1,204 units in the LMD consisting of 1,040 existing units in Sage and Montage and 164 new units in Shea Aura. Adding the new units in Shea Aura will reduce the annual assessments for the existing units.

COMMUNITY PILLAR

2: Economy That Prospers

GOAL

4: Implement the Isabel Neighborhood Specific Plan

ATTACHMENTS

- 1. Landowners Petition (Signed)
- 2. Amended Assessment Diagram
- 3. Annexation No. 1 to the Engineer's Report
- 4. Resolution
- 5. Exhibit A - Description of Services

Prepared by: Leo Sum
Assistant Civil Engineer

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director