



## **CITY COUNCIL STAFF REPORT**

**ITEM NO. 7.1**

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**DATE:** June 8, 2026

**TO:** Honorable Mayor and City Council

**FROM:** Brent Smith, Community Development Director

**SUBJECT:** Public Hearing, ballot tabulation, and actions related to the annexation of Shea Aura (Tract 8612) to City of Livermore Landscape Maintenance District No. LL-857 (Tract 7610) Montage, adopting the engineer's report, confirming the levy of the first assessment and directing actions with respect thereto.

### **RECOMMENDED ACTION**

Staff Recommends the City Council take the following actions in connection with the proposed annexation of Shea Aura (Tract 8612) to Landscape Maintenance District No. LL-857 (Tract 7610) Montage:

1. Conduct the public hearing and consider written and oral protests;
2. Tabulate ballots from the landowner; and
3. If there is no majority protest represented by the landowner ballot, adopt a resolution ordering the annexation of Shea Aura (Tract 8612) to Landscape Maintenance District No. LL-857 (Tract 7610) Montage, adopting the Engineer's Report, confirming the levy of the first assessment and directing actions with respect thereto.

### **SUMMARY**

Tentative Tract Map 8612, Shea Aura, was approved by City Council on July 8, 2024. Located on the southeast corner of Portola Avenue and Isabel Avenue, the project was conditioned to annex into Landscape Maintenance District No. LL-857 (Tract 7610) Montage (LMD) to provide funding for the maintenance of public amenities installed by Shea Homes, Inc. (Shea Homes), for the Montage and Sage residential subdivisions. To meet this condition of approval for Tract Map 8612, the owner of the parcels described in Tract Map 8612, Shea Homes, has petitioned the City Council to annex Shea Aura (Tract 8612) into the Landscape Maintenance District (LMD) No. LL-857.

On April 13, 2026, the City Council adopted a resolution initiating and declaring the Intention to Order the Annexation of Shea Aura (Tract 8612) to the LMD and set the date for the public hearing on June 8, 2026, to consider the annexation. On May 18, 2026, a ballot was mailed to Shea Homes, as sole owner of the property comprising Tract 8612, referencing the Engineer's Report for the annexation. Ballots are

due to the City Clerk no later than 7:00 pm on June 8, 2026.

The public hearing, in furtherance of applicable constitutional and statutory requirements, is intended to allow the owners of the property annexing into Landscape Maintenance District No. LL-857 to protest the annexation. Following the public hearing the City Council will tabulate the ballot received for the landowner election from Shea Homes. If the assessment ballot tabulation does not evidence a majority protest, the City Council may adopt a resolution ordering the annexation of Shea Aura (Tract 8612) into the LMD, adopting the Engineer's Report related to the annexation, and confirming the first levy of the assessment on the annexing property.

With this annexation the boundary of the LMD is adjusted to include Shea Aura (Tract 8612) in the LMD, and the residential units within Tract 8612 will provide their pro-rata share of maintenance funds for the public amenities 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) was approved by City Council on July 8, 2024. Located at the southeast corner of Isabel Avenue and Portola Avenue, the project was conditioned to annex all new parcels into the LMD 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. In order to fulfill this condition, Shea Homes, has petitioned the City to annex Shea Aura (Tract Map 8612) into the LMD pursuant to the Landscaping and Lighting Act of 1972.

The LMD was formed on June 26, 2006, to provide funding for the maintenance of public landscape amenities listed above and installed by Shea Homes, for Tract 7610 Montage, Tract 8121 Sage, and Tract 8216 Sage. 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 LMD 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.

The City's consultant, Francisco and Associates, has prepared the Engineer's Report for proposed Annexation No. 1 (Shea Aura / Tract 8612) to the LMD. The Engineer's Report outlines the estimated costs, method of apportionment, amended assessment diagram, and assessment roll for the LMD (See Attachment 1). 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 the LMD, 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 follow the remaining steps to annex Shea Aura (Tract 8612) into the

subject LMD as conditioned:

June 8, 2026: City Council conducts a public hearing and tabulates ballots from the landowner. If the ballot by Shea Homes, as the sole landowner does not evidence a majority protest, the City Council may adopt a Resolution Ordering Annexation of Shea Aura (Tract 8612) into the LMD and adopt the Engineer's Report for the LMD and confirm the first assessment on Tract 8612. Upon adoption of the Resolution, the City Clerk is directed to record the amended assessment diagram and a notice of assessment with the County Recorder's Office. The Resolution confirms the levy of the assessment in Fiscal Year 2026-27, and the City expects to levy the assessment in each succeeding year based on the Method of Apportionment set within the Engineer's Report.

August 10, 2026: 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 cost in FY 2026-27 for maintaining all the items described in the Engineer's Report is approximately \$688,929. 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.

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 cost of the special benefits provided by the improvements by the number of units within the assessable LMD parcels. The maximum assessment rate will escalate annually by 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) in February plus 1%. (CPI + 1%). Following annexation, the LMD will include a total of 1,204 residential 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 residential units.

### **COMMUNITY PILLAR**

2: Economy That Prospers

### **GOAL**

4: Implement the Isabel Neighborhood Specific Plan

### **ATTACHMENTS**

1. [Engineer's Report](#)
2. [Resolution](#)
3. [Exhibit A - Description of Services](#)

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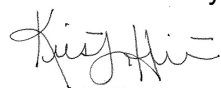
Approved by:



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Marianna A. Burch  
City Manager

Fiscal Review by:



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Kristen Hilton  
Acting Administrative Services Director