



## **CITY COUNCIL STAFF REPORT**

**ITEM NO. 5.6**

**DATE:** July 28, 2025

**TO:** Honorable Mayor and City Council

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

**SUBJECT:** Resolution determining Tract 8612, Shea Aura, located south of Portola Avenue and west of Tranquility Circle, 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 adopt a resolution determining Tract 8612, Shea Aura, located south of Portola Avenue and west of Tranquility Circle, 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.

### **SUMMARY**

The Shea Aura townhomes project, Tract 8612, located south of Portola Avenue and west of Tranquility Circle, 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, Shea Homes, Inc., is fulfilling this obligation by requesting annexation to Community Facilities District (CFD) 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 Shea Homes, Inc. 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 CFD No. 2023-1 and contribute maintenance funds for the public amenities and/or infrastructure that is 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 Shea Aura townhomes project, Tract 8612, 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, Shea Homes, Inc. is fulfilling this obligation by requesting annexation to Community Facilities District No. 2023-1 and has executed the attached Unanimous Approval. Unanimous Approval constitutes a unanimous vote by Shea Homes, Inc. 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 Shea Aura townhomes project, Tract 8612, 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 6 within the 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 the CFD No. 2023-1.

With this annexation, Shea Aura townhomes project becomes Tax Zone 6 in CFD No. 2023-1. The FY 2024-25 Special Tax Requirement Max Cap for Zone 6 is estimated at \$84,654, an average of \$516 per residential unit as shown in Table 6 of Exhibit A to the Resolution. This amount is the pro-rata share of the CFD maintenance costs attributed to Tax Zone 6. The max cap for Tax Zone 6 will increase on July 1, 2025, 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 Plan 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: Leo Sum  
Assistant Civil Engineer

Approved by:



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Marianna A. Burch  
City Manager

Fiscal Review by:



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Tina Olson  
Administrative Services Director