LIVERMORE
CALIFORNIA

CITY COUNCIL

AGENDA
MONDAY, JANUARY 22, 2024

REGULAR MEETING – 7:00 PM

MEETING PARTICIPATION INFORMATION CAN BE FOUND AT THE END OF THE AGENDA

IN PERSON INFORMATION:
CIVIC CENTER MEETING HALL
CITY COUNCIL CHAMBERS
1016 S. LIVERMORE AVENUE

ZOOM IS CURRENTLY SUSPENDED UNTIL FURTHER NOTICE

CITY OF LIVERMORE YOUTUBE CHANNEL:
https://www.youtube.com/c/CityofLivermoreCalifornia

TV29:
Comcast TV Channel 29
tv29live.org

John P Marchand, Mayor
Robert W Carling, Vice Mayor
Ben Barrientos, Council Member
Evan Branning, Council Member
Brittni Kiick, Council Member

1. CLOSED SESSION - NONE.

2. CALL TO ORDER

ROLL CALL

Council Member Ben Barrientos
Council Member Evan Branning
Council Member Brittni Kiick
Vice Mayor Robert W. Carling
Mayor John Marchand

PLEDGE OF ALLEGIANCE

3. PROCLAMATIONS AND PRESENTATIONS

3.1 Library Board of Trustees annual update presented by Chair Richard Hunt.

Recommendation:
Staff recommends the City Council accept the Library Board of Trustees annual update.

Staff Report

3.2 Citywide Strategic Plan Annual Update presented by Stephanie Egidio, Assistant to the City Manager.

Recommendation:
Staff recommends the City Council receive an update on the 2023-28 Citywide Strategic Plan.

Staff Report
Attachments:
1. Strategic Plan Annual Update 2023

4. OPEN FORUM

- In conformance with the Brown Act, no City Council action can occur on items presented during Open Forum.
- To provide public comment in person, please submit a speaker card. When your name is called, walk to the lectern to address City Council.
- Comments are limited to a maximum of 3 minutes per person, per item. The Mayor may reduce the amount of time based on the number of persons wishing to speak.
- Comments are limited to one comment per person per item regardless of format or time submitted (this includes email and e-comment submissions prior to the meeting as well as live comments during the meeting).
- Open Forum will conclude after 30 minutes; however, if there are additional speakers, Open Forum will reconvene before the meeting adjourns.

5. CONSENT CALENDAR

Consent Calendar items are considered routine and are acted upon by the City Council with a

single action. Members of the audience wishing to provide public input must submit a speaker card found at the entrance of the Council Chambers. A speaker is limited to a single comment with a maximum of three minutes for the entire Consent Calendar. If Consent Calendar items are pulled for discussion by the City Council, a speaker will be allowed one comment on the items pulled for discussion and a separate comment for the remaining Consent Calendar. The one comment limit applies regardless of format or time submitted (this includes email and e-comment submissions prior to the meeting as well as live comments during the meeting).

5.1 Approval of draft minutes - January 8, 2024 Regular Meeting.

Recommendation:
Staff recommends the City Council approve the draft minutes.

Staff Report
Attachments:
1. Draft 2024-01-08

5.2 Resolution authorizing the acceptance for permanent maintenance, release of the security bonds, and execution of a Notice of Completion for the 2023 Storm Damage Repair (Arroyo Mocho Sites) Debris Removal Project No. S202300A, and Permanent Repair Project No. S202300P.

Recommendation:
Staff recommends the City Council adopt a resolution authorizing the acceptance for permanent maintenance, release of the security bonds, and authorizing the City Manager to sign the Notice of Completion for the 2023 Storm Damage Repair (Arroyo Mocho Sites) Debris Removal Project No. S202300A, and Permanent Repair Project No. S202300P.

Staff Report
Attachments:
1. Location Map
2. Resolution
3. Exhibit A - Notice of Completion

5.3 Resolution authorizing execution of an agreement with Schaaf and Wheeler Consulting Civil Engineers, in an amount not-to-exceed $681,701 with a term ending December 30, 2025, to provide design and construction support services for large trash capture devices in connection with Storm Drain Trash Capture Project 2024-25.

Recommendation:
Staff recommends the City Council adopt a resolution authorizing the City Manager to execute an engineering services agreement with Schaaf and Wheeler Consulting Civil Engineers, in an amount not-to-exceed $681,701 with a term ending December 30, 2025, to provide design and construction support services for the Storm Drain Trash Capture Project 2024-25.

Staff Report
Attachments:
1. Location Map

2. Resolution
3. Exhibit A - Agreement

5.4 Resolution authorizing a supplemental appropriation in the amount of $50,000 in FY 2023-24 and awarding an agreement with GradeTech, Inc. in an amount not-to-exceed $394,216, for a duration not-to-exceed 60 working days, for the construction of the Montage Trail Connection to Collier Canyon Road Project 2019-44.

Recommendation:
Staff recommends the City Council adopt a resolution for the Montage Trail Connection to Collier Canyon Road Project 2019-44:

1. Authorizing a supplemental appropriation of Fund 651 (Gas Tax – SB1) in the amount of $50,000 in FY 2023-24;
2. Awarding a construction contract to GradeTech, Inc. in an amount not-to-exceed $394,216, and authorizing the City Manager to sign the agreement attached as Exhibit A to the resolution;
3. Rejecting all other bids or proposals; and
4. Authorizing the City Manager to take whatever actions are necessary and appropriate to carry out the purpose and intent of this resolution including approving minor changes to the proposed agreement.

Staff Report
Attachments:
1. Location Map
2. Resolution
3. Exhibit A - Agreement

5.5 Resolution authorizing execution of an Affordable Housing Loan Agreement, Affordable Housing Regulatory Agreement, and Declaration of Restrictive Covenants and related documents with Tri-Valley REACH, Inc. for rehabilitation of an affordable shared home located at 772 Camden Common.

Recommendation:
Staff recommends the City Council adopt a resolution:

1. Authorizing a loan to Tri-Valley REACH, Inc. in the amount of $116,796 from State Permanent Local Housing Allocation (PLHA) to assist with the rehabilitation of 772 Camden Common; and
2. Authorizing the City Manager, or her designee, to execute the Affordable Housing Loan Agreement, attached as Exhibit A to the Resolution and the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants, attached as Exhibit B to the Resolution, between the City of Livermore and Tri-Valley REACH, Inc. for 772 Camden Common and all other related documents authorized and described in those agreements.

Staff Report
Attachments:
1. Resolution
2. Exhibit A - Affordable Loan Agreement

3. Exhibit B - Affordable Housing Regulatory Agreement

5.6 Resolution authorizing the execution of a first amendment to the agreement with Gary D. Nelson Associates, Inc., dba Nelson Connects for temporary accounting services increasing the total compensation by $110,000 for a total not-to-exceed amount of $200,000, extending the term of the agreement through July 2024.

Recommendation:
Staff recommends the City Council adopt a resolution authorizing the execution of a first amendment to the agreement with Gary D. Nelson Associates, Inc., dba Nelson Connects for temporary accounting services increasing the total compensation by $110,000 for a total not-to-exceed amount of $200,000, extending the term of the agreement through July 2024.

Staff Report
Attachments:
1. Resolution
2. Exhibit A - First Amendment

5.7 Resolution accepting the Annual Comprehensive Financial Report (ACFR) and Other Audit Reports for the Fiscal Year ended June 30, 2023.

Recommendation:
Staff recommends the City Council adopt a resolution accepting the following reports for Fiscal Year 2022-23 as completed:

- Annual Comprehensive Financial Report, and ratify and approve the audited financial statements presented therein in accordance with Government Code §37208;
- Alameda County Transportation Commission Measure B Program Financial Statements;
- Alameda County Transportation Commission Measure BB Program Financial Statements;
- Alameda County Transportation Commission Vehicle Registration Fee (VRF) Measure F Program Financial Statements;
- Agreed Upon Procedures for Compliance with the Proposition 111 2022-23 Appropriations Limit Increment;
- Memorandum of Internal Control; and
- Required Communications.

Staff Report
Attachments:
1. Resolution
2. Exhibit A - Annual Comprehensive Financial Report
3. Exhibit B - ACTC Measure B Funds Financial Statements
4. Exhibit C - ACTC Measure BB Funds Financial Statements
5. Exhibit D - ACTC Vehicle Registration Fee Program (VRF) Financial Statements
6. Exhibit E - Independent Accountant's Report on Applying Agreed Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation
7. Exhibit F - Independent Auditor's Report on Internal Control Over Financial Reporting and

on Compliance and Other Matters
8. Exhibit G - Required Communications

5.8 Update on Host Community Impact Fee Reserve Policy.

Recommendation:
Staff recommends City Council receive the update.

Staff Report
Attachments:
1. Host Community Impact Fee Report
2. Fund Balance Projection

5.9 Resolution amending the City of Livermore Compensation Policy to reflect best practices.

Recommendation:
Staff recommends the City Council adopt a resolution amending the City of Livermore Compensation Policy to reflect best practices.

Staff Report
Attachments:
1. Redlined Compensation Policy
2. Resolution
3. Exhibit A - Compensation Policy

5.10 Resolution of continued local emergency in response to impacts from a series of severe storm events earlier this year.

Recommendation:
Staff recommends the City Council adopt a resolution of continued local emergency in response to impacts from a series of severe storm events earlier this year.

Staff Report
Attachments:
1. Resolution

6. PUBLIC HEARINGS

Comments are limited to one comment per person per item regardless of format or time submitted (this includes email and e-comment submissions prior to the meeting as well as live comments during the meeting).

6.1 Public hearing, landowner election, declaration of results, and actions related to formation of Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) located on the east and west side of the Arroyo Seco Channel along Las Positas Road pursuant to the Mello-Roos Community Facilities Act of 1982.

Recommendation:
Staff recommends the City Council take the following actions in connection with the proposed formation of Community Facilities District No. 2023-2:

1. Conduct the public hearing and consider written and oral protests;
2. Adopt the resolution of formation of a Community Facilities District;
3. Adopt a resolution calling a special landowner election for a community facilities district, and direct the City Clerk to complete the landowner elections;
4. Adopt a resolution declaring the results of the special landowner election and, if the election is successful, direct recording of Notice of Special Tax Lien; and
5. **Introduce an ordinance** levying special taxes within the CFD.

Staff Report
Attachments:
1. Resolution of Formation
2. Exhibit A - Description of Services
3. Exhibit B - Rate and Method of Apportionment
4. Resolution Calling for Election
5. Exhibit A - Full Text of Ballot Measures
6. Exhibit B - Abbreviated Ballot Measures
7. Exhibit C - Official Ballot
8. Resolution Declaring Results
9. Exhibit A - Canvass and Statement of Result of Election
10. Ordinance

7. MATTERS FOR CONSIDERATION - NONE.

Comments are limited to one comment per person per item regardless of format or time submitted (this includes email and e-comment submissions prior to the meeting as well as live comments during the meeting).

8. COUNCIL COMMITTEE REPORTS AND MATTERS INITIATED BY CITY MANAGER, CITY ATTORNEY, AND COUNCIL MEMBERS

9. ADJOURNMENT

To a Regular City Council meeting on Monday, February 12, 2024 at 7:00 pm, Civic Center Meeting Hall, City Council Chambers, 1016 S. Livermore Avenue.

10. SUPPLEMENTAL MATERIALS

10.1 Supplemental materials received prior to the meeting.

Staff Report
Attachments:
1. Supplemental Materials

10.2 Supplemental materials received at the meeting.
Staff Report
Attachments:
1. Items Received at the Meeting

11. HOW TO PARTICIPATE IN YOUR CITY COUNCIL MEETING

You can participate in the meeting in a number of ways:

Open Forum is an opportunity for the public to speak regarding items not listed on the agenda. Speakers are limited to a maximum of 3 minutes per person. To address the City Council in person, you must submit a speaker card to the City Clerk prior to the start of that item. Please note that the City Council is prohibited by State law from taking action on any items that are not listed on the agenda. However, if your item requires action, the City Council may place it on a future agenda or direct staff to work with you and/or report to the City Council on the issue.

Public Hearings - The topic of the hearing is typically summarized by staff, followed by a presentation by the applicant, and questions from the City Council. The Mayor will then open the hearing to the public and offer an opportunity for public comments. Speakers are limited to a maximum of 3 minutes per person. To address the City Council in person, you must submit a speaker card to the City Clerk prior to the start of the presentation of the item.

Other Agenda Items are also open for public input including Consent Calendar or Matters for Consideration items. These comments are also subject to the 3-minute limit.

Special Meetings, Workshops - The public will have the opportunity to address the City Council regarding the item that is the subject of the special meeting or workshop. Public comments are limited to a maximum of 3 minutes per person.

Platforms to Participate in Meetings:

Submission of Comments Prior to the Meeting:

Email Comments may be submitted by the public to the City Clerk's Office (cityclerk@LivermoreCA.gov). Items received no later than 12:00 pm on the day of the meeting will be provided to the City Council and available on the City website prior to the meeting. These items will NOT be read into the record.

eComments may be submitted by the public using the eComment link here. Comments may be up to 1000 characters in length and will be accepted up until 4:00 pm the day of the meeting. These items will NOT be read into the record and are viewable by the City Council and the public upon submittal.

Submission of Comments During the Meeting:

Speakers are limited to a maximum of 3 minutes per person. To submit a comment you must complete a speaker card for each item. Speaker cards are available in the Civic Center Meeting Hall lobby. Indicate on the card the item number you wish to comment on and submit the card directly to the City Clerk prior to the start of the item. Please note that the City Council is prohibited by State law from taking action on any items that are not listed on the agenda. However, if your item requires action, the City Council may place it on a future agenda or direct staff to work with you and/or report to the City Council on the issue.

The City will be using YouTube and TV29 as two tools to provide the public access to view City Council meetings. No public comment will be accepted via YouTube.

TV29: tv29live.org Comcast Cable 29

YouTube: http://youtube.com/c/CityofLivermoreCalifornia

If you would like to deliver written materials to the City Council as part of your public comment, please provide 10 copies to the City Clerk with your speaker card.

The **City Council Agenda and Agenda Reports** are prepared by City staff and are available for public review on Tuesday evening, six days prior to the City Council meeting in the Civic Center Library, 1188 South Livermore Avenue, Livermore, and at the City Clerk's Office, 1052 South Livermore Avenue, Livermore. The Agenda is also available on the City's website, http://LivermoreCA.gov/agenda.

Under Government Code §54957.5, any **supplemental material** distributed to the members of the City Council after the posting of this agenda will be available for public review in the City Clerk's Office, 1052 South Livermore Avenue, Livermore, and included in the agenda packet available on the City's web site at http://LivermoreCA.gov/agenda.

PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (CODIFIED AT 42 UNITED STATES CODE SECTION 12101 AND 28 CODE OF FEDERAL REGULATIONS PART 35), AND SECTION 504 OF THE REHABILITATION ACT OF 1973, THE CITY OF LIVERMORE DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, ANCESTRY, SEX, DISABILITY, AGE OR SEXUAL ORIENTATION IN THE PROVISION OF ANY SERVICES, PROGRAMS, OR ACTIVITIES. TO ARRANGE AN ACCOMMODATION IN ORDER TO PARTICIPATE IN THIS PUBLIC MEETING, PLEASE CONTACT THE ADA COORDINATOR AT ADACOORDINATOR@LIVERMORECA.GOV OR CALL (925) 960-4170 (VOICE) OR (925) 960- 4104 (TDD) AT LEAST THREE (3) BUSINESS DAYS IN ADVANCE OF THE MEETING.

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 3.1**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Anwan Baker, Library Director

SUBJECT: Library Board of Trustees annual update presented by Chair Richard Hunt.

RECOMMENDED ACTION

Staff recommends the City Council accept the Library Board of Trustees annual update.

SUMMARY

DISCUSSION

ATTACHMENTS

Prepared by: Allen McFarland
Management Analyst II

Approved by:

Marianna Marysheva
City Manager

Fiscal Review by:

Tina Olson
Administrative Services Director

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 3.2**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Marianna Marysheva, City Manager

SUBJECT: Citywide Strategic Plan Annual Update presented by Stephanie Egidio, Assistant to the City Manager.

RECOMMENDED ACTION

Staff recommends the City Council receive an update on the 2023-28 Citywide Strategic Plan.

SUMMARY

DISCUSSION

ATTACHMENTS

1. Strategic Plan Annual Update 2023

Prepared by: Stephanie Egidio
Assistant to the City Manager

Approved by:

Marianna Marysheva
City Manager

Fiscal Review by:

Tina Olson
Administrative Services Director

CITY OF LIVERMORE CALIFORNIA

Strategic Plan Annual Update 2023

This report includes a high-level overview of the work completed by City staff implementing the citywide Strategic Plan.



Strategic Plan Overview

Livermore's strategic plan is a five-year road map to guide the organization's budget and work plan. The strategic plan reflects the community's values and is informed by the City's vision, mission, values, and community input from a variety of sources including the National Community Survey. Additionally, the strategic plan is shaped by many of the organization's guiding documents, such as the General Plan, Climate Action Plan, and Financial Plan. The five-year strategic plan creates a framework for allocating limited resources in accordance with the organization's goals, focusing City investment on areas deemed most important.

The strategic plan is organized around five broad **Community Pillars** and each pillar identifies **Goals** and **Objectives** which will be implemented to uphold each pillar. Goals and objectives are time-defined and have assigned departments responsible for implementation.

Community Pillars - building blocks that reflect the community's values, and the City's vision, mission, and organizational values.

Goals - generally broad, achievable outcomes.

Objectives - shorter-term, measurable actions to achieve each goal.



Annual Update - 2023

This is the first annual update of the City of Livermore's five-year Strategic Plan for years 2023 through 2028. This report includes a high-level overview of the work completed by City staff implementing the plan.

Report Organization - This report is organized by Community Pillar with updates grouped under Goal categories (e.g., Emergency Preparedness, Innovation, Major Development).



Year 2023 at a Glance

The City organization includes 490 employees across nine departments. Here is a snapshot of the achievements from the past year that enhance the quality of life for all community members.



Hosted or supported over 35 community events

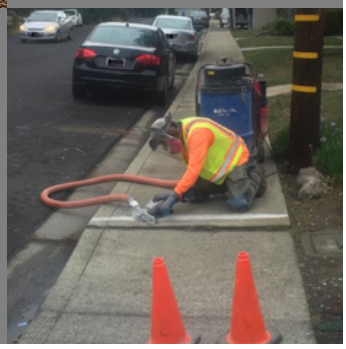


Converted 27,800 square feet of turf to low water use landscape on City property

Led over 60 Community Emergency Response Team events



Repaired approximately 500 City-owned and maintained sidewalk locations





Engaged, presented to, and met with over 1,100 people about the General Plan Update



Hosted over 200 people at a Climate and Environment Expo

Produced four Business Spotlight videos



Saved over 23 million gallons of drinking water



Year 2023 at a Glance



Approved three residential projects that include over 2,200 units in the Isabel Neighborhood



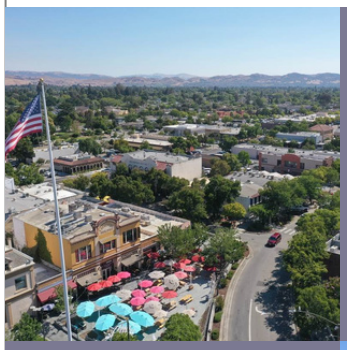
Communicated wtih over 135,000 followers and subscribers to City social media accounts and e-newsletter

Served over 4,000 customers at the permit counter



1,600 people attended 21 Storytime in the Park events





Received $2,589,000 in state and federal grants in fiscal year 2022-23



Issued 367 Mayor's Certificates, Recognitions, and Proclamations

Completed 166 ADA compliant curb ramp improvements



Published 28 videos to the City's YouTube channel (excluding council meetings)



A Safe Community That Thrives

Support facilities, design programs and ensure compliance with regulations that create a healthy, resilient, and engaged community that is prepared, safe, and housed.

Emergency Preparedness

- Continued collaboration on disaster training exercises and community outreach, participating in six City-hosted events.
  - Emergency Preparedness guides printed in English and Spanish now available at all City facilities and through school and park districts.
  - Regular public messaging via social media and newsletters.
- Advanced toward accrediting the City's Emergency Management Program, strengthening the City's preparedness and response system.
- Continued to update the Emergency Operations Center (EOC) to support emergency operations in the event of a disaster.
- Hosted Community Emergency Response Team (CERT) academies and integrated CERT into the City's EOC plans.
  - CERT volunteers participated in over 60 events and meetings.



ATTACHMENT 1

A Safe Community That Thrives

Public Safety

- Hired a new Crisis Intervention Specialist within the Livermore Police Department who will partner with an officer and function as a Mobile Evaluation Team to provide emergency crisis assessments, intervention services, and community outreach.
- Hosted or supported 34 community events, including: National Night Out, Stuff the Cruiser, Shop With a Cop, Badges for Books, Unity Walk With a Cop, Trunk or Treat, Catalytic Converter Anti-Theft Etching events, and more.
- Hosted the first Livermore Police Youth Academy in 13 years.
  - Attended by 27 students ages 13 to 17.
  - Completed 21 hours of training over two weeks.
  - Diverse class comprised of students from: 5 middle schools, 3 public high schools, 1 distance learning high school, 1 private high school, 2 home school groups.
- Horizons Family Counseling served 702 youth and expanded to four K-5th grade schools in Livermore.
- Studying ways to improve Alameda County Emergency Response to minimize delays in ambulance response time.
- Established a collaboration with Las Positas College for fire academy participants to receive college credits.
- Launched a Community Risk Assessment with regards to fire department operations.



A Safe Community That Thrives

Development, Permitting, and Housing and Human Services

- California Department of Housing and Community Development Certified the City's 2023-2031 Housing Element, earlier than most other California cities.
- Completing construction of Vineyard 2.0, a 23-unit permanent supportive housing project that includes Open Heart Kitchen's commercial kitchen, and a community resource center. Obtained $862,000 from the state for additional homeless services and operations.
- Worked with Satellite Affordable Housing Associates to submit funding applications and secure a Department of Housing and Urban Development loan of $7 million for half of the units in phase one of the Pacific Avenue Senior Apartments.
- Funded 15 projects from nine agencies totaling $1,060,757 under the City's Housing and Human Services grants process.
- Supported six eviction moratorium workshops where 42 Livermore residents facing evictions received legal support. Answered 600+ inquiries regarding affordable housing, rent increases, and tenant/landlord disputes.
- Executed agreements for 40 new affordable for-sale housing units for median and moderate income, first-time homebuyers in Livermore.
- Executed the agreement with the Livermore Housing Authority to provide rental subsidies and support services funding through the state Family Homelessness Challenge Grant for up to 12 unhoused families with children enrolled in the Livermore Valley Joint Unified School District.
    - Housed the first family of five that included four LVJUSD students in Leahy Square.



A Safe Community That Thrives

Development, Permitting, and Housing and Human Services

- Achieved the following outcomes through a services contract with CityServe of the Tri-Valley:
  - 25 clients were able to obtain vital documents.
  - 4 clients connected to veteran services.
  - 66 clients were connected to shelter options and resources.
  - 15 clients utilized other shelter services available after being provided a hotel stay.
  - 36 clients were referred to permanent housing options.
  - 24 clients became permanently housed.
  - 12 clients obtained a housing voucher.
  - 32 clients were connected to physical or mental health services.
  - 6 clients were connected to addiction treatment.
  - 40 clients were referred to employment navigation.
  - 18 clients obtained employment.
- Completed environmental review required by the Department of Housing and Urban Development to move forward with federal funding for the Tri-Valley Haven emergency shelter rebuild and provided $483,806 in Community Development Block Grant Program capital funds.



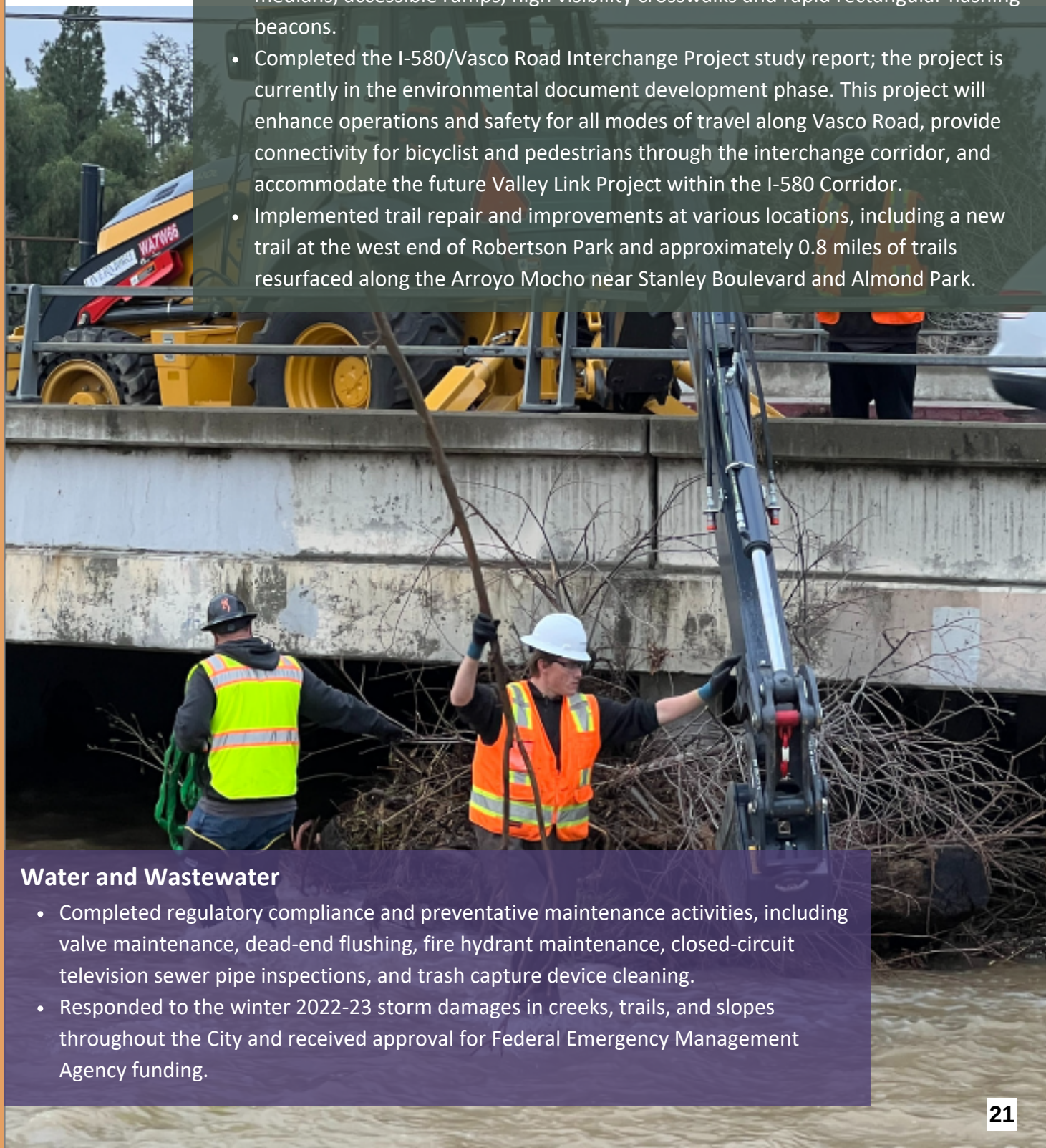
Development, Permitting, and Housing and Human Services

- Accepted the first new residents into Legacy Livermore, which offers 222 apartments and 14,000 square feet of new commercial space in the heart of downtown, expanding the flex zone streetscape west to M Street.
- Reviewing final tract maps for the Arroyo Vista West and East Tracts, which will provide 86 single-family detached units, 241 townhome units, and 108 apartment units in the area of Las Positas Road and Arroyo Vista.

A Safe Community That Thrives

Transportation and Traffic Safety

- Protected the City's roadway network by resurfacing six miles of roadways.
- Improved pedestrian and bicyclist mobility and safety by upgrading 166 ADA-compliant pedestrian ramps and installing nearly four miles of new buffered bike lanes.
- Installed various safety improvements at seven intersections, including bulb-outs, medians, accessible ramps, high visibility crosswalks and rapid rectangular flashing beacons.
- Completed the I-580/Vasco Road Interchange Project study report; the project is currently in the environmental document development phase. This project will enhance operations and safety for all modes of travel along Vasco Road, provide connectivity for bicyclist and pedestrians through the interchange corridor, and accommodate the future Valley Link Project within the I-580 Corridor.
- Implemented trail repair and improvements at various locations, including a new trail at the west end of Robertson Park and approximately 0.8 miles of trails resurfaced along the Arroyo Mocho near Stanley Boulevard and Almond Park.



Water and Wastewater

- Completed regulatory compliance and preventative maintenance activities, including valve maintenance, dead-end flushing, fire hydrant maintenance, closed-circuit television sewer pipe inspections, and trash capture device cleaning.
- Responded to the winter 2022-23 storm damages in creeks, trails, and slopes throughout the City and received approval for Federal Emergency Management Agency funding.

A Safe Community That Thrives

Neighborhood Preservation, Risk Management, and Regulation

- Responded to 967 complaints and resolved over 90% of all cases involving graffiti, abandoned shopping carts, overgrown vegetation, illegal dumping, and illegal structures.
- Closed 60% of new claims submitted under the workers compensation program and achieved a 41% reduction on new claims entered in the Total Number of Disability Days per Lost Time Claim.
- Added Summary Abatement of Graffiti to the Municipal Code to maintain the community's visual appeal, protect public and private property and promote a sense of safety and security among residents.
- Continued collaboration with regional partners to prevent illegal sideshow activities, which include reckless driving and behavior.
- Increased patrols for fireworks-related activities and enforced new City ordinance.
  - Fireworks calls for service decreased by 13% from June 30-July 4.
  - Seized 30 pounds of illegal fireworks.
- Updated the City's sign ordinance to prevent sign placement in the public right-of-way, which includes city streets, medians, and sidewalks.

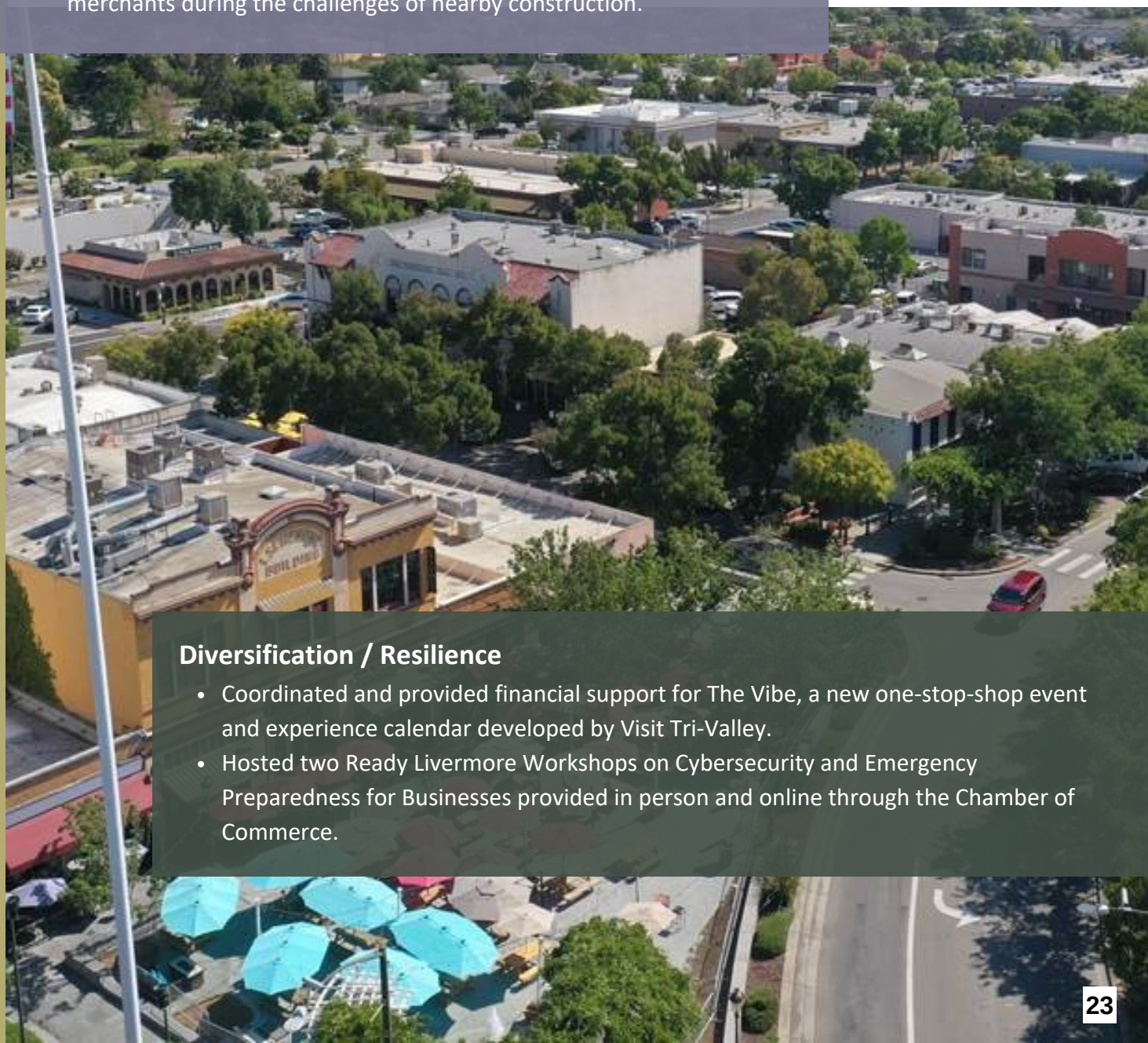


Economy That Prospers

Encourage a thriving business environment that results in a strong, diverse, resilient economy and supports community prosperity.

Business Engagement

- Established the Business Spotlight video series. Produced and publicized the first four videos in the series.
- Provided effective project facilitation and liaison support with downtown merchants during the challenges of nearby construction.



Diversification / Resilience

- Coordinated and provided financial support for The Vibe, a new one-stop-shop event and experience calendar developed by Visit Tri-Valley.
- Hosted two Ready Livermore Workshops on Cybersecurity and Emergency Preparedness for Businesses provided in person and online through the Chamber of Commerce.

Economy That Prospers

Major Development

- Continued buildout of the Isabel Neighborhood, located in the northwest part of the City generally centered around Isabel Avenue at I-580. Negotiations continue with Harridge Development Group to develop the Isabel core area with a project consisting of approximately 1,250 residential units and 90,000 square feet of amenity and commercial space. Three residential projects approved to date include over 2,200 units, representing over 65% of the minimum expected number of residential units in the neighborhood.
- Completed the building permit review for the Wine Country Inn, a 30-room, 29,350 square foot two-story inn that includes a 77-seat restaurant, a caretaker's unit, 65 parking spaces, 12 bicycle parking spaces, and associated site improvements.



Innovation

- Effectively managed the i-Gate program, including facilitating a new financial support agreement and the reopening of Daybreak Labs's incubator space, which has already led to the graduation of a startup into a Livermore based facility.
- Continued to explore how to position the airport as an asset for growing the local innovation economy, including using the airport as a center of research and development and commercialization of aviation technologies, as well as making Livermore a hub for clean, quiet transportation options into and out of the region.

Environmental Stewardship

Preserve and protect Livermore's climate and environment for future generations and become a municipal leader in sustainability, reducing and drawing down greenhouse gas emissions, and encouraging sustainable development.

Climate Action Implementation

- Hosted over 200 people at a Climate and Environment Expo at Leo Croce Elementary School to conduct outreach and education on the City's Climate Action Plan, Springtown Open Space project, and water conservation efforts.
- Co-hosted the Livermore Youth Climate Summit, an interactive event dedicated to supporting youth-driven climate awareness and action. The event included a session with speakers from the City, Lawrence Livermore National Laboratory, and StopWaste.
- Completed a pilot project to detect subsurface leaks, resulting in a savings of 23 million gallons of drinking water per year.
- Converted 27,800 square feet of turf to low-water use landscape on City property.



Environmental Stewardship

Climate Action Implementation

- Worked closely with local businesses Gillig, Monarch Tractor, and FirstElement Fuel to secure $51 million in California Energy Commission grants. A total of $200 million was awarded throughout the state.
- Worked with Ava (formerly EBCE) to plan for the first public fast charging hub in the downtown, currently under construction next to the future L Street Parking Garage. The hub and parking garage combined will provide 32 fast chargers and 18 Level 2 chargers. Additional locations are in design with a total of six planned sites.
- Completed a pilot project and subsequent implementation of SolarApp+ to manage residential solar permit applications electronically, including energy storage systems and service panel upgrades, resulting in a reduction in staff time and a streamlined process.



Solid Waste and Recycling

- Hosted two compost giveaway community events, continued operation of the compost hub, and purchased mulch for the airport property to comply with Senate Bill 1383 procurement requirements.
- Coordinated with StopWaste to promote events and programs, including the Reusable Foodware Ordinance and two turf conversions (one at Rotary Park and one in northeast Livermore).

Inclusive & Inviting Spaces & Places

Create inclusive and inviting natural and built places and spaces for contemplation, play, arts, and connection while celebrating our history and encouraging community pride.

Sense of Place

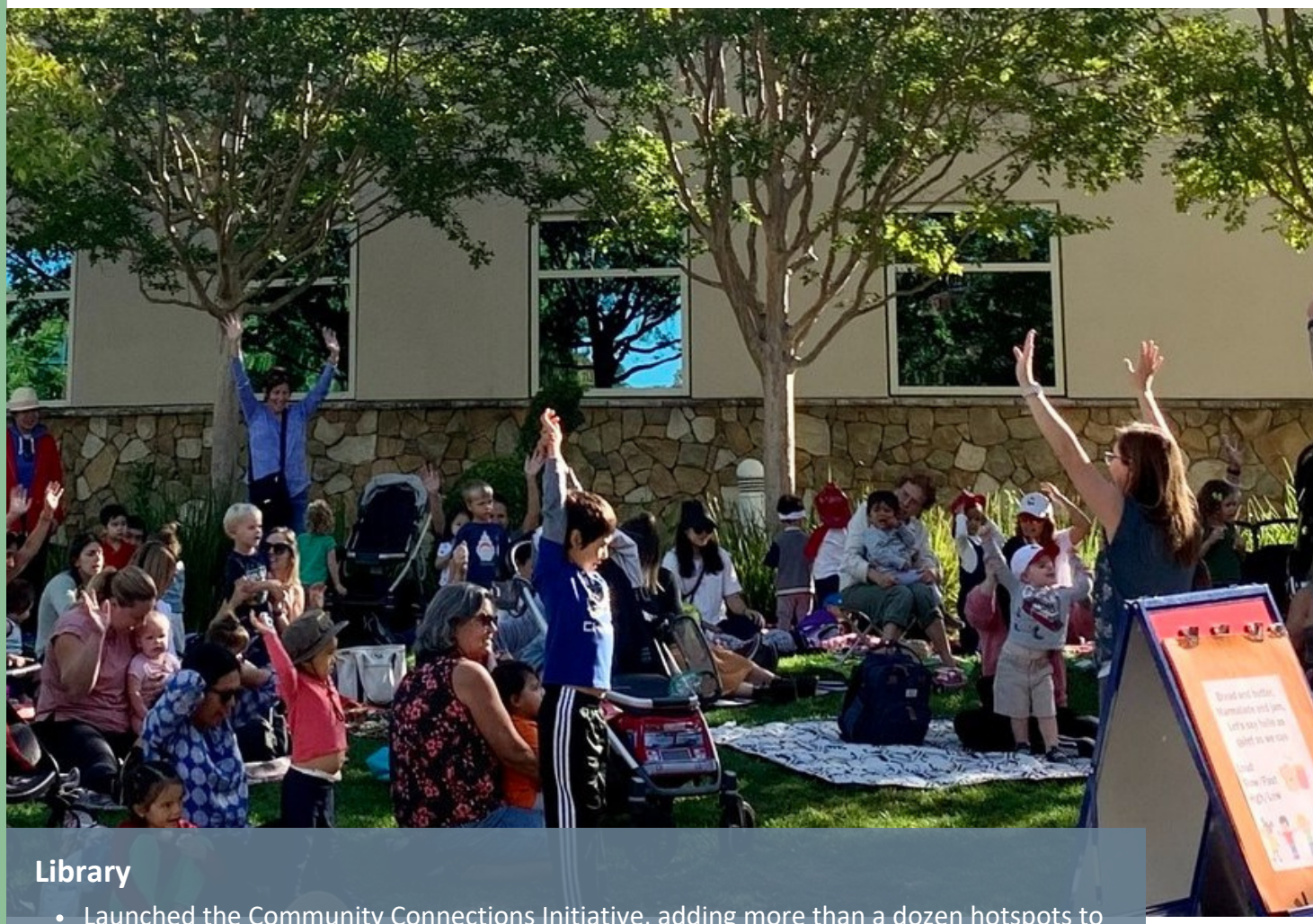
- Extended the downtown streetscape on First Street from L to M Street. Improvements included landscaping, curb extensions, diagonal parking in the flex zone, trellis structures, street furniture, streetlights, stamped bluestone concrete sidewalk and uplights.
- Approved and facilitated construction of the new Farmers Union restaurant at the corner of S. Livermore Avenue and Second Street, to include rooftop dining and an outdoor raised patio deck.
- Continued construction of the L Street Parking Garage, which will provide 452 parking spaces downtown.
    - Worked closely with the Regional Water Quality Control Board on remediation work for the site.
- Continued working with the developer of the Blacksmith Square Expansion project on approval of building permit plans and the final parcel map.
- Continued progress on the General Plan Update, including a comprehensive evaluation and community engagement campaign around the land use alternatives previously approved by the City Council. Engaged, presented to and met with over 1,100 people from October to December.



Regional Transportation

- Coordinated with the Tri-Valley - San Joaquin Valley Regional Rail Authority on proposed Valley Link passenger rail stations for the first segment of new rail from Dublin to Mountain House.
- Developed the scope and identified funding participation between Livermore, Dublin and Pleasanton to improve traffic safety and relieve local and regional traffic congestion at the El Charro Rd/Fallon Rd/Interstate 580 interchange near the San Francisco Premium Outlets.
- Entered into various memorandums of agreement with Dublin for development of a new segment inside unincorporated Alameda County, as well as for traffic intersection improvements at the Airway Boulevard and North Canyons Parkway intersection and road connection to Interstate 580.





Library

- Launched the Community Connections Initiative, adding more than a dozen hotspots to the Library's collection and conducting outreach to specific areas of the City that could benefit from mobile hotspots and help bridge the digital divide.
- Conducted various storytime events throughout the community, including:
  - Storytime in the Park - a weekly rotating event for children and families that has helped the Library bring services to community members in their neighborhoods. Between April and September, the Library offered this event 21 times with total attendance of 1,600 people.
  - Sensory Storytime - a welcoming, interactive, sensory-friendly environment designed for children with special needs. Between April and September, the Library held 6 events with a total attendance of 106.
  - ASL Storytime - for those fluent in American Sign Language, as well as those interested in learning.
- Hosted more than 250 people at a free Dia del Nino Family Festival, in partnership with La Familia. The event included a bilingual (Spanish/English) musical performance, games, crafts, and resources from community organizations.
- Partnered with Open Heart Kitchen to provide free lunches to the community at the Rincon Branch Library.

A City That Works

Foster an organization that is fiscally sustainable, innovative, effective and efficient; provides excellent public services; invests in professional development and well-being of employees in alignment with the Community and Organizational Values; and responsibly invests in the City's infrastructure.

City Council Engagement

- Hosted various events and opportunities for the City Council to engage with the community, including: Livermorium Day, Memorial Day, Veterans Day, and four issue-specific Town Halls that rotated throughout the City on the topics of housing, climate and sustainability, and how to get involved with local government.
- Issued 320 Mayor's Certificates, Recognitions and Mayor's Proclamations, and 47 City Council Proclamations to individuals, agencies, organizations, or groups to honor their achievements and efforts.



Advisory Body Engagement

- Hosted the Civic Appreciation Dinner to honor the nearly 100 community members who volunteer to serve on City Advisory Bodies, and as the City Historian and Poet Laureate.
- Received updates from eight City Advisory Bodies and the Poet Laureate highlighting accomplishments from the previous year and future workplans.



Federal and State Advocacy

- Advocated for City and Tri-Valley issues and funding at the regional, state and federal levels through 15 position letters, as well as through the Tri-Valley Cities' legislative advocacy firm.
- Represented the City at the International City/County Management Association's annual conference attended by 5,500 professionals from around the world to present on successful City Council onboarding programs.
- Represented the City at the Intelligent Cities Summit in Canada to highlight the City's innovation, climate action, talent development and community engagement efforts.
- Awarded the Tenacity Award by Eden Housing for work done around affordable housing and for the City's tenacity in persevering to continue progress on the downtown development.
- Received $2,589,000 in state and federal grants in fiscal year 2022-23 to fund various capital projects and programs, including police facility expansion, Vasco Road/I-580 interchange project, trail repairs, and reimbursements for the City's response to winter storms.

A City That Works

Customer Service and Community Engagement

- Conducted 10,653 inspections for residential, commercial, and industrial projects, including Legacy, Vineyard 2.0, Fairfield Inn and Suites Greenville, and Tesla.
- Served over 4,000 customers at the permit counter, processing and issuing 3,095 permits and 628 plan reviews that included residential, commercial and industrial projects such as Trumark, Blacksmith Square, Wine Country Inn, Shea Serenity, L Street Parking Garage, and Farmers Union restaurant.
- Issued addresses for 461 new homes, ADUs, and businesses.
- Provided effective communication to and coordinated engagement with the community through a variety of means with a focus on accessibility and transparency.
    - Over 30 booths at farmers markets, Street Fest and Community Service Day.
    - Four issue-specific Town Halls and additional community meetings and workshops
    - Explainer videos in English and Spanish about the City Budget, Strategic Plan, and Regional Housing Needs Assessment.
    - Multilingual support at City facilities.
    - Over 135,000 followers and subscribers to City social media accounts and e-newsletter.
    - Published 28 videos to the City's YouTube channel (excluding council meetings) highlighting employees, recruitments, and specific projects or programs in the City.
- Offered multiple engagement opportunities centered around Livermore youth.
    - Youth in Government Day - 25 students participated in a career information expo, mock City Council Meeting, budget exercise, and job shadow.
    - Police Department Youth Academy - 27 students completed 21 hours of training covering various police department sections.
    - Teen Academy - 18 students participated in a public speaking workshop, mock City Council meeting, department internships, and an information literacy and personal finances session.



ATTACHMENT 1

A City That Works

Organizational Excellence

- Participated in the Alameda County Leadership Academy and Leadership Livermore programs to offer networking and professional development opportunities to City staff.
- Implemented several initiatives to increase hiring and employee retention, including:
  - Adopting a recruitment incentive policy
  - Developing a monthly Lunch and Learn program and monthly Wisdom Wednesday program for employees
  - Establishing Working on Wellness weekly walks for employees
  - Initiating a citywide compensation study
- Conducted four community-wide recruitments for eight advisory bodies and filled 33 total positions.
- Researched and developed a Police Support Dog Program, which led to the addition of K9 Tater and K9 Murphy to the Livermore Police Department. Tater and Murphy help reduce symptoms of stress, anxiety and depression; lessen trauma of critical incidents for employees; build rapport between department personnel and community members; aid in investigations; and assist during interviews.



A City That Works

Organizational Efficiency

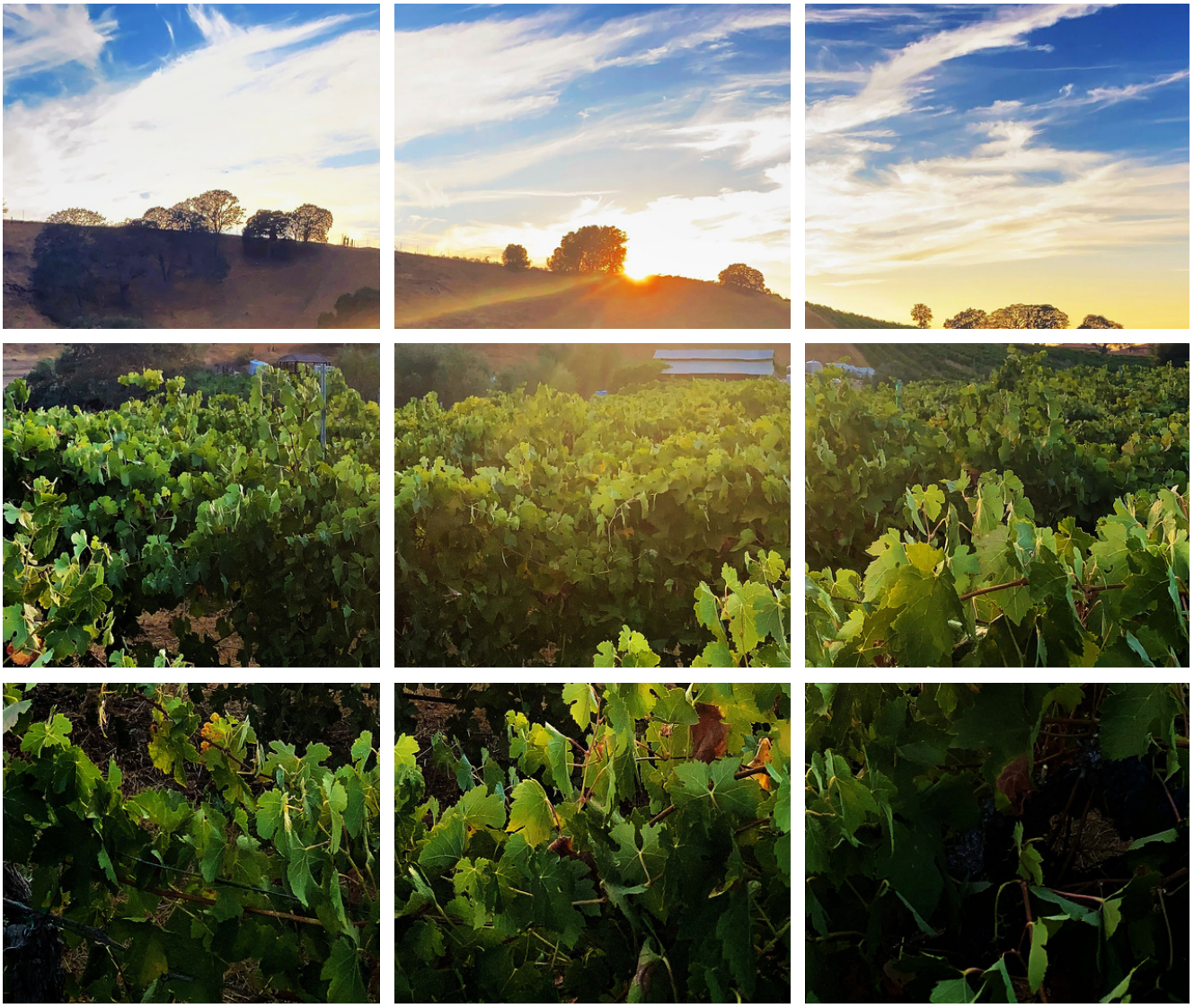
- Planned upgrades to City facility meeting spaces with smart boards, integrated audio/visual systems, and video conferencing capabilities.
- Deployed 90% of the council-approved Microsoft Surface laptops to City staff, along with upgraded workstations, to support the "work from anywhere" initiative, ensuring seamless access to City data without compromising cybersecurity.
- Implemented a new Agreements Tracker online system that has streamlined the agreements process, reducing the average number of days required to complete an agreement review from 67 days down to 24.
- Opened a recruitment for a new GIS Program Manager to develop a new GIS program that will ease accessibility to public information and help plan for the future.
- Formed an internal team of City staff to develop a policy around the City's use of predictive and generative artificial intelligence.





Infrastructure

- Enhanced operations and offerings at the Livermore Municipal Airport, including:
  - Amended applicable Airport policies to require the provision of unleaded aviation fuel at the Airport.
  - Simplified Airport noise reporting for community members through a new online portal and increased efforts to reduce Airport noise in the community.
  - Adopted an Airport Leasing and Development Policy to guide future development at the Airport with the goal of ensuring airport property is leased and developed in a high-quality manner.
- Engaged over 200 people in the redesign of the Springtown Open Space and received over 60 public comments through in-person and online channels.
- Improved the City's assets and collected significant data for future projects, including:
  - Repaired approximately 500 City-owned and maintained sidewalk locations and marked and collected data for 70 miles of sidewalk in high-use pedestrian areas.
  - Surveyed over 47,000 trees and developed an annual tree maintenance budget.
  - Inspected 32 miles of walls and fences.
- Completed the 2023-28 Capital Improvement Plan and identified over $420 million in funding for 146 projects over the next five years.



Thank You

These achievements reflect the commitment of the City organization and collaboration with the community to contribute to a city where all can thrive.

925-960-4000

1052 South Livermore Ave.
Livermore, CA 94550

www.LivermoreCA.gov

Follow the City of Livermore to stay informed and get involved

YouTube

www.LivermoreCA.gov/StayInformed

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.1**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Marianna Marysheva, City Manager

SUBJECT: Approval of draft minutes - January 8, 2024 Regular Meeting.

RECOMMENDED ACTION

Staff recommends the City Council approve the draft minutes.

SUMMARY

DISCUSSION

ATTACHMENTS

1. Draft 2024-01-08

Prepared by: Debbie Elam
Assistant City Clerk

Approved by:

Marianna Marysheva
City Manager

Fiscal Review by:

Tina Olson
Administrative Services Director

LIVERMORE
CALIFORNIA

CITY COUNCIL
JANUARY 8, 2024

REGULAR MEETING

1. CLOSED SESSION – NONE

2. CALL TO ORDER – The meeting of the City Council was called to order by Mayor John Marchand at 7:00 pm, held in person at 1016 S. Livermore Avenue and YouTube.

ROLL CALL – Present: Mayor John Marchand, Vice Mayor Robert W. Carling and Council Members Ben Barrientos, Evan Branning and Brittni Kiick

PLEDGE OF ALLEGIANCE

3. PROCLAMATIONS AND PRESENTATIONS – NONE

4. OPEN FORUM

Mayor Marchand opened the public comment period.

David McGuigan, provided a comment.

Jerry McNerney, provided a comment.

There were no more speakers, and the public comment period was closed.

5. CONSENT CALENDAR

Mayor Marchand opened the public comment period.

There were no speakers and the public comment period was closed.

ON THE MOTION OF COUNCIL MEMBER KIICK, SECONDED BY COUNCIL MEMBER BRANNING AND CARRIED ON A 5-0 VOTE, THE CITY COUNCIL APPROVED THE CONSENT CALENDAR.

5.1 Approval of draft minutes - December 11, 2023 Regular Meeting.

5.2 Resolution 2024-001 authorizing the acceptance for permanent maintenance, release of security bonds, and execution of a Notice of Completion for the Livermore Village Parking Garage Construction, Phase 1: Trash Enclosure

& Surface Lot, Project 586003.

5.3 Resolution 2024-002 authorizing the acceptance for permanent maintenance, release of security bonds, and execution of a Notice of Completion for the 2021 Street Resurfacing Project, 2021-01.

5.4 Resolution 2024-003 establishing the annual Affordable For-Sale Prices, Rental Rates, and Maximum Income Limits for affordable housing units subject to the City's Inclusionary Housing Ordinance.

5.5 Resolution 2024-004 adopting the Community Benefit Policy and establishing a Community Benefit Fund.

6. PUBLIC HEARINGS – NONE

7. MATTERS FOR CONSIDERATION - NONE

8. COUNCIL COMMITTEE REPORTS AND MATTERS INITIATED BY CITY MANAGER, CITY ATTORNEY, STAFF AND COUNCIL MEMBERS

THE MAYOR AND CITY COUNCIL MEMBERS PROVIDED A SUMMARY OF RECENTLY ATTENDED EVENTS AND MEETINGS IN ADDITION TO THE INFORMATION PROVIDED IN THE SUPPLEMENTAL PACKET. COUNCIL MEMBERS WHO DID NOT PROVIDE A SUMMARY IN THE SUPPLEMENTAL PACKET ARE INCLUDED BELOW.

Livermore Amador Valley Transit Authority (LAVTA) Council Member Kiick noted her attendance at the board meeting on January 8, 2023.

Alameda County Transportation Commission, Mayor Marchand noted his attendance at the meeting on January 8, 2024. He also noted there is funding available for Vision Zero and Safe Streets planning grants, and rail crossing projects.

SB397 Mayor Marchand noted the proposal to consolidate transit operators would be heard on January 9, 2024.

9. ADJOURNMENT – at 7:21pm to a Regular City Council Meeting on Monday, January 22, 2024, at 7:00 pm, Civic Center Meeting Hall, City Council Chambers, 1016 S. Livermore Avenue.

APPROVED: _____

JOHN P. MARCHAND, MAYOR

ATTEST:

DEBORAH L. ELAM, ACTING CITY CLERK

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.2**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Paul Spence, Assistant City Manager

SUBJECT: Resolution authorizing the acceptance for permanent maintenance, release of the security bonds, and execution of a Notice of Completion for the 2023 Storm Damage Repair (Arroyo Mocho Sites) Debris Removal Project No. S202300A, and Permanent Repair Project No. S202300P.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution authorizing the acceptance for permanent maintenance, release of the security bonds, and authorizing the City Manager to sign the Notice of Completion for the 2023 Storm Damage Repair (Arroyo Mocho Sites) Debris Removal Project No. S202300A, and Permanent Repair Project No. S202300P.

SUMMARY

On July 24, 2023, the City Council awarded the contract for construction of the 2023 Storm Damage Repair (Arroyo Mocho Sites) Debris Removal Project No. S202300A, and Permanent Repair Project No. S202300P to Suulutaq, Inc. The contract was substantially completed on September 28, 2023, and can be accepted for permanent maintenance. The process to release the contractor's bonds can begin.

DISCUSSION

The 2023 Storm Damage Repair (Arroyo Mocho Sites) Debris Removal Project No. S202300A, and Permanent Repair Project No. S202300P consisted primarily of repairing and stabilizing three locations along the Arroyo Mocho Creek that were damaged during the 2022-23 winter storms. Attachment 1 shows the three repair locations. The project was completed in accordance with the contract documents in a manner acceptable to the City Engineer and can now be accepted for permanent maintenance. At time of award, the contractor provided a faithful performance bond guaranteeing completion of the project, and that bond must now be released. Six months after the date of the resolution accepting the project, the labor and materials bond guaranteeing the improvements should be reduced to an amount equal to any claims filed and of which notice has been given. The balance of the bond will be released upon the settlement of all claims and obligations for which the security was given (there are no known claims at this time). The security for the guarantee and warranty of work shall remain in effect for one

year from the date of the resolution.

FISCAL AND ADMINISTRATIVE IMPACTS

The original construction contract amount was $1,005,182 plus a 10 percent contingency for a total construction contract budget of $1,105,700. The final construction contract amount was $955,943, which is 4.9 percent below the original contract, based on final bid item quantities totaling $869,219 and three (3) change orders totaling $86,724. Change orders consisted primarily of removing additional logs, placement of additional material to fill another eroded bank along the Arroyo Mocho, and handling of additional material removed from under the Concannon Blvd. bridge as needed to place the designed rip rap slope protection. The final bid quantities were less than anticipated due to savings from stockpiling for reuse of excavated material in lieu of hauling during construction. The project was funded by FEMA and the City's Storm Water Fund. The unused funding will be proportionally credited to those funds.

There will be no added expenses required to maintain these repairs.

COMMUNITY PILLAR

5: A City that Works

GOAL

14: Develop, operate, and maintain the City's infrastructure.

ATTACHMENTS

1. Location Map
2. Resolution
3. Exhibit A - Notice of Completion

Prepared by: Dennis Aberion
Senior Engineering Technician

Approved by:

Marianna Marysheva
City Manager

Fiscal Review by:

Tina Olson
Administrative Services Director


MURRIETA BLVD
RINCON AVENUE
SITE YM-2 - STANLEY BOULEVARD
FIRST ST
STANLEY BLVD
EAST AVE
SITE YM-1 - HOLMES STREET
ARROYO MOCHO
COLLEGE AVE
S LIVERMORE AVE
HOLMES ST
ARROYO MOCHO
ARROYO RD
SITE 79 - CONCANNON BOULEVARD
CONCANNON BLVD

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION AUTHORIZING ACCEPTANCE FOR PERMANENT MAINTENANCE, RELEASE OF SECURITY BONDS, AND EXECUTION OF A NOTICE OF COMPLETION FOR THE 2023 STORM DAMAGE REPAIR

(2023 STORM DAMAGE REPAIR - ARROYO MOCHO SITES - DEBRIS REMOVAL PROJECT NO. S202300A, AND PERMANENT REPAIR PROJECT NO. S202300P)

The City Engineer of the City of Livermore ("City") has filed with the City Clerk a report in writing that all work on the 2023 Storm Damage Repair (Arroyo Mocho Sites) Debris Removal Project No. S202300A, and Permanent Repair Project No. S202300P ("Project"), has been completed to City standards. The Project is ready for acceptance by the City of Livermore for routine maintenance.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore that:

1. The faithful performance bond guaranteeing the Project is hereby released;

2. The labor and materials bond guaranteeing the Project shall, six months after the date of this resolution, be reduced to an amount equal to the amount of all claims filed and of which notice has been given. The balance of the bond shall be released upon the settlement of all such claims and obligations for which the security was given;

3. The security for the guarantee and warranty of work shall remain in effect for one year from the date of this resolution. The contractor is required to reconstruct any deficiencies that occur and to repair or replace defective materials during the maintenance period;

4. The City hereby accepts the improvements; and

5. The City Manager is authorized to sign the Notice of Completion, a copy of which is attached hereto as Exhibit A and incorporated by this reference.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Tara Mazzanti
Tara Mazzanti
Assistant City Attorney

Exhibit A – Notice of Completion

NOTICE OF COMPLETION

City's Project No. S202300A & S202300P Date: January 23, 2024

Project: 2023 Storm Damage Repair (Arroyo Mocho Sites) Debris Removal Project S202300A, and Permanent Repair Project No. S202300P

Contractor: Suulutaaq, Inc.

Contract For Construction of: 2023 Storm Damage Repair (Arroyo Mocho Sites) Debris Removal Project S202300A, and Permanent Repair Project No. S202300P

Project or Specified Part Shall Include: All that work as set forth in the Bid Schedule(s) of the Bid Forms, as awarded by the City of Livermore pursuant to the Contract Documents for Public Works Project Nos. S202300A & S202300P

Document located at: 1052 S. Livermore Ave., Livermore, CA 94550 Contract Date: July 24, 2023

The work performed under this contract was inspected by authorized representatives of the City, Contractor, and Engineer, and determined to be substantially complete on September 28, 2023. Some punch list items were not completed within the specified period per Section 5.2 of the contract. The City elects to accept the Project and record the Notice of Completion and withhold monies as allowed by the California Contract Code, including 150 percent of City's estimated cost to complete the remaining punch list items from Final Payment or Retention as a disputed amount.

ENGINEERING DIVISION
Engineer

By _____
Mike Stamm, Const Insp Manager

The Contractor hereby accepts the above Notice of Completion

Suulutaaq, Inc.
Contractor

By _____
John Hurd, President

The City accepts the project or specified area of the project to have reached final completion and will assume full possession of the Project or specified area of the Project at 8:00 am, on 01-23-24. The responsibility for heat, utilities, security, and insurance under the Contract Documents will be assumed by the City after that date. Nature of interest of owner: Fee.

I certify (declare) under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Owner:
City of Livermore
1052 S. Livermore Ave.
Livermore, CA 94550

FOR THE CITY OF LIVERMORE

By _____
Marianna Marysheva, City Manager Date

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.3**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Paul Spence, Assistant City Manager

SUBJECT: Resolution authorizing execution of an agreement with Schaaf and Wheeler Consulting Civil Engineers, in an amount not-to-exceed $681,701 with a term ending December 30, 2025, to provide design and construction support services for large trash capture devices in connection with Storm Drain Trash Capture Project 2024-25.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution authorizing the City Manager to execute an engineering services agreement with Schaaf and Wheeler Consulting Civil Engineers, in an amount not-to-exceed $681,701 with a term ending December 30, 2025, to provide design and construction support services for the Storm Drain Trash Capture Project 2024-25.

SUMMARY

This agreement with Schaaf and Wheeler is for the design and construction support of nine large-scale, full trash capture devices at various locations across the City of Livermore as shown in Attachment 1. These devices will help the City of Livermore meet the Regional Water Quality Control Board's permit requirement to achieve 100% trash capture by June 2025. Schaaf and Wheeler will provide design, bidding support, and engineering services during construction.

DISCUSSION

The City of Livermore (City) is required by their Regional Water Quality Control Board Permit to meet the goal of 100% trash reduction by June 30, 2025. In order to meet this requirement, nine large-scale full trash capture devices need to be installed at the locations show in Attachment 1. The devices and their respective locations will provide a 32% reduction in trash loads. The current trash reduction amount that the City has achieved is approximately 68%. These additional trash capture devices will help the City achieve their 100% reduction goal.

The City sent out a Request for Proposals to firms interested in design services for large scale trash capture devices. Schaaf and Wheeler was the only response received. Schaaf and Wheeler has worked with the City on several storm drain trash capture projects over the past 5 years and has proven to be a

knowledgeable and responsive consultant. Per this agreement, Schaaf and Wheeler is to provide engineering design services and construction support services. The total engineering fee of $681,701 is approximately 13% of the total estimated construction cost of $5,249,063, which is consistent and typical for design and construction support services for a project of this scale.

FISCAL AND ADMINISTRATIVE IMPACTS

The budget for the Storm Drain Trash Capture Project 2024-25 in the FY 2023-2028 Capital Improvement Plan covers the cost of this agreement and all other projects costs including construction, change orders, construction management, project management and materials testing. No additional appropriations are needed. The specific funding sources for the project are summarized below. Funding covers staff time and consultant and construction costs.

Storm Drain Trash Capture Project 2024-25 Funding Sources

Fund Number	Fund Name	FY 2023-24	FY 2024-25	Total
220	Storm Water	$1,500,000	$4,500,000	$6,000,000
221	Storm Drain	$500,000	$1,500,000	$2,000,000

COMMUNITY PILLAR

5: A City That Works

GOAL

14: Develop, operate, and maintain the City's infrastructure.

GUIDING DOCUMENT

2023-2028 Capital Improvement Plan

ATTACHMENTS

1. Location Map
2. Resolution
3. Exhibit A - Agreement

Prepared by: Jarrett Rasmussen
Junior Engineer

Approved by:

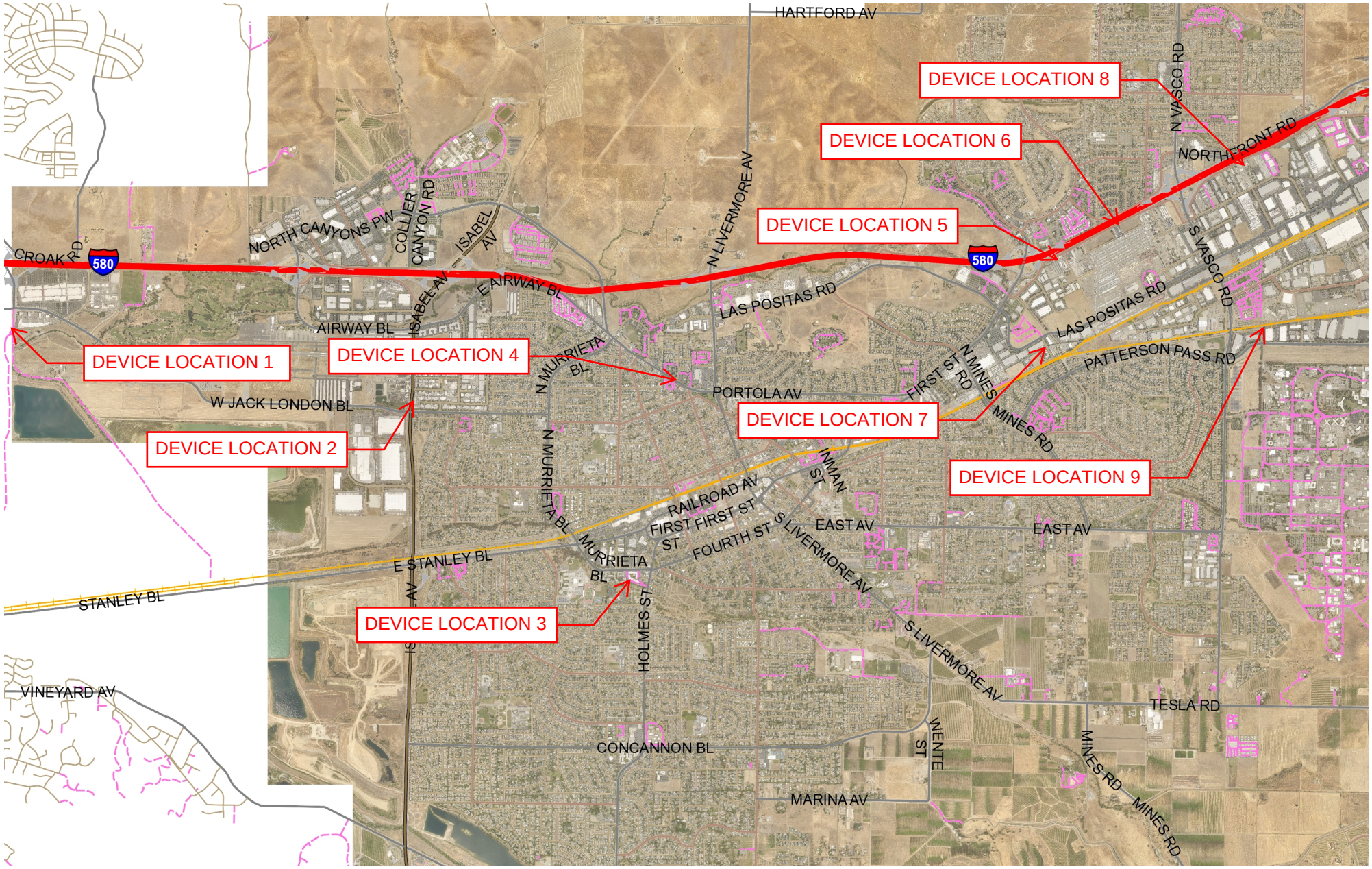
Marianna Marysheva
City Manager

Fiscal Review by:

Tina Olson
Administrative Services Director

LIVERMORE CALIFORNIA

Site Map - Storm Drain Trash Capture 202425



8,140.5 0 4,070.27 8,140.5 Feet

NAD_1983_2011_StatePlane_California_III_FIPS_0403_Ft_US
Livermore IT, GIS Services

1: 48,843

This map is based on City of Livermore GIS Information and reflects the most current information at the time of this printing. The map is intended for reference purposes only and the City and its staff is not responsible for errors or omissions.

Notes

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT WITH SCHAAF & WHEELER CONSULTING CIVIL ENGINEERS, IN AN AMOUNT NOT-TO-EXCEED $681,701 WITH A TERM ENDING DECEMBER 30, 2025, TO PROVIDE DESIGN AND CONSTRUCTION SUPPORT SERVICES FOR LARGE TRASH CAPTURE DEVICES IN CONNECTION WITH STORM DRAIN TRASH CAPTURE PROJECT

(Storm Drain Trash Capture Project – Capital Improvement Project 2024-25)

This Engineering Services Agreement is needed for design and construction support for the installation of nine full large trash capture devices to be installed at various locations around the City of Livermore to meet the requirements of Livermore's Municipal Regional Storm Water Permit. Schaaf and Wheeler Consulting Civil Engineers, a California Corporation, has been assisting the City of Livermore with several trash capture projects over the last five years and has proven to be very knowledgeable and responsive. This Agreement covers design and construction support services involving surveying, potholing, environmental review, geotechnical engineering, and general engineering services, in conjunction with the Storm Drain Trash Capture Project – Capital Improvement Project 2024-25.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore that it hereby authorizes the City Manager to execute an agreement with Schaaf and Wheeler Consulting Civil Engineers, a California Corporation, attached hereto as Exhibit A, in an amount not-to-exceed $681,701, to provide design and construction support services for the Storm Drain Trash Capture Project – Capital Improvement Project 2024-25.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Tara Mazzanti
Tara Mazzanti
Assistant City Attorney

Exhibit A – Engineering Services Agreement

DocuSign Envelope ID: D5D3637C-56C4-4A70-A6B4-A0CF056C58E0

ENGINEERING SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, , ("Effective Date") by and between the City of Livermore, a municipal corporation ("City"), and Schaaf & Wheeler, Consulting Civil Engineers, a California Corporation ("Consultant").

RECITALS

City requires engineering services to provide design, permit, and construction management assistance for the Storm Drain Trash Capture CIP# 202425.

Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges City has relied upon these warranties to retain Consultant.

AGREEMENT

NOW, THEREFORE, City and Consultant hereby agree that the aforementioned recitals are true and correct and further agree as follows:

1. Retention as Consultant. City hereby retains Consultant, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below subject to the terms and conditions in this Agreement.

2. Relationship of Parties – Independent Contractors. The relationship of the parties shall be that of independent contractors. Consultant and its employees are not City officers or employees. Consultant is responsible for the supervision and management of its employees, including any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the delivery of the services contemplated by this Agreement.

3. Description of Services. Consultant shall provide engineering services to the City of Livermore in conjunction with Storm Drain Trash Capture Project CIP# 202425 ("Project"), as more particularly set forth in Exhibit "A" (collectively "the Services").

4. Consultant Responsibilities. Consultant shall:

(a) Consultant shall investigate and verify all existing site conditions for the Project and take them into account when preparing the Project's design even when "As Built" or "Record Drawings" are used by Consultant.

(b) Consultant shall review and respond to construction submittals and shop drawings within fourteen (14) calendar days following their receipt by Consultant; requests for information with comments noted thereon shall be reviewed and responded to within seven (7) working days following their receipt by the Consultant.

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(c) Diligently perform the Services in a manner commensurate with industry, professional, and community standards;

(d) Provide the resources necessary to complete the Services in a timely manner;

(e) Obtain a business license from the City of Livermore, and keep it in effect for the term of this Agreement;

(f) Obtain and keep in effect all necessary licenses, permits, qualifications, insurance, and approvals legally and professionally required for Consultant to practice its profession and to provide the Services;

(g) Comply with all laws in effect that are related to Consultant and the Services;

(h) Coordinate the Services with Jarrett Rasmussen ("Project Manager"), or such other person designated as the Project Manager by City;

(i) Be available to the Project Manager, and other parties referred to Consultant by the Project Manager, to answer questions or inquiries related to the Services;

(j) Only invoice City for the Services rendered. Consultant's invoice shall be in writing and describe the Services performed for the payment requested. Consultant shall not submit an invoice to City more frequently than once a month;

(k) Keep and maintain invoices and records related to the Services in an organized manner. At a minimum, the records must be kept for at least 3 years from the date of final payment to Consultant and must include time sheets, work progress reports, and other documentation to adequately explain all the Services invoiced for payment. Consultant shall make the invoices and records immediately available to City upon delivery of a written request to examine, audit, or copy them at City's place of business during normal business hours. Consultant shall give City 30 calendar-days' written notice prior to destroying the invoices and records, and allow City an opportunity to take possession. If City wants them, Consultant and City shall coordinate their delivery to City in the most efficient manner possible;

(l) Prepare and submit a written report to the Project Manager, with each invoice and when requested in writing by the Project Manager, that identifies the Services completed and in progress, the charges incurred to date, and the anticipated cost to complete the remaining Services; and,

(m) Consultant shall correct, at its own expense, all errors in the Services. Should Consultant fail to make such correction in a timely manner, City may make the correction and charge the cost thereof to Consultant.

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(n) Consultant's services provided pursuant to this Agreement shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

5. Probable Construction Cost Estimate. The design developed, prepared, and delivered by Consultant in accordance with this Agreement is for the development and construction of the Project, the construction of which shall be awarded through competitive bidding. City shall be entitled to rely upon Contractor's work prepared, and delivered in accordance with this Agreement in order to solicit such bids. Consultant, therefore, shall prepare an engineer's opinion of probable construction cost estimate. If the lowest of three or more bids received by City for the Project varies from the engineer's opinion of probable construction cost estimate by more than 15% and is due to Consultant's failure to comply with this Agreement, including Exhibit "A", or its negligent failure to perform pursuant to industry standards for the design work involved, Consultant, if directed by City, shall redesign the project at no additional cost to City to meet the original engineer's cost estimate.

6. Compensation and Payment.

(a) The total compensation payable by City to Consultant for the Services **SHALL NOT EXCEED** the sum of $681,701 ("not-to-exceed amount"). City shall compensate Consultant for the Services rendered at the hourly rates or task amounts set forth in Exhibit "A" up to the not-to-exceed amount. Except as provided in the body of this Agreement, the hourly rates or task amounts are intended to be Consultant's only compensation for the Services and is inclusive of all costs of labor, licensing, permitting, travel expenses, overhead and administrative costs, and any-and-all other costs, expenses, and charges incurred by Consultant, its agents, and employees to provide the Services.

(b) City shall pay Consultant no later than 30 days after City receives a written invoice from Consultant and verifies the Services were performed for the payment requested.

7. Term. The term of this Agreement commences on the Effective Date and terminates upon the depletion of funds or Decmeber 30, 2025, whichever occurs first.

8. Delay Damages. Time is of the essence for this Agreement. Upon receipt of a written notice to proceed from City, Consultant shall immediately commence work to perform the Services in accordance with the schedule in Exhibit A.

(a) For each day that schematic design, design development, and/or construction documents, collectively, the "Design Phase Services," is not completed by the deadline set forth in Exhibit A or the termination date of this Agreement, whichever is earlier, damage will be sustained by City.

(b) For each day the Design Phase Services are delayed due to circumstances within Consultant's reasonable control, City may reduce Consultant fees owed pursuant

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to this Agreement in an amount equal to 1% of the not-to-exceed amount set at Section 6 ("Delay Damages").

(c) City may reduce any and all payments due Consultant under this Agreement by an amount equal to the Delay Damages and Consultant shall be required to reimburse City for any assessed Delay Damages not recovered by withholdings against payments due Consultant.

(d) The City Engineer is authorized to assess Delay Damages pursuant to this Agreement on behalf of the City.

(e) Notwithstanding the foregoing, Consultant shall not be responsible for delays due to causes beyond its reasonable control so long as it advises City at the earliest opportunity to allow City an opportunity to respond to the delay.

9. Termination by City. City may terminate any portion or all of the Services by giving Consultant at least 30 calendar-days written notice. Upon receipt of a termination notice, Consultant shall immediately stop all work in progress on the Services except where necessary to preserve the benefit of the work, and assemble the work on the Services for delivery to City on the termination date. All compensation for Services performed prior to the termination date shall be payable to Consultant in accordance with Section 6.

10. Ownership of Documents. All drawings, designs, data, photographs, reports and any and every other types of items prepared or obtained by Consultant in the performance of the Services under this Agreement shall be the property of the City and Consultant shall deliver them to City upon demand. The Consultant shall assume no responsibility for the unintended use by others of any such documents, information, or materials on project(s) which are not related to the scope of the Services described under this Agreement.

11. Copyright and Right of Use. All items created by Consultant for City under this Agreement are works made for hire, and Consultant shall give City the copyright and all intellectual property rights to all items developed, prepared, and delivered as part of the Services. Consultant agrees that all aspects of the Services and items created thereby will be original works of creation and will not use, in whole or in part, any work created by any other party, except when expressly disclosed by Consultant to City and Consultant obtains a license to such items for the benefit of City. All licenses must be perpetual, world-wide, non-exclusive, and royalty free sufficient in scope to permit City's full use and enjoyment of its ownership rights in the items created by the Services.

12. Confidentiality. Consultant shall not disclose any confidential or proprietary information received from City to anyone except Consultant's employees who require access to the information to perform the Services. This obligation shall survive termination and remain in full force and effect until the information, and any copies thereof, are destroyed or returned to City.

13. Indemnity and Defense.

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(a) Definitions. When used in this "Indemnity and Defense" section, these terms have the following meaning:

(1) "City," means the City, its elected officials, officers, directors, employees, agents, or designated volunteers.

(2) "Design Professional," means licensed architects, licensed landscape architects, registered professional engineers, professional land surveyors and the business entities which offer such services in accordance with the provisions of the California Business and Professions Code listed at California Civil Code, section 2782.8, upon which Consultant relies to meet the obligations of, or perform work pursuant to, this Agreement.

(3) "Non-Design Professional," means any person or entity upon which Consultant relies to meet the obligations of, or perform work pursuant to, this Agreement who or which is not a Design Professional.

(4) "Loss," or "Losses," mean all claim for or actual loss, liability, damage, cost, and expense including but not limited to reasonable attorney, consultant and expert fees, and court costs arising out of or in connection with Consultant's obligation or work to perform this Agreement including the City's active or passive negligence, except for such Loss arising from the sole negligence or willful misconduct of the City.

(b) Non-Design Professional Services. Consultant shall defend, indemnify, and hold harmless the City from and against any alleged Loss arising out of, pertaining to, or relating to, the services of any Non-Design Professional.

(c) Design Professional Services. For an alleged Loss that solely arises out of, pertains to, or relates to, the services of a Design Professional, Consultant shall defend and indemnify the City solely for such Losses due to the negligence, recklessness, or willful misconduct of the Design Professional(s) as allowed by application of California law, including California Civil Code, section 2782.8, as written on the effective date of this Agreement and according to applicable judicial interpretations.

(d) Mixed Services. If an alleged Loss arises out of, pertains to, or relates to both the services of a Design Professional and a Non-Design Professional, Consultant shall defend City against the claimed Loss and shall indemnify and hold harmless City from all Losses alleged against the Non-Design Professional combined with any Losses allegedly due to the negligence, recklessness, or willful misconduct of any Design Professional.

14. Insurance. Consultant shall procure and maintain insurance during the term of this Agreement in the amounts and under the terms set forth in Exhibit "B" against claims that may arise from or in connection with this Agreement and performance of the Services. Upon reasonable written notice, Consultant shall comply with any changes in the amounts and terms of insurance as may be required from time-to-time by City's Risk Manager.

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15. Acceptance of Final Payment. Consultant's acceptance of final payment will release City from any-and-all claims and liabilities for compensation under this Agreement.

16. Acceptance of Work. City's acceptance of, or payment to Consultant for, the Services does not release Consultant from its responsibility for the accuracy, completeness, or competency of the Services, nor do the actions constitute an assumption of Consultant's responsibility or liability by City for any defect or error in the Services.

17. Conflict of Interest. Consultant represents that no City employee or official has a financial interest in Consultant. Consultant shall not offer, encourage, or accept any financial interest in any part of Consultant's business by or from a City employee or official during the term of this Agreement or as a result of being awarded this Agreement. If any of the Services are paid by reimbursement from an agreement between City and a private party, Consultant represents that it has not performed any work for that private party during the 12 month period prior to the execution of this Agreement, and that it shall not negotiate, offer or accept any contract for services from that party during the term of this Agreement.

18. Economic Disclosure. Consultant shall comply with City's local conflict of interest code and the Political Reform Act, and prepare and file an economic disclosure statement if the Services involve making, or participation in making, decisions which may have a material effect on the Consultants' financial interest. While it is Consultant's sole responsibility to evaluate its conflicts of interest, the Consultant nevertheless agrees to prepare and file an economic disclosure statement if requested by City.

19. Non-Exclusive Agreement. This is a non-exclusive agreement. City reserves the right to provide, and to retain other consultants to provide, services that are the same or similar to the Services described in this Agreement.

20. No Assignment. Consultant shall not assign or subcontract any of the Services without City's prior written consent. For the purposes of this section, a change of fifty-percent or more in the ownership or control of Consultant constitutes an assignment.

21. Entire Agreement; Modification. This Agreement supersedes all other agreements, whether oral or written, between the parties with respect to the Services. Any modification to this Agreement must be in writing and signed by both parties. In the event the original of this Agreement is lost or destroyed, an archival copy maintained by City can be used in place of the original for all purposes with the same effect as if it was the original.

22. Remedies. All remedies permitted or available under this Agreement, or at law or in equity, are cumulative and alternative, and the invocation of a right or remedy will not be construed to waive or elect a remedy with respect to any other available right or remedy. As a condition precedent to commencing legal action involving a claim or dispute against City arising from this Agreement, the Consultant must present a written claim to City in accordance with Chapter 3.42 of the Livermore Municipal Code.

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23. Construction of Language. The terms and conditions in this Agreement have been arrived at through negotiation and each party had a full and fair opportunity to review and revise this Agreement with legal counsel. Any ambiguity in this Agreement will not be resolved against either party as the drafting party. In the event of an inconsistency or conflict between the language in the body of the Agreement and an attachment hereto, the language in the body of the Agreement controls.

24. Notice. Notices under this Agreement must be delivered to the addresses below by deposit in the United States mail or by overnight delivery service, with postage prepaid and delivery confirmation:

TO CITY: Attention: City Engineer
CC: Project Manager
City Administration Building
City of Livermore
1052 S. Livermore Avenue
Livermore, California 94550

TO CONSULTANT: Attention: Caitlin Tharp, Vice President
1171 Homestead Road, Suite 255
Santa Clara , CA 95050
ctharp@swsv.com

25. Waiver. Failure to insist upon the strict performance of any term or conditions in this Agreement, no matter how long the failure continues, is not a waiver of the term or condition and does not bar the right to subsequently demand strict performance. To be effective, a waiver must be in writing and signed by the non-breaching party.

26. Severability. If a court of competent jurisdiction determines a provision in this Agreement is invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired in any way.

27. Counterparts. This Agreement may be executed in counterpart by delivering a facsimile or secure electronic copy of the signed agreement to the other party, followed by delivery of the original documents bearing the original signatures. However, failure to deliver the original documents does not affect the enforceability of this Agreement.

28. Governing Law. This Agreement is governed by California law. Consultant consents to the exclusive jurisdiction and venue of the state and federal courts of Alameda County, California.

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Signatures and Attachment List on the Next Page

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In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have executed this Agreement, effective on the date first written above.

CONSULTANT: **Dated:**

DocuSigned by:
Caitlin J. Tharp
AAFF4C5BD21D411...

12/8/2023 | 3:47 PM PST

By: Caitlin J. Tharp, PE
Title: Vice President

CITY OF LIVERMORE: **Dated:**

Marianna Marysheva
City Manager

APPROVED AS TO FORM:

DocuSigned by:
Jana Mazzanti
245F8B33F34C437...

Assistant/City Attorney

APPROVED AS TO INSURANCE:

DocuSigned by:
Jas Sidhu
A5F7D34BB6A748A...

Risk Manager/Analyst

Attachments:

Exhibit A – Scope of Work
Exhibit B – Insurance Requirements

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Schaaf & Wheeler
CONSULTING CIVIL ENGINEERS
870 Market Street, Suite 1278
San Francisco, CA 94102-2906
415-433-4848
FAX 415-433-1029

November 2, 2023

Jarrett Rasmussen
City of Livermore
jsrasmussen@cityoflivermore.net

Subject: Livermore Trash Capture Device Design Scope 2023

Dear Mr. Rasmussen:

Schaaf & Wheeler is pleased to submit this proposal to provide engineering services for the design of nine full trash capture devices at nine separate locations in the City of Livermore. The locations include:

1. 110 – Arroyo Mocho at Holmes Street (City property in creek ROW)
2. 112-2 – Isabel (City Easement through private property)
3. 114 – Line P-1 (City Easement through Flood Control ROW)
4. 115-2 – Southfront at Vasco (City ROW)
5. 165 – Arroyo Seco (Flood Control ROW)
6. 517 – Southfront at McGraw (City ROW)
7. 533 – Southfront at Happy Daze (City ROW)
8. 1010 – Portola (City ROW)
9. 6000 - El Charro (City property)

This work is intended to result in a single bid package which includes all nine locations suitable for public bid.

Our scope of services will include:

Task 1: Project Management

Quality Control: Schaaf & Wheeler will perform quality control on all deliverables throughout the project tasks outlined herein. Quality control will be conducted by the project manager, Caitlin Tharp, as well as a separate principal engineer within the firm not familiar with the day-to-day activities of the project to obtain and objective quality assurance analysis.

Monthly Invoicing and Contracting: This scope includes subcontracting and managing the design team. Monthly invoices will be submitted to the City in a timely manner, with billing summaries, project and schedule status. This assumes a project duration of 24 months.

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Coordination with subconsultants and the City: During the duration of the project, Schaaf & Wheeler will coordinate with the City, County, stakeholders and subconsultants to monitor timely progress of the project, to stay on budget, and resolve issues as they arise.

Deliverables:

- *Project schedule updates in MS word*
- *Billings summaries for monthly billings, including tasks completed and percent complete*
- *One (1) project kick-off meeting; including meeting agenda and minutes*
- *Three (3) coordination meetings; including meeting agenda and minutes*

Task 2: Hydraulic Design Report and County Coordination

Task 2.1 Hydraulic Analysis: Schaaf & Wheeler will utilize the existing or updated storm drain master plan model as available, and will review the model for hydrology, hydraulics and capacity limitations within the storm drain system. The 1-year 1-hour storm event will be developed within the existing model to determine trash flow rates and impacts due to head loss on the system during the 10-year event at the 9 Full Capture System (FCS) locations.

Coordination with state approved FCS device manufacturers will occur to obtain device and bypass head loss values. This includes obtaining device sizes, maintenance information, head loss, impacts due to tailwater, and costs. A comparison of up to three device options will be presented for each location.

The results of the above will be presented in a draft memorandum. Hydraulics will be presented in the report, with appropriate accompanying models, calculations and figures, sufficient to present the design concepts to the City. A final memorandum with device recommendation for each of 9 sites will be completed based on one set of compiled comments from the City.

Task 2.1 County Coordination: A separate hydraulic design memo will be developed to support submission of location 114 – Line P-1 and location 165 - Arroya Seco concepts to Alameda County Flood Control. The intent of the memo will be to provide sufficient hydrologic and hydraulic data and impacts analysis to resolve County comments. This assumes one draft report and one final report based on comments from the County.

Deliverables:

- *One (1) meeting with the County Flood Control District; including meeting agenda and minutes*
- *Draft and Final Hydraulic Design Report to City*
- *Draft and Final Hydraulic Design Report to County*

Assumptions and Exclusions:

- *Assumes the City's storm drain master plan (developed under separate scope) will be used and no additional model development is needed*

Task 3: Environmental Review

It is assumed that the City will file a CEQA CatEx for the nine sites. It is assumed no permits will be required for the work; the work is completed outside of the OHWM and there are no impacts to bed, bank or riparian areas. This scope includes our subconsultant SBI, who will participate in an initial site assessment to visit all nine (9) locations where large trash capture devices are proposed to be

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installed. After site visits, SBI will support Schaaf and Wheeler and City staff to determine environmental permitting constraints and develop appropriate avoidance and minimization measures that will be incorporated into project design.

Task 4: Field Investigations

Task 4.1 Geotechnical Investigation: One (1) geotechnical boring will be completed at each of the nine (9) selected sites of the full capture systems. The boring will be advanced at least 5' below the bottom of the proposed device to a maximum depth of 40 feet. This task includes required local drilling permits and bore hole backfilling per local standards. Based on preliminary locations, no-fee encroachment permits and traffic control are included in this scope. This assumes one site is located in a city easement on County flood control ROW, two sites in a City easement on private property, and six sites located in City ROW. Geotechnical design recommendations will be provided, including bedding, anchoring, and backfilling the device, as well as recommendations for temporary shoring. The geotechnical investigation report will include a description of site soils and regional geology. Private underground utility locating will be performed prior to geotechnical boring. This includes soil cuttings environmental testing and disposal if non-hazardous.

Task 4.2 Topographic Survey and Boundary Research: A topographic survey will be conducted at each of the nine (9) project sites to determine ground surface information. Manholes will be dipped, and wet and dry utilities will be mapped based on research requests and USA markings. Utility research will be performed, local agencies will be coordinated with to confirm available utility information to be included in the base map. Property line research will be performed, resulting in establishment of right-of-way and easement information will be shown on the topographic survey. This scope does not include title reports or title review. Topographic survey will be performed on a known datum.

Task 4.3 Utility Locating: USA utility locating will be performed at each of the nine project sites prior to topographic survey. This scope includes an allowance for a total of 4 potholes to determine exact location, depth and size; with a summary report. Potholes are assumed to be per the table below:

Location 115-2 Southfront	1 pothole
Location 533 Southfront	1 pothole
Location 517 Southfront	2 potholes

This includes pothole backfilling per local standards. This includes traffic control and no-fee encroachment permits; including three sites in city ROW. This scope excludes private underground utility locating, available as necessary for additional fee.

Task 4.4 Coordination with City Public Works: Coordinate with City Public Works staff to identify potential conflicts with proposed devices and their locations.

Deliverables:

- *Topographic ground survey in CAD and PDF format*
- *Boundary Research and property line delineation based on research in CAD and PDF format*
- *Utility research results and coordination letters*
- *Traffic control plans and encroachment permits for geotechnical borings and potholing (assumes no-fee permits)*

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- *Geotechnical Investigation report including boring logs*
- *Potholing report*

Assumptions and Exclusions:

- *Does not include a boundary survey.*
- *Excludes shoring design, which is assumed to be completed by the contractor. Shoring recommendations and specifications are included in this scope.*
- *Assumes the site will be on publicly owned property, property acquisition excluded.*
- *Environmental sampling of soils excluded, beyond that which is required for cuttings disposal.*

Task 5: Project Design Report

Schaaf & Wheeler will evaluate program needs and prepare schematic and design development plans and cost estimates and include in a project design report. Schaaf & Wheeler will incorporate City comments from the Draft Project Design Report into the Final Project Design Report.

Deliverables:

- *Draft project design report*
- *Final project design report*

Task 6: Design Drawings

Task 6.1 60% Design: A site visit will be conducted at the nine selected locations after the topographic survey and right of way research to review the location for utility conflicts, drainage, dewatering and/or access for maintenance, accessibility, and constructability. Design plans will be developed on titleblock provided by the City. This will include the topographic survey. A technical specification outline will be developed following City CSI standards. A construction cost estimate will be developed, including O&M and lifecycle estimate. This scope includes coordination with device manufacturers for device type and site-specific design.

A schedule of materials with long lead items will be provided, including inspection requirements, testing requirements, required spare parts, manuals and potential special training. Ww will provide any special contractor qualifications. We will provide City with an estimate of how City comments on design submittals will impact construction impacts. Then if directed by City, incorporate or address City's comments for each design submittal including City's formal conditions of approval for project. We will provide a list of any sole source items and respective vendors.

We will coordinate with Caltrans for permits required for construction access at the Isabel Site.

The following construction sheets will be included:

- Title Sheet
- Notes
- Plan and Profile for each of nine sites
- Construction details
- Erosion Control
- Traffic Control
- Surface Rehabilitation

Task 6.2 90% Design: design plans will be developed, including comments by the stakeholders on the 60% plans. Includes written response to comments. The geotechnical study recommendations

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will be incorporated as well as potholing data. This includes development of 90% specifications and schedule of bid items with quantities per City standard and template from previous work. The cost estimate will be updated. Includes review of the design by geotechnical engineer.

Task 6.4. Bid Set: Final bid set will be developed, incorporating all comments on the 90% set.

Deliverables

- *One (1) site visit with City to each of nine (9) locations*
- *60% & 90% Design documents (CAD, PDF, word, excel)*
- *Stamped and Signed Bid Documents in electronic format*

Task 7: Bid Support

Task 7.1 Pre-Bid Meeting: Schaaf & Wheeler will attend a pre-bid meeting. This includes compiling meeting minutes.

Task 7.2 RFI's and Addenda: Schaaf & Wheeler will review and respond to contractor RFIs. Scope includes two (2) plan addenda packages.

Task 7.3 Construction Bid Review: Scope assumes the review of construction bids and recommendation to the City.

Deliverables

- *Pre-bid meeting minutes*
- *Bid RFI written responses*
- *Two (2) plan addenda*

Task 8: Construction Support

Task 8.1 Meetings: Scope incudes nine on-site visits

Task 8.2 RFIs, Submittals and Change Orders: Schaaf & Wheeler will respond to RFI's, review submittals and change orders. This scope assumes 9 RIF's, 18 submittals and 2 change orders. We will track and respond to each of the above. We will assist with review of the Contractor's initial construction schedule and critical path items. We will assist in the inspection for specialty work and in establishing procedures for testing and inspections.

Task 8.3 Construction Monitoring and Reporting: SBI will provide qualified biologists to conduct construction monitoring at trash capture device locations that will occur within 100 feet of a stream channel. Based on desktop evaluations of the nine (9) locations provided, it is anticipated 3-4 locations may require monitoring services.

Given the complexity of monitoring at each site is not currently known, SBI is proposing a scope of up to 30 days of monitoring, assuming up to 10-hour days with travel. This includes time to complete preconstruction surveys, daily and monthly reporting.

Task 8.4 Punch List Walk: Schaaf & Wheeler will walk the post-project sites and produce a "punch list" of items for the Contractor to complete.

Deliverables

- *Nine (9) site visits*
- *Written responses to RFI's*

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- *Stamped submittals*
- *Written responses to Change Orders*
- *Punch List*

Task 9: Project Close Out

We shall assist in project closeout including but not limited to the following tasks:

- Prepare as-built (record) drawings in AutoCAD format.
- Prepare a lessons learned and recommended improvements.
- Update all project documents.
- Transfer all project files including electronic CAD files to the City.

Deliverables

- *Record Drawings (As-builts)*
- *Lessons learned*
- *Electronic transmit of all project files*

Assumptions and Exclusions:

- *Excludes development of a SWPPP. Assumed to be included as a front-end specification requirement for the contractor.*
- *Excludes post construction water quality treatment per Section C.3 as it is assumed not to be needed*
- *Excludes development of the front-end specification which is assumed to be completed by the City except for the schedule of bid items.*
- *Assumes the City will be responsible for coordinating any necessary utility relocation*
- *Assumes the City will coordinate with private land owners for access for site investigations for location 112-2 Isabel and location 165 Arroyo Seco*
- *Assumes the devices and diversion structures will be pre-cast and no structural engineering consultant services are needed*
- *All work will occur outside of the top of bank of the creek.*

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EXHIBIT A

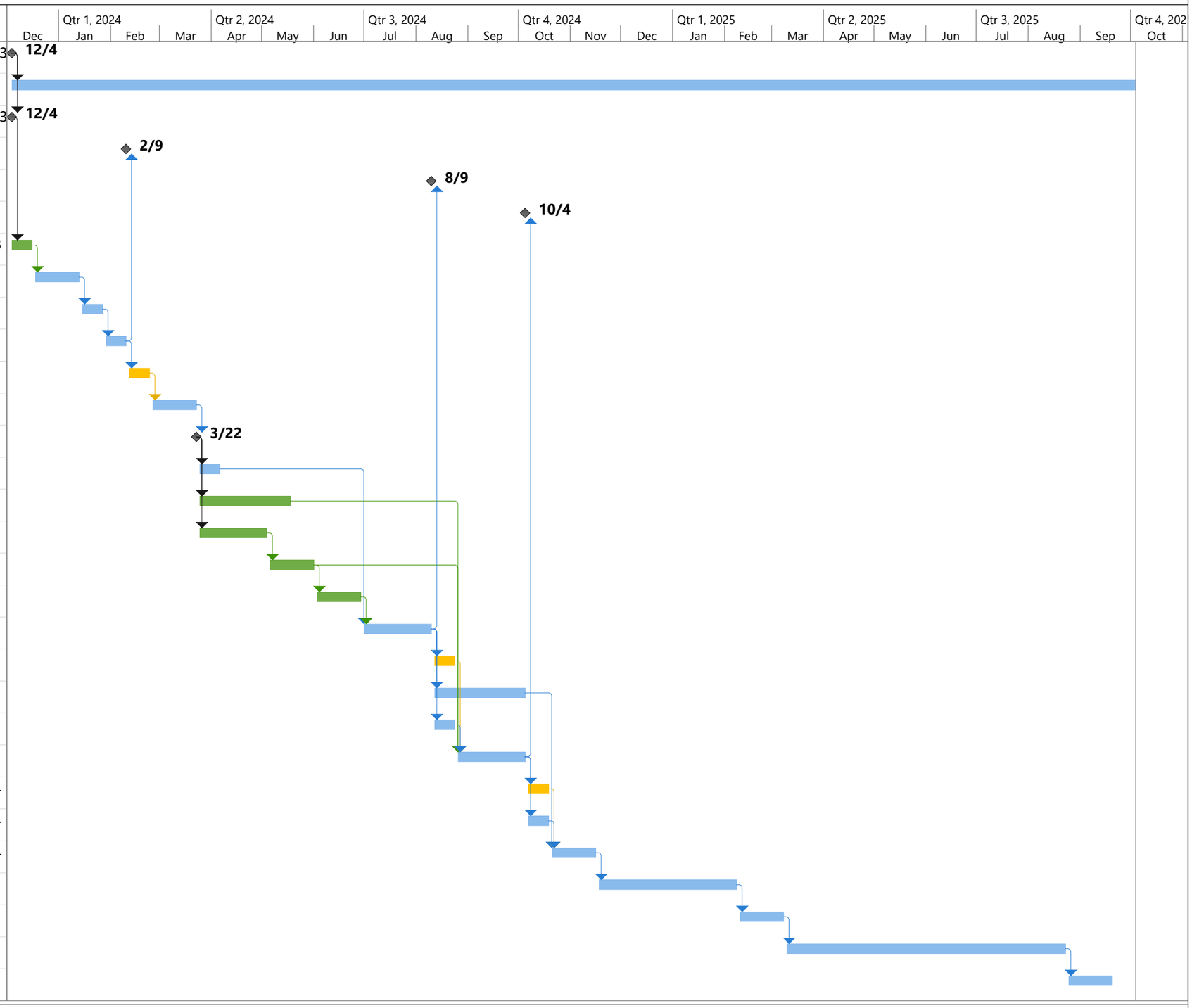
City of Livermore
Trash Capture Device Design '23-'25
Fee October 27, 2023

	Task	Schedule of Hours and Rates by Task										
		Schaaf & Wheeler										
		Principal Project Manager - QC	Principal Project Manager - Caitlin	Assistant Engineer	CAD Technician	Schaaf & Wheeler Subtotal	Kier & Wright (Surveyors)	Rockridge (Geotechnical Engineers)	Swaim Biological	Preston (Potholing)	Subsonsultant Markup (10%)	Total
	Hourly Rate	$275	$275	$195	$160							
Task 1	**Project Management**	**24**	**54**	**6**	**0**	**$ 22,620**	**$ -**	**$ -**	**$ 6,600**	**$ -**	**$ 660**	**$ 29,880**
1	Coordination & Project Management (24 mo)	24	48			$ 19,800			$ 6,600		$ 660	$ 27,060
2	Three (3) Progress Meetings		6	6		$ 2,820					$ -	$ 2,820
Task 2	**Hydraulic Design Report & County Coord.**	**13**	**79**	**214**	**0**	**$ 67,030**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 67,030**
1	Site Visits		16	16		$ 7,520					$ -	$ 7,520
2	Hydrologic and Hydraulic Calculations	9	36	144		$ 40,455					$ -	$ 40,455
3	Draft Hydraulic Design Report	2	18	36		$ 12,520					$ -	$ 12,520
4	Final Hydraulic Design Report	2	9	18		$ 6,535					$ -	$ 6,535
Task 3	**Environmental Review**	**0**	**9**	**0**	**0**	**$ 2,475**	**$ -**	**$ -**	**$ 4,680**	**$ -**	**$ 468**	**$ 7,623**
1	Env. Site Visits and Review of Plans		9			$ 2,475			$ 4,680		$ 468	$ 7,623
Task 4	**Field Investigations**	**0**	**12**	**27**	**0**	**$ 8,565**	**$ 99,900**	**$ 62,500**	**$ -**	**$ 15,000**	**$ 17,740**	**$ 203,705**
1	Geotechnical Investigations		4	9		$ 2,855		$ 62,500			$ 6,250	$ 71,605
2	Topographic Surveys and Boundary Research		4	9		$ 2,855	$ 83,700				$ 8,370	$ 94,925
3	Utility Research, Locating and Potholing		4	9		$ 2,855	$ 16,200			$ 15,000	$ 3,120	$ 37,175
Task 5	**Project Design Report**	**4**	**12**	**40**	**0**	**$ 12,200**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 12,200**
1	Draft Project Design Report	4	8	24		$ 7,980					$ -	$ 7,980
2	Final Project Design Report		4	16		$ 4,220					$ -	$ 4,220
Task 6	**Design Development**	**27**	**162**	**396**	**684**	**$ 238,635**	**$ -**	**$ 7,000**	**$ -**	**$ -**	**$ 700**	**$ 246,335**
1	60% Design Documents	9	72	180	360	$ 114,975					$ -	$ 114,975
2	90% Design Documents	9	54	144	216	$ 79,965		$ 7,000			$ 700	$ 87,665
3	Bid Plans, Estimate and Specifications	9	36	72	108	$ 43,695					$ -	$ 43,695
Task 7	**Bid Support**	**4**	**21**	**49**	**27**	**$ 20,750**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 20,750**
1	Pre-Bid Meeting		4	4		$ 1,880					$ -	$ 1,880
2	RFI's and Addenda (2)		9	45	27	$ 15,570					$ -	$ 15,570
3	Review construction bids	4	8			$ 3,300					$ -	$ 3,300
Task 8	**Construction Support**	**9**	**62**	**85**	**18**	**$ 38,980**	**$ -**	**$ -**	**$ 38,680**	**$ -**	**$ 3,868**	**$ 81,528**
1	Meetings (9)		9	9		$ 4,230					$ -	$ 4,230
2	RFIs, Submittals, Change Orders	9	40	58	18	$ 27,665					$ -	$ 27,665
3	Construction Monitoring and Reporting		9			$ 2,475			$ 38,680		$ 3,868	$ 45,023
4	Punch List		4	18		$ 4,610					$ -	$ 4,610
Task 9	**Project Closeout**	**1**	**12**	**17**	**36**	**$ 12,650**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 12,650**
1	As-Builts	1	4	9	36	$ 8,890					$ -	$ 8,890
2	Lessons Learned		8			$ 2,200					$ -	$ 2,200
3	Document Transfer			8		$ 1,560					$ -	$ 1,560
TOTAL		**82**	**423**	**834**	**765**	**$423,905**	**$99,900**	**$69,500**	**$49,960**	**$15,000**	**$23,436**	**$ 681,701**

EXHIBIT A

Livermore Large Trash Capture 23'-25'

ID	Task Name	Duration	Start	Finish
1	NTP	0 days	Mon 12/4/23	Mon 12/4/23
2	Project Management	24 mons	Mon 12/4/23	Fri 10/3/25
3	Kickoff Meeting	0 days	Mon 12/4/23	Mon 12/4/23
4	Design Meetign	0 days	Fri 2/9/24	Fri 2/9/24
5	Design Meeting	0 days	Fri 8/9/24	Fri 8/9/24
6	Design Meeting	0 days	Fri 10/4/24	Fri 10/4/24
7	Site Visits	2 wks	Mon 12/4/23	Fri 12/15/23
8	H&H Calculations	4 wks	Mon 12/18/2	Fri 1/12/24
9	Manufacturer Coordination	2 wks	Mon 1/15/24	Fri 1/26/24
10	Draft Design Report	2 wks	Mon 1/29/24	Fri 2/9/24
11	City Review	2 wks	Mon 2/12/24	Fri 2/23/24
12	County Review	4 wks	Mon 2/26/24	Fri 3/22/24
13	County Meeting	0 days	Fri 3/22/24	Fri 3/22/24
14	Final Design Report	2 wks	Mon 3/25/24	Fri 4/5/24
15	Geotechnical Investigations	8 wks	Mon 3/25/24	Fri 5/17/24
16	Utility Research	6 wks	Mon 3/25/24	Fri 5/3/24
17	Utility Potholing	4 wks	Mon 5/6/24	Fri 5/31/24
18	Topographic Survey	4 wks	Mon 6/3/24	Fri 6/28/24
19	60% Design Documents	6 wks	Mon 7/1/24	Fri 8/9/24
20	City Review	2 wks	Mon 8/12/24	Fri 8/23/24
21	County Review	8 wks	Mon 8/12/24	Fri 10/4/24
22	Environmental Review	2 wks	Mon 8/12/24	Fri 8/23/24
23	90% Design Documents	6 wks	Mon 8/26/24	Fri 10/4/24
24	City Review	2 wks	Mon 10/7/24	Fri 10/18/24
25	Prepare CEQA CatEx	2 wks	Mon 10/7/24	Fri 10/18/24
26	Bid Documents	4 wks	Mon 10/21/2	Fri 11/15/24
27	Advertise and Bid	3 mons	Mon 11/18/2	Fri 2/7/25
28	Contracting	1 mon	Mon 2/10/25	Fri 3/7/25
29	Construction	6 mons	Mon 3/10/25	Fri 8/22/25
30	As-Builts	1 mon	Mon 8/25/25	Fri 9/19/25



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EXHIBIT B

INSURANCE REQUIREMENTS

Minimum Scope and Limits of Insurance

Consultant/Contractor shall maintain limits no less than:

1. Commercial General Liability, including operations, products, and completed operations, as applicable:
   $5,000,000 per occurrence/**$10,000,000** aggregate for bodily injury, personal injury, and property damage. If Commercial General Liability or other form of insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability:
   $2,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation and Employer's Liability:
   Statutory limits as required by the State of California including **$1,000,000** Employers' Liability per accident, per employee for bodily injury or disease. A waiver of subrogation is required for Workers' Compensation insurance. If Consultant/Contractor is a sole proprietor, then they must sign "Contractor Release of Liability".
4. Professional Liability/Errors and Omissions:
   $2,000,000 per claim. Consultant/Contractor warrants that any retroactive date under this policy shall precede the effective date of this contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two years beginning at the time work under this contract is completed.

Deductibles and Self-Insured Retention

All self-insured retentions (SIR) must be disclosed to Risk Management for approval and shall not reduce the limits of liability. Policies containing any self-insured retention (SIR) provision shall provide, or be endorsed to provide, that the SIR may be satisfied by either the named insured or the City of Livermore. The City of Livermore reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII and accepted to do business in the State of California, unless otherwise acceptable to the City of Livermore.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City of Livermore, its officers, officials, employees, and designated

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volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Consultant/Contractor; or automobiles owned, leased, hired or borrowed by the Consultant/Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City of Livermore, its officers, officials, employees, or volunteers.

2. The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. The additional insured coverage under the Consultant's/Contractor's policy shall be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as ISO Form CG 20 10 04 13. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City of Livermore before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.
3. Any failure to comply with reporting or other provisions of the policy, including breaches of warranties, shall not affect coverage provided to the City of Livermore, its officers, officials, employees, or volunteers.
4. The Consultant's/Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party before expiration of the policy unless notice is delivered in accordance with policy provisions.
6. It shall be a requirement under this agreement that any available insurance proceeds broader than, or in excess of, the specified minimum insurance coverage requirements and/or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named Insured; whichever is greater.
7. Certificate Holder section of the insurance certificate should read: City of Livermore, 1052 S. Livermore Avenue, Livermore, CA 94550

Verification of Coverage

Consultant/Contractor shall furnish certificates of insurance and endorsement(s) effecting coverage to the City of Livermore for approval. The endorsements shall be on forms acceptable to the City of Livermore. All certificates and endorsements are to be received and approved by the City of Livermore before work commences. The City of Livermore reserves the right to require complete and certified copies of all insurance policies required by this Agreement.

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.4**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Paul Spence, Assistant City Manager

SUBJECT: Resolution authorizing a supplemental appropriation in the amount of $50,000 in FY 2023-24 and awarding an agreement with GradeTech, Inc. in an amount not-to-exceed $394,216, for a duration not-to-exceed 60 working days, for the construction of the Montage Trail Connection to Collier Canyon Road Project 2019-44.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution for the Montage Trail Connection to Collier Canyon Road Project 2019-44:

1. Authorizing a supplemental appropriation of Fund 651 (Gas Tax – SB1) in the amount of $50,000 in FY 2023-24;
2. Awarding a construction contract to GradeTech, Inc. in an amount not-to-exceed $394,216, and authorizing the City Manager to sign the agreement attached as Exhibit A to the resolution;
3. Rejecting all other bids or proposals; and
4. Authorizing the City Manager to take whatever actions are necessary and appropriate to carry out the purpose and intent of this resolution including approving minor changes to the proposed agreement.

SUMMARY

The Montage Trail Connection to Collier Canyon Road Project consists of trail improvements to connect the west end of the existing Montage Trail to Collier Canyon Road, which includes installation of new paved off-road asphalt concrete and on-road concrete trail, sidewalk, curb and gutter, curb ramps and replacement of existing curb ramps to comply with current Americans with Disabilities Act regulations, new landscaping, and traffic lane striping and signage, crosswalks, buffered bike lanes and other auxiliary work. The project is located on Collier Canyon Road and Las Positas College's Campus Loop Road, as shown in Attachment 1 – Location Map.

Four bids were received for this project on November 14, 2023. Staff recommends the City Council award and authorize a construction contract with GradeTech, Inc., the lowest responsible and responsive bidder, and authorize the City Manager to sign the agreement.

DISCUSSION

The Montage Trail is identified in the City's Active Transportation Plan and a portion of the trail was constructed as part of the Shea Homes Montage development. The existing trail provides a path running east-west from Campus Hill Drive and ends east of Collier Canyon Creek. The project will connect the west end of the current trail to Collier Canyon Road, which will close the gap in the trail system, provide a continuous paved path, and improve safety for pedestrians and bicyclists.

The project benefits the City, the Las Positas Community College (College) students and staff, and residents in the area. A portion of the trail will be located on College property and the City has entered into an agreement with the College for construction of the trail.

Staff advertised the project in October 2023 and four bids were received on November 14, 2023. The lowest responsible and responsive bidder was GradeTech, Inc. GradeTech, Inc. has performed similar work for the City in a satisfactory manner and complied with the contract documents. The following is a list of the bids received and the Engineer's Estimate for the project.

Bid Results for Montage Trail Connection to Collier Canyon Road, Project No. 2019-44

Contractor	Location	Bid Amount
GradeTech, Inc.	Livermore, CA	$394,216
Franco Engineering, Inc.	Tracy, CA	$480,511
Kerex Engineering, Inc.	Martinez, CA	$549,504
FBD Vanguard Construction, Inc.	Livermore, CA	$550,225
Engineer's Estimate		$350,000

In accordance with Livermore Municipal Code Section 2.68.560 Modification of Public Works Contracts, the City Manager may authorize change orders or amendments up to a cumulative amount not exceeding $50,000 or 10 percent of the overall contract price, whichever is greater.

FISCAL AND ADMINISTRATIVE IMPACTS

Funding for the Montage Trail Connection to Collier Canyon Road Project 2019-44 is included in the FY 2023-28 Capital Improvement Plan with a total FY 2023-25 budget of $550,000, with $325,000 in Fund 651 (Gas Tax – SB1) and $225,000 in Fund 687 (Measure BB – Bike and Pedestrian). The construction contract award amount is $394,216. Funding for this agreement, and all other project costs such as change order allowances, design, inspection, materials testing, construction management and project management is estimated at $600,000. A supplemental appropriation of $50,000 in Fund 651 (Gas Tax – SB1) is needed in FY 2023-24 to complete the project.

Funding Sources for Montage Trail Connection to Collier Canyon Road, Project No. 2019-44

		Current	Supplemental Appropriation	Proposed	Current	Total
Fund No.	Fund Name	FY 2023-24	FY 2023-24	FY 2023-24	FY 2024-25	FY 2023-25
651	Gas Tax - SB1	$225,000	$50,000	$275,000	$100,000	$375,000

687	Measure BB - Bike/Ped	$225,000	$0	$225,000	$0	$225,000
Total		$450,000	$50,000	$500,000	$100,000	$600,000

Annual Operations and Maintenance cost is estimated at $1,200 and will be funded by the Shea Montage LMD #859.

COMMUNITY PILLAR

1: A Safe Community That Thrives

GOAL

10: Work to maintain a safe and efficient local transportation network and address safety concerns.

GUIDING DOCUMENT

Active Transportation Plan

ATTACHMENTS

1. Location Map
2. Resolution
3. Exhibit A - Agreement

Prepared by: Leon Taing
Associate Civil Engineer

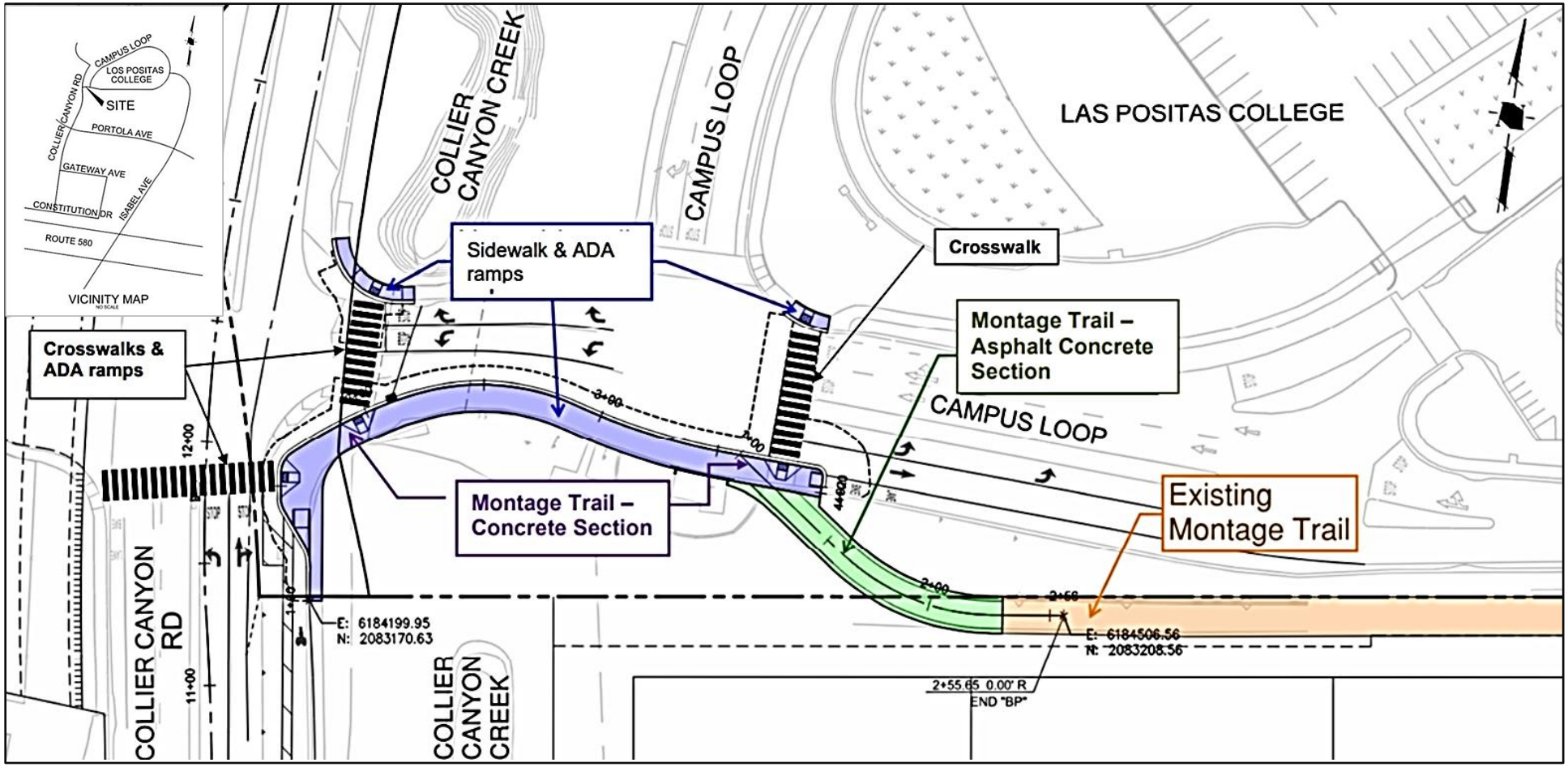
Approved by:

Marianna Marysheva
City Manager

Fiscal Review by:

Tina Olson
Administrative Services Director

Montage Trail Connection to Collier Canyon Road Project 2019-44
Location Map



IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION AUTHORIZING A SUPPLEMENTAL APPROPRIATION OF FUND 651 (GAS TAX – SB1) IN THE AMOUNT OF $50,000 IN FY 2023-24 AND AWARDING AN AGREEMENT WITH GRADETECH, INC. IN AN AMOUNT NOT-TO-EXCEED $394,216, FOR A DURATION NOT-TO-EXCEED 60 WORKING DAYS, FOR THE CONSTRUCTION OF THE MONTAGE TRAIL CONNECTION TO COLLIER CANYON ROAD

(Montage Trail Connection to Collier Canyon Road, Project No. 2019-44)

The Montage Trail Connection to Collier Canyon Road Project is located on Collier Canyon Road and Las Positas College's Campus Loop Road and will consist of trail improvements to connect the west end of the existing Montage Trail to Collier Canyon Road, which includes installation of new paved off-road asphalt concrete and on-road concrete trail, sidewalk, curb and gutter, curb ramps and replacement of existing curb ramps to comply with current Americans with Disabilities Act regulations, new landscaping, and traffic lane striping and signage, crosswalks, buffered bike lanes and other auxiliary work.

Funding for the Montage Trail Connection to Collier Canyon Road Project 2019-44 is included in the FY 2023-28 Capital Improvement Plan with a total FY 2023-25 budget of $550,000, with $325,000 in Fund 651 (Gas Tax – SB1) and $225,000 in Fund 687 (Measure BB – Bike and Pedestrian). The estimated total project cost is $600,000. A supplemental appropriation of $50,000 in Fund 651 (Gas Tax – SB1) is needed in FY 2023-24 to complete the project.

Four bids for the Montage Trail Connection to Collier Canyon Road Project were received on November 14, 2023.

After a thorough review of all bid submittals by the four bidders, staff recommends the City Council award and authorize a construction contract with GradeTech, Inc., which has been determined to be the lowest responsible and responsive bidder and authorize the City Manager to sign the agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore that it hereby:

1. Authorizes a supplemental appropriation of Fund 651 (Gas Tax – SB1) in the amount of $50,000 in FY 2023-24;
2. Awards the construction contract to GradeTech, Inc. in an amount not-to-exceed $394,216 for the Montage Trail Connection to Collier Canyon Road, Project No. 2019-44, and authorizes the City Manager to sign the agreement, attached hereto as Exhibit A; and
3. Rejects all other bids or proposals; and

4. Authorizes the City Manager to take whatever actions are necessary and appropriate to carry out the purpose and intent of this resolution, including approving minor changes to the proposed agreement.

On motion of Council Member_____, seconded by Council Member_____, the foregoing resolution was passed and adopted on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Tara Mazzanti
Tara Mazzanti
Assistant City Attorney

Exhibit A – Construction Agreement with GradeTech, Inc.

CONTRACT

This public works contract ("Contract") is entered into by and between the City of Livermore, a California Municipal Corporation ("City") and GradeTech, Inc., a California Corporation ("Contractor") for work on the Montage Trail Connection to Collier Canyon Rd Project, City Project No. 2019-44("Project").

The Parties Agree as Follows:

1. Award of Contract.

In response to the Notice Inviting Bids, Contractor has submitted a Bid Proposal to perform work on the Project, and on _____, 20___, as part of Resolution No. _____, City authorized award of this Contract to Contractor for the amount of Contractor's bid.

2. Contract Documents.

This Contract consists of all of the written representations and submissions made by Contractor as part of the Bid process and the following numbered and un-numbered component documents, as detailed on the table of contents of this Agreement:

a. Bidding requirements (consisting of the Notice Inviting Bids; Instructions to Bidders; Bid Proposal; Bid Schedule, Subcontractor List, Noncollusion Declaration, Bid Bond, Bidder's Questionnaire, Payment Bond, Performance Bond, Warranty Bond);

b. General Conditions;

c. Special Conditions;

d. Division One Technical Specifications;

e. Appendix;

f. Index of Defined Terms;

g. Project Drawings and Specifications;

h. Bid Addenda, if any;

i. Change Orders, if any;

j. ALB Notice;

k. Notice to Proceed;

l. City Standard Specifications and Details;

3. Contractor's Obligations.

Contractor agrees to perform all of the Work required for the Project, as specified in the Contract Documents. Contractor must provide, furnish, and supply all things necessary and incidental for the timely performance and completion of the Work, including all necessary labor, materials, equipment, transportation, and utilities, unless otherwise specified in the Contract Documents. Contractor must use its best efforts to complete the Work in a professional and expeditious manner and to meet or exceed the performance standards required by the Contract Documents.

4. Payment.

As full and complete compensation for Contractor's timely performance and completion of the Work in strict accordance with the terms and conditions of the Contract Documents, City will pay Contractor Three Hundred Ninety Four Thousand Two Hundred Fifteen Dollars and Sixty Six Cents ($394,215.66) (the "**Contract Price**"), in accordance with the payment provisions in the General Conditions.

5. Time for Completion.

5.1. Substantial Completion

Contractor must achieve Substantial Completion, as that term is defined in the General Conditions, of the Project Work within 35 Working Days from the commencement date stated in the Notice to Proceed. ("**Substantial Completion Deadline**."). For this project, the Contractor shall also incorporate 10 number of average anticipated inclement Weather Days into their bid estimate. Contractor shall be solely responsible for the extended overhead and profit for these weather days and shall not be compensated by the City in any way, reference Section 10.3 of the General Conditions and Section 013200-4.3 Contract Schedules for additional weather day information.

5.2. Final Completion

Contractor must achieve Final Completion, as that term is defined in the General Conditions, of the Project Work within 15 Working Days

after the date of substantial completion. ("**Final Completion Deadline**.")

5.3. Early Completion.

By signing below, Contractor expressly waives any claim for delayed early completion.

6. Liquidated Damages.

If Contractor fails to meet either the Substantial Completion Deadline or the Final Completion Deadline, City may assess liquidated damages according the provisions in the General Conditions of the Contract Documents in the following amounts for each day of Unexcused Delay, and the Contract Price shall be reduced accordingly.

6.1. Substantial Completion Deadline: One Thousand Five Hundred ($1,500) per day.

6.2. Final Completion Deadline: Five Hundred ($500.00) per day.

7. Labor Code Compliance.

This Contract is subject to all applicable requirements of Chapter 1 of Part 7 of Division 2 of the California Labor Code, including requirements pertaining to wages, working hours and workers' compensation insurance.

7.1. Prevailing Wages.

This Project is subject to the prevailing wage requirements applicable to the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the Work, including employer payments for health and welfare, pension, vacation, apprenticeship and similar purposes. The general prevailing wage rates for each craft, classification or type of covered work are available online at http://www.dir.ca.gov/DLSR.

7.2. DIR Registration.

City will not accept a Bid Proposal from or enter into the Contract with a bidder without proof that the bidder and its Subcontractors are registered with the California Department of Industrial Relations to perform public work under Labor Code, Section 1725.5, subject to limited legal exceptions allowed by the Labor Code.

8. Workers' Compensation Certification.

Under Labor Code, Section 1861, by signing this Contract, Contractor certifies as follows: "I am aware of the provisions of Labor Code, Section 3700 which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work on this Contract."

The successful bidder previous to the entering of the contract to do the said work shall take out and maintain in full force and effect worker's compensation insurance with an insurance carrier authorized to transact business in the State of California, covering the bidder's full liability for compensation to any persons employed who may be injured in the carrying out of said contract or the dependents thereof. Evidence of such worker's compensation insurance shall be furnished to the City of Livermore by certificate and waiver of subrogation in the City's electronic insurance certificate tracking system (PINS) prior to the commencement of the work and said certificate shall contain a provision that the coverage thereunder will not be canceled until at least thirty (30) days prior written notice has been given to the City.

9. Notice.

Any notice, billing, or payment required by the Contract Documents must be made in writing, and sent to the other party by personal delivery, U.S. Mail, a reliable overnight delivery service, facsimile, or by email as a PDF (or comparable) file. Notice is deemed effective upon delivery unless otherwise specified. Notice for each party must be given as follows:

	City	Contractor
Name	Mallika Ramachandran, P.E.	Sam Rivinius
Address	1052 South Livermore Avenue	299 W. Jack London Blvd
City/state/zip	Livermore, CA 94550	Livermore, CA 94551
Phone	925-960-4511	925-401-5092
Fax		925-397-6733
Attention	Acting City Engineer	President
Email	mramachandran@livermoreca.gov	gradetinc@sbcglobal.net
Copy to	Leon Taing, P.E., Associate Civil Engineer	
Email	lbtaing@livermoreca.gov	

10. General Provisions.

The following items are repeated here as stated as part of Part 2, General Conditions, for emphasis:

10.1. Assignment and Successors.

Contractor may not assign its rights or obligations under this Contract, in part or in whole, without City's written consent. This Contract is binding on Contractor's successors and permitted assigns. A consolidation or merger of Contractor or a change in ownership of 25% or more of Contractor's capital stock constitutes an assignment by Contractor requiring the City's written consent.

10.2. Third Party Beneficiaries.

There are no intended third party beneficiaries to this Contract except as expressly provided in the General Conditions or Special Conditions.

10.3. Governing Law and Venue.

This Contract will be governed by California law and venue will be in the Superior Court of the County in which the Project is located, and no other place.

10.4. Amendment.

No amendment or modification of this Contract will be binding unless it is in a writing duly authorized and signed by the parties to this Contract.

10.5. Integration; Severability.

This Contract and the Contract Documents incorporated herein, including authorized amendments or Change Orders thereto, constitute the final, complete, and exclusive terms of the agreement between City and Contractor. If any provision of the Contract Documents, or portion of a provision, is determined to be illegal, invalid, or unenforceable, the remaining provisions of the Contract Documents will remain in full force and effect.

11. Authorization.

Each individual signing below warrants that he or she is authorized to do so by the party that he or she represents, and that this Contract is legally binding on that party. If Contractor is a corporation, signatures from two officers of the corporation are required under California Corporation Code, Section 313.

The parties agree to this Contract as witnessed by the signatures below:

CITY	CONTRACTOR
City of Livermore, a California Municipal Corporation	GradeTech Inc.
s/_____	s/ Michelle Wright
Marianna Marysheva, City Manager	Name/Title [print] Michelle Wright - V.P.
Date: _____	Date: 11/30/23
Approved as to form:	s/ SR - - -
	Name/Title [print] Sam Rivinius - Pres.
_____	
City of Livermore City Attorney	Date: 11-30-23
	628365
	Contractor's Calif. License Number(s)
	Seal:
	09/30/25
	Expiration Date(s)

END OF DOCUMENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT EXHIBIT A

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF Alameda)

On 11-30-23 (DATE) before me, Lori Barry - Notary Public (INSERT NAME, TITLE OF OFFICER – E.G., "JANE DOE, NOTARY PUBLIC")

personally appeared, Michelle Wright and Sam Rivinius

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

L- B— (SEAL)

NOTARY PUBLIC SIGNATURE

LORI BARRY
COMM. # 2441726
NOTARY PUBLIC - CALIFORNIA
ALAMEDA COUNTY
COMM. EXPIRES APR. 16, 2027

OPTIONAL INFORMATION

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DATE OF DOCUMENT _____ NUMBER OF PAGES _____

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LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.5**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Paul Spence, Assistant City Manager

SUBJECT: Resolution authorizing execution of an Affordable Housing Loan Agreement, Affordable Housing Regulatory Agreement, and Declaration of Restrictive Covenants and related documents with Tri-Valley REACH, Inc. for rehabilitation of an affordable shared home located at 772 Camden Common.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution:

1. Authorizing a loan to Tri-Valley REACH, Inc. in the amount of $116,796 from State Permanent Local Housing Allocation (PLHA) to assist with the rehabilitation of 772 Camden Common; and
2. Authorizing the City Manager, or her designee, to execute the Affordable Housing Loan Agreement, attached as Exhibit A to the Resolution and the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants, attached as Exhibit B to the Resolution, between the City of Livermore and Tri-Valley REACH, Inc. for 772 Camden Common and all other related documents authorized and described in those agreements.

SUMMARY

On November 14, 2022, the City Council authorized the submission of an application to the State of California Housing and Community Development Department's Permanent Local Housing Allocation (PLHA) Program and adopted an amended 5-year plan for the use of its PLHA funds which included shared housing rehabilitation and expansion projects.

In June of 2023, the City assisted Tri-Valley REACH, Inc. with the acquisition of a townhouse unit located at 772 Camden Common for the purposes of providing affordable, shared housing for individuals with developmental disabilities. Now, Tri-Valley REACH, Inc. (REACH) has submitted a request to the City for a $116,796 rehabilitation loan to renovate and expand the capacity of the unit by converting a den in the unit to a bedroom for an additional tenant at the property. The proposed loan would be repaid to the City over 55 years on a residual receipts basis where payments are made from revenues generated only after all operating and mortgage expenses are paid on the property.

Staff recommends the City Council authorize the loan to REACH using the City's PLHA funds and authorize the City Manager to execute the Affordable Housing Loan Agreement, Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants, and all related documents described in those agreements.

DISCUSSION

The City of Livermore has partnered with Tri-Valley REACH, Inc. (REACH) on multiple projects to expand affordable housing opportunities for very low-income people with developmental disabilities in Livermore. REACH currently manages five supported group homes for developmentally disabled people in Livermore and six similar homes in Pleasanton. Through REACH, residents can live independently, work, and volunteer in their communities. These projects help address the City's special needs housing goals in the Housing Element of the City's General Plan by expanding affordable housing and independent living opportunities for very low-income households with disabilities.

On November 23, 2020, the City Council adopted a resolution authorizing the submission of an application to the State of California Housing and Community Development Department's Permanent Local Housing Allocation (PLHA) Program. PLHA funding is a non-competitive block grant program designed to provide direct assistance to communities to create plans to help support and increase the local housing stock. The City has adopted a 5-year plan for the use of its PLHA funds and has allocated funding for shared housing rehabilitation and expansion projects.

In June of 2023, the City helped Tri-Valley REACH, Inc. acquire the 772 Camden Common property for affordable, shared supportive housing for extremely low-income persons with disabilities. The three-bedroom condominium requires rehabilitation and expansion to accommodate an additional person through the conversion of the den into a fourth bedroom. Because REACH serves individuals who are only able to afford extremely low rents, the project does not have the ability to finance the rehabilitation through a traditional mortgage loan. REACH is requesting the City's assistance with this project through a rehabilitation loan of $116,796 that will be funded through the PLHA shared housing rehabilitation program.

If approved, the loan would be evidenced through an Affordable Housing Loan Agreement and Promissory Note, secured by a Deed of Trust. Under the proposed loan terms, the loan repayment is to be made on a residual receipts basis from any revenues remaining only after all operating expenses are paid on the property. The City typically provides this kind of "soft" payment financing to affordable housing providers providing deeply affordable housing units to populations with extremely low incomes, such as people with developmental disabilities.

As a condition of receiving the City's loan funds, REACH will enter into an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement) for the property. The Regulatory Agreement outlines repayment, affordable rent, tenant income, maximum occupancy, and property management requirements by which REACH must abide for the fifty-five (55) year loan term. As the property owner, REACH oversees the physical conditions of the house and has a rental agreement with an independent organization, HCEB (Housing Consortium of the East Bay), which will operate the group home and will be responsible for providing services and housing to Camden Common's very low-income and special needs residents.

Staff recommends the City Council authorize a $116,796 rehabilitation loan to REACH for the 772

Camden Common property and authorize the City Manager to execute the Affordable Housing Loan Agreement, Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants, and all related documents described in those agreements.

FISCAL AND ADMINISTRATIVE IMPACTS

State of California Permanent Local Housing Allocation funds (Fund 605), which were appropriated through the FY 2023-24 budget update, will provide funding for the loan. Interest will accrue on the City's loan at three percent (3%) simple interest annually for twenty (20) years, with annual payments required from residual receipts, as previously described, which is any remaining cash available after payment of all annual operating expenses.

COMMUNITY PILLAR

1: A Safe Community that Thrives.

GOAL

8: Expand and improve access to human services.

ATTACHMENTS

1. Resolution
2. Exhibit A - Affordable Loan Agreement
3. Exhibit B - Affordable Housing Regulatory Agreement

Prepared by: Natalia Gilina
Housing Administrative Technician

Approved by:



Marianna Marysheva
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION AUTHORIZING EXECUTION OF AN AFFORDABLE HOUSING LOAN AGREEMENT, AFFORDABLE HOUSING REGULATORY AGREEMENT, AND DECLARATION OF RESTRICTIVE COVENANTS AND RELATED DOCUMENTS BETWEEN THE CITY OF LIVERMORE AND TRI-VALLEY REACH, INC. FOR REHABILITATION OF AN AFFORDABLE SHARED HOME LOCATED AT 772 CAMDEN COMMON

The State of California Housing and Community Development Department is authorized to provide up to $195 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)).

The State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice of Funding Availability ("NOFA") dated February 26, 2020, under the Permanent Local Housing Allocation ("PLHA") Program.

On November 23, 2020, the Livermore City Council approved the submission of an application to the State PLHA Program as well as the PLHA Five Year Plan for funding allocation years 2019-2023.

The City of Livermore ("City") operates a Supportive Shared Housing Rehabilitation and Expansion Program (the "Program") pursuant to which the City provides low-interest loans for the rehabilitation and expansion of residential projects that provide shared housing with supportive services for extremely low-income tenants. The Program is funded with funds provided through the State PLHA Program.

As part of the PLHA Shared Housing Rehabilitation and Expansion Program, the City intends to continue to support the rehabilitation of income-restricted properties that provide housing for people with disabilities. In response to a request from the City, Tri-Valley REACH, Inc. submitted a proposal to receive a $116,796 loan from the Program to rehabilitate the Camden Common home located at 772 Camden Common (the "Property").

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore that it hereby:

1. Authorizes a loan to Tri-Valley REACH, Inc. in the amount of $116,796 from State Permanent Local Housing Allocation to assist with the rehabilitation and expansion of the Property located at 772 Camden Common; and

2. Authorizes the City Manager, or her designee, to execute the Affordable Housing Loan Agreement, attached hereto as Exhibit A, the Affordable Housing

Regulatory Agreement, attached hereto as Exhibit B, between the City of Livermore and Tri-Valley REACH, Inc., and all other related documents authorized and described in those agreements.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Katherine Mirassou
Katherine Mirassou
Deputy City Attorney

Exhibit A – Affordable Housing Loan Agreement
Exhibit B – Affordable Housing Regulatory Agreement

AFFORDABLE HOUSING LOAN AGREEMENT

Supportive Shared Housing Rehabilitation and Expansion PLHA Program

THIS AFFORDABLE HOUSING LOAN AGREEMENT (this "**Agreement**") is entered into effective as of _____, 20__ ("**Effective Date**") by and between the City of Livermore, a municipal corporation (**"City"**) and Tri-Valley REACH, Inc., a California nonprofit public benefit corporation, ("**Borrower**"). The City and the Borrower are collectively referred to herein as the "**Parties**."

RECITALS

A. Borrower is the owner of that certain residential property located at 772 Camden Common, in the City of Livermore, California, commonly known as Alameda County Assessor's Parcel Number 99-1388-42, as more particularly described in Exhibit A attached hereto, the "**Property**."

B. The City operates a Supportive Shared Housing Rehabilitation and Expansion Program (the **"Program")** pursuant to which the City provides low-interest loans for the rehabilitation and expansion of residential projects that provide shared housing with supportive services for extremely low-income tenants.

C. Grant funding by the State of California Department of Housing and Community Development ("HCD") from the Permanent Local Housing Allocation Program administered by HCD (the "PLHA Program") has been awarded to the Program. The grant funds awarded by HCD with respect to the Program pursuant to the PLHA Program are referred to herein as the "HCD Funds."

D. The Borrower expressed an interest, and the City has determined that the Borrower's proposal meets the requirements of the PLHA Program, and upon satisfaction of the conditions precedent and subject to the terms and conditions set forth in this Agreement, City has agreed to provide a loan to Borrower to be used for the purposes set forth herein.

E. Concurrently with the closing of the Loan, among other documents, Borrower will execute a secured Promissory Note to evidence Borrower's obligation to repay the Loan, a Deed of Trust that will provide City with a security interest in the Property, and an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants that will restrict rents and occupancy of the Property to eligible extremely low-income tenants for a term of not less than fifty-five (55) years.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

ARTICLE I

DEFINITIONS; EXHIBITS; REPRESENTATIONS; EFFECTIVE DATE

1.1 Incorporation of Recitals. The Parties acknowledge the truth of the foregoing Recitals which by this reference are incorporated into this Agreement.

1.2 Definitions. The following terms shall have the meanings set forth below whenever used in this Agreement and the Exhibits attached hereto. Additional terms are defined in the Recitals and text of this Agreement.

"**Affordable Rent"** is defined in the Regulatory Agreement.

"**Applicable Laws**" is defined in Section 4.15.

"**Area Median Income"** is defined in the Regulatory Agreement.

"**Borrower**" means Tri-Valley REACH, Inc., a California nonprofit public benefit corporation.

"**City"** means the City of Livermore, California, a municipal corporation.

"**City Council"** means the City Council of the City of Livermore, California.

"**City Documents**" means collectively, this Agreement, the Note, the Deed of Trust, and the Regulatory Agreement.

"**City's Authorized Representative"** means the City Manager of the City of Livermore, or his or her designee.

"**Claims**" liabilities, losses, costs, expenses (including without limitation attorneys' fees and costs of litigation), claims, demands, actions, suits, judicial or administrative proceedings, penalties, deficiencies, fines, orders, and damages, including without limitation, Claims arising from any injury, death, illness, property damage, or loss of property.

"**Closing Date**" or "**Close of Escrow**" shall be the date that escrow closes for the Loan, or if no escrow has been opened, shall be the date the Loan is originated and the date of the Note.

"**Conditions of Approval**" is defined in Section 4.4.

"Construction Plans" is defined in Section 4.6.

"Deed of Trust" is defined in Section 2.5.

"Eligible Household" is defined in the Regulatory Agreement.

"Environmental Laws" is defined in Section 6.6.2.

"Escrow Agent" is defined in Section 3.1.

"Financing Plan" is defined in Section 2.3.

"Force Majeure" is defined in Section 11.2.

"Hazardous Material" is defined in Section 6.6.1.

"HCD" is defined in Recital C.

"HCD Funds" is defined in Recital C.

"Improvements" means all improvements located or to be located on the Property.

"Indemnitees" means the City and its elected and appointed officers, officials, employees, agents, consultants, and contractors.

"Lender's Title Policy" is defined in Section 3.4.

"**Loan"** is defined in Section 2.1.

"Loan Proceeds" is defined in Section 2.1.

"Note" is defined in Section 2.1.

"Official Records" means the Official Records of Alameda County.

"Project" means the Improvements as currently existing and as improved pursuant to completion of the Scope of Work.

"**Property**" is defined in Recital A and described in Exhibit A.

"**Regulatory Agreement**" is defined in Section 2.5.

"Scope of Work" is defined in Section 2.2 and described in Exhibit B.

"Title Company" is defined in Section 3.1.

"**Transfer**" is defined in Section 7.2.

1.3 Exhibits. The following Exhibits are attached hereto and incorporated into this Agreement by this reference:

A Legal Description of the Property
B Scope of Work and Budget
C Form of Note

D Form of Deed of Trust
E Form of Regulatory Agreement
F Financing Plan
G Insurance Requirements

1.4 Borrower's Representations. Borrower represents and warrants to City as follows, and Borrower covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.4 to be untrue, Borrower shall immediately give written notice of such fact or condition to City. Borrower acknowledges that City shall rely upon Borrower's representations made herein notwithstanding any investigation made by or on behalf of City. Borrower hereby represents, warrants, and covenants that the following are true and correct as of the Effective Date, and shall be true and correct as of the Closing Date.

(a) Organization. Borrower is a nonprofit public benefit corporation, duly organized and in good standing under the laws of the State of California and tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

(b) Authority of Borrower. Borrower has full power and authority to execute, deliver, and perform all of Borrower's obligations under this Agreement and all other City Documents.

(c) Authority of Persons Executing Documents. This Agreement and all other City Documents, have been or will be executed and delivered, by persons who are duly authorized to execute and deliver the same for and on behalf of Borrower, and all actions required under Borrower's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other City Documents, have been duly taken as of the date of execution and delivery of such documents.

(d) Valid and Binding Agreements. This Agreement and all other City Documents will when executed and delivered, constitute, legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms, subject to laws affecting creditors' rights and principles of equity.

(e) No Breach of Law or Agreement. The execution, delivery, and performance of this Agreement and all other City Documents will not conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency binding on Borrower, any provision of Borrower's organizational documents, or any other agreement to which Borrower is a party.

(f) Pending Proceedings. Except as disclosed in writing to the City prior to execution of this Agreement, Borrower is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and, to the best of Borrower's knowledge, there are no claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or the Property, at law or in equity, before or by any court, board, commission or agency. Borrower is not the subject of a bankruptcy or insolvency proceeding, and no general assignment or general arrangement for the benefit of

creditors or the appointment of a trustee or receiver to take possession of all or substantially all of Borrower's assets has been made.

(g) Ownership of Property; Property Condition. Borrower is the owner of fee title to the Property. The Property is subject to only those liens, encumbrances, and exceptions described in the Title Report for the Property issued by Chicago Title Company and dated as of May 1, 2023. To Borrower's knowledge there are no Hazardous Materials present in, on, or about the Property other than substances commonly used in connection with the maintenance and operation of residential buildings and appurtenant landscaping. Except as disclosed in writing to City prior to the execution of this Agreement, Borrower has not received any notice from any governmental authority of any threatened or pending violation of governmental regulations concerning the Property that have not previously been corrected.

1.5 Effective Date. The obligations of Borrower and City hereunder shall be effective as of the Effective Date which date is set forth in the preamble to this Agreement.

ARTICLE II

SCOPE OF WORK; FINANCING PLAN; LOAN TERMS

2.1 Loan. In order to assist in the expansion and improvement of supportive housing available to extremely low-income tenants, upon satisfaction of the conditions precedent set forth in Section 3.4, City agrees to provide to Borrower a loan in the amount of One Hundred-Sixteen Thousand and Seven Hundred Ninety Six Dollars ($116,796) (the **"Loan"**), upon the terms and conditions and for the purposes set forth in this Agreement. Borrower's obligation to repay the Loan shall be evidenced by a secured promissory note executed by Borrower substantially in the form attached hereto as Exhibit C (the **"Note**"). Provided that Borrower has complied with all conditions precedent to disbursement of the Loan set forth in Section 3.4, the proceeds of the Loan ("**Loan Proceeds**") shall be disbursed pursuant to approved draw requests as described in Section 3.4(n). The Parties agree that City shall disburse the Loan Proceeds only for the purpose of funding Project rehabilitation and construction costs consistent with the Scope of Work.

2.2 Scope of Work; Use of Loan Proceeds. Borrower will use the Loan Proceeds solely to undertake the improvements to the Property described in the attached Exhibit B (the "**Scope of Work")** as such may be modified pursuant to Section 4.8 below. Any additional sources of funds to be used for completion of the Scope of Work shall be described in the Financing Plan.

2.3 Financing Plan. Borrower shall submit for City review and approval Borrower's plan for financing the rehabilitation and operation of the Property (the "**Financing Plan**"). The Financing Plan shall indicate all sources of funds necessary to pay for completion of the Scope of Work, and shall be accompanied by evidence that all such funds are subject to binding commitments, in form acceptable to City, from Borrower, grantors, and lenders, subject only to commercially reasonable conditions. The Financing Plan shall include development and operating pro formas that set out in detail the cost to complete the Scope of Work and Borrower's plan for financing the costs of rehabilitation and operation of the Property. Borrower's submittal, and City's approval, of the Financing Plan are conditions to City's

obligation to fund the Loan. The approved Financing Plan shall be attached to this Agreement as Exhibit F. Unless expressly stated otherwise, the terms set forth in the body of this Agreement shall prevail in the event of a conflict between the information set forth in the Financing Plan and the terms set forth in the body of this Agreement.

Proposed modifications to the Financing Plan shall be submitted to the City for review and approval. City staff shall promptly review such proposed modifications, and acting through City's Authorized Representative, the City shall approve such modifications in writing within fifteen (15) business days following receipt provided that the modifications conform to the requirements of this Agreement. If the City does not approve proposed modifications, the City shall set forth its objections in writing and notify Borrower of the reasons for its disapproval. Borrower shall thereafter submit a revised Financing Plan that addresses the reasons for disapproval.

2.4 Interest Rate, Maturity Date. The outstanding principal balance of the Note will bear interest at a rate equal to three percent (3%) simple annual interest. Annual payments shall be due and payable on a residual receipts basis in accordance with the formula set forth in the Note. The entire outstanding principal balance and interest accrued on the Note shall be payable in full on the date which is the fifty-fifth (55th) anniversary of the Closing Date. Notwithstanding the foregoing, the City shall have the right to accelerate the maturity date and declare all sums payable under the Note immediately due and payable upon the expiration of all applicable cure periods following the occurrence of an Event of Borrower Default.

2.5 Security; Affordable Housing Agreement. Repayment of the Note shall be secured by a deed of trust that will be executed by Borrower for the benefit of City substantially in the form attached hereto as Exhibit D and recorded against the Property on the Closing Date (the **"Deed of Trust")**. The Deed of Trust may be subordinated only to such liens and encumbrances consistent with the approved Financing Plan as City shall approve in writing consistent with Section 8.2. In addition, Borrower and City shall execute an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants ("**Regulatory Agreement")** that will be recorded in the Official Records on the Closing Date substantially in the form attached hereto as Exhibit E.

2.6 Prepayment; Acceleration.

(a) Prepayment. Borrower shall have the right to prepay the Loan at any time and from time to time, without penalty or premium, provided that any prepayment of principal must be accompanied by interest accrued but unpaid to the date of prepayment. Prepayments shall be applied first to accrued but unpaid interest and then to principal. Any such prepayment shall have no effect upon Borrower's obligations under the Regulatory Agreement which shall survive for the full term of the Regulatory Agreement.

(b) Due On Transfer or Encumbrance. Unless City agrees otherwise in writing, the entire unpaid principal balance and all interest and other sums accrued under the Note shall be due and payable upon the Transfer absent the prior written consent of City of all or any part of or interest in the Property or the Improvements except as otherwise permitted pursuant to this Agreement.

(c) Default. The City shall have the right to accelerate the Maturity Date and declare all sums payable under the Note immediately due and payable upon the expiration of all applicable cure periods following the occurrence of an Event of Borrower Default.

2.7 Nonrecourse Obligation. The Loan will be nonrecourse to Borrower subject to the limitations set forth in the Note.

ARTICLE III

ESCROW; CONDITIONS PRECEDENT TO CLOSING LOAN FUNDING

3.1 Escrow. City and Borrower shall open escrow at the office of Chicago Title Company located at 1676 N. California Ste 117 Walnut Creek, California, or such other title company as the Parties may agree upon ("**Escrow Agent**" or "**Title Company**") in order to consummate the closing of escrow for the Loan.

3.2 Costs of Closing and Escrow. Borrower shall pay all recording fees, escrow fees and closing costs incurred in connection with the Loan. Borrower shall pay for the cost of any lender's policy of title insurance that City elects to acquire in connection with the transactions contemplated hereby. City and Borrower shall provide Escrow Agent with a copy of this Agreement, which together with such supplemental instructions as City or Borrower may provide and which are consistent with the intent of this Agreement or which are otherwise mutually agreed upon by City and Borrower, shall serve as escrow instructions for the Closing.

3.3 Deposits into Escrow; Closing. The Closing Date shall be a date that is mutually acceptable to the Parties, and which shall occur within thirty (30) days following the Borrower's satisfaction or City's waiver of all conditions precedent to Closing as set forth in Section 3.4. Prior to the Close of Escrow, Borrower shall deposit into escrow (or deliver to City) originals of the City Documents, executed and acknowledged as applicable, Borrower's share of closing costs, and such additional duly executed instruments and documents as the Escrow Agent may reasonably require. Provided that all conditions precedent to Close of Escrow have been satisfied or waived, City shall deposit into escrow executed copies of the City Documents to

which City is a party, and such additional duly executed instruments and documents as the Escrow Agent may reasonably require. On the Closing Date, the Escrow Agent shall cause the Regulatory Agreement and the Deed of Trust to be recorded in the Official Records in that order.

3.4 City's Conditions to Closing and Loan Disbursement. City's obligation to fund the Loan and disburse the Loan Proceeds is conditioned upon the satisfaction of all of the requirements set forth in this Section 3.4, unless any such condition is waived in writing by the City's Authorized Representative.

(a) No Default. There shall exist no condition, event or act which would constitute a material breach or default by Borrower under this Agreement or any other City Document, or which, upon the giving of notice or the passage of time, or both, would constitute such a material breach or default.

(b) Representations. All representations and warranties of Borrower contained herein or in any other City Document or certificate delivered in connection with the transactions contemplated by this Agreement shall be true and correct in all material respects as of the Close of Escrow.

(c) Due Authorization and Good Standing; Organizational Documents. Borrower shall have delivered to City copies of all of the following, including updated versions of any of the following that have been amended or modified since the date of any prior delivery to City of such documents: (i) a certificate of good standing, certified by the Secretary of State, indicating that Borrower is properly organized and authorized to do business in the State of California; (ii) a copy of Borrower's articles of incorporation or LLC-1, as applicable, certified by the California Secretary of State; (iii) a copy of Borrower's bylaws or operating agreement, as applicable, certified by Borrower's corporate Secretary as accurate, complete, and in full force and effect; (iv) verification of Borrower's tax-exempt status, if applicable; and (v) a resolution certified by Borrower's corporate Secretary authorizing Borrower's execution, delivery, and performance under this Agreement and the other City Documents.

(d) Execution, Delivery and Recordation of Documents. Borrower shall have executed, acknowledged as applicable, and delivered to City this Agreement, and all other documents required in connection with the transactions contemplated hereby, including without limitation the Note, the Deed of Trust, and the Regulatory Agreement. Concurrently with the Closing, the Regulatory Agreement and the Deed of Trust shall be recorded in the Official Records.

(e) Mechanics' Liens. Borrower shall have delivered to City evidence reasonably satisfactory to City that there are no mechanics' liens or stop notices related to the Property or the Project, and Borrower shall have provided to City evidence of full waivers or releases of lien clams or evidence that any lien claims have been bonded against, released, or insured against.

(f) Lender's Title Policy. The Title Company shall, upon payment of the premium therefore, be committed to issue an ALTA Lender's Policy of Title Insurance for the benefit and protection of City ("**Lender's Title Policy"**) in the amount of Loan, insuring that the Deed of Trust and the Regulatory Agreement are recorded subject only to title exceptions and

such other defects, liens, conditions, encumbrances, restrictions, easements and exceptions as City may reasonably approve in writing, showing title to the Property vested in Borrower, and containing such endorsements as City may reasonably require, with the cost of such Lender's Title Policy to be paid by Borrower.

(g) Financing Plan. City shall have approved the Financing Plan, including without limitation, the budget for completion of the rehabilitation and construction work, and the operating budget for the Project.

(h) Insurance. Borrower shall have provided evidence satisfactory to City that Borrower has obtained insurance coverage meeting the requirements set forth in Exhibit G.

(i) Other Documents. Borrower's delivery to City, and City approval of such other documents related to the financing of the rehabilitation and operation of the Property as City may reasonably request, including without limitation, social services agreements, and agreements with any agency that will refer Eligible Households for prospective occupancy of the Property.

(j) Evidence of Availability of Funds. Borrower shall have submitted to the City copies of all loan documents for the financing sources identified in the approved Financing Plan, together with evidence reasonably satisfactory to City that (i) all conditions to the release and expenditure of the initial draw of funds from each source described in the approved Financing Plan as a source of construction financing for the Project have been met and that such funds will be available, and (ii) all construction financing (including draws subsequent to the initial draw of funds) will be available upon the satisfaction of the conditions set forth in the construction loan documents. Borrower shall have provided to City copies of all other documents related to development and financing of the Project as City may reasonably request. Borrower's construction financing for the Project shall have closed or shall close concurrently with the Close of Escrow.

(k) Permits and Approvals. Borrower shall have obtained all entitlements, permits, licenses and approvals required for the rehabilitation and operation of the Project, including without limitation, building permits and use permits or shall provide evidence satisfactory to City that receipt of such permits and approvals is subject only to such conditions as City may reasonably approve. A "permit ready" letter indicating that building permits for the Project shall be issued upon payment of applicable fees may serve as satisfactory evidence regarding issuance of the building permit.

(l) Payment of Fees. Borrower shall have paid when due all customary and reasonable fees and charges in connection with the processing of all applicable City permits and approvals.

(m) Construction Plans, Budget and Schedule. City shall have approved the general contractor, the construction budget and schedule for the Project, the Construction Plans and specifications for the Project, and the construction contract. Borrower shall have delivered an executed copy of the approved construction contract to City.

(n) Requisition. Borrower shall have submitted to City a written requisition for disbursement of funds specifying the amount and use of the requested funds, accompanied by copies of third-party invoices, evidence of Borrower's payment for services rendered in connection with the work (if applicable), and such other documentation as City may reasonably require. If applicable, City shall have approved the work that is the subject of the requisition.

(o) Settlement Statement. City shall have received and approved Title Company's settlement statement showing the closing costs and all other amounts due in escrow.

3.5 No Obligation to Disburse Proceeds Upon Default. Notwithstanding any other provision of this Agreement, the City shall have no obligation to disburse or authorize the disbursement of Loan Proceeds following: (i) the failure of any of Borrower's representations and warranties made in this Agreement or in connection with the Loan to be true and correct in all material respects; (ii) the termination of this Agreement by mutual agreement of the Parties; or (iii) the occurrence of an Event of Borrower Default under any City Document that remains uncured beyond any applicable cure period, or the existence of any condition, event or act which upon the giving of notice or the passage of time or both would constitute an Event of Borrower Default under any City Document, and that remains uncured as of the date of the requested disbursement.

ARTICLE V

REHABILITATION OF THE PROPERTY

4.1 Development Schedule. Borrower shall commence rehabilitation of the Project within thirty (30) days following the Closing, and shall diligently prosecute completion of the Scope of Work with completion targeting to be completed within 6 months. Borrower shall use diligent efforts to cause the Scope of Work to be completed such that a final certificate of occupancy or equivalent can be issued by not later than June 30, 2024. Subject to Force Majeure, Borrower's failure to commence or complete construction of the Project in accordance with the time periods specified in this Section 4.1 shall be an Event of Borrower Default hereunder.

4.2 Cost of Construction. Except as expressly set forth herein, Borrower shall be solely responsible for all direct and indirect costs and expenses incurred in connection with the rehabilitation of the Property. Except as expressly set forth herein, all costs of designing, developing and constructing the Project and compliance with the Conditions of Approval, shall be borne solely by Borrower and shall not be an obligation of the City.

4.3 Project Approvals. Borrower acknowledges that execution of this Agreement by City does not constitute City approval for the purpose of the issuance of building permits, does not limit in any manner the discretion of City in such approval process, and does not relieve Borrower from the obligation to apply for and obtain from City and all other agencies with jurisdiction over the Property, all necessary approvals, entitlements, and permits for the rehabilitation of the Project, including without limitation, the approval of architectural plans, the issuance of any certificates regarding historic resources required in connection with the

rehabilitation of the Property (if any) and the approval of the Project in compliance with CEQA and NEPA, if applicable, nor does it limit in any manner the discretion of the City or any other agency in the approval process. Borrower shall not commence work on the Project prior to issuance of building permits required for such work. City staff shall work cooperatively with Borrower to assist in coordinating the expeditious processing and consideration of all permits, entitlements and approvals necessary for the rehabilitation of the Project as contemplated by this Agreement.

4.4 Design Review; Conditions of Approval. Borrower shall submit a Project site plan and design documents, including elevations and schematic drawings consistent with the Scope of Work to City for review and approval. Borrower shall develop the Project in accordance with the terms and conditions of this Agreement and in compliance with the approved site plan and design documents and the terms and conditions of all approvals, entitlements and permits that the City or any other governmental body or agency with jurisdiction over the Project or the Property has granted or issued as of the date hereof or may hereafter grant or issue in connection with development of the Project, including without limitation, all mitigation measures imposed in connection with environmental review of the Project and all conditions of approval imposed in connection with any entitlements, approvals or permits (all of the foregoing approvals, entitlements, permits, mitigation measures and conditions of approval are hereafter collectively referred to as the "**Conditions of Approval**").

4.5 Fees. Borrower shall be solely responsible for, and shall promptly pay when due, all customary and usual fees and charges of City and all other agencies with jurisdiction over development of the Property in connection with obtaining building permits and other approvals for the Project, including without limitation, those related to the processing and consideration of amendments, if any, to the current entitlements, any related approvals and permits, environmental review, architectural review, historic review, and any subsequent approvals for the Project.

4.6 Construction Plans. Borrower shall submit to City's Building Department detailed construction plans for the Project (the "**Construction Plans**"). As used herein "**Construction Plans**" means all construction documents upon which Borrower and Borrower's contractors shall rely in developing the Property and constructing the Project (including the structures, landscaping, parking, and common areas). The Construction Plans shall be based upon the Scope of Work and upon the approvals issued by the City for the Project, and shall not materially deviate therefrom without the express written consent of City.

4.7 Construction Pursuant to Plans. Borrower shall rehabilitate the Project in accordance with the approved Construction Plans, the Conditions of Approval, and all other permits and approvals granted by the City pertaining to the Project. Borrower shall comply with all directions, rules and regulations of any fire marshal, health officer, building inspector or other officer of every governmental agency having jurisdiction over the Property or the Project. Each element of the work shall proceed only after procurement of each permit, license or other authorization that may be required for such element by any governmental agency having jurisdiction. All design and construction work on the Project shall be performed by licensed contractors, engineers or architects, as applicable.

4.8 Change in Scope of Work. If Borrower desires to make any material change in the approved Scope of Work, Borrower shall submit the proposed change in writing to the City for its written approval, which approval shall not be unreasonably withheld or delayed if the Scope of Work, as modified by any proposed change, conforms to the requirements of this Agreement and any approvals issued by City after the Effective Date. Unless a proposed change is approved by City within thirty (30) days, it shall be deemed rejected. If rejected, the previously approved Scope of Work shall continue to remain in full force and effect. Any change in the Scope of Work required in order to comply with applicable codes shall be deemed approved, so long as such change does not substantially nor materially change the architecture, design, function, use, or amenities of the Project as shown on the latest approved Scope of Work.

4.9 Rights of Access. For the purpose of ensuring that the construction of the Project is completed in compliance with this Agreement, Borrower shall permit representatives of the City to enter upon the Property during normal business hours following at least 48 hours' written notice (except in the case of emergency in which case such notice as may be practical under the circumstances shall be provided), subject to reasonable safety rules and regulations which may be established by Borrower.

4.10 City Disclaimer. Borrower acknowledges that the City is under no obligation, and the City neither undertakes nor assumes any responsibility or duty to Borrower or to any third party, to in any manner review, supervise, or inspect the progress of rehabilitation or the operation of the Project. Borrower and all third parties shall rely entirely upon its or their own supervision and inspection in determining the quality and suitability of the materials and work, the performance of architects, subcontractors, and material suppliers, and all other matters relating to the rehabilitation and operation of the Project. Any review or inspection undertaken by the City is solely for the purpose of determining whether Borrower is properly discharging its obligations under this Agreement, and shall not be relied upon by Borrower or any third party as a warranty or representation by the City as to the quality of the design or construction of the Project or otherwise.

4.11 Defects in Plans. The City shall not be responsible to Borrower or to any third party for any defect in the Construction Plans or for any structural or other defect in any work done pursuant to the Construction Plans. To the greatest extent allowed by law, Borrower shall indemnify, defend (with counsel reasonably approved by City) and hold harmless the Indemnitees from and against all Claims arising out of, or relating to, or alleged to arise from or relate to defects in the Construction Plans or defects in any work done pursuant to the Construction Plans whether or not any insurance policies shall have been determined to be applicable to any such Claims. Borrower's indemnification obligations set forth in this Section shall survive the expiration or earlier termination of this Agreement. Borrower's indemnification obligations pursuant to this Section shall not extend to Claims to the extent arising from the gross negligence or willful misconduct of the Indemnitees, and are subject to the additional terms set forth in Section 10.3 below.

4.12 Intentionally omitted.

4.13 Equal Opportunity. There shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring,

firing, promoting or demoting of any person engaged in construction work on the Property, and Borrower shall direct its contractors and subcontractors to refrain from discrimination on such basis.

4.14 Prevailing Wage Requirements. Borrower and its contractors, subcontractors and agents shall comply with California Labor Code Section 1720 *et seq*. and the regulations adopted pursuant thereto (and if required by applicable federal law, the Davis Bacon Act and implementing regulations) (all of the foregoing, "**Prevailing Wage Laws**"), and shall be responsible for carrying out the requirements of such provisions. If applicable, Borrower shall submit to City a plan for monitoring payment of prevailing wages and at Borrower's expense shall implement such plan and comply with all applicable reporting and recordkeeping requirements.

To the greatest extent allowed by law, Borrower shall indemnify, defend (with counsel approved by City) and hold the Indemnitees harmless from and against all Claims that directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, or relate to, the payment or requirement of payment of prevailing wages (including without limitation, all Claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781), the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement or the rehabilitation of the Project, including but not limited to the Prevailing Wage Laws, or any act or omission of Borrower with respect to the payment or requirement of payment of prevailing wages, whether or not any insurance policies shall have been determined to be applicable to any such Claims. The provisions of this Section 4.14 shall survive the expiration or earlier termination of this Agreement. Borrower's indemnification obligations set forth in this Section shall not apply to Claims to the extent arising from the gross negligence or willful misconduct of the Indemnitees and are subject to the additional terms set forth in Section 10.3 below.

4.15 Compliance with Laws; Indemnity. Borrower shall carry out and cause its contractors to carry out the rehabilitation of the Property, and shall operate the Property in conformity with all applicable federal, state and local laws, rules, ordinances and regulations (**"Applicable Laws"**), including without limitation, all applicable federal and state labor laws and standards, Section 3 of the Housing and Community Development Act of 1974, as amended (if applicable pursuant to financing sources used for the rehabilitation or operation of the Property), the City's zoning and development standards, building, plumbing, mechanical and electrical codes, all other provisions of the City's Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101, *et seq*., Government Code Section 4450, *et seq*., Government Code Section 11135, *et seq*., and the Unruh Civil Rights Act, Civil Code Section 51, *et seq*.. To the greatest extent allowed by law, Borrower shall indemnify, defend (with counsel approved by City) and hold harmless the Indemnitees from and against any and all Claims arising in connection with the breach of Borrower's obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such Claims. Borrower's indemnification obligations set forth in this Section shall not apply to Claims to the extent arising from the gross negligence or willful misconduct of the Indemnitees. Borrower's defense and indemnification obligations set forth in this Section 4.15 shall survive

the expiration or earlier termination of this Agreement and are subject to the additional terms set forth in Section 10.3 below.

4.16 Liens and Stop Notices. Until the later of the date of reconveyance of the Deed of Trust or the expiration of the term of the Regulatory Agreement, Borrower shall not allow to be placed on the Property or any part thereof any lien or stop notice on account of materials supplied to or labor performed on behalf of Borrower. If a claim of a lien or stop notice is given or recorded affecting the Property or any part thereof, Borrower shall within twenty (20) days of such recording or service: (a) pay and discharge (or cause to be paid and discharged) the same; or (b) effect the release thereof by recording and delivering (or causing to be recorded and delivered) to the party entitled thereto a surety bond in sufficient form and amount; or (c) provide other assurance satisfactory to City that the claim of lien or stop notice will be paid or discharged.

4.17 Right of City to Satisfy Liens on the Property. If Borrower fails to satisfy or discharge any lien or stop notice on the Property or any part thereof pursuant to and within the time period set forth in Section 4.16 above, the City shall have the right, but not the obligation, to satisfy any such liens or stop notices at Borrower's expense and without further notice to Borrower and all sums advanced by City for such purpose shall be part of the indebtedness secured by the Deed of Trust. In such event Borrower shall be liable for and shall immediately reimburse City for such paid lien or stop notice. Alternatively, the City may require Borrower to immediately deposit with City the amount necessary to satisfy such lien or claim pending resolution thereof. The City may use such deposit to satisfy any claim or lien that is adversely determined against Borrower. Borrower shall file a valid notice of cessation or notice of completion upon cessation of construction work on the Property for a continuous period of thirty (30) days or more, and shall take all other reasonable steps to forestall the assertion of claims or liens against the Property. The City may (but has no obligation to) record any notices of completion or cessation of labor, or any other notice that the City deems necessary or desirable to protect its interest in the Property.

4.18 Intentionally omitted.

4.19 Insurance Requirements. Borrower shall maintain and shall cause its contractors to maintain all applicable insurance coverage specified in Exhibit G.

4.20 Quarterly Performance Reporting. During rehabilitation of the Project, Borrower shall submit to City a Quarterly Performance Report within 30 days following the end of each calendar quarter. The report shall be in the form of a narrative description of all activities performed in relation to the Project including all development activities. The report shall include a Project timeline, including a schedule for completing milestones and/or tasks, and indicate the status of the Project in relation to this timeline. Borrower shall provide the quarterly reports described in this Section until the Scope of Work is complete, even if all of the Loan Proceeds have been disbursed. The requirements set forth in this Section are in addition to the requirement for submittal of requisitions pursuant to Section 3.4(n).

ARTICLE V

USE OF THE PROPERTY

5.1 Affordable Housing; Supportive Services. Borrower covenants and agrees for itself, its successors and assigns that the Property and the Improvements will be subject to recorded covenants that will restrict the Property to operation of an affordable shared housing residence with supportive services for tenants, and that for a term of not less than fifty-five (55) years, commencing on the Closing Date, the Property shall be available at Affordable Rent to Eligible Households whose income is no greater than thirty percent (30%) of Area Median Income. Borrower shall comply with rent and occupancy restrictions imposed by all applicable financing sources and regulatory agencies if such agencies impose requirements on that are more stringent than those set forth in this Agreement. As more particularly set forth in the Regulatory Agreement, Borrower shall be obligated to screen prospective tenants to establish that they qualify as Eligible Households, and may contract with a qualified organization or agency that will provide referrals of Eligible Households for prospective occupancy of the Property. In addition, Borrower will be obligated to provide, or contract with a qualified organization for provision of, supportive social services to the residents of the Property.

5.2 Housing First Protocol; Resident Selection. Borrower acknowledges that the Project will be subject to the Housing First protocol described in California Code of Regulations, title 25, Sections 8409(b) subsections (1) through (6), and further agrees that Project residents will be selected in a manner consistent with California Welfare and Institutions Code Section 8255(b)(8) using a protocol that prioritizes selection criteria other than "first-come, first-serve" and may include, without limitation, the duration or chronicity of homelessness/disability, vulnerability to early mortality, high utilization of crisis or medical services, and the need for housing that provides supportive services. Borrower shall submit for City review and approval a tenant selection and Project management plan that addresses the requirements set forth in this Section.

5.3 Relocation.

5.3.1 Compliance with Laws. Borrower covenants and agrees that persons residing on the Property as of the date of this Agreement shall not be displaced before suitable replacement housing and tenant space, as applicable, is available. Borrower shall ensure that all occupants of the Property receive all notices, benefits, and assistance to which they are entitled in accordance with California Relocation Assistance Law (Government Code Section 7260 *et seq*.), all state and local regulations implementing such law, and all other applicable local, state and federal laws, regulations, and policies relating to the displacement and relocation of eligible persons as defined in such Relocation Laws, including but not limited to the Uniform Relocation Act (42 U.S.C. § 4601 *et seq*.) and implementing regulations (all of the foregoing, collectively "**Relocation Laws**").

5.3.2 Costs; Indemnity. Borrower shall be responsible for payment of any and all costs and expenses incurred in connection with the temporary and/or permanent displacement and/or relocation of residential and commercial occupants of the Property as required by Relocation Laws, including, without limitation, payments to a relocation consultant, moving expenses, and payments for temporary and permanent relocation benefits pursuant to Relocation Laws, and City shall have no responsibility for payment therefor. To the greatest extent allowed

by law, Borrower shall indemnify, defend (with counsel reasonably approved by City) , and hold the Indemnitees harmless from and against any and all Claims arising in connection with the breach of Borrower's obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such Claims. Borrower's indemnification obligations under set forth in this Section 5.3.2 shall not apply to Claims to the extent resulting from the gross negligence or willful misconduct of Indemnitees , and are subject to the additional terms set forth in Section 10.3 below. The provisions of this Section 5.3.2 shall survive the expiration or earlier termination of this Agreement.

5.4 Maintenance. Borrower shall at its own expense, maintain the Property and the Improvements, including the landscaping, driveways, parking areas, and walkways, in good physical condition, in good repair, and in decent, safe, sanitary, habitable and tenantable living conditions in conformity with all Applicable Laws. Without limiting the foregoing, Borrower agrees to maintain the Property in a condition free of all waste, nuisance, debris, graffiti, disrepair, and illegal activity, and shall take all reasonable steps to prevent the same from occurring on the Property. Borrower shall prevent and/or rectify any physical deterioration of the Property and shall make all repairs, renewals and replacements necessary to keep the Property in good condition and repair.

5.5 Taxes and Assessments. Borrower shall pay all real and personal property taxes, assessments and charges and all franchise, income, payroll, withholding, sales, and other taxes assessed against the Property and the Improvements, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, Borrower shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Borrower exercises its right to contest any tax, assessment, or charge, the Borrower, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

5.6 Obligation to Refrain from Discrimination. Borrower shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or the Improvements, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Borrower covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or the Improvements, or part thereof, nor shall Borrower or any person claiming under or through Borrower establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or the Improvements, or part thereof. Borrower shall include such provision in all deeds, leases, contracts and other instruments executed by Borrower or on behalf of Borrower, and shall enforce the same diligently and in good faith.

ARTICLE VI

ENVIRONMENTAL MATTERS

6.1 Disclosure. Borrower represents and warrants that except as disclosed to City in writing, as of the Effective Date, to Borrower's best knowledge: (i) the Property is free and has always been free of Hazardous Materials and is not and has never been in violation of any Hazardous Materials Law; (ii) there are no buried or partially buried storage tanks located on the Property, (iii) Borrower and its principals have received no notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Property are or have ever been in violation of any Hazardous Materials Law or informing Borrower that the Property is subject to investigation or inquiry regarding Hazardous Materials on the Property or the potential violation of any Hazardous Materials Law; (iv) there is no monitoring program required by the Environmental Protection Agency or any other governmental agency concerning the Property; (v) no toxic or hazardous chemicals, waste or substances of any kind have ever been spilled, disposed of, or stored on, under or at the Property, whether by accident, burying, drainage, or storage in containers, tanks, holding areas, or any other means; (vi) the Property has never been used as a dump or landfill; and (vii) Borrower has disclosed to City all information, records, and studies in Borrower's possession or reasonably available to Borrower relating to the Property concerning Hazardous Materials.

Borrower hereby acknowledges and agrees that (i) this Section is intended as the City's written request for information (and the Borrower's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5(d)(2), and (ii) each representation and warranty in this Agreement or any of the other City Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the City and the Borrower to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

6.2 Borrower's Obligations. Borrower hereby covenants and agrees that:

(1) Borrower shall not knowingly permit the Property or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Material or otherwise knowingly permit the presence or release of Hazardous Material in, on, under, about or from the Property with the exception of limited amounts of cleaning supplies and other materials customarily used in the construction, rehabilitation, use or maintenance of residential properties similar in nature to the Property, and used, stored and disposed of in compliance with Environmental Laws.

(2) Borrower shall keep and maintain the Property and each portion thereof in compliance with, and shall not cause or permit the Property or any portion of either to be in violation of, any Environmental Laws.

(3) Upon receiving actual knowledge of the same, Borrower shall immediately advise City in writing of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Borrower, or

the Property pursuant to any applicable Environmental Laws; (ii) any and all claims made or threatened by any third party against the Borrower or the Property relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Material; (iii) the presence or release of any Hazardous Material in, on, under, about or from the Property; or (iv) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property classified as "Border Zone Property" under the provisions of California Health and Safety Code, Sections 25220 *et seq.,* or any regulation adopted in connection therewith, that may in any way affect the Property pursuant to any Environmental Laws or cause it or any part thereof to be designated as Border Zone Property. The matters set forth in the foregoing clauses (i) through (iv) are hereinafter referred to as "**Hazardous Materials Claims**"). The City shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claim.

(4) Without the City's prior written consent, which shall not be unreasonably withheld or delayed, Borrower shall not take any remedial action in response to the presence of any Hazardous Material in, on, under, or about the Property (other than in emergency situations or as required by governmental agencies having jurisdiction in which case the City agrees to provide its consent), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claim. City shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Borrower.

6.3 Environmental Indemnity. To the greatest extent allowed by law, Borrower shall indemnify, defend (with counsel approved by City) and hold Indemnitees harmless from and against all Claims resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Material on, under, in or about the Property, or the transportation of any such Hazardous Material to or from, the Property, or (ii) the failure of Borrower, Borrower's employees, agents, contractors, subcontractors, or any person acting on behalf of or as the invitee of any of the foregoing to comply with Environmental Laws, except to the extent caused by the City's gross negligence or willful misconduct. The foregoing indemnity shall apply irrespective of whether any use, storage, or disposal of Hazardous Materials were or will be undertaken in accordance with Environmental Laws.

The provisions of this Section 6.3 shall be in addition to any and all other obligations and liabilities that Borrower may have under applicable law, and each Indemnitee shall be entitled to indemnification under this Section without regard to whether City or that Indemnitee has exercised any rights against the Property or any other security, pursued any rights against any guarantor or other party, or pursued any other rights available under the City Documents or applicable law. The obligations of Borrower to indemnify the Indemnitees under this Section shall survive the termination of this Agreement, any repayment or discharge of the Loan, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of the Deed of Trust. Borrower's indemnification obligations pursuant to this Section shall not extend to Claims to the extent arising from the gross negligence

or willful misconduct of the Indemnitees, and are subject to the additional terms set forth in Section 10.3 below.

6.4 City's Rights. In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the City's or the Trustee's rights and remedies under the Deed of Trust, the City may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Borrower to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the City's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Borrower shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Borrower knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) reasonable attorneys' fees, incurred by the City in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the Note, until paid, shall be added to the indebtedness secured by the Deed of Trust and shall be due and payable to the City upon its demand made at any time following the conclusion of such action.

6.5 No Limitation. Borrower hereby acknowledges and agrees that Borrower's duties, obligations and liabilities under this Agreement are in no way limited or otherwise affected by any information the City may have concerning the Property and/or the presence in, on, under or about the Property of any Hazardous Material, whether the City obtained such information from the Borrower or from its own investigations.

6.6 Definitions.

6.6.1 "**Hazardous Material**" means any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any Environmental Laws (defined below) as a "hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", infectious waste", toxic substance", toxic pollutant", or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. The term "hazardous material" shall also include asbestos or asbestos-containing materials, radon, chrome and/or chromium, polychlorinated biphenyls, petroleum, petroleum products or by-products, petroleum components, oil, mineral spirits, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable as fuel, perchlorate, and methy tert butyl ether, whether or not defined as a hazardous waste or hazardous substance in the Environmental Laws.

6.6.2 "**Environmental Laws**" means any and all federal, state and local statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations or directives, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Material, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq*.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq*.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq*.), the Clean Air Act (42 U.S.C. § 7401 *et seq*.), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq*.), the Oil Pollution Act (33 U.S.C. § 2701 *et seq*.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 *et seq*.), the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 *et seq*.), the Toxic Mold Protection Act (Cal. Health & Safety Code § 26100, *et seq*.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 *et seq*.), the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100 *et seq*.), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 *et seq*.), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health and Safety Code, Section 25300 *et seq*.).

ARTICLE VII

LIMITATIONS ON CHANGE IN OWNERSHIP, MANAGEMENT AND CONTROL OF BORROWER

7.1 Identity of Borrower; Changes Only Pursuant to this Agreement. Borrower has represented that Borrower and its principals possess the necessary expertise, skill and ability to carry out the rehabilitation of the Property and the Improvements and operate the Project pursuant to this Agreement and the City Documents. The qualifications, experience, financial capacity and expertise of Borrower and its principals are of particular concern to the City. It is because of these qualifications, experience, financial capacity and expertise that the City has entered into this Agreement with Borrower. No voluntary or involuntary successor, assignee or transferee of Borrower shall acquire any rights or powers under this Agreement, except as expressly provided herein.

7.2 Prohibition on Transfer. Prior to the expiration of the term of the Regulatory Agreement, Borrower shall not, except as expressly permitted by this Agreement, directly or indirectly, voluntarily, involuntarily or by operation of law make or attempt any total or partial sale, transfer, conveyance, assignment or lease (collectively, "**Transfer**") of the whole or any part of the Property, the Improvements, or this Agreement, without the prior written approval of City which approval shall not be unreasonably withheld. Any such attempt to assign this Agreement without the City's consent shall be null and void and shall confer no rights or privileges upon the purported assignee. In addition to the foregoing, prior to the expiration of the term of the Regulatory Agreement, except as expressly permitted by this Agreement, Borrower shall not undergo any significant change of ownership without the prior written approval of City. For purposes of this Agreement, a "significant change of ownership" shall mean a transfer of the

beneficial interest of more than twenty-five percent (25%) in aggregate of the present ownership and /or control of Borrower, taking all transfers into account on a cumulative basis.

7.3 Conditionally Permitted Transfers. Subject to the conditions set forth in this Section 7.3, and if applicable Section 7.4, the prohibitions on Transfer set forth herein shall not be deemed to prevent: (i) the lease of individual residences to tenants for occupancy as their principal residence in accordance with the Regulatory Agreement; (ii) assignments creating security interests for the purpose of financing the improvement of the Property in accordance with the approved Financing Plan as it may be updated with City approval, and subject to the requirements of Article VIII, or Transfers directly resulting from the foreclosure of, or granting of a deed in lieu of foreclosure of, such a security interest; or (iii) a Transfer to a tax-exempt entity under the direct control of, or under common control with, Borrower.

7.4 Requirements for Proposed Transfers. The City may, in the exercise of its sole discretion, consent to a proposed Transfer of this Agreement, the Property, the Improvements, or part thereof if all of the following requirements are met (provided however, the requirements of this Section 7.4 shall not apply to Transfers described in clauses (i) and (ii) of Section 7.3):

(i) The proposed transferee demonstrates to the City's satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the City to competently complete the rehabilitation of the Improvements, manage the Project, and otherwise fulfill the obligations undertaken by the Borrower under this Agreement and the Regulatory Agreement.

(ii) The Borrower and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to effect any Transfer of all or any part of or interest in the Property, the Improvements, or this Agreement together with such documentation of the proposed transferee's qualifications and development capacity as the City may reasonably request.

(iii) The proposed transferee shall expressly assume all of the rights and obligations of the Borrower under this Agreement and the other City Documents arising after the effective date of the Transfer and all obligations of Borrower arising prior to the effective date of the Transfer (unless Borrower expressly remains responsible for such obligations), and shall agree to be subject to and assume all of Borrower's obligations under the City Documents. The assumption of such obligations shall be documented in an assignment and assumption agreement in form approved by City.

(iv) The Transfer shall be effectuated pursuant to a written instrument satisfactory to the City in form recordable in the Official Records.

(v) The final form of the organizational documents of the proposed transferee, and any subsequent amendments that affect the City's economic interests under this Agreement or the City Documents shall be subject to the City's review and approval.

Consent to any proposed Transfer may be given by the City's Authorized Representative unless the City's Authorized Representative, in his or her discretion, refers the matter of approval to the City Council. If the City has not rejected a proposed Transfer or requested additional

information regarding a proposed Transfer in writing within thirty (30) days following City's receipt of written request by Borrower, the proposed Transfer shall be deemed approved.

7.5 Effect of Transfer without City Consent.

7.5.1 In the absence of specific written agreement by the City, no Transfer by Borrower shall be deemed to relieve the Borrower or any other party from any obligation under this Agreement.

7.5.2 It shall be an Event of Borrower Default hereunder entitling City to pursue remedies including without limitation, termination of this Agreement and/or foreclosure under the Deed of Trust if without the prior written approval of the City, Borrower assigns or Transfers this Agreement, the Improvements, or the Property, or any part thereof or interest therein, undergoes any other Transfer (including without limitation, any assignment for security or encumbrance of the Property, or the Project, or part thereof) in violation of Article VII. This Section 7.5.2 shall not apply to Transfers described in clauses (i) and (ii) of Section 7.3).

7.6 Recovery of City Costs. Within ten (10) days following City's delivery to Borrower of an invoice detailing such costs, Borrower shall reimburse City for all City costs, including but not limited to reasonable attorneys' fees, incurred in reviewing instruments and other legal documents proposed to effect a Transfer of this Agreement, Borrower's interest in the Property or the Project, or part thereof, and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee.

ARTICLE VIII

SECURITY FINANCING AND RIGHTS OF MORTGAGEES

8.1 Mortgages and Deeds of Trust. Mortgages and deeds of trust, or any other reasonable security instrument are permitted to be placed upon the Property only for the purpose of securing loans for the purpose of financing the rehabilitation of the Property, and other expenditures reasonably necessary for the improvement or operation of the Property. Borrower shall not enter into any conveyance for such financing that is not contemplated in the Financing Plan as it may be updated with City approval, without the prior written approval of the City's Authorized Representative or his or her designee. As used herein, the terms "mortgage" and "deed of trust" shall mean any security instrument used in financing real estate acquisition, construction and land development.

8.2 Subordination. The City agrees that City will consider reasonable requests for subordination of the Deed of Trust to deeds of trust provided for the benefit of lenders providing financing for the rehabilitation or improvement of the Property that are identified in the approved Financing Plan, as it may be updated with City approval, provided that the instruments effecting such subordination include reasonable protections to the City in the event of default, including without limitation, extended notice and cure rights. The Regulatory Agreement shall remain unsubordinated.

8.3 Notice of Default and Lender Right to Cure. Whenever City delivers any notice of default hereunder, City shall concurrently deliver a copy of such notice to each holder of record of any mortgage or deed of trust secured by the Property, provided that City has been provided with the address for delivery of such notice. City shall have no liability to any such holder for any failure by the City to provide such notice to such holder. Each such holder shall have the right, but not the obligation, at its option, to cure or remedy any such default or breach within the cure period provided to Borrower. In the event that possession of the Property (or any portion thereof) is required to effectuate such cure or remedy, the holder shall be deemed to have timely cured or remedied the default if it commences the proceedings necessary to obtain possession of the Property, as applicable, within the applicable cure period, diligently pursues such proceedings to completion, and after obtaining possession, diligently completes such cure or remedy. A holder who chooses to exercise its right to cure or remedy a default or breach shall first notify City of its intent to exercise such right prior to commencing to cure or remedy such default or breach.

8.4 City Right to Cure Defaults. In the event of a breach or default by Borrower under a mortgage or deed of trust secured by the Property, City may cure the default, without acceleration of the subject loan, following prior notice thereof to the holder of such instrument and Borrower. In such event, Borrower shall be liable for, and City shall be entitled to reimbursement from Borrower for all costs and expenses incurred by City associated with and attributable to the curing of the default or breach and such sum shall constitute a part of the indebtedness secured by the Deed of Trust.

8.5 Estoppel Certificates. Either Party shall, at any time, and from time to time, within fifteen (15) days after receipt of written request from the other Party, execute and deliver to such Party a written statement certifying that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties (if such be the case), (ii) this Agreement has not been amended or modified, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, describing the nature of any such defaults.

ARTICLE IX

DEFAULTS, REMEDIES AND TERMINATION

9.1 Event of Borrower Default. The following events shall constitute an event of default on the part of Borrower hereunder ("**Event of Borrower Default**"):

(a) Borrower fails to commence or complete rehabilitation of the Improvements within the time period set forth in Section 4.1, or subject to Force Majeure, abandons or suspends construction prior to completion for a period of thirty (30) days or more;

(b) Borrower fails to pay when due the principal and interest payable under the Note and such failure continues for ten (10) days after City notifies Borrower thereof in writing;

(c) A Transfer occurs, either voluntarily or involuntarily, in violation of Article VII;

(d) Borrower fails to maintain insurance as required pursuant to this Agreement, and Borrower fails to cure such default within five (5) days;

(e) Borrower fails to pay prior to delinquency taxes or assessments due on the Property or the Improvements or fails to pay when due any other charge that may result in a lien on the Property or the Improvements, and Borrower fails to cure such default within twenty (20) days of the date of delinquency, but in all events prior to the date upon which the holder of any such lien has the right to foreclose thereon;

(f) A default arises under any loan secured by a mortgage, deed of trust or other security instrument recorded against the Property and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan;

(g) Any Borrower representation or warranty contained in this Agreement or in any application, financial statement, certificate or report submitted to the City in connection with this Agreement or Borrower's request for the Loan proves to have been incorrect in any material and adverse respect when made and continues to be materially adverse to the City;

(h) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Borrower: (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(i) A court of competent jurisdiction shall have made or entered any decree or order (1) adjudging the Borrower to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Borrower or seeking any arrangement for Borrower under bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the Borrower in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of the Borrower, in each case if such decree, order, petition, or appointment is not removed or rescinded within sixty (60) days;

(j) The Borrower shall have voluntarily suspended its business or Borrower shall have been dissolved or terminated;

(k) An event of default arises under any City Document and remains uncured beyond any applicable cure period; or

(l) Borrower defaults in the performance of any term, provision, covenant or agreement contained in this Agreement other than an obligation enumerated in this Section 9.1 and unless a shorter cure period is specified for such default, the default continues for ten (10)

days in the event of a monetary default or thirty (30) days in the event of a nonmonetary default after the date upon which City shall have given written notice of the default to Borrower; provided however, in the case of a nonmonetary default that in City's reasonable judgment cannot reasonably be cured within thirty (30) days, an Event of Borrower Default shall not arise hereunder if Borrower commences to cure such default within thirty (30) days and thereafter prosecutes such cure to completion with due diligence and in good faith within not later than ninety (90) days following receipt of notice of default.

9.2 City Default. An event of default on the part of City ("**Event of City Default**") shall arise hereunder if City fails to keep, observe, or perform any of its covenants, duties, or obligations under this Agreement, and the default continues for a period of sixty (60) days after written notice thereof from Borrower to City, or in the case of a default which cannot with due diligence be cured within sixty (60) days, City fails to commence to cure the default within sixty (60) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

9.3 City's Right to Terminate Agreement. If an Event of Borrower Default shall occur and be continuing beyond any applicable cure period, then City shall, in addition to other rights available to it under law or this Agreement, have the right to terminate this Agreement. If City makes such election, City shall give written notice to Borrower and to any mortgagee entitled to such notice specifying the nature of the default and stating that this Agreement shall expire and terminate on the date specified in such notice, and upon the date specified in the notice, this Agreement and all rights of Borrower under this Agreement, shall expire and terminate.

9.4 City's Remedies and Rights Upon an Event of Borrower Default. Upon the occurrence of an Event of Borrower Default and the expiration of any applicable cure period, City shall have all remedies available to it under this Agreement or under law or equity, including, but not limited to the following, and City may, at its election, without notice to or demand upon Borrower, except for notices or demands required by law or expressly required pursuant to the City Documents, exercise one or more of the following remedies:

(a) Accelerate and declare the balance of the Note and interest accrued thereon immediately due and payable;

(b) Seek specific performance to enforce the terms of the City Documents;

(c) Foreclose on the Property pursuant to the Deed of Trust;

(d) Terminate this Agreement pursuant to Section 9.3;

(e) Pursue any and all other remedies available under this Agreement or under law or equity to enforce the terms of the City Documents and City's rights thereunder.

9.5 Borrower's Remedies Upon an Event of City Default. Upon the occurrence of an Event of City Default, Borrower's sole remedy shall be the right to bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions. In no event shall

Borrower or its assignees or successors in interest be entitled to seek an award of damages in the event of City breach of this Agreement.

9.6 Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party.

9.7 Inaction Not a Waiver of Default. No failure or delay by either Party in asserting any of its rights and remedies as to any default shall operate as a waiver of such default or of any such rights or remedies, nor deprive either Party of its rights to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies in the same or any subsequent default.

ARTICLE X

INDEMNITY AND INSURANCE

10.1 Indemnity. To the greatest extent allowed by law, Borrower shall indemnify, defend (with counsel approved by City) and hold the Indemnitees harmless from and against any and all Claims that directly or indirectly, in whole or in part, are caused by, arise in connection with, or are alleged to be caused by, or arise in connection with, the rehabilitation, construction, operation, ownership, management, or maintenance of the Property or the Improvements, or any part thereof by Borrower or Borrower's contractors, subcontractors, agents, employees, tenants, invitees, or any other party acting for or on behalf of Borrower, or otherwise arising out of or in connection with Borrower's performance or failure to perform under this Agreement, including without limitation, Claims arising or alleged to have arisen in connection with any violation of Applicable Laws in connection with the ownership, rehabilitation, construction, operation, management, or maintenance of the Property, or relating to approval of this Agreement, whether or not any insurance policies shall have been determined to be applicable to any such Claims. Borrower's indemnification obligations under this Section 10.1 shall not extend to Claims to the extent arising from the gross negligence or willful misconduct of Indemnitees. The provisions of this Section 10.1 shall survive the expiration or earlier termination of this Agreement and are subject to the additional terms set forth in Section 10.3.

10.2 Liability, Workers Compensation, and Property Insurance. Borrower shall comply with all requirements set forth in Exhibit G attached hereto and incorporated herein.

10.3 Terms Applicable to Indemnity Provisions. The terms set forth in this Section 10.3 shall apply to all provisions of this Agreement that pertain to Borrower's obligations to indemnify City and the other Indemnitees, including without limitation, Sections 4.11, 4.14, 4.15, 5.3.2, 6.2, 10.1, and 11.1. In connection with each such provision, all of the following shall apply:

(a) City does not and shall not waive any rights against Borrower that it may have by reason of any indemnity and hold harmless provision set forth in this Agreement because of the acceptance by City, or the deposit with City by Borrower, of any of the insurance policies described in this Agreement.

(b) Borrower's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following: (i) any amendment or modification of any City Document; (ii) any extensions of time for performance required by any City Document; (iii) any provision in any of the City Documents limiting City's recourse to property securing the Secured Obligations (as defined in the Deed of Trust), or limiting the personal liability of Borrower, or any other party for payment of all or any part of the Loan; (iv) the accuracy or inaccuracy of any representation and warranty made by Borrower under this Agreement or by Borrower or any other party under any City Document, (v) the release of Borrower or any other person, by City or by operation of law, from performance of any obligation under any City Document; (vi) the release or substitution in whole or in part of any security for repayment of the Loan; and (vii) City's failure to properly perfect any lien or security interest given as security for repayment of the Loan.

(c) The obligation of Borrower to indemnify the Indemnitees shall survive any repayment or discharge of the indebtedness evidenced by the Note, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, any release of record of the lien of the Deed of Trust, and the expiration or earlier termination of this Agreement.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1 No Brokers. Each Party warrants and represents to the other that no person or entity can properly claim a right to a real estate commission, brokerage fee, finder's fee, or other compensation with respect to the transactions contemplated by this Agreement. Each Party agrees to defend, indemnify and hold harmless the other Party from any claims, expenses, costs or liabilities arising in connection with a breach of this warranty and representation. The terms of this Section shall survive the close of escrow and the expiration or earlier termination of this Agreement.

11.2 Enforced Delay; Extension of Times of Performance. The time for performance of provisions of this Agreement by either Party shall be extended for a period equal to the period of any delay directly affecting the Property or this Agreement which is caused by war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, suits filed by unrelated third parties concerning or arising out of this Agreement or unseasonable weather conditions ("**Force Majeure"**). An extension of time for any of the above-specified causes will be deemed granted only if written notice by the Party claiming such extension is sent to the other Party within ten (10) calendar days from the commencement of the cause.

Times of performance under this Agreement may also be extended in writing by the mutual agreement of Borrower and City (acting in the discretion of the City's Authorized Representative unless he or she determines in his or her discretion to refer such matter to the City Council). City and Borrower acknowledge that, notwithstanding any contrary provision of this Agreement, adverse changes in economic conditions, either of the affected Party specifically or the economy generally, changes in market conditions or demand, and/or inability to obtain financing to complete the Project shall not constitute grounds of enforced delay pursuant to this Section. Each Party expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the Effective Date.

11.3 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement or any other City Document shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

City: City of Livermore
1052 S. Livermore Avenue
Livermore, CA 94550
Attention: Health and Human Services Manager

With a copy to: City of Livermore
1052 S. Livermore Avenue
Livermore, CA 94550
Attention: City Manager

Borrower: Tri Valley REACH, Inc.
P.O. Box 5564
Pleasanton, CA 94566
Attention: Board President

11.4 Attorneys' Fees. If either Party fails to perform any of its obligations under this Agreement, or if any dispute arises between the Parties concerning the meaning or interpretation of any provision hereof, then the prevailing Party in any proceeding in connection with such dispute shall be entitled to the costs and expenses it incurs on account thereof and in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

11.5 Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and

executed by the Party granting the extension. This Agreement may be amended or modified only by a written instrument executed by the Parties.

11.6 Binding on Successors. Subject to the restrictions on Transfers set forth in Article VII, this Agreement shall bind and inure to the benefit of the Parties and their respective permitted successors and assigns. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any permitted successor and assign of such Party who has acquired an interest in compliance with this Agreement or under law.

11.7 Survival. All representations made by Borrower hereunder, Borrower's obligations pursuant to Sections 4.11, 4.14, 4.15, 5.3.2, 6.2, 10.1 and 11.1, and all other provisions that expressly so state, shall survive the Close of Escrow and the expiration or termination of this Agreement.

11.8 Headings; Interpretation; Statutory References. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. Except as otherwise expressly stated herein, any reference to a particular section of this Agreement shall mean a reference to all subsections of such section. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it. All references in the City Documents to particular statutes, regulations, ordinances or resolutions of the United States, the State of California, or the City of Livermore shall be deemed to include the same statute, regulation, ordinance or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject.

11.9 Action or Approval. Whenever action and/or approval by City is required under this Agreement, the City's Authorized Representative or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City's Authorized Representative determines in his or her discretion that such action or approval requires referral to City Council for consideration.

11.10 Entire Agreement. This Agreement, including Exhibits A through G attached hereto and incorporated herein by this reference, together with the other City Documents contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof. If the Exhibits to this Agreement are inconsistent with this Agreement, the more restrictive requirements shall control, as determined by the City's Authorized Representative. In the event of a conflict between this Agreement and the other City Documents, the more restrictive requirements shall control, as determined by the City's Authorized Representative.

11.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart

identical thereto having additional signature pages executed by the other Party. Any executed counterpart of this Agreement may be delivered to the other Party by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

11.12 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

11.13 No Third Party Beneficiaries. Except as expressly set forth herein, nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

11.14 Parties Not Co-Venturers; Independent Contractor; No Agency Relationship.. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another. The relationship of Borrower and City is and shall remain solely that of a debtor and a creditor, and shall not be construed as a joint venture, equity venture, partnership or any other relationship. City neither undertakes nor assumes any responsibility or duty to Borrower (except as expressly provided in this Agreement) or to any third party with respect to the Property or the Loan. Borrower and its employees are not employees of City but rather are, and shall always be considered independent contractors. Furthermore, Borrower and its employees shall at no time hold themselves out as employees or agents of City. Except as City may specify in writing, Borrower shall not have any authority to act as an agent of City or to bind City to any obligation.

11.15 Time of the Essence; Calculation of Time Periods. Time is of the essence for each condition, term, obligation and provision of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of any such period shall be deemed to end at 5:00 p.m., local time at the Property. For purposes of this Agreement, a "business day" means a day that is not a Saturday, Sunday, a federal holiday or a state holiday under the laws of the State of California.

11.16 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of Alameda County, California or in the Federal District Court for the Northern District of California.

11.17 Inspection of Property, Books and Records. Borrower shall keep and maintain at the Property or elsewhere with City's consent, full, complete, and accurate books, records, and accounts relating to the Project, including such books, records, and accounts necessary to document Borrower's compliance with this Agreement and the City Documents, including without limitation, the records required to substantiate compliance with Prevailing Wage Laws and Relocation Laws, the calculation of payments required under the Note, and the records

required to substantiate compliance with the Regulatory Agreement. Upon request, Borrower shall permit the City to inspect at reasonable times and on a confidential basis those books, records and all other documents of Borrower necessary to determine Borrower's compliance with the terms of this Agreement and the City Documents.

For the purpose of monitoring compliance with the City Documents, including the Regulatory Agreement, City shall have the right to enter upon the Property during normal business hours following at least 48 hours' written notice (except in the case of emergency in which case such notice as may be practical under the circumstances shall be provided), to conduct inspections of the Property, subject to reasonable safety rules and regulations which may be established by Borrower.

11.18 Political Activity. None of the funds, materials, property or services contributed by City to Borrower under this Agreement shall be used for any partisan political activity or the election or defeat of any candidate for public office.

11.19 Non-Liability of City Officials, Employees and Agents. No member, official, employee or agent of the City shall be personally liable to the Borrower in the event of any default or breach by the City or for any amount which may become due to the Borrower or its successor or on any obligation under the terms of this Agreement.

11.20 Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no person described in subsection (b) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. The Borrower shall exercise due diligence to ensure that the prohibition in this Section is followed.

(b) In accordance with Government Code Section 1090 and the Political Reform Act, Government Code Section 87100 *et seq.,* no person who is a director, officer, partner, trustee or employee or consultant of the Borrower, or immediate family member of any of the preceding, shall make or participate in a decision, made by the City or a City board, commission or committee, if it is reasonably foreseeable that the decision will have a material effect on any source of income, investment or interest in real property of that person or the Borrower. Interpretation of this Section shall be governed by the definitions and provisions used in the Political Reform Act, Government Code Section 87100 *et seq.,* its implementing regulations manual and codes, and Government Code Section 1090.

SIGNATURES ON FOLLOWING PAGES.

IN WITNESS WHEREOF, the Parties have entered into this Affordable Housing Loan Agreement effective as of the date first written above.

BORROWER:

Tri-Valley REACH, Inc., a California nonprofit public benefit corporation

By: _____

Print Name: PATRICK O'BRIEN

Title: TREASURER

CITY:

City of Livermore, a municipal corporation

By: _____
City Manager

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

Exhibit A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO IS SITUATED IN THE COUNTY OF ALAMEDA, CITY OF LIVERMORE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lots 28 as shown on the final map of Tract 7724 filed for record on August 10, 2015, in Book 333 of Maps, at Pages 48 through 52, inclusive, in the Official Records of the County of Alameda, State of California.

APN: 99-1388-42

Exhibit B
See the next page.

Exhibit C

FORM OF NOTE

Exhibit D

FORM OF DEED OF TRUST

Exhibit E

FORM OF AFFORDABLE HOUSING REGULATORY AGREEMENT AND DECLARATION OF COVENANTS

Exhibit F

FINANCING PLAN

SECURED PROMISSORY NOTE

Supportive Shared Housing Rehabilitation and Expansion PLHA Program

$116,796 Livermore, California

_____, 20__

FOR VALUE RECEIVED, Tri-Valley REACH, Inc., a California nonprofit public benefit corporation ("**Borrower**"), promises to pay to the City of Livermore, a municipal corporation (the "**City")**, in lawful money of the United States of America the principal sum of One Hundred Sixteen Thousand and Seven Hundred Ninety-Six Dollars ($116,796) or so much thereof as may be advanced by City pursuant to the Loan Agreement described below, together with interest on the outstanding principal balance in accordance with the terms and conditions described herein. Interest shall accrue on the principal balance of this Note outstanding from time to time at the rate of three percent (3%) simple annual interest. Interest shall be calculated on the basis of a year of 365 days, and charged for the actual number of days elapsed.

This Secured Promissory Note (this "**Note**") has been executed and delivered pursuant to and in accordance with (i) the California Department of Housing and Community Development ("HCD") award of funds pursuant to the State of California Permanent Local Housing Allocation Program evidenced by that certain award announcement letter referencing Contract No. 20-PLHA-16043 addressed to City of Livermore, County of Alameda_ from Jennifer Seeger, Deputy Director, HCD, dated February 15, 2023; (ii) and that certain Affordable Housing Loan Agreement, dated as of the date hereof and executed by and between City and Borrower (the "**Loan Agreement**"), and is subject to the terms and conditions of the Loan Agreement, which is by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

This Note is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("**Deed of Trust**") dated as of the date hereof, executed by Borrower as trustor for the benefit of City and encumbering the property described therein. The City shall be entitled to the benefits of the security provided by the Deed of Trust and shall have the right to enforce the covenants and agreements contained herein, in the Deed of Trust, the Loan Agreement, and that certain Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants dated as of the date hereof, executed by and between City and Borrower and recorded in the Official Records of Alameda County (the "**Regulatory Agreement"**). The rent restrictions and other requirements set forth in the Regulatory Agreement shall remain effective for the full term of the Regulatory Agreement and shall survive the repayment of this Note. The Loan Agreement, this Note, the Regulatory Agreement, and the Deed of Trust are collectively referred to herein as the "**City Documents**."

1. PAYMENTS.

1.1 ANNUAL PAYMENT DATES; MATURITY DATE. Annual payments toward principal and interest accrued on this Note shall be payable on a residual receipts basis with fifty

percent (50%) of all Surplus Cash (defined below) payable to City. Payments shall be credited first to any unpaid late charges and other costs and fees then due, then to accrued interest, and then to principal. In no event shall any amount due under this Note become subject to any rights, offset, deduction or counterclaim on the part of Borrower. The entire outstanding principal balance of this Note, together with interest accrued thereon and all other sums accrued hereunder shall be payable in full on the date (the "**Maturity Date**") which is the fifty-fifth (55th) anniversary of the date hereof.

1.2 ANNUAL PAYMENTS FROM SURPLUS CASH. By not later than July 1 of each year, Borrower shall pay to City fifty percent (50%) of Surplus Cash generated by the Property during the previous calendar year to reduce the indebtedness owed under this Note.

By not later than May 1 of each year, Borrower shall provide to City Borrower's calculation of Surplus Cash for the previous calendar year, accompanied by such supporting documentation as City may reasonably request to substantiate Borrower's calculation of Surplus Cash, including without limitation, an independent audit prepared for the Project by a certified public accountant in accordance with generally accepted accounting principles. The annual report shall include, without limitation, a Project income and expense statement and an accounting of deposits to and withdrawals from the Project replacement reserve and operating reserve. The City shall have the right to inspect and audit Borrower's books and records concerning the calculation of Surplus Cash, and to object within forty-five (45) days from receipt of the report. Failure to timely object shall be deemed acceptance of the report. If City does object, City shall specify the reasons for its disapproval, and Borrower shall have thirty (30) days to reconcile any disapproved item. If Borrower and City cannot agree on the amount of Surplus Cash, an independent auditor mutually selected by Borrower and City shall resolve any disputed items. The cost of the auditor shall be shared equally by Borrower and City.

By not later than May 1 of each year, Borrower shall provide to City a proposed budget for the following calendar year which shall include estimated Project revenue, expenses, and debt service, and an estimate of Surplus Cash. City will review the proposed budget and, if acceptable, approve it, which approval shall not be unreasonably withheld, provided, however, if the proposed budget has not been rejected by City within forty-five (45) days of receipt, City shall be deemed to have accepted the budget. If the budget is not acceptable, City shall specify the reasons for disapproval. Once approved, any changes to the budget that exceed ten percent (10%) of the total budget shall require City's prior written consent, which consent shall not be unreasonably withheld. Upon City's request, the budget shall include a long-term capital needs and replacement reserve plan supported by a physical needs assessment prepared by a third-party at Borrower's expense.

1.2.1 "**Surplus Cash**" shall mean for each calendar year during the term hereof, the amount by which Gross Revenue (defined below) exceeds Annual Operating Expenses (defined below) for the Project. Surplus Cash shall also include net cash proceeds realized from any refinancing of the Property, less fees and closing costs reasonably incurred in connection with such refinancing, and any City-approved uses of the net cash proceeds of the refinancing.

1.2.2 "**Gross Revenue**" shall mean for each calendar year during the term hereof, all revenue, income, receipts and other consideration actually received by Borrower from

the operation and leasing of the Project. Gross Revenue shall include, but not be limited to: all rents, fees and charges paid by tenants; Section 8 payments and other rental or operating subsidies; deposits forfeited by tenants; all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; the proceeds of business interruption or similar insurance; and the proceeds of casualty insurance not required to be paid to the holders of Approved Senior Loans (provided however, expenditure of such proceeds for repair or restoration of the Project shall be included within Annual Operating Expenses in the year of the expenditure and with City's written consent, proceeds of casualty insurance may be excluded from Gross Revenue until the year such proceeds will be expended for repair or restoration of the Project provided that Borrower provides adequate assurance that such proceeds will be expended for such purposes); condemnation awards for a taking of part or all of the Property or the Improvements for a temporary period; and the fair market value of any goods or services provided to Borrower in consideration for the leasing or other use of any part of the Project. Gross Revenue shall include any release of funds from replacement and other reserve accounts to Borrower other than for costs associated with the Project. Gross Revenue shall not include tenant security deposits, loan or grant proceeds, capital contributions, or similar advances.

1.2.3 "**Annual Operating Expenses**" shall mean for each calendar year during term hereof, the following costs reasonably and actually incurred for the operation and maintenance of the Property and the Improvements to the extent that they are substantiated by such documentation as City may reasonably require: property taxes and assessments; debt service currently due and payable on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Project) on loans which have been approved in writing by the City and which are secured by deeds of trust senior in priority to the Deed of Trust ("**Approved Senior Loans**"); property management fees and reimbursements in amounts in accordance with industry standards for similar residential projects and paid pursuant to a property management agreement approved by City; premiums for property damage and liability insurance; utility service costs not paid for directly or indirectly by tenants; maintenance and repair costs; fees for licenses and permits required for the operation of the Project; expenses for security services; advertising and marketing costs; accounting costs; payment of deductibles in connection with casualty insurance claims not paid from reserves; tenant services; the amount of uninsured losses actually replaced, repaired or restored and not paid from reserves; cash deposits into reserves for capital replacements and operating expenses in the amount specified in the City Documents or reasonably approved by the City; annual monitoring fees, if any, payable to the City or other public agencies in connection with loans provided for the Property; and other ordinary and reasonable operating expenses approved by City.

1.2.4 EXCLUSIONS FROM ANNUAL OPERATING EXPENSES. For the purpose of calculating Surplus Cash, except to the extent expressly permitted pursuant to Section 1.2.3 above, Annual Operating Expenses shall exclude the following: incentive management fees, developer fees, interest on deferred developer fees, contributions to Project reserves except as provided in Section 1.2.3; debt service payments on any loan which is not an Approved Senior Loan, including without limitation, unsecured loans, sponsor loans, or loans secured by deeds of trust that are subordinate to the Deed of Trust; depreciation, amortization, depletion and other non-cash expenses; expenses paid for with disbursements from any reserve account; capital expenditures unless approved in advance by City; distributions to partners; and any amount paid

to Borrower, or any entity controlled by the persons or entities that own or that are in control of Borrower or any general partner of Borrower. Notwithstanding the foregoing limitation regarding payments to Borrower and related parties, the following fees shall be included in Annual Operating Expenses, subject to applicable limitations set forth in Section 1.2.3 above, even if paid to Borrower or an affiliate of Borrower: fees paid to a property management agent, resident services agent, or social services agent pursuant to a property management agreement or services agreement approved by City; and subject to Section 1.2.5, repayment of cash advances by Borrower to cover Property operating expense deficits or emergency cash needs of the Project. Payments to Borrower or affiliates in excess of the limitations set forth in Section 1.2.3 shall not be counted toward Annual Operating Expenses for the purpose of calculating Surplus Cash but may be paid from Borrower's share of Surplus Cash.

1.2.5 ADJUSTMENT TO OPERATING EXPENSES. Notwithstanding anything to the contrary set forth herein, for the purpose of calculating Surplus Cash, Annual Operating Expenses shall include the repayment of operating deficit loans provided by Borrower provided however, interest payable on such loans may be included in Annual Operating Expenses only in an amount equivalent to the lesser of (i) interest accrued at the actual interest rate charged for the loan, or (ii) interest accrued at a rate equal to the Applicable Federal Rate.

1.3 DUE ON SALE. The entire unpaid principal balance and all interest and other sums accrued hereunder shall be due and payable upon the Transfer (as defined in the Regulatory Agreement) absent City consent, of all or any part of the Property or any interest therein other than a Transfer permitted without City consent pursuant to the Regulatory Agreement. Without limiting the generality of the foregoing, this Note shall not be assumable without City's prior written consent, which consent may be granted or denied in City's sole discretion.

1.4 PREPAYMENT. Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this Note, provided that each such prepayment is accompanied by accrued interest on the amount of principal prepaid calculated to the date of such prepayment. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due, then to accrued but unpaid interest, and then to principal. The Regulatory Agreement shall remain in full force for the entire term thereof regardless of any prepayment of this Note.

1.5 MANNER OF PAYMENT. All payments of principal and interest on this Note shall be made to City at 1052 S. Livermore Avenue, Livermore, CA 94550, or such other place as City shall designate to Borrower in writing, or by wire transfer of immediately available funds to an account designated by City in writing.

2. DEFAULTS AND REMEDIES.

2.1 EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("**Event of Default**"):

(A) Borrower fails to pay when due the principal and interest payable hereunder and such failure continues for ten (10) days after City notifies Borrower thereof in writing.

(B) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Borrower (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

(C) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or substantially all of Borrower's assets, (iii) orders the liquidation of Borrower, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance.

(D) The occurrence of a Transfer in violation of the Loan Agreement or the Regulatory Agreement.

(E) The holder of any debt instrument secured by a mortgage or deed of trust on the Property declares a default, and such default remains uncured beyond any applicable cure period such that the holder of such instrument has the right to accelerate payment thereunder.

(F) Borrower fails to maintain insurance as required pursuant to the City Documents and Borrower fails to cure such default within five (5) days.

(G) Subject to Borrower's right to contest the following charges pursuant to the City Documents, if Borrower fails to pay taxes or assessments due on the Property or fails to pay any other charge that may result in a lien on the Property, and Borrower fails to cure such default within twenty (20) days of the delinquency, but in all events prior to the date upon which he holder of any such lien has the right to foreclose thereon.

(H) If any representation or warranty contained in any City Document, or any certificate furnished in connection therewith, or in connection with any request for disbursement of the proceeds of the Loan proves to have been false or misleading in any material adverse respect when made and continues to be materially adverse to the City.

(I) An Event of Default shall have been declared under the Loan Agreement or any other City Document, including without limitation, the Regulatory Agreement, and remains uncured beyond the expiration of the applicable cure period.

2.2 REMEDIES. Upon the occurrence of an Event of Default hereunder, City may, at its option (i) by written notice to Borrower, declare the entire unpaid principal balance of this Note, together with all accrued interest thereon and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) exercise any and all rights and remedies available to it under applicable law, and (iii) exercise any and all rights and remedies available to City under this Note and the other City Documents, including without limitation the right to pursue foreclosure under the Deed of Trust. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of City including, without limitation, reasonable attorneys' fees, incurred in connection with City's enforcement of this Note and the exercise of any or all of

its rights and remedies hereunder and all such sums shall be a part of the indebtedness secured by the Deed of Trust. The rights and remedies of City under this Note shall be cumulative and not alternative.

2.3 DEFAULT RATE. Upon the occurrence of an Event of Default, interest shall automatically be increased without notice to the rate of the lesser of ten percent (10%) per annum or the maximum rate permitted by law (the "**Default Rate**"); provided however, if any payment due hereunder is not paid when due, the Default Rate shall apply commencing upon the due date for such payment. When Borrower is no longer in default, the Default Rate shall no longer apply, and the interest rate shall once again be the rate specified in the first paragraph of this Note. Notwithstanding the foregoing provisions, if the interest rate charged exceeds the maximum legal rate of interest, the rate shall be the maximum rate permitted by law. The imposition or acceptance of the Default Rate shall in no event constitute a waiver of a default under this Note or prevent City from exercising any of its other rights or remedies.

3. MISCELLANEOUS.

3.1 WAIVERS; AMENDMENTS; BORROWER'S WAIVERS. No waiver by City of any right or remedy under this Note shall be effective unless in a writing signed by City. Neither the failure nor any delay in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by City will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver that may be given by City will be applicable except in the specific instance for which it is given. No notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of City to take further action without notice or demand as provided in this Note. There shall be no amendment to or modification of this Note except by written instrument executed by Borrower and City.

To the maximum extent permitted by applicable law Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this Note, in whole or in part, whether before or after maturity and with or without notice.

3.2 NOTICES. Any notice required or permitted to be given hereunder shall be given in accordance with Section 12.3 of the Loan Agreement.

3.3 SEVERABILITY. If any provision in this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

3.4 GOVERNING LAW; VENUE. This Note shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Any legal action filed in connection with this Note shall be filed in the Superior Court of Alameda County, California, or in the Federal District Court for the Northern District of California.

3.5 PARTIES IN INTEREST. This Note shall bind Borrower and its successors and assigns and shall accrue to the benefit of City and its successors and assigns.

3.6 SECTION HEADINGS, CONSTRUCTION. The headings of Sections in this Note are provided for convenience only and will not affect its construction or interpretation.

3.7 RELATIONSHIP OF THE PARTIES. The relationship of Borrower and City under this Note is solely that of borrower and lender, and the loan evidenced by this Note and secured by the Deed of Trust will in no manner make City the partner or joint venturer of Borrower.

3.8 TIME IS OF THE ESSENCE. Time is of the essence with respect to every provision of this Note.

3.9 NONRECOURSE. Except as expressly provided in this Section 3.9, Borrower shall have no personal liability for payment of the principal of, or interest on, this Note, and the sole recourse of City with respect to the payment of the principal of, and interest on, this Note shall be to the Property and any other collateral held by City as security for this Note; provided however, nothing contained in the foregoing limitation of liability shall:

(A) impair the enforcement against all such security for the Loan of all the rights and remedies of the City under the Deed of Trust as such may be amended, modified, or restated from time to time;

(B) impair the right of City to bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable City to enforce and realize upon the Deed of Trust, the interest in the Property created thereby and any other collateral given to City in connection with the indebtedness evidenced hereby and to name the Borrower as party defendant in any such action;

(C) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Loan as a demand for money within the meaning of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto;

(D) constitute a waiver of any right which City may have under any bankruptcy law to file a claim for the full amount of the indebtedness owed to City hereunder or to require that the Property shall continue to secure all of the indebtedness owed to City hereunder in accordance with this Note and the Deed of Trust; or

(E) limit or restrict the ability of City to seek or obtain a judgment against Borrower to (1) recover under any provision of the City Documents that obligates Borrower to indemnify City, or (2) recover from Borrower compensatory damages as well as other costs and expenses incurred by City (including without limitation reasonable attorneys' fees and expenses) arising as a result of the occurrence of any of the following: (a) any fraud or intentional misrepresentation on the part of the Borrower or any officer, director or authorized representative of Borrower in connection with the request for or creation of the Loan, or in any City Document, or in connection with any request for any action or consent by City in connection with the Loan; (b) any failure to maintain insurance as required pursuant to the City Documents; (c) failure to pay

taxes, assessments or other charges which may become liens on the Property (subject to the right to contest as set forth in the Loan Agreement); (d) the violation of the Borrower's obligations under Article VI of the Loan Agreement or Section 7.11 of the Deed of Trust (pertaining to environmental matters); (e) the occurrence of any act or omission of Borrower that results in waste to or of the Property and which has a material adverse effect on the value of the Property; (f) the removal or disposal of any personal property or fixtures or the retention of rents, insurance proceeds, or condemnation awards in violation of the Deed of Trust; (g) the material misapplication of the proceeds of any insurance policy or award resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; and (h) the failure of Borrower to pay all amounts payable under this Note in full if Borrower Transfers the Property in violation of the City Documents.

IN WITNESS WHEREOF, Borrower has executed and delivered this Secured Promissory Note as of the date first written above.

BORROWER:

Tri-Valley REACH, Inc., a California nonprofit public benefit corporation

By: _____

Print Name: PATRICK O'BRIEN

Title: TREASURER

Exhibit G

INSURANCE REQUIREMENTS

Borrower shall obtain the following policies of insurance and shall maintain such policies and comply with all provisions of this Exhibit throughout the term of the Regulatory Agreement.

(a) Commercial General Liability. Borrower (and until the issuance of the final certificate of occupancy or equivalent for the Project, all contractors and subcontractors working on behalf of Borrower on the Project) shall maintain a commercial general liability policy including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage with coverage limits in the amount of One Million Dollars ($1,000,000) each occurrence, Two Million Dollars ($2,000,000) annual aggregate. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds. The annual aggregate limit under the policies must apply separately to the Property, or must be not less than three times the annual aggregate limit specified in this paragraph.

(b) Automobile. Borrower (and until the issuance of the final certificate of occupancy or equivalent for the Project, all contractors and subcontractors working on behalf of Borrower on the Project) shall maintain a comprehensive automobile liability policy providing coverage for bodily injury and property damage in the amount of One Million Dollars ($1,000,000), combined single limit including coverage for owned and non-owned vehicles. Automobile liability policies shall name the Indemnitees as additional insureds.

(c) Worker's Compensation and Employer's Liability. Borrower shall furnish, or cause to be furnished, to City evidence satisfactory to City that Borrower and any contractor or subcontractor with whom Borrower or the general contractor has contracted for the performance of work on the Property, carries statutory Workers' Compensation insurance and Employer's Liability insurance in a minimum amount of One Million Dollars ($1,000,000) per accident, per employee for bodily injury or disease.

(d) Intentionally omitted.

(e) Professional Liability/Errors and Omissions. Borrower shall require the Project architect, engineer, and general contractor to maintain Professional Liability/Errors and Omissions ("**E&O**") insurance with limits not less than Two Million Dollars ($2,000,000) each claim. The City's Risk Manager may approve lower limits for specially engineering firms and other professionals that will provide a limited scope of services for the Project. Certificates evidencing this coverage must reference both the Borrower and the Indemnitees. If the professional liability/errors and omissions insurance is written on a claims made form: (i) the retroactive date must be shown and must be before the Effective Date, (ii) insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of Project construction, and (iii) if coverage is cancelled or non-renewed and not replaced with another claims made policy form with a retroactive date prior to the Effective Date, Borrower must purchase, or require the provision of, extended period coverage for a minimum of three (3) years after completion of construction.

(f) Property. Borrower shall maintain property insurance covering all risks of loss (other than earthquake), including flood (if required) for 100% of the replacement value of the Property, including all tenant improvements, betterments, and contents, with deductible, if any, in an amount acceptable to City, with a lender's loss payable endorsement for the benefit of City.

(g) Insurance Providers. Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII.

(h) Evidence of Insurance; Certificates; Endorsements; Notice of Cancellation. Prior to the Effective Date of this Agreement, Borrower shall furnish City with certificates of insurance in form acceptable to City evidencing the insurance coverage described in paragraphs (a), (b), (c) and (f) above together with duly executed endorsements evidencing the City's status as additional insured, and all other endorsements and coverage required hereunder. The certificates shall contain a statement of obligation on the part of the carrier to notify City of any material adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal. The certificates shall name as Certificate Holder, City of Livermore, 1052 S. Livermore Avenue, Livermore, CA 94550. Prior to the Closing Date, Borrower shall furnish, or cause to be furnished, to City evidence of insurance coverage in compliance with paragraph (e) above prior to the Closing Date. All insurance certificates shall contain a statement of obligation on the part of the carrier to notify City of any material adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal. Upon City's request, Borrower shall furnish or arrange to have furnished, complete certified copies of all insurance policies required under this Agreement. City's failure to make such request shall not constitute a waiver of the right to require delivery of the policies in the future.

(i) Additional Insured Endorsements. The additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94. Coverage shall be at least as broad as CG 20 10 04 13.

(j) Reinstatement. If any insurance policy or coverage required hereunder is canceled or reduced, Borrower shall, within five (5) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, City may, without further notice and at its option, procure such insurance coverage at Borrower's expense, and Borrower shall promptly reimburse City for such expense upon receipt of billing from City. Borrower shall require all persons and entities that are required to provide professional liability/E&O coverage pursuant to paragraph (e) above to use best efforts to reinstate the required coverage limits in the event coverage under such policies is reduced.

(k) Primary Coverage; Waiver of Subrogation; Annual Aggregate Limits. All coverage shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by City, and the policies shall so provide. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall apply on a primary and non-contributory basis for the benefit of the City of Livermore before the City's own insurance or self-insurance shall be called upon to protect it as a named insured. The policies or endorsements shall provide that any failure of the named insured to comply with reporting or other provisions of any policy, including breaches of warranties, shall not affect coverage provided to the City of Livermore and the Indemnitees as additional insured, and that the coverage shall apply to each insured against whom claim is made or suit is brought, subject to the limits of liability under the policy. Each insurance policy, including Worker's Compensation, must contain a waiver of subrogation for the benefit of the City. With the exception of E&O policies, if any of the required insurance is provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs are included in such annual aggregate limit, such annual aggregate limit shall be three times the occurrence limits specified above.

(l) Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, and be subject to approval by, the City Attorney. At the option of and upon request by the City Attorney if the City Attorney determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects the Indemnitees or Borrower shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses. Policies containing any self-insured retention shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or by the City of Livermore.

(m) Adjustments. The limits of the liability coverage and, if necessary, the terms and conditions of insurance, shall be reasonably adjusted from time to time (not less than every five (5) years after the Effective Date nor more than once in every three (3) year period) to address changes in circumstances, including, but not limited to, changes in inflation and the litigation climate in California. City shall give written notice to Borrower of any such adjustments, and Borrower shall provide City with amended or new insurance certificates or endorsements evidencing compliance with such adjustments within thirty (30) days following receipt of such notice.

(n) Additional Insured Coverage; Liability Limits. For all liability insurance required by this Agreement except E&O and Workers' Compensation policies, Borrower (and Borrower's contractors, as applicable) shall obtain endorsements that name the Indemnitees as additional insured in the full amount of all applicable policies, notwithstanding any lesser minimum limits specified in this Agreement. This Agreement requires Borrower (and Borrower's contractors) to obtain and provide for the benefit of the Indemnitees, additional insured coverage in the same amount of insurance carried by Borrower, but in no event less than the minimum amounts specified in this Agreement. In the event that Borrower (or Borrower's contractors) obtains insurance policies that provide liability coverage broader than or in amounts greater than specified in this Agreement, the actual limits provided by such policies shall be deemed to be the amounts required under this Agreement. Without limiting the foregoing, the limits of liability coverage specified in this Agreement are not intended, nor shall they operate, to

limit City's ability to recover amounts in excess of the minimum amounts specified in this Agreement.

Recording Requested by
and when Recorded, return to:

City of Livermore
1052 South Livermore Avenue
Livermore, CA 94550
Attention: City Clerk

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

Space above this line for the Recorder's use.

APN: 99-1388-42

DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

Supportive Shared Housing Rehabilitation and Expansion PLHA Program

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("**Deed of Trust**") is made as of _____, 20__, by Tri-Valley REACH, Inc., a California nonprofit public benefit corporation ("**Trustor**") to Chicago Title Company as trustee ("**Trustee**"), for the benefit of the City of Livermore, a municipal corporation ("**Beneficiary**").

RECITALS

A. Trustor owns fee simple title to the land described in Exhibit A attached hereto and incorporated herein by this reference (the "**Land**"). The Land is located in the City of Livermore, Alameda County, California.

Trustor intends to rehabilitate and operate an affordable supportive shared housing residential project on the Land (the "Project").

B. Beneficiary and Trustor have entered into: (i) an unrecorded Affordable Housing Loan Agreement, dated as of the date hereof (the "**Loan Agreement")** executed by and between Beneficiary and Trustor, pursuant to which Beneficiary agreed to loan the PLHA Funds to Trustor for the purpose of rehabilitating the Project (the **"Loan Agreement**"); (ii) a secured promissory note in the amount of One Hundred Sixteen Thousand and Seven Hundred Ninety-Six dollars ($116,796) executed by Trustor and evidencing Trustor's obligation to repay the PLHA Funds to Beneficiary (the **"Note"**); and (iii) the Affordable Housing Regulatory Agreement, dated as the date of hereof, which imposes certain rent an occupancy restrictions and which shall be recorded substantially concurrently with this Deed of Trust (the **"Regulatory Agreement"**). The Loan Agreement, the Note, the Regulatory Agreement, and this Deed of Trust, as any of the foregoing instruments may be modified, supplemented, amended, renewed or extended, are hereinafter referred to as the "**City Documents**").

C. As a condition precedent to the making of the Loan, Beneficiary has required that Trustor enter into this Deed of Trust and grant to Trustee for the benefit of Beneficiary, a lien

and security interest in the Property (defined below) to secure repayment of the Note and performance of Trustor's obligations under the Loan Agreement and the other City Documents.

D. This Deed of Trust has been executed and delivered pursuant to the California Department of Housing and Community Development ("HCD") award of certain funds pursuant to the State of California Permanent Local Housing Allocation Program (the "PLHA Funds") evidenced by that certain award announcement letter referencing Contract No. 20-PLHA-16043 addressed to City of Livermore County of Alameda from Jennifer Seeger, Deputy Director, HCD, dated February 15, 2023.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows.

1. Grant in Trust. In consideration of the foregoing and for the purpose of securing payment and performance of the Secured Obligations defined and described in Section 2, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired:

a. All buildings, structures, and improvements, now or hereafter located or constructed on the Land ("**Improvements**");

b. All appurtenances, easements, rights of way, pipes, transmission lines or wires and other rights used in connection with the Land or the Improvements or as a means of access thereto, whether now or hereafter owned or constructed or placed upon or in the Land or Improvements and all existing and future privileges, rights, franchises and tenements of the Land, including all minerals, oils, gas and other commercially valuable substances which may be in, under or produced from any part of the Land, and all water rights, rights of way, gores or strips of land, and any land lying in the streets, ways, and alleys, open or proposed, in front of or adjoining the Land and Improvements (collectively, "**Appurtenances**");

c. All machinery, equipment, fixtures, goods and other personal property of the Trustor, whether moveable or not, now owned or hereafter acquired by the Trustor and now or hereafter located at or used in connection with the Land, the Improvements or Appurtenances, and all improvements, restorations, replacements, repairs, additions or substitutions thereto (collectively, "**Equipment**");

d. All existing and future leases, subleases, licenses, and other agreements relating to the use or occupancy of all or any portion of the Land or Improvements (collectively, "**Leases**"), all amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, "**Rents**");

e. All insurance proceeds and any other proceeds from the Land, Improvements, Appurtenances, Equipment, Leases, and Rents, including without limitation, all deposits made with or other security deposits given to utility companies, all claims or demands relating to

insurance awards which the Trustor now has or may hereafter acquire, including all advance payments of insurance premiums made by Trustor, and all condemnation awards or payments now or later made in connection with any condemnation or eminent domain proceeding ("**Proceeds**");

f. All revenues, income, rents, royalties, payments and profits produced by the Land, Improvements, Appurtenances and Equipment, whether now owned or hereafter acquired by Trustor ("**Gross Revenues**");

g. All architectural, structural and mechanical plans, specifications, design documents and studies produced in connection with the rehabilitation and construction of the Improvements (collectively, "**Plans**"); and

h. All interests and rights in any private or governmental grants, subsidies, loans or other financing provided in connection with the rehabilitation and construction of the Improvements (collectively, "**Financing**").

All of the above-referenced interests of Trustor in the Land, Improvements, Appurtenances, Equipment, Leases, Rents, Proceeds, Gross Revenues, Plans and Financing as hereby conveyed to Trustee or made subject to the security interest herein described are collectively referred to herein as the "**Property**."

2. Obligations Secured. This Deed of Trust is given for the purpose of securing payment and performance of the following (collectively, the "**Secured Obligations**"): (i) all present and future indebtedness evidenced by the Note and any amendment thereof, including principal, interest and all other amounts payable under the terms of the Note; (ii) all present and future obligations of Trustor to Beneficiary under the City Documents; (iii) all additional present and future obligations of Trustor to Beneficiary under any other agreement or instrument acknowledged by Trustor (whether existing now or in the future) which states that it is or such obligations are, secured by this Deed of Trust; (iv) all obligations of Trustor to Beneficiary under all modifications, supplements, amendments, renewals, or extensions of any of the foregoing, whether evidenced by new or additional documents; and (v) reimbursement of all amounts advanced by or on behalf of Beneficiary to protect Beneficiary's interests under this Deed of Trust or any other City Document.

3. Assignment of Rents, Issues, and Profits. Trustor hereby irrevocably, absolutely, presently and unconditionally assigns to Beneficiary the Rents, royalties, issues, profits, revenue, income and proceeds of the Property. This is an absolute assignment and not an assignment for security only. Beneficiary hereby confers upon Trustor a license to collect and retain such Rents, royalties, issues, profits, revenue, income and proceeds as they become due and payable prior to any Event of Default hereunder. Upon the occurrence of any such Event of Default, Beneficiary may terminate such license without notice to or demand upon Trustor and without regard to the adequacy of any security for the indebtedness hereby secured, and may either in person, by agent, or by a receiver to be appointed by a court, enter upon and take possession of the Property or any part thereof, and sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, to any indebtedness secured hereby, and in such

order as Beneficiary may determine. Beneficiary's right to the rents, royalties, issues, profits, revenue, income and proceeds of the Property does not depend upon whether or not Beneficiary takes possession of the Property. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and/or is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Land or the Improvements, Beneficiary shall not be deemed to be a "mortgagee in possession," shall not be responsible for performing any obligation of Trustor under any Lease, shall not be liable in any manner for the Property, or the use, occupancy, enjoyment or operation of any part of it, and shall not be responsible for any waste committed by Trustor, lessees or any third parties, or for dangerous or defective condition of the Property or any negligence in the management, repair or control of the Property. Absent Beneficiary's written consent, Trustor shall not accept prepayment of Rents for any rental period exceeding one month.

4. Security Agreement. Trustor intends this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary. To the extent that any Property is, or is determined under applicable law to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time (the "**UCC**"), covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, Trustor intends that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Land and Improvements.

5. Financing Statements. Pursuant to the UCC, Trustor, as debtor, hereby authorizes Beneficiary, as secured party, to file such financing statements and amendments thereof and such continuation statements with respect thereto as Beneficiary may deem appropriate to perfect and preserve Beneficiary's security interest in the Property and Rents, without requiring any signature or further authorization by Trustor. If requested by Beneficiary, Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall not be construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it.

6. Fixture Filing. This Deed of Trust is intended to be and constitutes a fixture filing pursuant to the provisions of the UCC with respect to all of the Property constituting fixtures, is being recorded as a fixture financing statement and filing under the UCC, and covers property, goods and equipment which are or are to become fixtures related to the Land and the

Improvements. Trustor covenants and agrees that this Deed of Trust is to be filed in the real estate records of Alameda County and shall also operate from the date of such filing as a fixture filing in accordance with Section 9502 and other applicable provisions of the UCC. This Deed of Trust shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to the UCC, as amended. Trustor shall be deemed to be the "debtor" and Beneficiary shall be deemed to be the "secured party" for all purposes under the UCC.

7. Trustor's Representations, Warranties and Covenants; Rights and Duties of the Parties.

7.1 Representations and Warranties. Trustor represents and warrants that: (i) Trustor lawfully possesses and holds a fee simple interest in the Land and the Improvements, (ii) Trustor has good and marketable title to all of the Property; (iii) other than as limited by the City Documents, Trustor has the full and unlimited power, right and authority to encumber the Property with this Deed of Trust and assign the Rents as contemplated herein; (iv) subject only to encumbrances of record and senior liens permitted pursuant to the City Documents, or otherwise approved in writing by Beneficiary ("**Permitted Encumbrances**"), this Deed of Trust creates a valid lien on Trustor's entire interest in the Property free and clear of all deeds of trust, mortgages, security agreements, reservations of title or conditional sales contracts, (v) except with respect to Permitted Encumbrances, Trustor will hold a fee interest in the Improvements Trustor will cause to be constructed on the Land, (vi) there is no financing statement affecting the Property or any part thereof on file in any public office other than as disclosed in writing to Beneficiary; and (vii) the correct address of Trustor's chief executive office is specified in Section 10.2.

7.2 Condition of Property. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof: (i) Trustor has not received any notice from any governmental authority of any threatened or pending zoning, building, fire, or health and safety code violation or violation of other governmental regulations concerning the Property that has not previously been corrected, except as disclosed to Beneficiary in writing, no condition on the Land violates any health, safety, fire, environmental, building, or other federal, state or local law, ordinance or regulation, (ii)) except as disclosed to Beneficiary in writing, no contracts, licenses, leases or commitments regarding the maintenance or use of the Property or allowing any third party rights to use the Property are in force; (iii) there are no threatened or pending actions, suits, or administrative proceedings against or affecting the Property or any portion thereof or the interest of Trustor or in the Property, (iv) there are no threatened or pending condemnation, eminent domain, or similar proceedings affecting the Property or any portion thereof; (v) Trustor has not received any notice from any insurer of defects of the Property which have not been corrected; (vi) there are no natural or artificial conditions upon the Land or any part thereof that could result in a material and adverse change in the condition of the Land; (vii) all information that Trustor has delivered to Beneficiary, either directly or through Trustor's agents, is accurate and complete; and (viii) Trustor or Trustor's agents have disclosed to Beneficiary all material facts concerning the Property.

7.3 Authority. Trustor represents and warrants that this Deed of Trust and all other documents delivered or to be delivered by Trustor in connection herewith: (a) have been duly authorized, executed, and delivered by Trustor; (b) are binding obligations of Trustor; and (c) do

not violate the provisions of any agreement to which Trustor is a party or which affects the Property. Trustor further represents and warrants that there are no pending, or to Trustor's knowledge, threatened actions or proceedings before any court or administrative agency which may adversely affect Trustor's ownership of, or interest in, the Property or part thereof.

7.4 Payment and Performance of Secured Obligations. Trustor shall promptly pay when due the principal and all interest due on the indebtedness evidenced by the Note, and shall promptly pay and perform all other obligations of Trustor arising in connection with the Secured Obligations or the City Documents in accordance with the respective terms thereof.

7.5 Use of Loan Proceeds; Preservation and Maintenance of Property; Compliance with Laws. Trustor covenants that it shall use the proceeds of the Loan (the "**Loan Proceeds**") solely for purposes authorized by the City Documents. Trustor covenants that it shall keep the Land and Improvements in good repair and condition, and from time to time shall make necessary repairs, renewals and replacements thereto so that the Property shall be preserved and maintained. Trustor covenants that it shall comply with all federal, state and local laws, regulations, ordinances and rules applicable to the Property and the Project, including without limitation all applicable requirements of state and local building codes and regulations, all applicable Prevailing Wage Laws, and all applicable statutes and regulations relating to accessibility for the disabled. Trustor shall not remove, demolish or materially alter any Improvement without Beneficiary's consent, shall complete or restore promptly and in good and workmanlike manner any building, fixture or other improvement which may be constructed, damaged, or destroyed thereon, and shall pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's rights under Section 7.8 below. Trustor shall use the Land and the Improvements solely for purposes authorized by the City Documents, shall not commit or allow waste of the Property, and shall not commit or allow any act upon or use of the Property which would violate any applicable law or order of any governmental authority, nor shall Trustor bring on or keep any article on the Property or cause or allow any condition to exist thereon which could invalidate or which would be prohibited by any insurance coverage required to be maintained on the Property pursuant to the City Documents.

7.6 Restrictions on Conveyance and Encumbrance; Acceleration. It shall be an Event of Default hereunder if the Property or the Improvements or any part thereof or interest therein is sold, assigned, conveyed, transferred, hypothecated, leased, licensed, or encumbered (all of the foregoing, a "Transfer") in violation of the City Documents or if any other Transfer occurs in violation of the City Documents. If any such Transfer shall occur in violation of such requirements, without limiting the provisions of Section 8 hereof, all obligations secured by this Deed of Trust, irrespective of the maturity dates of such obligations, shall at the option of Beneficiary, and without demand, immediately become due and payable, subject to any applicable cure period.

7.7 Inspections; Books and Records. Beneficiary and its agents and representatives shall have the right at any reasonable time upon reasonable notice to enter upon the Land and inspect the Property to ensure compliance with the City Documents. Trustor shall maintain complete and accurate books of account and other records (including copies of supporting bills and invoices) adequate to document the use of the Loan Proceeds and the operation of the Property, together with copies of all written contracts, Leases and other instruments which affect

the Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection by Beneficiary at any reasonable time following at least two (2) business days prior notice.

7.8 Charges, Liens, Taxes and Assessments. Trustor shall pay before delinquency all taxes, levies, assessments and other charges affecting the Property that are (or if not paid may become) a lien on all or part of the Property. Trustor may, at Trustor's expense, contest the validity or application of any tax, levy, assessment or charge affecting the Property by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that (i) Beneficiary is reasonably satisfied that neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest, and (ii) Trustor shall have posted a bond or furnished other security as may reasonably be required from time to time by Beneficiary; and provided further that Trustor shall timely make any payment necessary to prevent a lien foreclosure, sale, forfeiture or loss of the Property.

7.9 Subrogation. Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Beneficiary in accordance with this Deed of Trust.

7.10 Hazard, Liability and Workers' Compensation Insurance. At all times during the term hereof, at Trustor's expense, Trustor shall keep the Improvements and personal property now existing or hereafter located on the Property insured against loss by fire, vandalism and malicious mischief by a policy of standard fire and extended all-risk insurance. The policy shall be written on a full replacement value basis and shall name Beneficiary as loss payee as its interest may appear. The full replacement value of the improvements to be insured shall be determined by the company issuing the policy at the time the policy is initially obtained. Not more frequently than once every two (2) years, either the Trustor or the Beneficiary shall have the right to notify the other party that it elects to have the replacement value redetermined by the insurance company. Subject to the rights of any senior lienholder, the proceeds collected under any insurance policy may be applied by Beneficiary to any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary, the entire amount so collected or any part thereof may be released to Trustor for repair or replacement of the Improvements. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Notwithstanding the foregoing, if any senior lienholder permits such proceeds to be utilized for rebuilding or restoration of the Improvements, Beneficiary shall approve the use of the proceeds for such purpose provided that sufficient additional sources of financing are available to complete the repair or replacement of the Improvements.

7.10.1 Trustor shall at all times during the term hereof, maintain insurance coverage in the amounts and in accordance with the requirements specified in the City Documents, and shall otherwise comply with all requirements pertaining to insurance specified in the City Documents.

7.10.2 Trustor shall file with Beneficiary prior to the commencement of the term hereof, certificates (or such other proof as Beneficiary may require, including without limitation,

copies of the required insurance policies) evidencing each of the insurance policies and endorsements thereto as required by the Loan Agreement.

7.10.3 If any insurance policy required under the Loan Agreement is canceled or the coverage provided thereunder is reduced, Trustor shall, within five (5) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option, procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.11 Hazardous Materials. Hazardous Materials. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof: (i) Trustor has received no notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Land are or have ever been in violation of any Environmental Law or informing Trustor that the Land is subject to investigation or inquiry regarding Hazardous Materials on the Land or the potential violation of any Environmental Law; and (ii) Trustor has disclosed to Beneficiary all information, records, and studies in Trustor's possession or reasonably available to Trustor relating to the Land concerning Hazardous Materials.

Trustor shall not cause or permit any Hazardous Material (as defined below) to be brought upon, kept, stored or used in, on, under, or about the Land by Trustor, its agents, employees, contractors or invitees except for incidental supplies ordinarily used in connection with the construction, rehabilitation, repair, and operation of multi-family residential developments and in compliance with all applicable laws, and shall not cause any release of Hazardous Materials into, onto, under or through the Land. If any Hazardous Material is discharged, released, dumped, or spilled in, on, under, or about the Land and results in any contamination of the Land or adjacent property, or otherwise results in the release or discharge of Hazardous Materials in, on, under or from the Land, Trustor shall promptly take all actions at its sole expense as are necessary to comply with all Environmental Laws (as defined below).

To the greatest extent permitted by law, Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold Beneficiary and its elected and appointed officials, officers, agents and employees (collectively, "**Indemnitees**") harmless from and against any and all loss, claim, liability, damage, demand, judgment, order, penalty, fine, injunctive or other relief, cost, expense (including reasonable fees and expenses of attorneys, expert witnesses, and other professionals advising or assisting Beneficiary), action, or cause of action (all of the foregoing, hereafter individually "**Claim**" and collectively "**Claims**") arising in connection with the breach of Trustor's covenants and obligations set forth in this Section 7.11 or otherwise arising in connection with the presence or release of Hazardous Materials in, on, under, or from the Property, except to the extent arising from the gross negligence or willful misconduct of an Indemnitee. The foregoing indemnity includes, without limitation, all costs of investigation, assessment, containment, removal, remediation of any kind, and disposal of Hazardous Materials, all costs of determining whether the Land is in compliance with Environmental Laws, all costs associated with bringing the Land into compliance with all

applicable Environmental Laws, and all costs associated with claims for damages or injury to persons, property, or natural resources.

Without limiting the generality of the foregoing, Trustor shall, at Trustor's own cost and expense, do all of the following:

a. pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust;

b. reimburse Indemnitees for any expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust; and

c. reimburse Indemnitees for any and all expenses, including without limitation out-of-pocket expenses and fees of attorneys and expert witnesses, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Deed of Trust, or in monitoring and participating in any legal or administrative proceeding.

Trustor's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following or by any failure of Trustor to receive notice of or consideration for any of the following: (i) any amendment or modification of any City Document; (ii) any extensions of time for performance required by any City Document; (iii) any provision in any of the City Documents limiting Beneficiary's recourse to property securing the Secured Obligations, or limiting the personal liability of Trustor, or any other party for payment of all or any part of the Secured Obligations; (iv) the accuracy or inaccuracy of any representation and warranty made by Trustor under this Deed of Trust or by Trustor or any other party under any City Document, (v) the release of Trustor or any other person, by Beneficiary or by operation of law, from performance of any obligation under any City Document; (vi) the release or substitution in whole or in part of any security for the Secured Obligations; and (vii) Beneficiary's failure to properly perfect any lien or security interest given as security for the Secured Obligations.

The provisions of this Section 7.11 shall be in addition to any and all other obligations and liabilities that Trustor may have under applicable law, and each Indemnitee shall be entitled to indemnification under this Section without regard to whether Beneficiary or that Indemnitee has exercised any rights against the Property or any other security, pursued any rights against any guarantor or other party, or pursued any other rights available under any City Document or applicable law. The obligations of Trustor to indemnify the Indemnitees under this Section shall survive any repayment or discharge of the Secured Obligations, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Deed of Trust.

Without limiting any of the remedies provided in this Deed of Trust, Trustor acknowledges and agrees that each of the provisions in this Section 7.11 is an environmental provision (as defined in Section 736(f)(2) of the California Code of Civil Procedure) made by Trustor relating to real property security (the "**Environmental Provisions**"), and that Trustor's failure to comply with any of the Environmental Provisions will be a breach of contract that will entitle Beneficiary to pursue the remedies provided by Section 736 of the California Code of

Civil Procedure ("**Section 736**") for the recovery of damages and for the enforcement of the Environmental Provisions. Pursuant to Section 736, Beneficiary's action for recovery of damages or enforcement of the Environmental Provisions shall not constitute an action within the meaning of Section 726(a) of the California Code of Civil Procedure or constitute a money judgment for a deficiency or a deficiency judgment within the meaning of Sections 580a, 580b, 580d, or 726(b) of the California Code of Civil Procedure.

"**Hazardous Materials**" means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a "hazardous substance", "hazardous material", "hazardous waste", "toxic waste", "toxic pollutant", "toxic substance", "solid waste" or "pollutant or contaminant" in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. Section 2601, *et seq*.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, *et seq*.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, *et seq*.], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901, *et seq*.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, *et seq*.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, *et seq*.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, *et seq*.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, *et seq*.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, *et seq*.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, *et seq*.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any "Superfund" or "Superlien" law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

"**Environmental Law**" means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to any Hazardous Material (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous

Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder.

7.12 Notice of Claims; Defense of Security; Reimbursement of Costs.

a. Notice of Claims. Trustor shall provide written notice to Beneficiary of any uninsured or partially uninsured loss affecting the Property through fire, theft, liability, or property damage in excess of an aggregate of Fifty Thousand Dollars ($50,000) within five business days of the occurrence of such loss. Trustor shall ensure that Beneficiary shall receive timely notice of, and shall have a right to cure, any default under any other financing document or other lien affecting the Property and shall use best efforts to ensure that provisions mandating such notice and allowing such right to cure shall be included in all such documents. Within three business days of Trustor's receipt thereof, Trustor shall provide Beneficiary with a copy of any notice of default Trustor receives in connection with any financing document secured by the Property or any part thereof.

b. Defense of Security. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims.

c. Compensation; Reimbursement of Costs. Trustor agrees to pay all reasonable fees, costs and expenses charged by Beneficiary or Trustee for any service that Beneficiary or Trustee may render in connection with this Deed of Trust, including without limitation, fees and expenses related to provision of a statement of obligations or related to a reconveyance. Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including without limitation any rights or remedies afforded to Beneficiary or Trustee or both of them under Sections 7.18 and 8.2, whether or not any lawsuit is filed, or in defending any action or proceeding arising under or relating to this Deed of Trust, including reasonable attorneys' fees and other legal costs, costs of any disposition of the Property under the power of sale granted hereunder or any judicial foreclosure, and any cost of evidence of title.

d. Notice of Changes. Trustor shall give Beneficiary prior written notice of any change in the address of Trustor and the location of any Property, including books and records pertaining to the Property.

7.13 Indemnification. To the greatest extent permitted by law, Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold harmless the Trustee and

the Indemnitees (as defined in Section 7.11) from and against all Claims arising directly or indirectly in any manner in connection with or as a result of (a) any breach of Trustor's covenants under any City Document, (b) any representation by Trustor in any City Document which proves to be false or misleading in any material respect when made, (c) injury or death to persons or damage to property or other loss occurring on the Land or in any improvement located thereon, whether caused by the negligence or any other act or omission of Trustor or any other person or by negligent, faulty, inadequate or defective design, building, construction or maintenance or any other condition or otherwise, (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which relates to or arises out of the Property, or any City Document or any transaction contemplated thereby, or any failure of Trustor to comply with all applicable state, federal and local laws and regulations applicable to the Property except to the extent arising from the gross negligence or willful misconduct of the Indemnitees. The obligations of Trustor under this Section shall survive the repayment of the Loan and shall be secured by this Deed of Trust. Notwithstanding any contrary provision contained herein, the obligations of Trustor under this Section shall survive any foreclosure proceeding, any foreclosure sale, any delivery of a deed in lieu of foreclosure, and any release or reconveyance of this Deed of Trust.

7.14. Limitation of Liability. Beneficiary shall not be directly or indirectly liable to Trustor or any other person as a consequence of any of the following: (i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust; (iii) any waste committed by Trustor, the lessees of the Property or any third parties, or any dangerous or defective condition of the Property; or (iv) any loss sustained by Trustor or any third party resulting from any act or omission of Beneficiary in managing the Property after an Event of Default, except to the extent the loss is caused by willful misconduct or gross negligence of Beneficiary. Trustor hereby expressly waives and releases all liability of the types described in this Section 7.14 and agrees that Trustor shall assert no claim related to any of the foregoing against Beneficiary.

7.15 Condemnation Proceeds. Subject to the rights of any senior lienholders, any award of damages in connection with any condemnation for public use of, or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply such moneys to any indebtedness secured hereby in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7.16 Release, Extension, Modification. At any time and from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, Trustee may release or reconvey all or any part of the Property, consent to the making of any map or plat of the Land or part thereof, join in granting any easement or creating any restriction affecting the Property, or join in any extension agreement or other agreement affecting the lien or charge hereof. At any time and from time to time, without liability therefor and without notice, Beneficiary may (i) release any person liable for payment of any Secured Obligation, (ii) extend the time for payment or otherwise alter the

terms of payment of any Secured Obligation; (iii) accept additional real or personal property of any kind as security for any Secured Obligation, or (iv) substitute or release any property securing the Secured Obligations.

7.17 Reconveyance. Upon written request of Beneficiary stating that all of the Secured Obligations have been paid in full, and upon surrender of this Deed of Trust, and the Note, Trustee shall reconvey, without warranty, the Property or so much of it as is then held under this Deed of Trust. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor shall pay all fees of Trustee and all recordation fees related to such reconveyance.

7.18 Cure; Protection of Security. Either Beneficiary or Trustee may cure any breach or default of Trustor if Trustor fails to do so within the applicable cure period, and if it chooses to do so in connection with any such cure, Beneficiary or Trustee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Beneficiary's or Trustee's sole judgment is or may be senior in priority to this Deed of Trust, such judgment of Beneficiary or Trustee to be conclusive as among Beneficiary, Trustee and Trustor; obtaining insurance and/or paying any premiums or charges for insurance required to be carried hereunder; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary or Trustee. Beneficiary and Trustee may take any of the actions permitted under this Section 7.18 either with or without giving notice, except for notices required under applicable law. Any amounts disbursed by Beneficiary pursuant to this paragraph shall become additional indebtedness secured by this Deed of Trust.

8. Default and Remedies.

8.1 Events of Default. Trustor acknowledges and agrees that an Event of Default shall occur under this Deed of Trust upon the occurrence of any one or more of the following events:

a. Beneficiary's declaration of an Event of Default under any City Document, subject to the expiration of any applicable cure period set forth in such document;

b. Trustor fails to perform any monetary obligation which arises under this Deed of Trust or any other City Document, and does not cure that failure within ten (10) days following written notice from Beneficiary or Trustee;

c. If Trustor's interest in the Property or any part thereof is voluntarily or involuntarily sold, assigned, conveyed, transferred, hypothecated, leased, licensed, encumbered, or otherwise conveyed in violation of Section 7.6 hereof or if any other Transfer occurs in violation of the City Documents;

d. Trustor fails to maintain the insurance coverage required by the City Documents and fails to cure such default within five (5) days, or Trustor otherwise fails to comply with the requirements of Section 7.10 hereof, and Trustor fails to cure such default within the applicable time period specified in Section 7.10;

e. Subject to Trustor's right to contest such charges as provided herein, Trustor fails to pay taxes or assessments due on the Land or the Improvements or fails to pay when due any other charge that may result in a lien on the Land or the Improvements, and Trustor fails to cure such default within twenty (20) days of the date of delinquency, but in all events prior to the date upon which the holder of any such lien has the right to pursue foreclosure thereof;

f. Any representation or warranty of Trustor contained in or made in connection with this Deed of Trust or in any other City Document , or made in connection with the execution and delivery of any certificate or statement furnished by or on behalf of Trustor in connection with the Loan proves to have been false or misleading in any material adverse respect when made;

g. If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Trustor (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Trustor in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Trustor; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

h. If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Trustor in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Trustor or substantially all Trustor's assets, (iii) orders the liquidation of Trustor, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or any part thereof, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance;

i. The holder of any other debt instrument secured by a mortgage or deed of trust on the Property or part thereof declares an event of default thereunder and exercises a right to declare all amounts due under that debt instrument immediately due and payable, subject to the expiration of any applicable cure period set forth in such holder's documents; or

j. Trustor fails to perform any obligation arising under this Deed of Trust other than one enumerated in this Section 8.1, and does not cure that failure either within ten (10) days after written notice from Beneficiary or Trustee in the event of a monetary default, or within thirty (30) days after such written notice in the event of a nonmonetary default, provided that in the case of a nonmonetary default that in Beneficiary's reasonable judgment cannot reasonably be cured within thirty (30) days, an Event of Default shall not arise hereunder if Trustor commences to cure such default within thirty (30) days and thereafter prosecutes such

cure to completion with due diligence and in good faith within not later than ninety (90) days following receipt of notice of default.

8.2 Remedies. Subject to the applicable notice and cure provisions set forth herein, at any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below, and may exercise any one or more or all, of the remedies set forth in any City Document, and any other remedy existing at law or in equity or by statute. All of Beneficiary's rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided hereunder, including without limitation reasonable attorneys' fees and costs.

a. Acceleration. Beneficiary may declare any or all of the Secured Obligations, including without limitation all sums payable under the Note and this Deed of Trust, to be due and payable immediately.

b. Receiver. Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property.

c. Entry. Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: taking and possessing copies of all of Trustor's or the then owner's books and records concerning the Property; entering into, enforcing, modifying, or canceling Leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Trustor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Beneficiary so requests, Trustor shall assemble all of the Property that has been removed from the Land and make all of it available to Beneficiary at the site of the Land. Trustor hereby irrevocably constitutes and appoints Beneficiary as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Trustor's name on any instruments.

d. UCC Remedies. Beneficiary may exercise any or all of the remedies granted to a secured party under the UCC.

e. Judicial Action. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust in the manner provided by law for foreclosure of mortgages on real property and/or to obtain specific enforcement of any of the covenants or agreements of this Deed of Trust.

f. Power of Sale. Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

8.3 Power of Sale. If Beneficiary elects to invoke the power of sale hereby granted, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of its election to cause the Property to be sold to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the Recorder of each County wherein the Property or some part thereof is situated as required by law and this Deed of Trust.

Prior to publication of the notice of sale, Beneficiary shall deliver to Trustee this Deed of Trust and the Note or other evidence of indebtedness which is secured hereby, together with a written request for the Trustee to proceed with a sale of the Property, pursuant to the provisions of law and this Deed of Trust.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may, and at Beneficiary's request shall, postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of the trust hereby created, including reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums advanced or expended by Beneficiary or Trustee under the terms hereof and all outstanding sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

Without limiting the generality of the foregoing, Trustor acknowledges and agrees that regardless of whether or not a default has occurred hereunder, if an Event of Default has occurred under the City Documents, and if in connection with such Event of Default Beneficiary exercises its right to foreclose on the Property, then: (i) Beneficiary shall be entitled to declare all amounts due under the Note immediately due and payable, and (ii) the proceeds of any sale of the Property in connection with such foreclosure shall be used to pay all Secured Obligations, including without limitation, the outstanding principal balance and all other amounts due under the Note.

At any foreclosure sale, any person, including Trustor, Trustee or Beneficiary, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for such property, Beneficiary may settle for the purchase price by crediting the sales price of the property against the following obligations:

a. First, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Trustor is obligated to pay or reimburse Beneficiary or Trustee under Section 7.12(c); and

b. Second, the remaining balance of all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose.

8.4 Trustor's Right to Reinstate. Notwithstanding Beneficiary's acceleration of the sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Trustor pays Beneficiary all sums which would be then due under the City Documents if the Secured Obligations had no acceleration provision; (b) Trustor cures all breaches of any other covenants or agreements of Trustor contained in this Deed of Trust; (c) Trustor pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of Trustor contained in this Deed of Trust, and in enforcing Beneficiary's and Trustee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Trustor takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's interest in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Trustor, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

9. Trustor's Waivers. To the fullest extent permitted by law, Trustor waives: (a) all statutes of limitations as a defense to any action or proceeding brought against Trustor by Beneficiary; (b) the benefit of all laws now existing or which may hereafter be enacted providing for any appraisement, valuation, stay, extension, redemption or moratorium; (c) all rights of marshalling in the event of foreclosure; and (d) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Deed of Trust and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind.

10. Miscellaneous Provisions.

10.1 Additional Provisions. The City Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Trustor which apply to this Deed of Trust and the Property.

10.2 Notices. Trustor requests that a copy of notice of default and notice of sale be mailed to Trustor at the address set forth below. That address is also the mailing address of Trustor as debtor under the UCC. Beneficiary's address set forth below is the address for Beneficiary as secured party under the UCC. Except for any notice required under applicable law to be given in another manner, all notices to be sent pursuant to this Deed of Trust shall be made in writing, and sent to the parties at their respective addresses specified below or to such other address as a party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by: (a)personal delivery, in which case notice shall be deemed delivered upon receipt; (b) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail; or (c) nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier.

Beneficiary:	City of Livermore Administration Building 1052 South Livermore Avenue Livermore, CA 94550-4899 Attention: Housing and Human Services Manager
With a copy to:	City of Livermore Administration Building 1052 South Livermore Avenue Livermore, CA 94550-4899 Attention: City Manager
Trustor:	Tri Valley REACH, Inc._____ P.O. Box 5564_____ Pleasanton, CA 94566 Attention: Board President

10.3 Binding on Successors. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of the Trustor, Beneficiary and Trustee; provided however this Section 10.3 does not waive the provisions of Section 7.6.

10.4 Substitution of Trustee. Beneficiary may from time to time or at any time substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of Alameda County, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the Trustee named herein.

10.5 Attorneys' Fees and Costs. In any action or proceeding to foreclose this Deed of Trust or to enforce any right of Beneficiary or of Trustee, Trustor shall pay to Beneficiary and Trustee all costs of such action or proceeding, including reasonable attorneys' fees.

10.6 Governing Law; Severability; Interpretation. This Deed of Trust shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Trustor agrees that any controversy arising under or in relation to this Deed of Trust shall be litigated exclusively in State and federal courts with jurisdiction in Alameda County, California. If any provision of this Deed of Trust is held unenforceable or void, that provision shall be deemed severable from the remaining provisions, and shall in no way affect the validity of this Deed of Trust. The captions used in this Deed of Trust are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained. In this Deed of Trust, whenever the context so requires, the singular number includes the plural.

10.7 Waiver, Modification and Amendment. Any waiver by Beneficiary of any obligation of Trustor hereunder must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Beneficiary or

Trustee to take action on account of any default of Trustor. Consent by Beneficiary or Trustee to any act or omission by Trustor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's or Trustee's consent to be obtained in any future or other instance. No amendment to or modification of this Deed of Trust shall be effective unless and until such amendment or modification is in writing, executed by Trustor and Beneficiary. Without limiting the generality of the foregoing, Beneficiary's acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver by Beneficiary of its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

10.8 Action by Beneficiary. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, or consent by the Beneficiary is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by Beneficiary's City Manager or by any person who shall have been designated by Beneficiary's City Manager, without further approval by the governing board of Beneficiary.

10.9 Joint and Several Liability. If Trustor consists of more than one person or entity, each shall be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust.

10.10 Time is of the Essence. Time is of the essence for each provision of this Deed of Trust.

SIGNATURES ON FOLLOWING PAGE.

Exhibit D

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date first written above.

TRUSTOR:

Tri-Valley REACH, Inc., a California nonprofit public benefit corporation
By: _____

Print Name: PATRICK O'BRIEN

Title: TREASURER

SIGNATURES MUST BE NOTARIZED.

Exhibit D

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of Alameda)

On December 28, 2023, before me, Natalia Gilina Garcia, Notary Public
(Name of Notary)

notary public, personally appeared Patrick O'Brien who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Natalia Gilina Garcia
(Notary Signature)

NATALIA GILINA GARCIA
Notary Public - California
Alameda County
Commission # 2433501
My Comm. Expires Jan 8, 2027

SIGNATURES MUST BE NOTARIZED.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____, before me, _____,
(Name of Notary)

notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

_____
(Notary Signature)

SIGNATURES MUST BE NOTARIZED.

Exhibit A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LIVERMORE, IN THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lots 28 as shown on the final map of Tract 7724 filed for record on August 10, 2015, in Book 333 of Maps, at Pages 48 through 52, inclusive, in the Official Records of the County of Alameda, State of California.

APN: 99-1388-42

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Livermore
1052 South Livermore Ave.
Livermore, CA 94550
Attention: City Clerk

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

APN: 99-1388-42

Space above this line for Recorder's use.

AFFORDABLE HOUSING REGULATORY AGREEMENT

AND

DECLARATION OF RESTRICTIVE COVENANTS

by and between

THE CITY OF LIVERMORE

and

Tri-Valley REACH, Inc

Supportive Shared Housing Rehabilitation and Expansion – PLHA Program

_____, 20__

This Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (this "**Agreement**") is entered into effective as of _____, 20__ ("**Effective Date**") by and between the City of Livermore, a municipal corporation ("**City**") and Tri-Valley REACH, Inc ("**Owner**"). The City and the Owner are collectively referred to herein as the "**Parties**."

RECITALS

A. Owner is the owner of the real property located at 772 Camden Common, in the City of Livermore, California, commonly known as Alameda County Assessor's Parcel Number 99-1388-42 and more particularly described in Exhibit A attached hereto (the "**Property**").

B. City and Owner have entered into an Affordable Housing Loan Agreement, dated as of _____, 2023_ (the "**Loan Agreement**"). That certain Loan Agreement provides that the Property will be required to be rented to Eligible Households at Affordable Rents in accordance with this Agreement for a period of not less than fifty-five (55) years.

C. Grant funding by the State of California Department of Housing and Community Development ("HCD") from the Permanent Local Housing Allocation Program administered by HCD (the "PLHA Program") has been awarded to the Program. The grant funds awarded by HCD with respect to the Project pursuant to the PLHA Program are referred to herein as the "HCD Funds."

D. Subject to the terms and conditions set forth in the Loan Agreement, City has agreed to provide a loan to the Owner in the original principal amount of One Hundred Sixteen Thousand and Seven Hundred Ninety-Six Dollars ($116,796) (the **"Loan")** to assist Owner in rehabilitating and/or increasing the number of residential units in the Property. As a condition precedent to the funding of the Loan, City requires the Property to be subject to the terms, conditions and restrictions set forth herein.

E. Pursuant to the Loan Agreement, Owner shall execute and deliver to City a Secured Promissory Note (the "**Note"**) to evidence Owner's obligation to repay the Loan. The Note shall be secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing that shall be executed by Owner for the benefit of City (the "**Deed of Trust**") and recorded against the Property substantially concurrently herewith.

F. The purpose of this Agreement is to satisfy the affordability requirements of the City's Supportive Shared Housing Rehabilitation and Expansion Program **("Program")**, and to regulate and restrict the occupancy and rents of the Property for the benefit of the Property's occupants. The Parties intend the covenants set forth in this Agreement to run with the land and to be binding upon Owner and Owner's successors and assigns for the full term of this Agreement.

NOW THEREFORE, in consideration of the foregoing, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

1. Incorporation of Recitals; Definitions.

1.1 Incorporation of Recitals. The Parties acknowledge the truth of the Recitals set forth above, and such Recitals are hereby incorporated into this Agreement by this reference.

1.2 Definitions. The following terms have the meanings set forth in this Section wherever used in this Agreement or the attached exhibits.

"**Affordable Rent**" means the maximum rent allowable for Extremely Low-Income households of one (1) person in a studio unit as specified in the City's Affordable Housing Sales Price and Rental Rates Chart **("City Chart")** established by City Council resolution. If the City Chart has not been updated for a period of 18 months, or if the City Chart is inconsistent with the rent limits as determined by the rules and regulations applicable to the MHP Program, then Affordable Rent shall mean a monthly rent that does not exceed the limits applicable pursuant to the MHP Program.

"**Area Median Income**" or "**AMI**" means the median income for Alameda County, California, as specified in the City Chart. If the City Chart has not been updated for a period of 18 months, or if the City Chart is inconsistent with the definition of "Area Median Income" as determined by the rules and regulations applicable to the MHP Program, then "Area Median Income" shall be determined in accordance with the rules and regulations applicable to the MHP program.

"**City's Authorized Representative**" means the City Manager of the City of Livermore.

"City Chart" means the City's Affordable Housing Sales Price and Rental Rates Chart established by City Council Resolution.

"**City Documents**" means the Loan Agreement, the Note, the Deed of Trust, and this Agreement.

"**Claims**" means collectively, liabilities, losses, costs, expenses (including without limitation attorneys' fees and costs of litigation), claims, demands, actions, suits, judicial or administrative proceedings, penalties, deficiencies, fines, orders, and damages.

"**Deed of Trust**" is defined in Recital D.

"**Eligible Household**" means an individual with an intellectual or developmental disability whose Gross Income upon initial occupancy does not exceed Extremely Low-Income.

"**Extremely Low-Income"** means thirty percent (30%) of Area Median Income, Adjusted for a household of one (1) person.

"**Gross Income"** shall have the meaning set forth in Section 6914 of Title 25 of the California Code of Regulations as such section may be revised from time to time.

"HCD" means the California Department of Housing and Community Development.

"HCD Funds" is defined in Recital C

"**HUD"** means the U.S. Department of Housing and Urban Development.

"**Indemnitees"** means collectively, the City and its elected and appointed officers, officials, employees, agents, consultants, contractors, and designated volunteers.

"**Loan"** is defined in Recital C.

"**Loan Agreement"** is defined in Recital B.

"**Marketing and Management Plan"** is defined in Section 7.5.

"**MHP Program"** means the HCD Multifamily Housing Program established pursuant to Health and Safety Code Section 50675 *et seq.*

"Note" is defined in Recital D.

"Official Records" means the Official Records of the Alameda County Recorder.

"**Very Low-Income"** means fifty percent (50%) of Area Median Income, Adjusted for a household of one (1) person.

2. Use and Affordability Restrictions. Owner hereby covenants and agrees, for itself and its successors and assigns, that throughout the term of this Agreement (as defined in Section 5.1 below), the Property shall be used solely as an affordable shared housing residence with supportive services for tenants with an intellectual or developmental disability, and that with the exception of a staff/manager's unit, occupancy will be limited to Eligible Households in compliance with the Loan Agreement and the requirements set forth in this Agreement. Owner represents and warrants that it has not entered into any agreement that would restrict or compromise its ability to comply with the occupancy and affordability restrictions set forth in this Agreement, and Owner covenants that it shall not enter into any agreement that is inconsistent with such restrictions without the express written consent of City.

2.1 Supportive Services. Owner has elected to operate the Property as supportive shared housing with supportive services for residents. To the extent applicable, the Property will be operated at all times in accordance with (a) the Unruh Act, including without limitation California Civil Code Sections 51.2, 51.3, and 51.4; (b) the federal Fair Housing Act, 42 U.S.C. Section 3607(b) and 24 CFR 100.304; (c) the California Fair Employment and Housing Act, Government Code Section 12900 *et seq*., and (d) all other applicable laws and regulations. Owner shall make the following supportive services available to residents of the Property: specialized health-care and other therapies, leisure and recreational opportunities, and life skills and training services, and Owner shall provide or arrange for the provision of supportive services to residents of the Property in accordance with the Plan described in Section 7.5 below.

2.2 Affordability and Occupancy Requirements. Throughout the term of this Agreement (as defined in Section 5.1 below), the individual bedrooms or dwelling units in the Property shall be rented at Affordable Rents to Eligible Households. Notwithstanding any contrary provision of this Agreement, rent for tenants who have Housing Choice/Section 8 vouchers shall be set in accordance with the rules and regulations applicable to such program.

Owner shall comply with rent and occupancy restrictions imposed by all applicable financing sources and regulatory agencies, and if such agencies impose requirements on that are more stringent than those set forth in this Agreement, including without limitation, requirements that restrict a greater number of units than restricted by this Agreement or require stricter household income eligibility or affordability requirements than those imposed by this Agreement, the requirements of such other agencies shall prevail during such time that they are effective.

2.3 Housing First Protocol; Resident Selection. Owner acknowledges that the Project will be subject to the Housing First protocol described in California Code of Regulations, title 25, Sections 8409(b) subsections (1) through (6), and further agrees that Project residents will be selected in a manner consistent with California Welfare and Institutions Code Section 8255(b)(8) using a protocol that prioritizes selection criteria other than "first-come, first serve" and may include, without limitation, the duration or chronicity of homelessness/disability, vulnerability to early mortality, high utilization of crisis or medical services, and the need for housing that provides supportive services. Owner shall be obligated to screen prospective tenants to establish that they qualify as Eligible Households, and may contract with a qualified organization or agency that will provide referrals of Eligible Households for prospective occupancy of the Property.

2.4 Increased Income of Tenants. No tenant that qualifies as an Eligible Household shall be denied continued occupancy of the Property because, after admission, the Gross Income of such tenant increases to exceed the qualifying limit for Eligible Households. A tenant that at initial occupancy qualifies as an Eligible Household shall be treated as continuing to be an Eligible Household so long as the tenant's Gross Income does not exceed Very Low-Income.

2.5 Rental Agreements; Evictions. Owner shall use a lease or rental agreement in form approved by City. The form of lease must comply with all requirements of this Agreement and the Loan Agreement, and among other requirements must:

(a) Provide for termination of the lease and acknowledgement by the tenant that eviction may result if (i) the tenant fails to provide any information required under this Agreement or reasonably requested by Owner to establish or recertify the tenant's qualification for occupancy in the Project in accordance with the standards set forth in this Agreement, or (ii) the tenant makes any material misrepresentation in connection with the initial or subsequent income and eligibility certification, and fails to qualify as an Eligible Household.

(b) Be for an initial term of not less than one (1) year, unless by mutual agreement between the tenant and Owner, and provide for no increase in rent during such initial year. After the initial year of tenancy, the lease may be month-to-month by mutual agreement of Owner and the tenant. Notwithstanding the above, any rent increases shall be subject to the requirements of Section 2.8.

(c) Provide that any termination of a lease or refusal to renew a lease for a unit within the Project must be preceded by Owner's delivery to tenant of not less than sixty (60) days'

written notice (or such longer advance written notice as may be required by California law), specifying the grounds for the action.

(d) Include a detailed written listing of reasonable rules of conduct and occupancy which shall be consistent with state and federal law, and shall be provided to each tenant upon initial occupancy.

2.6 Maximum Occupancy. Occupancy of each bedroom in the Property shall be limited to a maximum of one (1) person, and total occupancy of the Property shall be limited to a maximum of four (4) persons.

2.7 Non-Discrimination; Compliance with Fair Housing Laws.

2.7.1 Fair Housing; Section 8 Vouchers. Owner shall comply with state and federal fair housing laws in the marketing and rental of the Property. Owner shall accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing Section 8 program or any successor thereto.

2.7.2 Non-Discrimination. Owner covenants for itself, its successors and assigns, and all persons claiming under or through Owner, that there shall be no discrimination in the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin, age, or gender identity of any person. Owner covenants for itself, its successors and assigns, and all persons claiming under or through Owner, that this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Owner, its successors and assigns, or any person claiming under or through Owner, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or part thereof. Owner shall include such provision in all deeds, leases, contracts and other instruments executed by Owner, and shall enforce the same diligently and in good faith.

2.7.3 No Exclusion. Without limiting the generality of Sections 2.7.1 and 2.7.2, Owner will not exclude or discriminate against any person in the United States, on the grounds of race, color, religion, national origin, sex, sexual orientation, familial status, physical or mental disability, age, or gender identity from participating in, or benefiting from, any program or activity related to the Property. Specifically, Owner will not, on the basis of any of the foregoing:

(i) Deny any service or other benefit provided under any program activity;

(ii) Provide any service or other benefit which is different, or is provided in a different form from that provided to others under any program or activity;

(iii) Subject to segregated or separate treatment in any facility in, or in any manner or process related to receipt of any service or benefit under any program or activity;

(iv) Restrict in any way the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit under any program or activity;

(v) Treat an individual differently from others in determining whether that individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any service or other benefit provided under any program or activity; or

(vi) Deny an opportunity to participate in any program or activity as an employee.

2.8 Rent Increases. Initial rents to be charged to residents of the Project are subject to City approval. Rents may not be increased more often than once every twelve (12) months, and may be increased by no more than five percent (5%) per year or by such lesser amount as permitted under California law. Owner shall provide each tenant with at least sixty (60) days' prior written notice of any increase in rent, or such longer advance written notice as may be required by California law. Owner shall comply with all applicable California rent control laws and tenant notification requirements.

3. Relocation.

3.1 Compliance with Laws. Owner covenants and agrees that persons residing on the Property as of the date of this Agreement shall not be displaced before suitable replacement housing and tenant space, as applicable, is available. Owner shall ensure that all occupants of the Property receive all notices, benefits, and assistance to which they are entitled in accordance with California Relocation Assistance Law (Government Code Section 7260 *et seq*.), all state and local regulations implementing such law, and all other applicable local, state and federal laws, regulations, and policies relating to the displacement and relocation of eligible persons as defined in such Relocation Laws, including but not limited to the Uniform Relocation Act (42 U.S.C. § 4601 *et seq*.) and implementing regulations (all of the foregoing, collectively "**Relocation Laws**").

3.2 Costs; Indemnity. Owner shall be responsible for payment of any and all costs and expenses incurred in connection with the temporary and/or permanent displacement and/or relocation of residential and commercial occupants of the Property as required by Relocation Laws, including, without limitation, payments to a relocation consultant, moving expenses, and payments for temporary and permanent relocation benefits pursuant to Relocation Laws, and City shall have no responsibility for payment therefor. To the greatest extent allowed by law, Owner shall indemnify, defend (with counsel reasonably approved by City) , and hold the

Indemnitees harmless from and against any and all Claims arising in connection with the breach of Owner's obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such Claims. Owner's indemnification obligations under set forth in this Section 3.2 shall not apply to Claims to the extent resulting from the gross negligence or willful misconduct of Indemnitees. The provisions of this Section 3.2 shall survive the expiration or earlier termination of this Agreement, and are subject to the additional terms set forth in Section 11.1 below.

4. Reporting Requirements; Access to Information; Inspections.

4.1 Tenant Certification. Owner or Owner's authorized agent shall obtain from each prospective tenant prior to initial occupancy of the Property, and on every anniversary thereafter, a written certificate containing all of the following in such format and with such supporting documentation as City may reasonably require:

(i) The identity of each household member;

(ii) The total household Gross Income; and

(iii) The basis upon which the tenant or prospective tenant qualifies as an Eligible Household.

For the purpose of determining whether a household is an Eligible Household, household Gross Income shall be determined using the criteria set forth in Section 6914 of Title 25 of the California Code of Regulations.

Owner shall retain such certificates for not less than five (5) years, and upon City's request, shall provide copies of such certificates to City and make the originals available for City inspection.

4.2 Annual Reports; Inspections. By not later than 180 days following the Effective Date, and thereafter by not later than May 31 of each year, Owner shall submit an annual report ("**Annual Report**") to the City in form attached hereto as Exhibit C, together with the additional information specified in this Section 4.2 and a certification that the Property is in compliance with the requirements of this Agreement. The Annual Report shall, at a minimum, include the following information for each occupant of the Property: (i) current rent, utility, and other charges; (ii) move-in date; (iii) documentation of source of household income; and (iv) the information required by Section 4.1. In addition, the Annual Report shall include the dates of any vacancies during the previous year.

Owner shall include with the Annual Report, an income recertification for each tenant, documentation verifying tenant eligibility, and such additional information as City may reasonably request from time to time in order to demonstrate compliance with this Agreement. The Annual Report shall conform to the format requested by City.

In addition to the information described above, the Annual Report shall include the following:

(i) A Property income and expense statement for the reporting period;

(ii) Proposed annual budget for the next fiscal year which sets forth Owner's estimate of operating income, operating expenses and debt service for the year, amounts payable to reserves and proposed rent adjustments;

(iii) A report on maintenance and other issues anticipated to affect the current budget needs of the Property as well as the amount in the Property's reserve accounts and the amount expected to be needed for major repairs or other needs during the new fiscal year;

(iv) Financial statements for the Property prepared in accordance with generally accepted accounting standards, and if requested by City, an audit by an independent certified public accountant.

(v) City may, in its reasonable discretion, from time to time request additional or different information, and Owner shall promptly supply such information in the reports required hereunder.

4.3. Maintenance of Records.

4.3.1 Owner shall maintain tenant leases, income certifications and other matters related to the leasing of the Property for a period of five (5) years after the final date of occupancy by the tenant.

4.3.2 Records must be kept accurate and up-to-date. City shall notify Owner of any records it deems insufficient. Owner shall have fifteen (15) calendar days from such notice to correct any specified deficiency in the records, or, if more than fifteen (15) days shall be reasonably necessary to correct the deficiency, Owner shall begin to correct the deficiency within fifteen (15) days and diligently pursue the correction of the deficiency as soon as reasonably possible.

4.4 Access to Records; Inspections.

4.4.1 With at least 48-hours' notice, during normal business hours, Owner shall provide City and its authorized agents and representatives access to the books, documents, and records of the Property for the purpose of making audits, examinations, excerpts and transcriptions.

4.4.2 With at least 48-hours' notice, during normal business hours and as often as may be deemed necessary, City and its authorized agents and representatives shall be permitted access to and the right to examine the Property and to interview tenants for the purpose of verifying compliance with applicable regulations and compliance with the conditions of this Agreement and the other City Documents.

5. Term of Agreement.

5.1 Term of Restrictions. This Agreement shall remain in effect until the fifty-fifth (55th) anniversary of the Effective Date of this Agreement, unless the parties agree to extend the term pursuant to a recorded amendment to this Agreement.

5.2 Effectiveness Succeeds Conveyance of Property and Repayment of Loan. This Agreement shall remain effective and fully binding for the full term hereof regardless of (i) any sale, assignment, transfer, or conveyance of the Property or any part thereof or interest therein, (ii) any payment, prepayment or extinguishment of the Loan or the Note, or (iii) any reconveyance of the Deed of Trust.

5.3 Reconveyance. Upon the termination of this Agreement, the Parties agree to execute and record appropriate instruments to release and discharge this Agreement; provided, however, the execution and recordation of such instruments shall not be necessary or a prerequisite to the termination of this Agreement upon the expiration of the term.

6. Binding Upon Successors; Covenants to Run with the Land. Owner hereby subjects its interest in the Property to the covenants and restrictions set forth in this Agreement. The City and Owner hereby declare their express intent that the covenants and restrictions set forth herein shall be deemed covenants running with the land and shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of Owner and City, regardless of any sale, assignment, conveyance or transfer of the Property or any part thereof or interest therein. Any successor-in-interest to Owner, including without limitation any purchaser, transferee or lessee of the Property (other than the tenants of the Property) shall be subject to all of the duties and obligations imposed hereby for the full term of this Agreement. Each and every contract, deed, ground lease or other instrument affecting or conveying the Property or any part thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, restrictions, duties and obligations set forth herein, regardless of whether such covenants, restrictions, duties and obligations are set forth in such contract, deed, ground lease or other instrument. If any such contract, deed, ground lease or other instrument has been executed prior to the date hereof, Owner hereby covenants to obtain and deliver to City an instrument in recordable form signed by the parties to such contract, deed, ground lease or other instrument pursuant to which such parties acknowledge and accept this Agreement and agree to be bound hereby. Owner agrees for itself and for its successors that in the event that a court of competent jurisdiction determines that the covenants herein do not run with the land, such covenants shall be enforced as equitable servitudes against the Property in favor of City.

7. Property Management; Repair and Maintenance; Marketing; Reserves; Supportive Services.

7.1 Management Responsibilities. Owner shall be responsible for all management functions with respect to the Property, including without limitation the selection of tenants, certification and recertification of household income and eligibility, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. City shall have no responsibility for management or maintenance of the Property.

7.2 Management Entity; Supportive Services Provider; Referral Agency. City shall have the right to review and approve the qualifications of (i) the management entity, (ii) the supportive services provider, and (iii) any agency that will verify the eligibility of prospective tenants of the Property, and shall have the right to review and approve any property management agreement, supportive services agreement, or similar agreement executed between Owner and such entities, which approval shall not be unreasonably withheld. The contracting of management services to a management entity shall not relieve Owner of its primary responsibility for proper performance of management duties. City hereby approves HCEB (Housing Consortium of East Bay), as the initial management entity for the Property. Any subsequent management entity or supportive services provider shall be subject to City review and approval, which shall not be unreasonably withheld or delayed. Upon City determination and delivery of written notice to Owner that Owner has failed to operate the Property in accordance with this Agreement, City may require Owner to contract with a qualified management agent selected by City, to operate the Property, or to make such other arrangements as City deems necessary to ensure performance of the required functions.

7.3 Repair, Maintenance and Security. Throughout the term of this Agreement, Owner shall at its own expense, maintain the Property in good physical condition, in good repair, and in decent, safe, sanitary, habitable and tenantable living conditions in conformity with all applicable state, federal, and local laws, ordinances, codes, and regulations. Without limiting the foregoing, Owner agrees to maintain the Property (including without limitation, the common areas) in a condition free of all waste, nuisance, debris, unmaintained landscaping, graffiti, disrepair, abandoned vehicles/appliances, and illegal activity, and shall take all reasonable steps to prevent the same from occurring on the Property. Owner shall prevent and/or rectify any physical deterioration of the Property and shall make all repairs, renewals and replacements necessary to keep the Property in good condition and repair. Owner shall provide adequate security measures for the Property, including without limitation, the installation of adequate lighting and deadbolt locks. All construction/rehabilitation work and professional services for the Property shall be performed by persons or entities licensed or otherwise authorized to perform the applicable work or service in the State of California and shall have a current City of Livermore business license if required under local law. Owner shall comply in all respects with the homeowners' association rules and regulations and all other rules and regulations applicable to the Property. Owner shall diligently work to resolve complaints related to noise, parking, litter or other neighborhood concerns.

7.4 City's Right to Perform Maintenance. In the event that Owner breaches any of the covenants contained in Section 7.3, and such default continues for a period of ten (10) days after written notice from City (with respect to graffiti, debris, and waste material) or thirty (30) days after written notice from City (with respect to landscaping, building improvements and general maintenance), then City, in addition to any other remedy it may have under this Agreement or at law or in equity, shall have the right, but not the obligation, to enter upon the Property and perform all acts and work necessary to protect, maintain, and preserve the improvements and the landscaped areas on the Property. All costs expended by City in connection with the foregoing, shall constitute an indebtedness secured by the Deed of Trust, and shall be paid by Owner to City upon demand. All such sums remaining unpaid thirty (30) days following delivery of City's invoice therefor shall bear interest at the lesser of 10% per annum or the highest rate permitted by applicable law.

7.5 Marketing and Management Plan. Owner shall submit for review and approval by the City, a plan for marketing and managing the Property ("**Marketing and Management Plan**" or "**Plan**"). The Marketing and Management Plan shall address in detail how Owner plans to market the Property to prospective Eligible Households in accordance with fair housing laws and this Agreement, Owner's tenant selection criteria and procedures, and how Owner plans to certify the eligibility of Eligible Households. The Plan shall also describe the management team and shall address how the Owner and the management entity plan to manage and maintain the Property. The Plan shall include the proposed management agreement and the form of rental agreement that Owner proposes to enter into with tenants of the Property. In addition, the Plan shall include: (i) information regarding the qualifications of the proposed supportive services provider or staffing that will provide services to residents of the Property, and copies of agreements for the provision of services by social services providers, (ii) information regarding any organizations or agencies that will provide referrals of Eligible Households for prospective occupancy of the Property, and (iii) the supportive services that will be provided to tenants of the Property. Owner shall abide by the terms of the Marketing and Management Plan in marketing, managing, and maintaining the Property, and throughout the term of this Agreement, shall submit proposed modifications to City for review and approval.

In addition to the foregoing, the Marketing and Management Plan shall address the following:

(a) The actions to be taken by Owner to affirmatively market the Property in compliance with fair housing laws and in compliance with City's policies and procedures, including, without limitation, the policies described in Sections 2.3 and 2.7 above;

(b) Criteria for determining tenant eligibility, including certification of household income and size, and establishing reasonable occupancy standards (which shall not exceed the standards specified in Section 2.6, or if more restrictive, the standards established by state and federal fair housing laws and state housing and building codes), and procedures for screening prospective tenants, including obtaining credit reports, unlawful detainer reports, landlord references and criminal background investigations;

(c) A requirement that eligible tenants be selected based on order of application, lottery or other reasonable method approved by City;

(d) A requirement that eligible applicants be notified of eligibility and be provided an estimate regarding when a bedroom in the Property may be available for rent;

(e) A requirement that ineligible applicants be notified of the reason for their ineligibility;

(f) Specific procedures through which applicants deemed to be ineligible may appeal this determination;

(g) Maintenance of a waiting list of eligible applicants;

(h) Specific procedures for obtaining documentation regarding prospective tenants' incomes, as necessary, to certify that such income does not exceed income limits;

(i) Specific procedures for certification and recertification of household incomes and procedures for handling over-income tenants;

(j) A requirement that a written rental agreement (subject to City approval) be executed with each Eligible Household selected to occupy the Property;

(k) A detailed listing of reasonable rules of conduct and occupancy which shall be in writing, shall be consistent with federal and state law, and shall be provided to each tenant upon occupancy;

(l) Procedures for maintenance and management of the Property;

(m) Procedures for dealing with tenant or neighborhood issues or concerns;

(n) Procedures for maintaining a reserve account, budgeting for maintenance and repair needs as well as long-term rehabilitation needs, and handling net cash flow;

(o) Such other requirements and criteria/procedures as City may reasonably determine appropriate; and

(p) Owner's plan for educating tenants regarding, and ensuring compliance with, the homeowners' association rules and regulations and other regulations applicable to the Property, including without limitation, rules regarding parking, storage, and use of balconies.

7.6 Approval of Amendments. If City has not responded to any submission of the Management and Marketing Plan, the proposed management entity, the proposed management agreement, or a proposed amendment or change to any of the foregoing within sixty (60) days following City's receipt of such plan, proposal, agreement or amendment, the plan, proposal, agreement, or amendment shall be deemed approved by City.

7.7 Fees, Taxes, and Other Levies. Owner shall be responsible for payment of all fees, assessments, taxes, charges, liens and levies applicable to the Property, including without limitation possessory interest taxes, if applicable, imposed by any public entity, and shall pay such charges prior to delinquency. However, Owner shall not be required to pay any such charge so long as (a) Owner is contesting such charge in good faith and by appropriate proceedings, (b) Owner maintains reserves adequate to pay any contested liabilities, and (c) on final determination of the proceeding or contest, Owner immediately pays or discharges any decision or judgment rendered against it, together with all costs, charges and interest. The foregoing is not intended to impair Owner's ability to apply for any applicable exemption from property taxes or other assessments and fees.

7.8 Insurance Coverage. Throughout the term of this Agreement Owner shall comply with the insurance requirements set forth in Exhibit B, and shall, at Owner's expense, maintain in full force and effect insurance coverage as specified in Exhibit B.

7.9 Property Damage or Destruction. If any part of the Property is damaged or destroyed, Owner shall repair or restore the same, consistent with the occupancy and rent restriction requirements set forth in this Agreement. Such work shall be commenced as soon as reasonably practicable after the damage or loss occurs and shall be completed within one year thereafter or as soon as reasonably practicable, provided that insurance proceeds are available to be applied to such repairs or restoration within such period and the repair or restoration is financially feasible.

7.10 Required Reserves. Owner shall be obligated to establish and maintain an operating and replacement reserve account for the Property ("**Reserve"**). The Reserve shall initially be funded with the sum of Five Thousand Dollars ($5,000) which shall be deposited into the Reserve as of close of escrow for Owner's acquisition of the Property. The Reserve shall be replenished from Property net operating income so that the minimum amount in the Reserve is Five Thousand Dollars ($5,000). The maximum amount that can be held in the Reserve is two percent (2%) of the fair market value of the Property or such other amount approved by City. Reserve funds may be used solely for maintenance and operating expenses of the Property. The City's advance written consent, which shall not be unreasonably withheld, shall be required for withdrawals from the Reserve for non-routine operating and maintenance expenses exceeding the sum of Three Thousand Dollars ($3,000).

7.11 No Criminal Activity. Owner agrees that neither Owner nor any person residing on the Property, their guests or persons under their control, shall permit, engage in, or facilitate criminal activity within the Property, within the development in which the Property is located, or on the streets bordering such development. This includes, without limiting the foregoing: (i) the illegal manufacture, sale, distribution, use, or possession with the intent to manufacture, sell, distribute, or use a controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. Section 802); (ii) the unlawful discharge of firearms; and (iii) all acts or threats of violence, harming, or intending to harm a person or property.

8. Recordation; Subordination. This Agreement shall be recorded in the Official Records. The City agrees that the City will not withhold consent to reasonable requests for subordination of this Agreement to deeds of trust provided for the benefit of lenders identified in the financing plan submitted to City for the Property in accordance with the Loan Agreement, as such plan may be updated with City approval, provided that the instruments effecting such subordination include reasonable protections to the City in the event of default, including without limitation, extended notice and cure rights.

9. Transfer and Encumbrance.

9.1 Restrictions on Transfer and Encumbrance. During the term of this Agreement, except as permitted pursuant to the Loan Agreement or this Agreement, Owner shall not directly or indirectly, voluntarily, involuntarily or by operation of law make or attempt any total or partial

sale, transfer, conveyance, assignment or lease (collectively, "**Transfer**") of the whole or any part of the Property or the Project without the prior written consent of the City, which approval shall not be unreasonably withheld. In addition, prior to the expiration of the term of this Agreement, except as expressly permitted by this Agreement or the Loan Agreement, Owner shall not undergo any significant change of ownership without the prior written approval of City. For purposes of this Agreement, a "significant change of ownership" shall mean a transfer of the beneficial interest of more than twenty-five percent (25%) in aggregate of the present ownership and /or control of Owner, taking all transfers into account on a cumulative basis.

9.2 Conditionally Permitted Transfers. Subject to the provisions of this Section 9.2, and if applicable, Section 9.3, the prohibitions on Transfer set forth herein shall not be deemed to prevent: (i) the lease of bedrooms or dwelling units within the Property to tenants for occupancy as their principal residence in accordance with this Agreement; (ii) assignments creating security interests for the purpose of financing the acquisition or improvement of the Property in accordance with the Financing Plan approved in accordance with the Loan Agreement as such may be updated with City Approval, or Transfers directly resulting from the foreclosure of, or granting of a deed in lieu of foreclosure of, such a security interest; or (iii) a Transfer to a tax-exempt entity under the direct control of, or under common control with, Owner.

9.3 Requirements for Proposed Transfers. The City may, in the exercise of its sole discretion, consent to a proposed Transfer of this Agreement, the Property, the Improvements, or part thereof if all of the following requirements are met (provided however, the requirements of this Section 9.3 shall not apply to Transfers described in clauses (i) and (ii) of Section 9.2.

(i) The proposed transferee demonstrates to the City's satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the City to competently manage the Project and to otherwise fulfill the obligations undertaken by the Owner under this Agreement.

(ii) The Owner and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to effect any Transfer of all or any part of or interest in the Property, the Project, or this Agreement together with such documentation of the proposed transferee's qualifications and development capacity as the City may reasonably request.

(iii) The proposed transferee shall expressly assume all of the rights and obligations of the Owner under this Agreement and the other City Documents arising after the effective date of the Transfer and all obligations of Owner arising prior to the effective date of the Transfer (unless Owner expressly remains responsible for such obligations), and shall agree to be subject to and assume all of Owner's obligations under the City Documents.

(iv) The final form of the organizational documents of the proposed transferee, and any subsequent amendments that affect the City's economic interests under this Agreement or the City Documents shall be subject to the City's review and approval.

(v) The Transfer and the assumption of Owner's obligations shall be effectuated pursuant to an assignment and assumption agreement in form approved by City and recorded in the Official Records.

Consent to any proposed Transfer may be given by the City's Authorized Representative unless the City's Authorized Representative, in his or her discretion, refers the matter of approval to the City Council. If the City has not rejected a proposed Transfer or requested additional information regarding a proposed Transfer in writing within thirty (30) days following City's receipt of written request by Owner, the proposed Transfer shall be deemed approved.

9.4 Effect of Transfer without City Consent. In the absence of specific written agreement by the City, no Transfer of the Property shall be deemed to relieve the Owner or any other party from any obligation under this Agreement. It shall be an Event of Default hereunder entitling City to pursue remedies including without limitation, acceleration of the Loan and/or foreclosure under the Deed of Trust if without the prior written approval of the City, Owner assigns or Transfers this Agreement or the Property in violation of Section 9. This Section 9.4 shall not apply to Transfers described in clauses (i) and (ii) of Section 9.2.

9.5 Recovery of City Costs. Within ten (10) days following City's delivery to Owner of an invoice detailing such costs, Owner shall reimburse City for all City costs, including but not limited to reasonable attorneys' fees, incurred in reviewing instruments and other legal documents proposed to effect a Transfer of this Agreement, Owner's interest in the Property or part thereof, and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee.

9.6 Encumbrances. Owner agrees to cooperate with City in good faith to ensure that all deeds of trust or other security instruments and any applicable subordination agreement recorded against the Property or part thereof for the benefit of a lender other than City ("**Third-Party Lender**") shall contain each of the following provisions: (i) Third-Party Lender shall use its best efforts to provide to City a copy of any notice of default issued to Owner concurrently with provision of such notice to Owner; (ii) City shall have the reasonable right, but not the obligation, to cure any default by Owner within the same period of time provided to Owner for such cure extended by an additional ninety (90) days; (iii) provided that City has cured any default under Third-Party Lender's deed of trust and other loan documents, City shall have the right to foreclose the Deed of Trust, and take title to the Property without acceleration of Third-Party Lender's debt; and (iv) City shall have the right to transfer the Property without acceleration of Third-Party Lender's debt to a nonprofit corporation or other entity which shall own and operate the Property as affordable rental housing, subject to the prior written consent of the Third-Party Lender. Owner agrees to provide to City a copy of any notice of default Owner receives from any Third-Party Lender within three (3) business days following Owner's receipt thereof.

9.7 Mortgagee Protection. No violation of any provision contained herein shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value upon all or any portion of the Property, and the purchaser at any trustee's sale or foreclosure sale shall not be liable for any violation of any provision hereof occurring prior to the acquisition of title by such purchaser. Any such purchaser shall be bound by and subject to this Agreement from

and after such trustee's sale or foreclosure sale. Promptly upon determining that a violation of this Agreement has occurred, City shall give written notice to the holders of record of any mortgages or deeds of trust encumbering the Property that such violation has occurred.

10. Default and Remedies.

10.1 Events of Default. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("**Event of Default**"):

(i) The occurrence of a Transfer in violation of Section 9 hereof;

(ii) Owner's failure to maintain insurance on the Property as required hereunder, and the failure of Owner to cure such default within five (5) days;

(iii) Subject to Owner's right to contest the following charges, Owner's failure to pay taxes or assessments due on the Property or failure to pay any other charge that may result in a lien on the Property, and Owner's failure to cure such default within twenty (20) days of delinquency, but in all events prior to the date upon which the holder of any such lien has the right to foreclose thereon;

(iv) A default arises under any loan secured by a mortgage, deed of trust or other security instrument recorded against the Property and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan;

(v) A default arises under the Loan Agreement, the Note, or the Deed of Trust and remains uncured beyond the expiration of any applicable cure period;

(vi) Owner's default in the performance of any term, provision or covenant under this Agreement (other than an obligation enumerated in this Section 10.1), and unless such provision specifies a shorter cure period for such default, the continuation of such default for ten (10) days in the event of a monetary default or thirty (30) days in the event of a non-monetary default following the date upon which City shall have given written notice of the default to Owner, or if the nature of any such non-monetary default is such that it cannot be cured within thirty (30) days, Owner's failure to commence to cure the default within thirty (30) days and thereafter prosecute such cure to completion with due diligence and in good faith within not later than ninety (90) days following receipt of notice of default.

10.2 Remedies. Upon the occurrence of an Event of Default and its continuation beyond any applicable cure period, City may proceed with any of the following remedies:

(i) Bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions, and/or seeking declaratory relief;

(ii) Accelerate and declare the balance of the Note and interest accrued thereon immediately due and payable and proceed with foreclosure under the Deed of Trust;

(iii) For violations of obligations with respect to rents for the Property, impose as liquidated damages a charge in an amount equal to the actual amount collected in excess of the Affordable Rent; or

(iv) Pursue any other remedy allowed under the City Documents or at law or in equity.

Each of the remedies provided herein is cumulative and not exclusive. The City may exercise from time to time any rights and remedies available to it under applicable law or in equity, in addition to, and not in lieu of, any rights and remedies expressly provided in this Agreement.

11. Indemnity. To the greatest extent permitted by law, Owner shall indemnify, defend (with counsel approved by City) and hold the Indemnitees harmless from and against all Claims arising directly or indirectly, in whole or in part, as a result of or in connection with Owner's (or Owner's employees', agents', or contractors') management, or operation of the Property or any failure to perform any obligation as and when required by this Agreement. Owner's indemnification obligations under this Section 11 shall not extend to Claims to the extent resulting from the gross negligence or willful misconduct of Indemnitees. The provisions of this Section 11 shall survive the expiration or earlier termination of this Agreement, and are subject to the additional terms set forth in Section 11.1 below.

11.1 Terms Applicable to Indemnity Provisions. The terms set forth in this Section 11.1 shall apply to all provisions of this Agreement that pertain to Owner's obligations to indemnify City and the other Indemnitees, including without limitation, Sections 3.2 and 11. In connection with each such provision, all of the following shall apply:

(a) City does not and shall not waive any rights against Owner that it may have by reason of any indemnity and hold harmless provision set forth in this Agreement because of the acceptance by City, or the deposit with City by Owner, of any of the insurance policies described in this Agreement.

(b) Owner's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following: (i) any amendment or modification of any City Document; (ii) any extensions of time for performance required by any City Document; (iii) any provision in any of the City Documents limiting City's recourse to property securing the Secured Obligations (as defined in the Deed of Trust), or limiting the personal liability of Owner, or any other party for payment of all or any part of the indebtedness evidenced by the Note; (iv) the accuracy or inaccuracy of any representation and warranty made by Owner under this Agreement or by Owner or any other party under any City Document, (v) the release of Owner or any other person, by City or by operation of law, from performance of any obligation under any City Document; (vi) the release or substitution in whole or in part of any security for repayment of the indebtedness evidenced by the Note; and (vii) City's failure to properly perfect any lien or security interest given as security for repayment of the indebtedness evidenced by the Note.

(c) The obligations of Owner to indemnify the Indemnitees shall survive any repayment or discharge of the indebtedness evidenced by the Note, any foreclosure proceeding,

any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of the Deed of Trust.

12. Miscellaneous.

12.1 Amendments. This Agreement may be amended or modified only by a written instrument signed by both Parties and recorded in the Official Records.

12.2 No Waiver. Any waiver by City of any term or provision of this Agreement must be in writing. No waiver shall be implied from any delay or failure by City to take action on any breach or default hereunder or to pursue any remedy allowed under this Agreement or applicable law. No failure or delay by City at any time to require strict performance by Owner of any provision of this Agreement or to exercise any election contained herein or any right, power or remedy hereunder shall be construed as a waiver of any other provision or any succeeding breach of the same or any other provision hereof or a relinquishment for the future of such election.

12.3 Notices. Except as otherwise specified herein, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered upon receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

City: City of Livermore
Administration Building
1052 South Livermore Avenue
Livermore, CA 94550-4899
Attention: Housing and Human Services Manager

With a copy to:

City of Livermore
Administration Building
1052 South Livermore Avenue
Livermore, CA 94550-4899
Attention: City Manager

Owner: Tri Valley REACH, Inc.
P.O. Box 5564Pleasanton, CA 94566
Attention: Board President

12.4 Further Assurances. The Parties shall execute, acknowledge and deliver to the other such other documents and instruments, and take such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Agreement.

12.5 Parties Not Co-Venturers; Independent Contractor; No Agency Relationship. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another. The relationship of Owner and City shall not be construed as a joint venture, equity venture, partnership or any other relationship. City neither undertakes nor assumes any responsibility or duty to Owner (except as expressly provided in this Agreement) or to any third party with respect to the Property. Owner and its employees are not employees of City but rather are, and shall always be considered independent contractors. Furthermore, Owner and its employees shall at no time pretend to be or hold themselves out as employees or agents of City. Except as City may specify in writing, Owner shall not have any authority to act as an agent of City or to bind City to any obligation.

12.6 Action by the City. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent or request by the City is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by the City's Authorized Representative or by any person who shall have been designated by the City's Authorized Representative, without further approval by the City Council.

12.7 Non-Liability of City and City Officials, Employees and Agents. No officer, official, employee or agent of the City shall be personally liable to Owner or any successor in interest, in the event of any default or breach by the City, or for any amount of money which may become due to Owner or its successor or for any obligation of City under this Agreement.

12.8 Headings; Construction; Statutory References. The headings of the sections and paragraphs of this Agreement are for convenience only and shall not be used to interpret this Agreement. Except as otherwise expressly stated herein, any reference to a particular section of this Agreement shall mean a reference to all subsections of such section. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party. All references in this Agreement to particular statutes, regulations, ordinances or resolutions of the United States, the State of California, or the City of Livermore shall be deemed to include the same statute, regulation, ordinance or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject.

12.9 Time is of the Essence. Time is of the essence in the performance of this Agreement.

12.10 Governing Law; Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of Alameda County, California or in the Federal District Court for the Northern District of California.

12.11 Attorneys' Fees and Costs. If any legal or administrative action is brought to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

12.12 Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

12.13 Entire Agreement; Exhibits. This Agreement, together with the Loan Agreement, the Note, and the Deed of Trust contains the entire agreement of Parties with respect to the subject matter hereof, and supersedes all prior oral or written agreements between the Parties with respect thereto. Exhibits A through C, attached hereto are incorporated herein by this reference.

12.14 Survival. Owner's obligations pursuant to Sections 3.1, and 11, and all other provisions that expressly so state, shall survive the expiration or termination of this Agreement.

12.15 No Third Party Beneficiaries. Except as expressly set forth herein, nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

12.16 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

SIGNATURES ON FOLLOWING PAGE(S).

IN WITNESS WHEREOF, the Parties have executed this Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants as of the date first written above.

CITY:

City of Livermore, a municipal corporation

By: _____
City Manager

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

OWNER:

Tri-Valley REACH, Inc., a California nonprofit public benefit corporation
By: _____

Print Name: PATRICK O'BRIEN

Title: TREASURER

SIGNATURES MUST BE NOTARIZED.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Alameda)

On December 28, 2023 before me, Natalia Gilina Garcia, Notary Public
(insert name and title of the officer)

personally appeared Patrick O'Brien,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

NATALIA GILINA GARCIA
Notary Public - California
Alameda County
Commission # 2433501
My Comm. Expires Jan 8, 2027

Signature Natalia Gilina Garcia (Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____, before me,_____,
(Name of Notary)

notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

_____
(Notary Signature)

Exhibit A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LIVERMORE, IN THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lots 28 as shown on the final map of Tract 7724 filed for record on August 10, 2015, in Book 333 of Maps, at Pages 48 through 52, inclusive, in the Official Records of the County of Alameda, State of California.

Exhibit B

INSURANCE REQUIREMENTS

Throughout the term of this Agreement, Owner shall maintain the following policies of insurance and shall comply with all provisions set forth in this Exhibit.

(a) Commercial General Liability. A commercial general liability policy, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage, with coverage limits in the amount of One Million Dollars ($1,000,000) each occurrence, Two Million Dollars ($2,000,000) annual aggregate. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds. The annual aggregate limit under the policies must apply separately to the Property, or must be not less than three times the annual aggregate limit specified in this paragraph.

(b) Automobile. Comprehensive automobile liability coverage in the amount of One Million Dollars ($1,000,000), combined single limit including coverage for owned and non-owned vehicles. Automobile liability policies shall name the Indemnitees as additional insureds.

(c) Worker's Compensation; Employer's Liability. Owner shall furnish or cause to be furnished to City evidence satisfactory to City that Owner and any contractor that has contracted for the performance of work on the Property carries statutory Workers' Compensation insurance and Employer's Liability insurance in a minimum amount of One Million Dollars ($1,000,000) per accident, per employee for bodily injury or disease.

(d) Intentionally omitted.

(e) Property. Property insurance covering all risks of loss (other than earthquake), including flood (if required) for 100% of the replacement value of the Property, including tenant improvements, betterments, and contents, with deductible, if any, in an amount acceptable to City, naming City as loss payee as its interests may appear.

(f) Insurance Providers. Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII.

(g) Evidence of Insurance, Endorsements, Policies. Prior to the Effective Date of the Loan Agreement, Owner shall furnish City with certificates of insurance in form acceptable to City evidencing the insurance coverage described in paragraphs (a), (b), (c), and (e) above, together with duly executed endorsements evidencing the City's status as additional insured, and all other endorsements and coverage required hereunder. The certificates shall contain a statement of obligation on the part of the carrier to notify City of any material adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal. The certificates shall name as Certificate Holder, City of Livermore, 1052 S. Livermore Avenue, Livermore, CA 94550. Owner shall furnish City with evidence of property insurance in compliance with paragraph (e) above prior to the date of close of escrow for conveyance of the Property to Owner. Upon City's request, Owner shall furnish or arrange to have furnished to City, complete certified copies of all insurance policies required under this Agreement.

City's failure to make such request shall not constitute a waiver of the right to require delivery of the policies in the future.

(h) Additional Insured Endorsements. The additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94. Coverage shall be at least as broad as CG 20 10 04 13.

(i) Reinstatement. If any insurance policy or coverage required hereunder is canceled or reduced, Owner shall, within five (5) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, City may, without further notice and at its option, procure such insurance coverage at Owner's expense, and Owner shall promptly reimburse City for such expense upon receipt of billing from City.

(j) Primary Coverage; Waiver of Subrogation; Annual Aggregate Limits. All coverage shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by City, and the policies shall so provide. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall apply on a primary and non-contributory basis for the benefit of the City of Livermore before the City's own insurance or self-insurance shall be called upon to protect it as a named insured. The policies or endorsements shall provide that any failure of the named insured to comply with reporting or other provisions of any policy, including breaches of warranties, shall not affect coverage provided to the City of Livermore and the Indemnitees as additional insured, and that the coverage shall apply to each insured against whom claim is made or suit is brought, subject to the limits of liability under the policy. Each insurance policy, including Worker's Compensation, must contain a waiver of subrogation for the benefit of the City. If any of the required insurance is provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs are included in such annual aggregate limit, such annual aggregate limit shall be three times the occurrence limits specified above.

(k) Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, be subject to approval by, the City Attorney. At the option of and upon request by the City Attorney if the City Attorney determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects the Indemnitees or Owner shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses. Policies containing any self-insured retention shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or by the City of Livermore.

(l) Adjustments. The limits of the liability coverage and, if necessary, the terms and conditions of insurance, shall be reasonably adjusted from time to time (not less than every five (5) years after the Effective Date nor more than once in every three (3) year period) to address changes in circumstances, including, but not limited to, changes in inflation and the litigation climate in California. Within thirty (30) days following City's delivery of written notice of any such adjustments, Owner shall provide City with amended or new insurance certificates and endorsements evidencing compliance with such adjustments.

(m) Additional Insured Coverage; Liability Limits. For all liability insurance required by this Agreement, Owner shall obtain endorsements that name the Indemnitees as additional insured in the full amount of all applicable policies, notwithstanding any lesser minimum limits specified in this Agreement. This Agreement requires Owner to obtain and provide for the benefit of the Indemnitees, additional insured coverage in the same amount of insurance carried by Owner, but in no event less than the minimum amounts specified in this Agreement. In the event that Owner obtains insurance policies that provide liability coverage broader than or in amounts greater than specified in this Agreement, the actual limits provided by such policies shall be deemed to be the amounts required under this Agreement. Without limiting the foregoing, the limits of liability coverage specified in this Agreement are not intended, nor shall they operate, to limit City's ability to recover amounts in excess of the minimum amounts specified in this Agreement.

Exhibit C

FORM OF ANNUAL REPORT

(See attached.)

LIVERMORE
CALIFORNIA

MULTI-FAMILY RENTAL PROJECT ANNUAL REPORT

PROJECT CONTACT INFORMATION

Property Information

Property Name	
Address	
Community Manager	
Phone	
Email	
Website (if applicable)	

Owner Information

Owner Name	
Company Name	
Owner Address	
City, State, Zip	
Phone	
Email	
Primary Contact	
Secondary Contact	

Management Agent Information

Company Name	
Address	
City, State, Zip	
Phone	
Email	
Primary Contact Name	
Secondary Contact Name	

Name of first point of contact for and on-site monitoring of the property:

MULTI-FAMILY RENTAL PROJECT ANNUAL REPORT

Property Name & Address	
Person Completing Report	
Date	
Report Period	

Compliance with Required Number of Low Income Units

Total number of income restricted units which are currently occupied (or reserved and available for occupancy) by low-income households:	
Number of vacant income restricted units at the time of this report:	
I hereby certify that these units in the quantity listed above have been continuously designated as units for occupancy by low-income households during the reporting period:	
Name of Project Owner or Authorized Agent Title	

Compliance with Rent Limits

List below the current monthly rents of the units restricted for occupancy by low-income households as well as the prior rents (if increases were made during the report period):

Plan	Number of Bedrooms	Current Rent	Prior Rent	% Increase	Additional Fees Charged	Utility Allowance (if applicable) or Amount of Tenant Paid Utilities
I hereby certify that the rents in all units designated for low-income households did not exceed the levels authorized under the regulatory agreement/restrictive covenants with the City of Livermore during the reporting period:						
Name of Project Owner or Authorized Agent Title						

Restricted Unit Occupant Information

Unit #	Bdrms	Unit Income Level	Tenant Last Name	Move-In Date	# in Household	Reported Annual Income	Effective Date of Current Rent	Tenant Paid Rent	Section 8? (Y/N)

Occupant Demographic Information

Occupant Race	**Unduplicated Race**	**Unduplicated Ethnicity Hispanic/Latino/Latina/Latinx**
White		
Black or African American		
Asian		
American Indian, Alaskan Native, or Indigenous		
Native Hawaiian or Pacific Islander		
Multiracial		
Other Race		
Additional Category (please specify):		
Unduplicated Totals	0	0

Occupant Income Levels	**Unduplicated Income**
Extremely Low (<30% AMI)	
Very Low (30%-50% AMI)	
Low (50% to 80% AMI)	
Moderate (>80% AMI)	
Unduplicated Total	0

Occupant Gender Identity	**Total**
Man	
Non-Binary	
Transgender	
Woman	
Additional Category (please specify):	
Total	0

NOTE: May include duplication if an occupant has more than one identity.

Other Characteristics	Total
Senior	
Disabled	
Youth	
Formerly Homeless	
Additional Category (please specify):	
Additional Category (please specify):	
Additional Category (please specify):	

NOTE: May include duplication if an occupant has more than one of the listed characteristics.

LIVERMORE
CALIFORNIA

MULTI-FAMILY RENTAL PROJECT ANNUAL REPORT

PROPERTY CONDITION REPORT

Property Name	
Address	
Name of Person Completing Report	
Reporting Period	

List any physical defects or major repair work undertaken within the reporting period:

Comments on any general management/performance issues within the reporting period:

EXHIBIT A

Tri Valley REACH
Financing Plan

772 Camden Common
Livermore CA
9-Nov-23

First Mortgage with The City of Livermore	
Mortgage	$300,000.00
Interest Rate	3.00%
Term	55 Years
Monthly Interest Accrual	$750.00
Monthly Payment	Deferred Payment

City of Livermore - 2nd Mortgage Remodel Loan	
Loan Amount	$116,796.00
Interest Rate Accrual for 20 years	3.00%
Term	55 years
Monthly Payment	Deferred Payment
Monthly Accrual Interest on Remodel Loan	$291.99

	Forecast
Income	
Monthly Rent	$1,400.00
Expenses:	
Mortgage Payment	Deferred Payment
HOA	$230.00
Insurance	$57.08
Property Taxes	$79.60
Utilities	$90.00
HCEB Management Fee	$687.50
Total Monthly Expenses	$1,144.18
Net Cash Flow	$255.82

Notes:
Rental Income is based upon the minimum monthly rent of $ 350.00
There will be 4 tenants
If any rent subsidiies are acquired the cashflow would improve

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Livermore
1052 South Livermore Ave.
Livermore, CA 94550
Attention: City Clerk

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

APN: 99-1388-42

Space above this line for Recorder's use.

AFFORDABLE HOUSING REGULATORY AGREEMENT

AND

DECLARATION OF RESTRICTIVE COVENANTS

by and between

THE CITY OF LIVERMORE

and

Tri-Valley REACH, Inc

Supportive Shared Housing Rehabilitation and Expansion – PLHA Program

_____, 20__

This Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (this "**Agreement**") is entered into effective as of _____, 20__ ("**Effective Date**") by and between the City of Livermore, a municipal corporation ("**City**") and Tri-Valley REACH, Inc ("**Owner**"). The City and the Owner are collectively referred to herein as the "**Parties**."

RECITALS

A. Owner is the owner of the real property located at 772 Camden Common, in the City of Livermore, California, commonly known as Alameda County Assessor's Parcel Number 99-1388-42 and more particularly described in Exhibit A attached hereto (the "**Property**").

B. City and Owner have entered into an Affordable Housing Loan Agreement, dated as of _____, 2023_ (the "**Loan Agreement**"). That certain Loan Agreement provides that the Property will be required to be rented to Eligible Households at Affordable Rents in accordance with this Agreement for a period of not less than fifty-five (55) years.

C. Grant funding by the State of California Department of Housing and Community Development ("HCD") from the Permanent Local Housing Allocation Program administered by HCD (the "PLHA Program") has been awarded to the Program. The grant funds awarded by HCD with respect to the Project pursuant to the PLHA Program are referred to herein as the "HCD Funds."

D. Subject to the terms and conditions set forth in the Loan Agreement, City has agreed to provide a loan to the Owner in the original principal amount of One Hundred Sixteen Thousand and Seven Hundred Ninety-Six Dollars ($116,796) (the **"Loan")** to assist Owner in rehabilitating and/or increasing the number of residential units in the Property. As a condition precedent to the funding of the Loan, City requires the Property to be subject to the terms, conditions and restrictions set forth herein.

E. Pursuant to the Loan Agreement, Owner shall execute and deliver to City a Secured Promissory Note (the "**Note"**) to evidence Owner's obligation to repay the Loan. The Note shall be secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing that shall be executed by Owner for the benefit of City (the "**Deed of Trust**") and recorded against the Property substantially concurrently herewith.

F. The purpose of this Agreement is to satisfy the affordability requirements of the City's Supportive Shared Housing Rehabilitation and Expansion Program **("Program")**, and to regulate and restrict the occupancy and rents of the Property for the benefit of the Property's occupants. The Parties intend the covenants set forth in this Agreement to run with the land and to be binding upon Owner and Owner's successors and assigns for the full term of this Agreement.

NOW THEREFORE, in consideration of the foregoing, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

1. Incorporation of Recitals; Definitions.

1.1 Incorporation of Recitals. The Parties acknowledge the truth of the Recitals set forth above, and such Recitals are hereby incorporated into this Agreement by this reference.

1.2 Definitions. The following terms have the meanings set forth in this Section wherever used in this Agreement or the attached exhibits.

"**Affordable Rent**" means the maximum rent allowable for Extremely Low-Income households of one (1) person in a studio unit as specified in the City's Affordable Housing Sales Price and Rental Rates Chart **("City Chart")** established by City Council resolution. If the City Chart has not been updated for a period of 18 months, or if the City Chart is inconsistent with the rent limits as determined by the rules and regulations applicable to the MHP Program, then Affordable Rent shall mean a monthly rent that does not exceed the limits applicable pursuant to the MHP Program.

"**Area Median Income**" or "**AMI**" means the median income for Alameda County, California, as specified in the City Chart. If the City Chart has not been updated for a period of 18 months, or if the City Chart is inconsistent with the definition of "Area Median Income" as determined by the rules and regulations applicable to the MHP Program, then "Area Median Income" shall be determined in accordance with the rules and regulations applicable to the MHP program.

"**City's Authorized Representative**" means the City Manager of the City of Livermore.

"City Chart" means the City's Affordable Housing Sales Price and Rental Rates Chart established by City Council Resolution.

"**City Documents**" means the Loan Agreement, the Note, the Deed of Trust, and this Agreement.

"**Claims**" means collectively, liabilities, losses, costs, expenses (including without limitation attorneys' fees and costs of litigation), claims, demands, actions, suits, judicial or administrative proceedings, penalties, deficiencies, fines, orders, and damages.

"**Deed of Trust**" is defined in Recital D.

"**Eligible Household**" means an individual with an intellectual or developmental disability whose Gross Income upon initial occupancy does not exceed Extremely Low-Income.

"**Extremely Low-Income"** means thirty percent (30%) of Area Median Income, Adjusted for a household of one (1) person.

"**Gross Income"** shall have the meaning set forth in Section 6914 of Title 25 of the California Code of Regulations as such section may be revised from time to time.

"HCD" means the California Department of Housing and Community Development.

"HCD Funds" is defined in Recital C

"**HUD"** means the U.S. Department of Housing and Urban Development.

"**Indemnitees"** means collectively, the City and its elected and appointed officers, officials, employees, agents, consultants, contractors, and designated volunteers.

"**Loan"** is defined in Recital C.

"**Loan Agreement"** is defined in Recital B.

"**Marketing and Management Plan"** is defined in Section 7.5.

"**MHP Program"** means the HCD Multifamily Housing Program established pursuant to Health and Safety Code Section 50675 *et seq.*

"Note" is defined in Recital D.

"Official Records" means the Official Records of the Alameda County Recorder.

"**Very Low-Income"** means fifty percent (50%) of Area Median Income, Adjusted for a household of one (1) person.

2. Use and Affordability Restrictions. Owner hereby covenants and agrees, for itself and its successors and assigns, that throughout the term of this Agreement (as defined in Section 5.1 below), the Property shall be used solely as an affordable shared housing residence with supportive services for tenants with an intellectual or developmental disability, and that with the exception of a staff/manager's unit, occupancy will be limited to Eligible Households in compliance with the Loan Agreement and the requirements set forth in this Agreement. Owner represents and warrants that it has not entered into any agreement that would restrict or compromise its ability to comply with the occupancy and affordability restrictions set forth in this Agreement, and Owner covenants that it shall not enter into any agreement that is inconsistent with such restrictions without the express written consent of City.

2.1 Supportive Services. Owner has elected to operate the Property as supportive shared housing with supportive services for residents. To the extent applicable, the Property will be operated at all times in accordance with (a) the Unruh Act, including without limitation California Civil Code Sections 51.2, 51.3, and 51.4; (b) the federal Fair Housing Act, 42 U.S.C. Section 3607(b) and 24 CFR 100.304; (c) the California Fair Employment and Housing Act, Government Code Section 12900 *et seq*., and (d) all other applicable laws and regulations. Owner shall make the following supportive services available to residents of the Property: specialized health-care and other therapies, leisure and recreational opportunities, and life skills and training services, and Owner shall provide or arrange for the provision of supportive services to residents of the Property in accordance with the Plan described in Section 7.5 below.

2.2 Affordability and Occupancy Requirements. Throughout the term of this Agreement (as defined in Section 5.1 below), the individual bedrooms or dwelling units in the Property shall be rented at Affordable Rents to Eligible Households. Notwithstanding any contrary provision of this Agreement, rent for tenants who have Housing Choice/Section 8 vouchers shall be set in accordance with the rules and regulations applicable to such program.

Owner shall comply with rent and occupancy restrictions imposed by all applicable financing sources and regulatory agencies, and if such agencies impose requirements on that are more stringent than those set forth in this Agreement, including without limitation, requirements that restrict a greater number of units than restricted by this Agreement or require stricter household income eligibility or affordability requirements than those imposed by this Agreement, the requirements of such other agencies shall prevail during such time that they are effective.

2.3 Housing First Protocol; Resident Selection. Owner acknowledges that the Project will be subject to the Housing First protocol described in California Code of Regulations, title 25, Sections 8409(b) subsections (1) through (6), and further agrees that Project residents will be selected in a manner consistent with California Welfare and Institutions Code Section 8255(b)(8) using a protocol that prioritizes selection criteria other than "first-come, first serve" and may include, without limitation, the duration or chronicity of homelessness/disability, vulnerability to early mortality, high utilization of crisis or medical services, and the need for housing that provides supportive services. Owner shall be obligated to screen prospective tenants to establish that they qualify as Eligible Households, and may contract with a qualified organization or agency that will provide referrals of Eligible Households for prospective occupancy of the Property.

2.4 Increased Income of Tenants. No tenant that qualifies as an Eligible Household shall be denied continued occupancy of the Property because, after admission, the Gross Income of such tenant increases to exceed the qualifying limit for Eligible Households. A tenant that at initial occupancy qualifies as an Eligible Household shall be treated as continuing to be an Eligible Household so long as the tenant's Gross Income does not exceed Very Low-Income.

2.5 Rental Agreements; Evictions. Owner shall use a lease or rental agreement in form approved by City. The form of lease must comply with all requirements of this Agreement and the Loan Agreement, and among other requirements must:

(a) Provide for termination of the lease and acknowledgement by the tenant that eviction may result if (i) the tenant fails to provide any information required under this Agreement or reasonably requested by Owner to establish or recertify the tenant's qualification for occupancy in the Project in accordance with the standards set forth in this Agreement, or (ii) the tenant makes any material misrepresentation in connection with the initial or subsequent income and eligibility certification, and fails to qualify as an Eligible Household.

(b) Be for an initial term of not less than one (1) year, unless by mutual agreement between the tenant and Owner, and provide for no increase in rent during such initial year. After the initial year of tenancy, the lease may be month-to-month by mutual agreement of Owner and the tenant. Notwithstanding the above, any rent increases shall be subject to the requirements of Section 2.8.

(c) Provide that any termination of a lease or refusal to renew a lease for a unit within the Project must be preceded by Owner's delivery to tenant of not less than sixty (60) days'

written notice (or such longer advance written notice as may be required by California law), specifying the grounds for the action.

(d) Include a detailed written listing of reasonable rules of conduct and occupancy which shall be consistent with state and federal law, and shall be provided to each tenant upon initial occupancy.

2.6 Maximum Occupancy. Occupancy of each bedroom in the Property shall be limited to a maximum of one (1) person, and total occupancy of the Property shall be limited to a maximum of four (4) persons.

2.7 Non-Discrimination; Compliance with Fair Housing Laws.

2.7.1 Fair Housing; Section 8 Vouchers. Owner shall comply with state and federal fair housing laws in the marketing and rental of the Property. Owner shall accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing Section 8 program or any successor thereto.

2.7.2 Non-Discrimination. Owner covenants for itself, its successors and assigns, and all persons claiming under or through Owner, that there shall be no discrimination in the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin, age, or gender identity of any person. Owner covenants for itself, its successors and assigns, and all persons claiming under or through Owner, that this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Owner, its successors and assigns, or any person claiming under or through Owner, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or part thereof. Owner shall include such provision in all deeds, leases, contracts and other instruments executed by Owner, and shall enforce the same diligently and in good faith.

2.7.3 No Exclusion. Without limiting the generality of Sections 2.7.1 and 2.7.2, Owner will not exclude or discriminate against any person in the United States, on the grounds of race, color, religion, national origin, sex, sexual orientation, familial status, physical or mental disability, age, or gender identity from participating in, or benefiting from, any program or activity related to the Property. Specifically, Owner will not, on the basis of any of the foregoing:

(i) Deny any service or other benefit provided under any program activity;

(ii) Provide any service or other benefit which is different, or is provided in a different form from that provided to others under any program or activity;

(iii) Subject to segregated or separate treatment in any facility in, or in any manner or process related to receipt of any service or benefit under any program or activity;

(iv) Restrict in any way the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit under any program or activity;

(v) Treat an individual differently from others in determining whether that individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any service or other benefit provided under any program or activity; or

(vi) Deny an opportunity to participate in any program or activity as an employee.

2.8 Rent Increases. Initial rents to be charged to residents of the Project are subject to City approval. Rents may not be increased more often than once every twelve (12) months, and may be increased by no more than five percent (5%) per year or by such lesser amount as permitted under California law. Owner shall provide each tenant with at least sixty (60) days' prior written notice of any increase in rent, or such longer advance written notice as may be required by California law. Owner shall comply with all applicable California rent control laws and tenant notification requirements.

3. Relocation.

3.1 Compliance with Laws. Owner covenants and agrees that persons residing on the Property as of the date of this Agreement shall not be displaced before suitable replacement housing and tenant space, as applicable, is available. Owner shall ensure that all occupants of the Property receive all notices, benefits, and assistance to which they are entitled in accordance with California Relocation Assistance Law (Government Code Section 7260 *et seq*.), all state and local regulations implementing such law, and all other applicable local, state and federal laws, regulations, and policies relating to the displacement and relocation of eligible persons as defined in such Relocation Laws, including but not limited to the Uniform Relocation Act (42 U.S.C. § 4601 *et seq*.) and implementing regulations (all of the foregoing, collectively "**Relocation Laws**").

3.2 Costs; Indemnity. Owner shall be responsible for payment of any and all costs and expenses incurred in connection with the temporary and/or permanent displacement and/or relocation of residential and commercial occupants of the Property as required by Relocation Laws, including, without limitation, payments to a relocation consultant, moving expenses, and payments for temporary and permanent relocation benefits pursuant to Relocation Laws, and City shall have no responsibility for payment therefor. To the greatest extent allowed by law, Owner shall indemnify, defend (with counsel reasonably approved by City) , and hold the

Indemnitees harmless from and against any and all Claims arising in connection with the breach of Owner's obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such Claims. Owner's indemnification obligations under set forth in this Section 3.2 shall not apply to Claims to the extent resulting from the gross negligence or willful misconduct of Indemnitees. The provisions of this Section 3.2 shall survive the expiration or earlier termination of this Agreement, and are subject to the additional terms set forth in Section 11.1 below.

4. Reporting Requirements; Access to Information; Inspections.

4.1 Tenant Certification. Owner or Owner's authorized agent shall obtain from each prospective tenant prior to initial occupancy of the Property, and on every anniversary thereafter, a written certificate containing all of the following in such format and with such supporting documentation as City may reasonably require:

(i) The identity of each household member;

(ii) The total household Gross Income; and

(iii) The basis upon which the tenant or prospective tenant qualifies as an Eligible Household.

For the purpose of determining whether a household is an Eligible Household, household Gross Income shall be determined using the criteria set forth in Section 6914 of Title 25 of the California Code of Regulations.

Owner shall retain such certificates for not less than five (5) years, and upon City's request, shall provide copies of such certificates to City and make the originals available for City inspection.

4.2 Annual Reports; Inspections. By not later than 180 days following the Effective Date, and thereafter by not later than May 31 of each year, Owner shall submit an annual report ("**Annual Report**") to the City in form attached hereto as Exhibit C, together with the additional information specified in this Section 4.2 and a certification that the Property is in compliance with the requirements of this Agreement. The Annual Report shall, at a minimum, include the following information for each occupant of the Property: (i) current rent, utility, and other charges; (ii) move-in date; (iii) documentation of source of household income; and (iv) the information required by Section 4.1. In addition, the Annual Report shall include the dates of any vacancies during the previous year.

Owner shall include with the Annual Report, an income recertification for each tenant, documentation verifying tenant eligibility, and such additional information as City may reasonably request from time to time in order to demonstrate compliance with this Agreement. The Annual Report shall conform to the format requested by City.

In addition to the information described above, the Annual Report shall include the following:

(i) A Property income and expense statement for the reporting period;

(ii) Proposed annual budget for the next fiscal year which sets forth Owner's estimate of operating income, operating expenses and debt service for the year, amounts payable to reserves and proposed rent adjustments;

(iii) A report on maintenance and other issues anticipated to affect the current budget needs of the Property as well as the amount in the Property's reserve accounts and the amount expected to be needed for major repairs or other needs during the new fiscal year;

(iv) Financial statements for the Property prepared in accordance with generally accepted accounting standards, and if requested by City, an audit by an independent certified public accountant.

(v) City may, in its reasonable discretion, from time to time request additional or different information, and Owner shall promptly supply such information in the reports required hereunder.

4.3. Maintenance of Records.

4.3.1 Owner shall maintain tenant leases, income certifications and other matters related to the leasing of the Property for a period of five (5) years after the final date of occupancy by the tenant.

4.3.2 Records must be kept accurate and up-to-date. City shall notify Owner of any records it deems insufficient. Owner shall have fifteen (15) calendar days from such notice to correct any specified deficiency in the records, or, if more than fifteen (15) days shall be reasonably necessary to correct the deficiency, Owner shall begin to correct the deficiency within fifteen (15) days and diligently pursue the correction of the deficiency as soon as reasonably possible.

4.4 Access to Records; Inspections.

4.4.1 With at least 48-hours' notice, during normal business hours, Owner shall provide City and its authorized agents and representatives access to the books, documents, and records of the Property for the purpose of making audits, examinations, excerpts and transcriptions.

4.4.2 With at least 48-hours' notice, during normal business hours and as often as may be deemed necessary, City and its authorized agents and representatives shall be permitted access to and the right to examine the Property and to interview tenants for the purpose of verifying compliance with applicable regulations and compliance with the conditions of this Agreement and the other City Documents.

5. Term of Agreement.

5.1 Term of Restrictions. This Agreement shall remain in effect until the fifty-fifth (55th) anniversary of the Effective Date of this Agreement, unless the parties agree to extend the term pursuant to a recorded amendment to this Agreement.

5.2 Effectiveness Succeeds Conveyance of Property and Repayment of Loan. This Agreement shall remain effective and fully binding for the full term hereof regardless of (i) any sale, assignment, transfer, or conveyance of the Property or any part thereof or interest therein, (ii) any payment, prepayment or extinguishment of the Loan or the Note, or (iii) any reconveyance of the Deed of Trust.

5.3 Reconveyance. Upon the termination of this Agreement, the Parties agree to execute and record appropriate instruments to release and discharge this Agreement; provided, however, the execution and recordation of such instruments shall not be necessary or a prerequisite to the termination of this Agreement upon the expiration of the term.

6. Binding Upon Successors; Covenants to Run with the Land. Owner hereby subjects its interest in the Property to the covenants and restrictions set forth in this Agreement. The City and Owner hereby declare their express intent that the covenants and restrictions set forth herein shall be deemed covenants running with the land and shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of Owner and City, regardless of any sale, assignment, conveyance or transfer of the Property or any part thereof or interest therein. Any successor-in-interest to Owner, including without limitation any purchaser, transferee or lessee of the Property (other than the tenants of the Property) shall be subject to all of the duties and obligations imposed hereby for the full term of this Agreement. Each and every contract, deed, ground lease or other instrument affecting or conveying the Property or any part thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, restrictions, duties and obligations set forth herein, regardless of whether such covenants, restrictions, duties and obligations are set forth in such contract, deed, ground lease or other instrument. If any such contract, deed, ground lease or other instrument has been executed prior to the date hereof, Owner hereby covenants to obtain and deliver to City an instrument in recordable form signed by the parties to such contract, deed, ground lease or other instrument pursuant to which such parties acknowledge and accept this Agreement and agree to be bound hereby. Owner agrees for itself and for its successors that in the event that a court of competent jurisdiction determines that the covenants herein do not run with the land, such covenants shall be enforced as equitable servitudes against the Property in favor of City.

7. Property Management; Repair and Maintenance; Marketing; Reserves; Supportive Services.

7.1 Management Responsibilities. Owner shall be responsible for all management functions with respect to the Property, including without limitation the selection of tenants, certification and recertification of household income and eligibility, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. City shall have no responsibility for management or maintenance of the Property.

7.2 Management Entity; Supportive Services Provider; Referral Agency. City shall have the right to review and approve the qualifications of (i) the management entity, (ii) the supportive services provider, and (iii) any agency that will verify the eligibility of prospective tenants of the Property, and shall have the right to review and approve any property management agreement, supportive services agreement, or similar agreement executed between Owner and such entities, which approval shall not be unreasonably withheld. The contracting of management services to a management entity shall not relieve Owner of its primary responsibility for proper performance of management duties. City hereby approves HCEB (Housing Consortium of East Bay), as the initial management entity for the Property. Any subsequent management entity or supportive services provider shall be subject to City review and approval, which shall not be unreasonably withheld or delayed. Upon City determination and delivery of written notice to Owner that Owner has failed to operate the Property in accordance with this Agreement, City may require Owner to contract with a qualified management agent selected by City, to operate the Property, or to make such other arrangements as City deems necessary to ensure performance of the required functions.

7.3 Repair, Maintenance and Security. Throughout the term of this Agreement, Owner shall at its own expense, maintain the Property in good physical condition, in good repair, and in decent, safe, sanitary, habitable and tenantable living conditions in conformity with all applicable state, federal, and local laws, ordinances, codes, and regulations. Without limiting the foregoing, Owner agrees to maintain the Property (including without limitation, the common areas) in a condition free of all waste, nuisance, debris, unmaintained landscaping, graffiti, disrepair, abandoned vehicles/appliances, and illegal activity, and shall take all reasonable steps to prevent the same from occurring on the Property. Owner shall prevent and/or rectify any physical deterioration of the Property and shall make all repairs, renewals and replacements necessary to keep the Property in good condition and repair. Owner shall provide adequate security measures for the Property, including without limitation, the installation of adequate lighting and deadbolt locks. All construction/rehabilitation work and professional services for the Property shall be performed by persons or entities licensed or otherwise authorized to perform the applicable work or service in the State of California and shall have a current City of Livermore business license if required under local law. Owner shall comply in all respects with the homeowners' association rules and regulations and all other rules and regulations applicable to the Property. Owner shall diligently work to resolve complaints related to noise, parking, litter or other neighborhood concerns.

7.4 City's Right to Perform Maintenance. In the event that Owner breaches any of the covenants contained in Section 7.3, and such default continues for a period of ten (10) days after written notice from City (with respect to graffiti, debris, and waste material) or thirty (30) days after written notice from City (with respect to landscaping, building improvements and general maintenance), then City, in addition to any other remedy it may have under this Agreement or at law or in equity, shall have the right, but not the obligation, to enter upon the Property and perform all acts and work necessary to protect, maintain, and preserve the improvements and the landscaped areas on the Property. All costs expended by City in connection with the foregoing, shall constitute an indebtedness secured by the Deed of Trust, and shall be paid by Owner to City upon demand. All such sums remaining unpaid thirty (30) days following delivery of City's invoice therefor shall bear interest at the lesser of 10% per annum or the highest rate permitted by applicable law.

7.5 Marketing and Management Plan. Owner shall submit for review and approval by the City, a plan for marketing and managing the Property ("**Marketing and Management Plan**" or "**Plan**"). The Marketing and Management Plan shall address in detail how Owner plans to market the Property to prospective Eligible Households in accordance with fair housing laws and this Agreement, Owner's tenant selection criteria and procedures, and how Owner plans to certify the eligibility of Eligible Households. The Plan shall also describe the management team and shall address how the Owner and the management entity plan to manage and maintain the Property. The Plan shall include the proposed management agreement and the form of rental agreement that Owner proposes to enter into with tenants of the Property. In addition, the Plan shall include: (i) information regarding the qualifications of the proposed supportive services provider or staffing that will provide services to residents of the Property, and copies of agreements for the provision of services by social services providers, (ii) information regarding any organizations or agencies that will provide referrals of Eligible Households for prospective occupancy of the Property, and (iii) the supportive services that will be provided to tenants of the Property. Owner shall abide by the terms of the Marketing and Management Plan in marketing, managing, and maintaining the Property, and throughout the term of this Agreement, shall submit proposed modifications to City for review and approval.

In addition to the foregoing, the Marketing and Management Plan shall address the following:

(a) The actions to be taken by Owner to affirmatively market the Property in compliance with fair housing laws and in compliance with City's policies and procedures, including, without limitation, the policies described in Sections 2.3 and 2.7 above;

(b) Criteria for determining tenant eligibility, including certification of household income and size, and establishing reasonable occupancy standards (which shall not exceed the standards specified in Section 2.6, or if more restrictive, the standards established by state and federal fair housing laws and state housing and building codes), and procedures for screening prospective tenants, including obtaining credit reports, unlawful detainer reports, landlord references and criminal background investigations;

(c) A requirement that eligible tenants be selected based on order of application, lottery or other reasonable method approved by City;

(d) A requirement that eligible applicants be notified of eligibility and be provided an estimate regarding when a bedroom in the Property may be available for rent;

(e) A requirement that ineligible applicants be notified of the reason for their ineligibility;

(f) Specific procedures through which applicants deemed to be ineligible may appeal this determination;

(g) Maintenance of a waiting list of eligible applicants;

(h) Specific procedures for obtaining documentation regarding prospective tenants' incomes, as necessary, to certify that such income does not exceed income limits;

(i) Specific procedures for certification and recertification of household incomes and procedures for handling over-income tenants;

(j) A requirement that a written rental agreement (subject to City approval) be executed with each Eligible Household selected to occupy the Property;

(k) A detailed listing of reasonable rules of conduct and occupancy which shall be in writing, shall be consistent with federal and state law, and shall be provided to each tenant upon occupancy;

(l) Procedures for maintenance and management of the Property;

(m) Procedures for dealing with tenant or neighborhood issues or concerns;

(n) Procedures for maintaining a reserve account, budgeting for maintenance and repair needs as well as long-term rehabilitation needs, and handling net cash flow;

(o) Such other requirements and criteria/procedures as City may reasonably determine appropriate; and

(p) Owner's plan for educating tenants regarding, and ensuring compliance with, the homeowners' association rules and regulations and other regulations applicable to the Property, including without limitation, rules regarding parking, storage, and use of balconies.

7.6 Approval of Amendments. If City has not responded to any submission of the Management and Marketing Plan, the proposed management entity, the proposed management agreement, or a proposed amendment or change to any of the foregoing within sixty (60) days following City's receipt of such plan, proposal, agreement or amendment, the plan, proposal, agreement, or amendment shall be deemed approved by City.

7.7 Fees, Taxes, and Other Levies. Owner shall be responsible for payment of all fees, assessments, taxes, charges, liens and levies applicable to the Property, including without limitation possessory interest taxes, if applicable, imposed by any public entity, and shall pay such charges prior to delinquency. However, Owner shall not be required to pay any such charge so long as (a) Owner is contesting such charge in good faith and by appropriate proceedings, (b) Owner maintains reserves adequate to pay any contested liabilities, and (c) on final determination of the proceeding or contest, Owner immediately pays or discharges any decision or judgment rendered against it, together with all costs, charges and interest. The foregoing is not intended to impair Owner's ability to apply for any applicable exemption from property taxes or other assessments and fees.

7.8 Insurance Coverage. Throughout the term of this Agreement Owner shall comply with the insurance requirements set forth in Exhibit B, and shall, at Owner's expense, maintain in full force and effect insurance coverage as specified in Exhibit B.

7.9 Property Damage or Destruction. If any part of the Property is damaged or destroyed, Owner shall repair or restore the same, consistent with the occupancy and rent restriction requirements set forth in this Agreement. Such work shall be commenced as soon as reasonably practicable after the damage or loss occurs and shall be completed within one year thereafter or as soon as reasonably practicable, provided that insurance proceeds are available to be applied to such repairs or restoration within such period and the repair or restoration is financially feasible.

7.10 Required Reserves. Owner shall be obligated to establish and maintain an operating and replacement reserve account for the Property ("**Reserve"**). The Reserve shall initially be funded with the sum of Five Thousand Dollars ($5,000) which shall be deposited into the Reserve as of close of escrow for Owner's acquisition of the Property. The Reserve shall be replenished from Property net operating income so that the minimum amount in the Reserve is Five Thousand Dollars ($5,000). The maximum amount that can be held in the Reserve is two percent (2%) of the fair market value of the Property or such other amount approved by City. Reserve funds may be used solely for maintenance and operating expenses of the Property. The City's advance written consent, which shall not be unreasonably withheld, shall be required for withdrawals from the Reserve for non-routine operating and maintenance expenses exceeding the sum of Three Thousand Dollars ($3,000).

7.11 No Criminal Activity. Owner agrees that neither Owner nor any person residing on the Property, their guests or persons under their control, shall permit, engage in, or facilitate criminal activity within the Property, within the development in which the Property is located, or on the streets bordering such development. This includes, without limiting the foregoing: (i) the illegal manufacture, sale, distribution, use, or possession with the intent to manufacture, sell, distribute, or use a controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. Section 802); (ii) the unlawful discharge of firearms; and (iii) all acts or threats of violence, harming, or intending to harm a person or property.

8. Recordation; Subordination. This Agreement shall be recorded in the Official Records. The City agrees that the City will not withhold consent to reasonable requests for subordination of this Agreement to deeds of trust provided for the benefit of lenders identified in the financing plan submitted to City for the Property in accordance with the Loan Agreement, as such plan may be updated with City approval, provided that the instruments effecting such subordination include reasonable protections to the City in the event of default, including without limitation, extended notice and cure rights.

9. Transfer and Encumbrance.

9.1 Restrictions on Transfer and Encumbrance. During the term of this Agreement, except as permitted pursuant to the Loan Agreement or this Agreement, Owner shall not directly or indirectly, voluntarily, involuntarily or by operation of law make or attempt any total or partial

sale, transfer, conveyance, assignment or lease (collectively, "**Transfer**") of the whole or any part of the Property or the Project without the prior written consent of the City, which approval shall not be unreasonably withheld. In addition, prior to the expiration of the term of this Agreement, except as expressly permitted by this Agreement or the Loan Agreement, Owner shall not undergo any significant change of ownership without the prior written approval of City. For purposes of this Agreement, a "significant change of ownership" shall mean a transfer of the beneficial interest of more than twenty-five percent (25%) in aggregate of the present ownership and /or control of Owner, taking all transfers into account on a cumulative basis.

9.2 Conditionally Permitted Transfers. Subject to the provisions of this Section 9.2, and if applicable, Section 9.3, the prohibitions on Transfer set forth herein shall not be deemed to prevent: (i) the lease of bedrooms or dwelling units within the Property to tenants for occupancy as their principal residence in accordance with this Agreement; (ii) assignments creating security interests for the purpose of financing the acquisition or improvement of the Property in accordance with the Financing Plan approved in accordance with the Loan Agreement as such may be updated with City Approval, or Transfers directly resulting from the foreclosure of, or granting of a deed in lieu of foreclosure of, such a security interest; or (iii) a Transfer to a tax-exempt entity under the direct control of, or under common control with, Owner.

9.3 Requirements for Proposed Transfers. The City may, in the exercise of its sole discretion, consent to a proposed Transfer of this Agreement, the Property, the Improvements, or part thereof if all of the following requirements are met (provided however, the requirements of this Section 9.3 shall not apply to Transfers described in clauses (i) and (ii) of Section 9.2.

(i) The proposed transferee demonstrates to the City's satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the City to competently manage the Project and to otherwise fulfill the obligations undertaken by the Owner under this Agreement.

(ii) The Owner and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to effect any Transfer of all or any part of or interest in the Property, the Project, or this Agreement together with such documentation of the proposed transferee's qualifications and development capacity as the City may reasonably request.

(iii) The proposed transferee shall expressly assume all of the rights and obligations of the Owner under this Agreement and the other City Documents arising after the effective date of the Transfer and all obligations of Owner arising prior to the effective date of the Transfer (unless Owner expressly remains responsible for such obligations), and shall agree to be subject to and assume all of Owner's obligations under the City Documents.

(iv) The final form of the organizational documents of the proposed transferee, and any subsequent amendments that affect the City's economic interests under this Agreement or the City Documents shall be subject to the City's review and approval.

(v) The Transfer and the assumption of Owner's obligations shall be effectuated pursuant to an assignment and assumption agreement in form approved by City and recorded in the Official Records.

Consent to any proposed Transfer may be given by the City's Authorized Representative unless the City's Authorized Representative, in his or her discretion, refers the matter of approval to the City Council. If the City has not rejected a proposed Transfer or requested additional information regarding a proposed Transfer in writing within thirty (30) days following City's receipt of written request by Owner, the proposed Transfer shall be deemed approved.

9.4 Effect of Transfer without City Consent. In the absence of specific written agreement by the City, no Transfer of the Property shall be deemed to relieve the Owner or any other party from any obligation under this Agreement. It shall be an Event of Default hereunder entitling City to pursue remedies including without limitation, acceleration of the Loan and/or foreclosure under the Deed of Trust if without the prior written approval of the City, Owner assigns or Transfers this Agreement or the Property in violation of Section 9. This Section 9.4 shall not apply to Transfers described in clauses (i) and (ii) of Section 9.2.

9.5 Recovery of City Costs. Within ten (10) days following City's delivery to Owner of an invoice detailing such costs, Owner shall reimburse City for all City costs, including but not limited to reasonable attorneys' fees, incurred in reviewing instruments and other legal documents proposed to effect a Transfer of this Agreement, Owner's interest in the Property or part thereof, and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee.

9.6 Encumbrances. Owner agrees to cooperate with City in good faith to ensure that all deeds of trust or other security instruments and any applicable subordination agreement recorded against the Property or part thereof for the benefit of a lender other than City ("**Third-Party Lender**") shall contain each of the following provisions: (i) Third-Party Lender shall use its best efforts to provide to City a copy of any notice of default issued to Owner concurrently with provision of such notice to Owner; (ii) City shall have the reasonable right, but not the obligation, to cure any default by Owner within the same period of time provided to Owner for such cure extended by an additional ninety (90) days; (iii) provided that City has cured any default under Third-Party Lender's deed of trust and other loan documents, City shall have the right to foreclose the Deed of Trust, and take title to the Property without acceleration of Third-Party Lender's debt; and (iv) City shall have the right to transfer the Property without acceleration of Third-Party Lender's debt to a nonprofit corporation or other entity which shall own and operate the Property as affordable rental housing, subject to the prior written consent of the Third-Party Lender. Owner agrees to provide to City a copy of any notice of default Owner receives from any Third-Party Lender within three (3) business days following Owner's receipt thereof.

9.7 Mortgagee Protection. No violation of any provision contained herein shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value upon all or any portion of the Property, and the purchaser at any trustee's sale or foreclosure sale shall not be liable for any violation of any provision hereof occurring prior to the acquisition of title by such purchaser. Any such purchaser shall be bound by and subject to this Agreement from

and after such trustee's sale or foreclosure sale. Promptly upon determining that a violation of this Agreement has occurred, City shall give written notice to the holders of record of any mortgages or deeds of trust encumbering the Property that such violation has occurred.

10. Default and Remedies.

10.1 Events of Default. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("**Event of Default**"):

(i) The occurrence of a Transfer in violation of Section 9 hereof;

(ii) Owner's failure to maintain insurance on the Property as required hereunder, and the failure of Owner to cure such default within five (5) days;

(iii) Subject to Owner's right to contest the following charges, Owner's failure to pay taxes or assessments due on the Property or failure to pay any other charge that may result in a lien on the Property, and Owner's failure to cure such default within twenty (20) days of delinquency, but in all events prior to the date upon which the holder of any such lien has the right to foreclose thereon;

(iv) A default arises under any loan secured by a mortgage, deed of trust or other security instrument recorded against the Property and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan;

(v) A default arises under the Loan Agreement, the Note, or the Deed of Trust and remains uncured beyond the expiration of any applicable cure period;

(vi) Owner's default in the performance of any term, provision or covenant under this Agreement (other than an obligation enumerated in this Section 10.1), and unless such provision specifies a shorter cure period for such default, the continuation of such default for ten (10) days in the event of a monetary default or thirty (30) days in the event of a non-monetary default following the date upon which City shall have given written notice of the default to Owner, or if the nature of any such non-monetary default is such that it cannot be cured within thirty (30) days, Owner's failure to commence to cure the default within thirty (30) days and thereafter prosecute such cure to completion with due diligence and in good faith within not later than ninety (90) days following receipt of notice of default.

10.2 Remedies. Upon the occurrence of an Event of Default and its continuation beyond any applicable cure period, City may proceed with any of the following remedies:

(i) Bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions, and/or seeking declaratory relief;

(ii) Accelerate and declare the balance of the Note and interest accrued thereon immediately due and payable and proceed with foreclosure under the Deed of Trust;

(iii) For violations of obligations with respect to rents for the Property, impose as liquidated damages a charge in an amount equal to the actual amount collected in excess of the Affordable Rent; or

(iv) Pursue any other remedy allowed under the City Documents or at law or in equity.

Each of the remedies provided herein is cumulative and not exclusive. The City may exercise from time to time any rights and remedies available to it under applicable law or in equity, in addition to, and not in lieu of, any rights and remedies expressly provided in this Agreement.

11. Indemnity. To the greatest extent permitted by law, Owner shall indemnify, defend (with counsel approved by City) and hold the Indemnitees harmless from and against all Claims arising directly or indirectly, in whole or in part, as a result of or in connection with Owner's (or Owner's employees', agents', or contractors') management, or operation of the Property or any failure to perform any obligation as and when required by this Agreement. Owner's indemnification obligations under this Section 11 shall not extend to Claims to the extent resulting from the gross negligence or willful misconduct of Indemnitees. The provisions of this Section 11 shall survive the expiration or earlier termination of this Agreement, and are subject to the additional terms set forth in Section 11.1 below.

11.1 Terms Applicable to Indemnity Provisions. The terms set forth in this Section 11.1 shall apply to all provisions of this Agreement that pertain to Owner's obligations to indemnify City and the other Indemnitees, including without limitation, Sections 3.2 and 11. In connection with each such provision, all of the following shall apply:

(a) City does not and shall not waive any rights against Owner that it may have by reason of any indemnity and hold harmless provision set forth in this Agreement because of the acceptance by City, or the deposit with City by Owner, of any of the insurance policies described in this Agreement.

(b) Owner's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following: (i) any amendment or modification of any City Document; (ii) any extensions of time for performance required by any City Document; (iii) any provision in any of the City Documents limiting City's recourse to property securing the Secured Obligations (as defined in the Deed of Trust), or limiting the personal liability of Owner, or any other party for payment of all or any part of the indebtedness evidenced by the Note; (iv) the accuracy or inaccuracy of any representation and warranty made by Owner under this Agreement or by Owner or any other party under any City Document, (v) the release of Owner or any other person, by City or by operation of law, from performance of any obligation under any City Document; (vi) the release or substitution in whole or in part of any security for repayment of the indebtedness evidenced by the Note; and (vii) City's failure to properly perfect any lien or security interest given as security for repayment of the indebtedness evidenced by the Note.

(c) The obligations of Owner to indemnify the Indemnitees shall survive any repayment or discharge of the indebtedness evidenced by the Note, any foreclosure proceeding,

any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of the Deed of Trust.

12. Miscellaneous.

12.1 Amendments. This Agreement may be amended or modified only by a written instrument signed by both Parties and recorded in the Official Records.

12.2 No Waiver. Any waiver by City of any term or provision of this Agreement must be in writing. No waiver shall be implied from any delay or failure by City to take action on any breach or default hereunder or to pursue any remedy allowed under this Agreement or applicable law. No failure or delay by City at any time to require strict performance by Owner of any provision of this Agreement or to exercise any election contained herein or any right, power or remedy hereunder shall be construed as a waiver of any other provision or any succeeding breach of the same or any other provision hereof or a relinquishment for the future of such election.

12.3 Notices. Except as otherwise specified herein, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered upon receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

City: City of Livermore
Administration Building
1052 South Livermore Avenue
Livermore, CA 94550-4899
Attention: Housing and Human Services Manager

With a copy to:

City of Livermore
Administration Building
1052 South Livermore Avenue
Livermore, CA 94550-4899
Attention: City Manager

Owner: Tri Valley REACH, Inc.
P.O. Box 5564Pleasanton, CA 94566
Attention: Board President

12.4 Further Assurances. The Parties shall execute, acknowledge and deliver to the other such other documents and instruments, and take such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Agreement.

12.5 Parties Not Co-Venturers; Independent Contractor; No Agency Relationship. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another. The relationship of Owner and City shall not be construed as a joint venture, equity venture, partnership or any other relationship. City neither undertakes nor assumes any responsibility or duty to Owner (except as expressly provided in this Agreement) or to any third party with respect to the Property. Owner and its employees are not employees of City but rather are, and shall always be considered independent contractors. Furthermore, Owner and its employees shall at no time pretend to be or hold themselves out as employees or agents of City. Except as City may specify in writing, Owner shall not have any authority to act as an agent of City or to bind City to any obligation.

12.6 Action by the City. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent or request by the City is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by the City's Authorized Representative or by any person who shall have been designated by the City's Authorized Representative, without further approval by the City Council.

12.7 Non-Liability of City and City Officials, Employees and Agents. No officer, official, employee or agent of the City shall be personally liable to Owner or any successor in interest, in the event of any default or breach by the City, or for any amount of money which may become due to Owner or its successor or for any obligation of City under this Agreement.

12.8 Headings; Construction; Statutory References. The headings of the sections and paragraphs of this Agreement are for convenience only and shall not be used to interpret this Agreement. Except as otherwise expressly stated herein, any reference to a particular section of this Agreement shall mean a reference to all subsections of such section. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party. All references in this Agreement to particular statutes, regulations, ordinances or resolutions of the United States, the State of California, or the City of Livermore shall be deemed to include the same statute, regulation, ordinance or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject.

12.9 Time is of the Essence. Time is of the essence in the performance of this Agreement.

12.10 Governing Law; Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of Alameda County, California or in the Federal District Court for the Northern District of California.

12.11 Attorneys' Fees and Costs. If any legal or administrative action is brought to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

12.12 Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

12.13 Entire Agreement; Exhibits. This Agreement, together with the Loan Agreement, the Note, and the Deed of Trust contains the entire agreement of Parties with respect to the subject matter hereof, and supersedes all prior oral or written agreements between the Parties with respect thereto. Exhibits A through C, attached hereto are incorporated herein by this reference.

12.14 Survival. Owner's obligations pursuant to Sections 3.1, and 11, and all other provisions that expressly so state, shall survive the expiration or termination of this Agreement.

12.15 No Third Party Beneficiaries. Except as expressly set forth herein, nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

12.16 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

SIGNATURES ON FOLLOWING PAGE(S).

IN WITNESS WHEREOF, the Parties have executed this Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants as of the date first written above.

CITY:

City of Livermore, a municipal corporation

By: _____
City Manager

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

OWNER:

Tri-Valley REACH, Inc., a California nonprofit public benefit corporation
By: _____

Print Name: PATRICK O'BRIEN

Title: TREASURER

SIGNATURES MUST BE NOTARIZED.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Alameda)

On December 28, 2023 before me, Natalia Gilina Garcia, Notary Public
(insert name and title of the officer)

personally appeared Patrick O'Brien,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

NATALIA GILINA GARCIA
Notary Public - California
Alameda County
Commission # 2433501
My Comm. Expires Jan 8, 2027

Signature Natalia Gilina Garcia (Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____, before me,_____,
(Name of Notary)

notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

_____
(Notary Signature)

Exhibit A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LIVERMORE, IN THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lots 28 as shown on the final map of Tract 7724 filed for record on August 10, 2015, in Book 333 of Maps, at Pages 48 through 52, inclusive, in the Official Records of the County of Alameda, State of California.

Exhibit B

INSURANCE REQUIREMENTS

Throughout the term of this Agreement, Owner shall maintain the following policies of insurance and shall comply with all provisions set forth in this Exhibit.

(a) Commercial General Liability. A commercial general liability policy, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage, with coverage limits in the amount of One Million Dollars ($1,000,000) each occurrence, Two Million Dollars ($2,000,000) annual aggregate. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds. The annual aggregate limit under the policies must apply separately to the Property, or must be not less than three times the annual aggregate limit specified in this paragraph.

(b) Automobile. Comprehensive automobile liability coverage in the amount of One Million Dollars ($1,000,000), combined single limit including coverage for owned and non-owned vehicles. Automobile liability policies shall name the Indemnitees as additional insureds.

(c) Worker's Compensation; Employer's Liability. Owner shall furnish or cause to be furnished to City evidence satisfactory to City that Owner and any contractor that has contracted for the performance of work on the Property carries statutory Workers' Compensation insurance and Employer's Liability insurance in a minimum amount of One Million Dollars ($1,000,000) per accident, per employee for bodily injury or disease.

(d) Intentionally omitted.

(e) Property. Property insurance covering all risks of loss (other than earthquake), including flood (if required) for 100% of the replacement value of the Property, including tenant improvements, betterments, and contents, with deductible, if any, in an amount acceptable to City, naming City as loss payee as its interests may appear.

(f) Insurance Providers. Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII.

(g) Evidence of Insurance, Endorsements, Policies. Prior to the Effective Date of the Loan Agreement, Owner shall furnish City with certificates of insurance in form acceptable to City evidencing the insurance coverage described in paragraphs (a), (b), (c), and (e) above, together with duly executed endorsements evidencing the City's status as additional insured, and all other endorsements and coverage required hereunder. The certificates shall contain a statement of obligation on the part of the carrier to notify City of any material adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal. The certificates shall name as Certificate Holder, City of Livermore, 1052 S. Livermore Avenue, Livermore, CA 94550. Owner shall furnish City with evidence of property insurance in compliance with paragraph (e) above prior to the date of close of escrow for conveyance of the Property to Owner. Upon City's request, Owner shall furnish or arrange to have furnished to City, complete certified copies of all insurance policies required under this Agreement.

City's failure to make such request shall not constitute a waiver of the right to require delivery of the policies in the future.

(h) Additional Insured Endorsements. The additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94. Coverage shall be at least as broad as CG 20 10 04 13.

(i) Reinstatement. If any insurance policy or coverage required hereunder is canceled or reduced, Owner shall, within five (5) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, City may, without further notice and at its option, procure such insurance coverage at Owner's expense, and Owner shall promptly reimburse City for such expense upon receipt of billing from City.

(j) Primary Coverage; Waiver of Subrogation; Annual Aggregate Limits. All coverage shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by City, and the policies shall so provide. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall apply on a primary and non-contributory basis for the benefit of the City of Livermore before the City's own insurance or self-insurance shall be called upon to protect it as a named insured. The policies or endorsements shall provide that any failure of the named insured to comply with reporting or other provisions of any policy, including breaches of warranties, shall not affect coverage provided to the City of Livermore and the Indemnitees as additional insured, and that the coverage shall apply to each insured against whom claim is made or suit is brought, subject to the limits of liability under the policy. Each insurance policy, including Worker's Compensation, must contain a waiver of subrogation for the benefit of the City. If any of the required insurance is provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs are included in such annual aggregate limit, such annual aggregate limit shall be three times the occurrence limits specified above.

(k) Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, be subject to approval by, the City Attorney. At the option of and upon request by the City Attorney if the City Attorney determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects the Indemnitees or Owner shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses. Policies containing any self-insured retention shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or by the City of Livermore.

(l) Adjustments. The limits of the liability coverage and, if necessary, the terms and conditions of insurance, shall be reasonably adjusted from time to time (not less than every five (5) years after the Effective Date nor more than once in every three (3) year period) to address changes in circumstances, including, but not limited to, changes in inflation and the litigation climate in California. Within thirty (30) days following City's delivery of written notice of any such adjustments, Owner shall provide City with amended or new insurance certificates and endorsements evidencing compliance with such adjustments.

(m) Additional Insured Coverage; Liability Limits. For all liability insurance required by this Agreement, Owner shall obtain endorsements that name the Indemnitees as additional insured in the full amount of all applicable policies, notwithstanding any lesser minimum limits specified in this Agreement. This Agreement requires Owner to obtain and provide for the benefit of the Indemnitees, additional insured coverage in the same amount of insurance carried by Owner, but in no event less than the minimum amounts specified in this Agreement. In the event that Owner obtains insurance policies that provide liability coverage broader than or in amounts greater than specified in this Agreement, the actual limits provided by such policies shall be deemed to be the amounts required under this Agreement. Without limiting the foregoing, the limits of liability coverage specified in this Agreement are not intended, nor shall they operate, to limit City's ability to recover amounts in excess of the minimum amounts specified in this Agreement.

Exhibit C

FORM OF ANNUAL REPORT

(See attached.)

LIVERMORE
CALIFORNIA

MULTI-FAMILY RENTAL PROJECT ANNUAL REPORT

PROJECT CONTACT INFORMATION

Property Information

Property Name	
Address	
Community Manager	
Phone	
Email	
Website (if applicable)	

Owner Information

Owner Name	
Company Name	
Owner Address	
City, State, Zip	
Phone	
Email	
Primary Contact	
Secondary Contact	

Management Agent Information

Company Name	
Address	
City, State, Zip	
Phone	
Email	
Primary Contact Name	
Secondary Contact Name	

Name of first point of contact for and on-site monitoring of the property:

LIVERMORE
CALIFORNIA

MULTI-FAMILY RENTAL PROJECT ANNUAL REPORT

Property Name & Address	
Person Completing Report	
Date	
Report Period	

Compliance with Required Number of Low Income Units

Total number of income restricted units which are currently occupied (or reserved and available for occupancy) by low-income households:	
Number of vacant income restricted units at the time of this report:	
I hereby certify that these units in the quantity listed above have been continuously designated as units for occupancy by low-income households during the reporting period:	
Name of Project Owner or Authorized Agent	Title

Compliance with Rent Limits

List below the current monthly rents of the units restricted for occupancy by low-income households as well as the prior rents (if increases were made during the report period):

Plan	Number of Bedrooms	Current Rent	Prior Rent	% Increase	Additional Fees Charged	Utility Allowance (if applicable) or Amount of Tenant Paid Utilities

I hereby certify that the rents in all units designated for low-income households did not exceed the levels authorized under the regulatory agreement/restrictive covenants with the City of Livermore during the reporting period:
Name of Project Owner or Authorized Agent Title

Restricted Unit Occupant Information

Unit #	Bdrms	Unit Income Level	Tenant Last Name	Move-In Date	# in Household	Reported Annual Income	Effective Date of Current Rent	Tenant Paid Rent	Section 8? (Y/N)

Occupant Demographic Information

Occupant Race	**Unduplicated Race**	**Unduplicated Ethnicity Hispanic/Latino/Latina/Latinx**
White		
Black or African American		
Asian		
American Indian, Alaskan Native, or Indigenous		
Native Hawaiian or Pacific Islander		
Multiracial		
Other Race		
Additional Category (please specify):		
Unduplicated Totals	0	0

Occupant Income Levels	**Unduplicated Income**
Extremely Low (<30% AMI)	
Very Low (30%-50% AMI)	
Low (50% to 80% AMI)	
Moderate (>80% AMI)	
Unduplicated Total	0

Occupant Gender Identity	**Total**
Man	
Non-Binary	
Transgender	
Woman	
Additional Category (please specify):	
Total	0

NOTE: May include duplication if an occupant has more than one identity.

Other Characteristics	Total
Senior	
Disabled	
Youth	
Formerly Homeless	
Additional Category (please specify):	
Additional Category (please specify):	
Additional Category (please specify):	

NOTE: May include duplication if an occupant has more than one of the listed characteristics.

LIVERMORE
CALIFORNIA

MULTI-FAMILY RENTAL PROJECT ANNUAL REPORT

PROPERTY CONDITION REPORT

Property Name	
Address	
Name of Person Completing Report	
Reporting Period	

List any physical defects or major repair work undertaken within the reporting period:

Comments on any general management/performance issues within the reporting period:

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.6**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Tina Olson, Administrative Services Director

SUBJECT: Resolution authorizing the execution of a first amendment to the agreement with Gary D. Nelson Associates, Inc., dba Nelson Connects for temporary accounting services increasing the total compensation by $110,000 for a total not-to-exceed amount of $200,000, extending the term of the agreement through July 2024.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution authorizing the execution of a first amendment to the agreement with Gary D. Nelson Associates, Inc., dba Nelson Connects for temporary accounting services increasing the total compensation by $110,000 for a total not-to-exceed amount of $200,000, extending the term of the agreement through July 2024.

SUMMARY

Administrative Services Finance Division is currently utilizing Nelson Connects to help with payroll duties while City staff move payroll from the City's legacy financial system to the new Tyler Enterprise Resource Planning (ERP) system. The Human Resources/Payroll module of Tyler was originally scheduled to go-live in January 2024. Due to unforeseen circumstances arising, including staff turnover at Tyler and issues with configuring the data for the conversion, the go live date has been pushed out to April 2024. As such, the Finance Division needs to keep contracting with Nelson Connects through July 2024, ensuring the City's payroll staff can continue processing payroll through the transition as well as ensuring the new Tyler ERP is configured properly for correctly processing payroll. The original contract was for $90,000. The Finance division is requesting to increase the compensation by $110,000 to a not to exceed amount of $200,000 through July 2024.

DISCUSSION

Currently, the City has one payroll employee to process the City and Livermore Pleasanton Fire Department (LPFD) payroll, totaling 550 employees including temps. The City is in the process of transitioning to a new ERP system which requires payroll staff to contribute extra time for payroll conversions, including building out the new system, converting existing data, and employee data verification.

As the transition work started for the new ERP, the Finance Division contracted with Nelson Connects to provide temporary staff to help process payroll. Some of the tasks this temporary staff member has been working includes:

- Collecting and reconciling paper timecards
- Entering timesheet data for all City Employees manually
- Auditing Human Resources/Personnel Action Form packages for each payroll run
- Running Payroll within the Legacy system to complete the bi-weekly process
- Verifying data for ERP payroll conversion
- Providing help with retiree retirement medical billing
- Helping with other administrative tasks within the Finance Division

Finance staff originally planned for the temporary staffing need to end in January 2024 around the time the original go-live date was set for payroll in the new ERP system. Unfortunately, due to some unforeseen circumstances that arose during the conversion process, the go-live date has been moved out to April 2024. Finance anticipates that this new go-live date will happen as planned, however, staff would like to have the additional help through July 2024 to help manage workload with the daily tasks as well as working through any glitches that may need to be addressed after the go-live date. The City's original contract with Nelson Connects amounted to $90,000 and will be automatically extended for a year at the term end in March 2024. Finance needs to increase the contract by $110,000 bringing the total compensation to $200,000. Finance expects the need for the temporary staff in the payroll function to end in July 2024. The current contract allows for Finance to end the contract with 30-days written notification.

FISCAL AND ADMINISTRATIVE IMPACTS

There is sufficient funding budgeted in the Finance Divisions FY 2023-25 budget to pay for this.

COMMUNITY PILLAR

5: A City That Works

GOAL

11: Modernize key business systems and processes to increase efficiency and improve transparency

ATTACHMENTS

1. Resolution
2. Exhibit A - First Amendment

Prepared by: Erik Peterson
Finance Manager

Approved by:



Marianna Marysheva
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO THE AGREEMENT WITH GARY D. NELSON ASSOCIATES, INC., DBA NELSON CONNECTS FOR TEMPORARY ACCOUNTING SERVICES INCREASING THE TOTAL COMPENSATION BY $110,000 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF $200,000 AND EXTENDING THE TERM OF THE AGREEMENT THROUGH JULY 2024

In March 2023, the Finance Division contracted with Gary D. Nelson Associates, Inc., dba Nelson Connects ("Nelson Connects") to provide temporary staff to help process payroll and perform other related tasks for the division.

Finance staff originally planned for the temporary staffing need to end in January 2024 around the time of the original go-live date for payroll in the new ERP system. Unfortunately, due to some unforeseen circumstances that arose during the conversion process, the go-live date has been moved out to April 2024. Finance anticipates that this new go-live date will happen as planned, however, staff would like to have the additional help through July 2024 to help manage workload with the daily tasks as well as working through any glitches that may need to be addressed after the go-live date.

The City's original contract with Nelson Connects in the amount of $90,000, ends on March 27, 2024, with an automatic one-year extension at the term end. Finance needs to increase the contract by $110,000, bringing the total amount not to exceed to $200,000. Finance expects the need for the temporary staff in the payroll function to end in July 2024. The current contract allows for Finance to end the contract with 30-days written notification.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore that it hereby authorizes the City Manager to execute, on behalf of the City of Livermore, a first amendment to the agreement with Gary D. Nelson Associates, Inc., dba Nelson Connects, attached hereto as Exhibit A, to: (1) increase the total compensation by $110,000 for a total amount not to exceed $200,000 and (2) extend the term of the agreement through July 31, 2024.

On motion of Council Member_____, seconded by Council Member _____, the foregoing resolution was passed and adopted on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Katherine Mirassou
Katherine Mirassou
Deputy City Attorney

Exhibit A – First Amendment to Agreement with Gary D. Nelson Associates, Inc., dba Nelson Connects

DocuSign Envelope ID: 8F885FAA-2338-4138-82DA-A7287B0733EA

FIRST AMENDMENT TO AGREEMENT FOR SERVICES

THIS FIRST AMENDMENT is made and entered into this day of , 2024, by and between the City of Livermore ("Client"), a municipal corporation, and Gary D. Nelson Associates, Inc., dba Nelson Connects ("Nelson"), a California corporation.

RECITALS

On March 27, 2023, Client and Nelson entered into an agreement for Contractor to provide staffing services to City ("Original Agreement").

Client and Nelson desire to amend the Original Agreement to increase the total compensation for this contract not to exceed $200,000.00 as well as to extend the date of service through July 31, 2024. This is the first amendment to the Original Agreement.

AGREEMENT

NOW, THEREFORE, Client and Nelson hereby agree that the aforementioned recitals are true and correct and further agree as follows:

1. The Original Agreement is amended as follows:

   A. Section under "Pricing and Terms for Services Provided by Business Professionals and Finance & Accounting by Nelson Connects, specialty divisions of Nelson. This pricing does not apply to any other divisions of Nelson" of the Original Agreement is added to read as follows: Total Compensation for agreement will not exceed $200,000.

   B. First Paragraph of the Original Agreement stating "Nelson will provide services under this agreement to Client effective March 27,2023 and remain in effect until March 27, 2024" is amended to read as follows: Nelson will provide services under this agreement to Client effective March 27,2023 and remain in effect until July 31, 2024.

2. These amendments are prospective and only apply to the Services rendered by Nelson after the execution of this Amendment. Unless otherwise stated herein, this Amendment does not relieve the parties of the terms and conditions of the Original Agreement as written and in effect at the time the Services were rendered.

3. Except as amended above, the Original Agreement remains in full force and effect.

In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have executed this Agreement effective on the date first written above.

Nelson:

DocuSigned by:
Joseph T. Prusko
59C3D1D851EB470...

Joseph T. Prusko
Chief Financial Officer

Dated:

1/11/2024 | 10:18 AM PST

CITY OF LIVERMORE:

Marianna Marysheva
City Manager

Dated:

APPROVED AS TO FORM:

DocuSigned by:
Katherine Mirassou
D48B6A0C4F27411...

Deputy/Assistant/City Attorney

APPROVED AS TO INSURANCE:

DocuSigned by:
0332D17A10A234F0...

Risk Manager/Analyst

Attachments:
1. Original Nelson Connects Service Agreement

DocuSign Envelope ID: 8F885FAA-2338-4138-82DA-A7287B0733EA

Nelson Connects™

Service Agreement

This Agreement is made and entered into on March 27, 2023, by and between Gary D. Nelson Associates, Inc., dba Nelson Connects ("Nelson") located at 19080 Lomita Avenue, Sonoma, CA 95476, and City of Livermore ("Client"), located at 1052 South Livermore Ave. Livermore, CA. 94550, and is subject to the Agreement Terms and Conditions below. Nelson will provide services under this Agreement to Client effective March 27, 2023 and remain in effect until March 27, 2024. Unless terminated by either party upon thirty (30) days written notice, this Agreement shall be automatically renewed for succeeding terms of one year each. Nelson and Client shall be referred to collectively as the "Parties," or individually as a "Party."

Compliance with the Law. The Parties agree to comply with all applicable federal, state, and local laws relating to employment matters including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, and the Civil Rights Acts of 1966, 1970, and 1971.

Nature of Relationship. The services that Nelson will render to Client under this Agreement will be as a vendor. Nothing contained in this Agreement will be construed to create the relationship of principal and agent, or employer and employee, between Nelson and Client.

Pricing and Terms for Services Provided by Business Professionals and Finance & Accounting by Nelson Connects, specialty divisions of Nelson. This pricing does not apply to any other divisions of Nelson.

- Markup / Bill rates to be mutually determined on a case-by-case basis between the Client and Nelson based upon position requirements.
- In California, any hours worked in excess of 8 hour per day or 40 hours per week will be billed at time and one-half (1 ½) the hourly bill rate. All Nelson temporary employees will be paid overtime as required by state and federal wage and hour laws.
- A Statutory Surcharge will be added to each invoice for costs relating to local, city, state, and/or federally mandated employee benefits and/or training.
- Nelson will bill back to Client the cost of sick leave taken by employees at the regular hourly rate.
- Nelson will bill back to Client any premiums incurred resulting from meal and rest break requirement violations.
- Nelson reserves the right to request from the Client an increased markup and may adjust the Statutory Surcharge due to changes to the mandated employee benefits and/or training.
- **Temporary-to-Hire Fee Terms:** The fee to hire our temporaries on full-time is as follows. The fee will be twenty-five percent (25%) of the candidate's expected base salary based on the schedule below. Part-time roles have a minimum fee of $5,500. Note there is no guarantee for a temporary-to-hire placements.

Hours	Fee
0 – 240	25% of annual salary
241 – 480	20% of annual salary
481 – 720	15% of annual salary
721 – 960	10% of annual salary
961+	5% of annual salary

- **Temporary Services Guarantee:** Nelson offers an 8-hour guarantee for all temporary positions. If for any reason the candidate does not meet your expectations and you are not completely satisfied, you have no obligation to pay for the first 8 hours of service.

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- **Screening:** Nelson will bill back to Client all costs associated with pre-employment drug and background screening.
  Nelson shall not inform Client of the results of the pre-employment background check and drug testing but will only assign temporary employees to Client who have satisfactorily passed the background check and drug test screening.
  Nelson adheres to all Federal, State, and Local regulations. As the employer of record, Nelson shall remain responsible for eligibility determination.
- **Direct Hire Fee:** It has been agreed between the parties that there will be a fee equal to twenty-five percent (25%) of the candidate's first year's salary during the candidate's first year of employment.
- **Direct Hire Guarantee:** Each placement is guaranteed for ninety (90) calendar days, effective the day the candidate begins. If the employer terminates for cause or the employee voluntarily resigns during the first sixty (90) calendar days, the fee will be prorated at 1/90th of the original fee for each consecutive calendar day employed, and the portion of the fee that exceeds that amount will be promptly refunded. This guarantee is only valid if the invoice is paid within thirty (30) days of candidate start date and void in the case of company downsizing, reorganization, sale, merger, relocation, or other significant changes in the conditions of the role or agreed upon compensation provided to the candidate.
- **Payment Terms:** Payment is due thirty (30) days from the date of invoice. Direct Hire placement invoices are submitted on the start date of the candidate. Temporary and consulting services invoices are processed weekly and are generated from the employee's timecard. If it becomes necessary to file suit for collection purposes, attorney's fees shall be paid to the prevailing party. Any amounts not paid within thirty (30) days of the due date shall be subject to a finance charge of 1.5% per month (18% per annum).
- **Indemnification:** Each party agrees to indemnify, defend, and hold the other, and its officers, directors, employees, and agents harmless from any claim which arises out of the indemnifying party's failure to comply with the terms of this Agreement; violation of applicable federal, state, or local law; or negligence. Promptly upon becoming aware of a claim subject to indemnification under this Agreement, the indemnified party must give notice of the claim to the indemnifying party, accompanied by a copy of any written documentation regarding the claim received by the indemnified party. The indemnifying party will, at its option, settle or defend, at its own expense and with its own counsel, the claim. The indemnified party will have the right, at its option, to participate in the settlement or defense of the claim, with its own counsel and at its own expense; however, the indemnifying party will have the right to control the settlement or defense of the claim. The indemnifying party will not enter into any settlement that imposes any liability or obligation on the indemnified party without the indemnified party's prior written consent. The parties will cooperate in the settlement or defense and give each other full access to all relevant information.
- **Insurance.** Consultant shall procure and maintain insurance during the term of this Agreement in the amounts and under the terms set forth in Exhibit "A" against claims that may arise from or in connection with this Agreement and performance of the Services.

Client Responsibilities:

- **Confidentiality:** The candidates whom Nelson presents to Client are obtained as a result of Nelson's work and reputation and these candidates may want their job search to be kept confidential. Client and its agents agree to keep confidential the identities and related information concerning Nelson candidates. The information is to be used solely for the purpose of Client considering these candidates for employment by Client and with Client agreeing to not contact either candidate or any related references without Nelson's prior permission.
- **Cash and Valuables:** Client shall not entrust Nelson employees with unattended premises, or give access to Nelson employees any cash, cash negotiables, or other valuables, without Nelson's prior written consent. Client agrees to waive any claim against Nelson and to hold Nelson harmless and to indemnify Nelson from any costs, claims or losses which occur in whole or in part from Client's failure to comply with this provision.
- **Training and Supervision:** Client agrees that Nelson employees will be adequately protected, trained, and supervised and provided with the equipment and supervisorial protection necessary to the preservation of their right of privacy, their ability to perform their assignment, and their safety, as required by law. Client shall comply with its legal obligations to protecting Nelson employees from harassment, or any improper interference with their ability to perform their work.

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- **Notification of Changes to Personnel's Job Duties:** Client agrees, upon any change in job duties from those for which Personnel was initially placed, to obtain written agreement from Nelson. This is necessary to ensure that Nelson is properly informed in order to assess the risk of the duties and responsibilities of Nelson Personnel. If Client makes a change without Nelson's written consent, then Client agrees to reimburse Nelson for any additional cost incurred, including, without limitation, the increased cost of insurance premiums for Worker's Compensation coverage.
- If Nelson's candidate is referred to Client and is not hired, but Client refers the candidate to another division of Client Company, or a different company resulting in the candidate hiring, Client is liable for the fee.
- Should Client decide to hire or contract with any Nelson candidate that was placed at Client Company through Nelson, or presented to Client by Nelson, and do so without Nelson's written consent, Client agrees, even if the candidate was referred to a position by another agency, to pay Nelson a placement fee equal to twenty-five percent (25%) of the first year's salary effective as of the date of Client hiring contract. This obligation continues for 365 days from the day Nelson presented the candidate or the last day the candidate was on Nelson payroll.
- Client agrees that should they, their subsidiary, or any related company, decide to hire or contract with a Nelson internal employee for any position, and do so without Nelson's written consent, to pay Nelson a placement fee in the amount of twenty-five percent (25%) of the employee's base salary due and payable within thirty (30) days. This obligation continues for 365 days from the last day that Nelson is responsible to pay employee.
- Client warrants that the approval of timecards certifies that the hours worked are correct and acceptable to Client for billing purposes, and that the work was performed in a satisfactory manner.
- Timecards which are not approved by Nelson deadlines, unless otherwise agreed to in writing, will be sent to Nelson's Temp Payroll team for processing. Adjustments made to timecards after the payroll cut-off may be subject to delayed processing and/or waiting time penalties. Client is responsible for all related penalties and charges if a delay in timecard review is due to the Client and/or Client Supervisor not meeting the NelsonTime deadline.
- Non-exempt employees furnished by Nelson to Client shall submit timecards to Client each week recording the number of hours worked in the preceding calendar week. Client shall review and approve those timecards, which accurately state the number of hours worked. The timecards approved by Client shall be the basis of the amounts billed to Client by Nelson for the services of its employee. Client approved timecards must be submitted to Nelson electronically through NelsonTime by 2:00 pm Monday.

The individual signing this Agreement on behalf of Client represents and warrants that he/she has the authority to enter into this Agreement on behalf of Client and to bind Client to the terms hereof.

City of Livermore	**Gary D. Nelson Associates, Inc.**
Signature: DocuSigned by: Paul Spence A518A99D895B48B...	Signature: DocuSigned by: Joseph T. Prusko 9918D1888599483...
Print Name: Marianna Marysheva Paul Spence	Print Name: Joseph T. Prusko
For Title: City Manager Community Development Director	Title: Chief Financial Officer
Date: 4/3/2023 | 5:58 PM PDT	Date: 4/3/2023 | 10:22 AM PDT

Approved as to form:
Signature: DocuSigned by: Katherine Mirassou DS D48B6A0C4F27411...
Printed Name: Katherine Mirassou
Title: Deputy City Attorney
Date: 4/3/2023 | 11:11 AM PDT

DocuSign Envelope ID: 8F885FAA-2338-4138-82DA-A7287B0733EA

EXHIBIT A

INSURANCE REQUIREMENTS

Minimum Scope and Limits of Insurance

Consultant/Contractor shall maintain limits no less than:

1. Commercial General Liability, including operations, products and completed operations, as applicable:

$1,000,000/$2,000,000 aggregate per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability or other form of insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability:

$1,000,000 per accident for bodily injury and property damage.

3. Workers' Compensation and Employer's Liability:

Statutory limits as required by the State of California including **$1,000,000** Employers' Liability per accident, per employee for bodily injury or disease. A waiver of subrogation is required for Workers' Compensation insurance. If Consultant/Contractor is a sole proprietor, then they must sign "Contractor Release of Liability".

Deductibles and Self-Insured Retention

All self-insured retentions (SIR) must be disclosed to Risk Management for approval and shall not reduce the limits of liability. Policies containing any self-insured retention (SIR) provision shall provide, or be endorsed to provide, that the SIR may be satisfied by either the named insured or the City of Livermore. The City of Livermore reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII and accepted to do business in the State of California, unless otherwise acceptable to the City of Livermore.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City of Livermore, its officers, officials, employees, and designated volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Consultant/Contractor; or automobiles owned, leased, hired or borrowed by the Consultant/Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City of Livermore, its officers, officials, employees, or volunteers.
2. The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. The additional

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insured coverage under the Consultant's/Contractor's policy shall be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as ISO Form CG 20 10 04 13. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City of Livermore before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

3. Any failure to comply with reporting or other provisions of the policy, including breaches of warranties, shall not affect coverage provided to the City of Livermore, its officers, officials, employees, or volunteers.
4. The Consultant's/Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party before expiration of the policy unless notice is delivered in accordance with policy provisions.
6. Certificate Holder section of the insurance certificate should read: City of Livermore, 1052 S. Livermore Avenue, Livermore, CA 94550

Verification of Coverage

Consultant/Contractor shall furnish certificates of insurance and endorsement(s) effecting coverage to the City of Livermore for approval. The endorsements shall be on forms acceptable to the City of Livermore. All certificates and endorsements are to be received and approved by the City of Livermore before work commences. The City of Livermore reserves the right to require complete and certified copies of all insurance policies required by this Agreement.

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.7**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Tina Olson, Administrative Services Director

SUBJECT: Resolution accepting the Annual Comprehensive Financial Report (ACFR) and Other Audit Reports for the Fiscal Year ended June 30, 2023.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution accepting the following reports for Fiscal Year 2022-23 as completed:

- Annual Comprehensive Financial Report, and ratify and approve the audited financial statements presented therein in accordance with Government Code §37208;
- Alameda County Transportation Commission Measure B Program Financial Statements;
- Alameda County Transportation Commission Measure BB Program Financial Statements;
- Alameda County Transportation Commission Vehicle Registration Fee (VRF) Measure F Program Financial Statements;
- Agreed Upon Procedures for Compliance with the Proposition 111 2022-23 Appropriations Limit Increment;
- Memorandum of Internal Control; and
- Required Communications.

SUMMARY

The Annual Comprehensive Financial Report (ACFR), which contains the Auditor's Opinion, for the fiscal year ending June 30, 2023, is complete and ready for City Council acceptance. The auditors have given the City an unmodified or "clean" opinion on the ACFR. This is shown as the Independent Auditors' Opinion letter in the audit report (page 1). This is the 42nd consecutive year the City has received an unmodified opinion. In addition to the ACFR, there are six other audit compliance reports being presented for acceptance.

DISCUSSION

The audited ACFR and other required audit compliance reports are being presented to the City Council in accordance with the Livermore Municipal Code §2.28.020 and Government Code §37208. This year's

audits were performed by the City's independent auditors, Eide Bailly LLP.

During fiscal year 2022-23 the City found a few loans managed by Amerinational, the City's contractor for low-income housing programs, that had not been recorded in the City's General Ledger. Finance recorded these loans throughout the course of the fiscal year updating its notes receivables. During the auditor's review of the fiscal year activities, it was found that these loans should have been recorded in the prior years which caused the auditors to look closer at how the City records its notes receivables. The Auditors informed Finance that certain notes receivables needed to be reclassified from the original recording.

The omission of these loans resulted in the prior year financial statements to be underreported for certain notes receivables that were tracked by the City's contractor. Accordingly, the beginning net position of the governmental activities, the fund balance of the Low-Income Housing-Special Revenue Fund, and the fund balance of the Nonmajor Governmental Funds has been restated to include the additional beginning balances of the notes receivables. This restatement process of notes receivables did not alter the auditor's opinion on the City's ACFR.

Finance immediately worked on reclassifying the notes receivable as per the direction of the auditors. At the time the final ACFR was issued, the City's Notes Receivables are accurate. Finance staff are working with Housing and Human Services staff to develop a procedure that ensures Finance receives all future low-income housing loans to record in the City's General Ledger. The auditors have given the City an unmodified or "clean" opinion on the ACFR. This is shown as the Independent Auditors' Opinion letter in the audit report (page 1). This is the 42nd consecutive year the City has received an unmodified opinion.

Government Code §37208 provides that a city council is not required to approve payroll and other budgeted demands prior to issuing payment, they may be presented to the City Council for ratification and approval, in the form of an ACFR.

The City has submitted the FY 2022-23 ACFR for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award program. In the past, the City has received the GFOA award and believes that the recent ACFR meets the stringent requirements to again merit GFOA recognition.

In addition to the ACFR, there are six other reports for review:

- Alameda County Transportation Commission Measure B Program Financial Statements is required by the Master Program Funding Agreement with the Alameda County Transportation Commission (ACTC) and confirms that the City has complied with the provisions of Measure B. Alameda County voters approved the half-cent transportation sales tax in November 2000. The sales tax collection began on April 1, 2002, and extended through March 31, 2022. ACTC administers Measure B funds to deliver essential transportation improvements and services.

- Alameda County Transportation Commission Measure BB Program Financial Statements is required by the Master Program Funding Agreement with the Alameda County Transportation Commission (ACTC) and confirms that the City has complied with the provisions of Measure BB. Alameda County voters approved Measure BB in November 2014 and collection of the half-cent transportation sales tax by the Board of Equalization began on April 1, 2015, and extended through March 31, 2022. The full one-cent sales tax authorized by Measure BB began April 1,

2022, and will extend through March 31, 2045. Local jurisdictions began to receive the flow of funds in July 2015. ACTC administers Measure BB funds for essential transportation improvements in every city throughout Alameda County.

- Alameda County Transportation Commission Vehicle Registration Fee Measure F Program Financial Statements is required by the Master Programs Funding Agreement between the City and Alameda County Transportation Commission and confirms that the City has complied with the laws, regulations, contracts, and grant agreements as specified and applicable to Measure F. Measure F is the Alameda County Vehicle Registration Fee Program which was approved by voters in November 2010 and generates $10 per vehicle each year. The collection of these funds began in May 2011 will continue to be imposed annually unless repealed. The revenue generated is used for local road improvement and repair, transit congestion relief, local transportation technology, and pedestrian & bicyclist access & safety programs.

- Agreed Upon Procedures for Compliance with the Proposition 111 2020-21 Appropriation Limit Increment is required by Section 1.5 of Article XIIIB of the California Constitution. This report shows the auditors applied specific procedures, which were suggested by the League of California Cities and presented in their Article XIIIB Appropriation Limitation Uniform Guidelines, to validate the City's calculation of the Appropriations Limit. No exceptions were noted.

- Memorandum on Internal Control: In planning and performing the audit of the financial statements Eide Bailly LLP considered the City's internal control over financial reporting as a basis for designing the auditing procedures for the purpose of expressing opinions on the financial statements. The auditors are required to communicate to the City Council any internal control matters that come to their attention during the audit. The City's auditors, Eide Bailly LLP, have provided such a report in their Memorandum on Internal Control (MOIC) for the fiscal year ended June 30, 2023. The report states that the audit did not identify any deficiencies in the City's internal control.

- Required Communications: Under generally accepted auditing standards, the City's external auditors are required to formally communicate with the governing body to convey audit matters, the scope of work, difficulties, adjustments to financial statements, or any possible disagreements with management. Professional standards require the auditor to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". The auditors identified no areas of significant risks.

FISCAL AND ADMINISTRATIVE IMPACTS

There is no direct fiscal impact in accepting the FY 2022-23 audit reports. Total audit and report preparation costs of $155,582 are within budget and are allocated to the General Fund, Enterprise funds, Measure B funds, Measure BB funds and transportation funds as the audits and reports are completed. The total fee also includes preparation costs of certain reports not requiring City Council acceptance that are transmitted directly to the California State Controller, including the Special Districts Financial Transactions Report for the Livermore Capital Projects Financing Authority (LCPFA) and the Cities Financial Transactions Report for the City of Livermore.

COMMUNITY PILLAR

5: A City That Works

GOAL

17: Ensure effective use of public resources

ATTACHMENTS

1. Resolution
2. Exhibit A - Annual Comprehensive Financial Report
3. Exhibit B - ACTC Measure B Funds Financial Statements
4. Exhibit C - ACTC Measure BB Funds Financial Statements
5. Exhibit D - ACTC Vehicle Registration Fee Program (VRF) Financial Statements
6. Exhibit E - Independent Accountant's Report on Applying Agreed Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation
7. Exhibit F - Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
8. Exhibit G - Required Communications

Prepared by: Erik Peterson
Finance Manager

Approved by:

Marianna Marysheva
City Manager

Fiscal Review by:

Tina Olson
Administrative Services Director

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND OTHER ANNUAL REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

At its meeting on January 22, 2024, the audited Annual Comprehensive Financial Report and other required audit compliance reports for the fiscal year ended June 30, 2023, were presented to the City Council in accordance with Livermore Municipal Code section § 2.28.020.

California Government Code § 37208(c) provides that budgeted payrolls and demands paid by warrants or checks may be presented to the legislative body for ratification and approval in the form of an audited annual comprehensive financial report.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore that it has received and hereby accepts as completed the following financial statements and annual reports for the fiscal year ended June 30, 2023, attached hereto:

1. Annual Comprehensive Financial Report, attached hereto as Exhibit A;

2. Alameda County Transportation Commission Measure B Funds Financial Statements, attached hereto as Exhibit B;

3. Alameda County Transportation Commission Measure BB Funds Financial Statements, attached hereto as Exhibit C;

4. Alameda County Transportation Commission Vehicle Registration Fee Program (VRF) Financial Statements, attached hereto as Exhibit D;

5. Independent Accountant's Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation, attached hereto as Exhibit E;

6. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, attached hereto as Exhibit F; and,

7. Required Communications, attached hereto as Exhibit G.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Jason R. Alcala
Jason R. Alcala
City Attorney

Exhibit A - Annual Comprehensive Financial Report
Exhibit B - Alameda County Transportation Commission Measure B Funds Financial Statements
Exhibit C - Alameda County Transportation Commission Measure BB Funds Financial Statements
Exhibit D - Alameda County Transportation Commission Vehicle Registration Fee Program (VRF) Financial Statements
Exhibit E - Independent Accountant's Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation
Exhibit F - Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Exhibit G - Required Communications



CITY OF LIVERMORE CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

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Annual Comprehensive Financial Report

For the Year Ended June 30, 2023

Prepared By

Finance Division

Tina Olson
Administrative Service Director

Erik Peterson
Finance Manager

Benjie Lin
Accounting Supervisor

David Doyle
Accounting Supervisor

Ki Lam
Management Analyst

Ann Furtado
Accounting Supervisor

Laurie Ong
Administrative Specialist



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Introductory Section
June 30, 2023

City of Livermore

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December 31, 2023

Residents of Livermore, California,
honorable Mayor and Members of the City Council:

I am pleased to present the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report fulfills that requirement for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The data in this report is presented in a manner that is designed to fairly set forth the financial position and results of operations of the City of Livermore (the City). It contains the disclosures necessary to promote in-depth understanding of the City's financial affairs and evaluate its financial condition.

The City's financial statements have been audited by Eide Bailly LLP located in Menlo Park, California. The independent auditors concluded, based on their audit, that there was a reasonable basis for rendering an unmodified (or "clean") opinion that the City of Livermore's financial statements for the fiscal year (FY) ended June 30, 2023, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is the first item presented in the financial section of this report.

In addition to the financial audit, each year the City is required to undergo an audit of federal grant expenditures. That report is commonly referred to as a Single Audit report and is issued as a separate document and is not included herein. The Single Audit report includes the Schedule of Expenditures of Federal Awards, Findings and Recommendations, and an auditor's report on the internal control structure and compliance with applicable laws and regulations.

The provisions of Governmental Accounting Standards Board (GASB) Statement 34, "Basic Financial Statements—and Management's Discussion & Analysis—for State and Local Governments" requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements entitled, "Management Discussion & Analysis" (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the financial section of the ACFR.

Profile of the City of Livermore

The City of Livermore, incorporated on April 1, 1876, is located on the southeasterly boundary of Alameda County. The City of Livermore is a General Law city and has the power to make and enforce ordinances and regulations with respect to municipal affairs to the extent expressly permitted or implied by the California constitution or specific legislation. The City is organized as a council-manager form of local municipal government. The five-member City Council is elected at large for overlapping four-year terms. The City Council includes an elected Mayor whose term of office is two years.

On November 26, 2018, the City adopted an ordinance to transition from an at-large to district-based election system to comply with the California Voting Rights Act (California Government Code Section 34886 and 34871(c)). The City Council selected a district map dividing the City into four single member districts. Starting with the general municipal election in November 2020, City Council members were elected in City Council districts 3 and 4. Council members were elected in City Council districts 1 and 2 beginning at the general municipal election in November 2022. The Mayor continues to be elected on an at large basis.

The City Council appoints the City Manager and City Attorney to carry out its adopted policies. In addition, the City Council appoints members of advisory Commissions, Committees, and Boards.

The City Council sets priorities and adopts the biennial budget on or before June 30 for each of the ensuing two fiscal years, which serves as the foundation for the City's financial planning and control. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the fund level. The City Manager may transfer resources within a fund. Supplemental appropriations and budget transfers between funds and projects, however, need approval from the City Council. The City's budgetary procedures are further discussed in Note 2 of the notes to the basic financial statements.

The City, with 482.4 full-time equivalent employees, provides a wide range of services to a residential population of 84,793[1]. These services include public safety (police, fire, building inspection, water, and sewer); street and landscape maintenance; street lighting; planning and public improvements; public libraries; general administrative services, and municipal airport services. Fire safety services are provided by a Joint Powers Authority, Livermore Pleasanton Fire Department (LPFD). Recreational services are provided to residents by the Livermore Area Recreation and Park District (LARPD), a special district governed by a separately elected board.

The City is also financially accountable for a legally separate Livermore Capital Projects Financing Authority (LCPFA), which is reported within the City's financial statements as a blended component unit. Additional information on this legally separate entity can be found in the notes to the financial statements (see Note 1).

Economic Factors and Local Economy

The information presented in the financial statements is perhaps better understood when it is considered from the broader perspective of the specific environment within which the City operates.

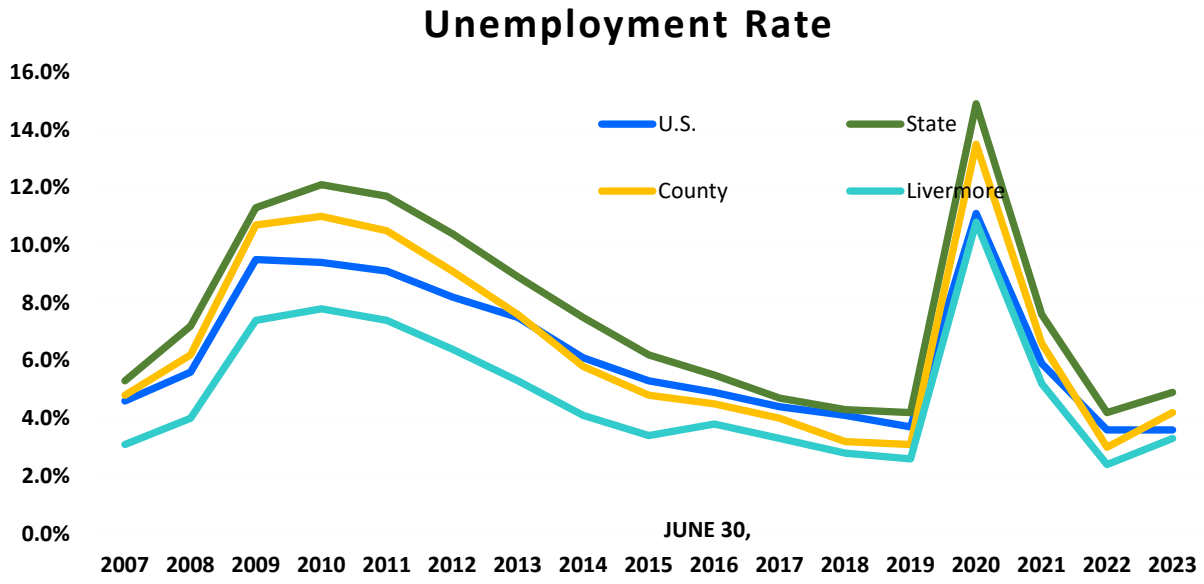
[1] Data source: State of California, Department of Finance

The City is the easternmost city in the San Francisco Bay Area situated in the growing Tri-Valley area which contains the cities of Pleasanton, Livermore, Dublin, and San Ramon. Livermore is conveniently located near two major freeways, I-580 and I-680, and is close to the metropolitan areas of San Francisco, Oakland, and San Jose. In addition to its proximity to the Oakland, San Francisco and San Jose International Airports, the City of Livermore owns and operates the Livermore Municipal Airport. This general aviation airport services private and corporate customers, and records more than 197,000 takeoffs and landings annually.

Livermore Valley Wine Country is one of the oldest wine regions in California. On November 22, 2021, the Livermore Valley Wine Heritage District was formed to provide funding for marketing and education efforts to increase winery sales revenue, and other improvements and activities for the 46 assessed wineries in Livermore Valley. Livermore is surrounded by award-winning wineries, farmlands, and ranches that mirror the valley's history. Less than an hour east of San Francisco, Livermore Valley Wine Country's picturesque canyons and ridges welcome locals and visitors to the valley's vineyards and tasting rooms, which are an integral part of Livermore's quality of life. Popular wine bars, tasting rooms and boutique wine shops thrive in downtown Livermore as well.

Livermore is the home of two world-renowned national laboratories: Lawrence Livermore National Laboratory (LLNL) and Sandia National Laboratories (SNL). The laboratories are premier science and technology research facilities, which conduct some of the nation's most innovative research related to several national programs, including security, combustion and renewable energy, water resources and biosciences. The presence of the laboratories attracts other technology and industrial companies as well as professional services businesses. In addition, one of the largest retail outlet malls in California is in Livermore and is home to over 180 leading designer and name brand outlet stores, as well as a growing number of small retailers.

In June 2023 the City's unemployment rate of 3.3% continued to rank below the average unemployment rates of the nation (3.6%), county (4.2%) and state (4.9%). Employment in Livermore has historically been less volatile due to the presence of major public sector employers and their contractors. Besides the City itself, two national laboratories, a school district, a community college, and a park and recreation district are major employers in the City. The following chart shows a 15-year comparison of unemployment rates in the state and local areas as well as the U.S. by fiscal year.

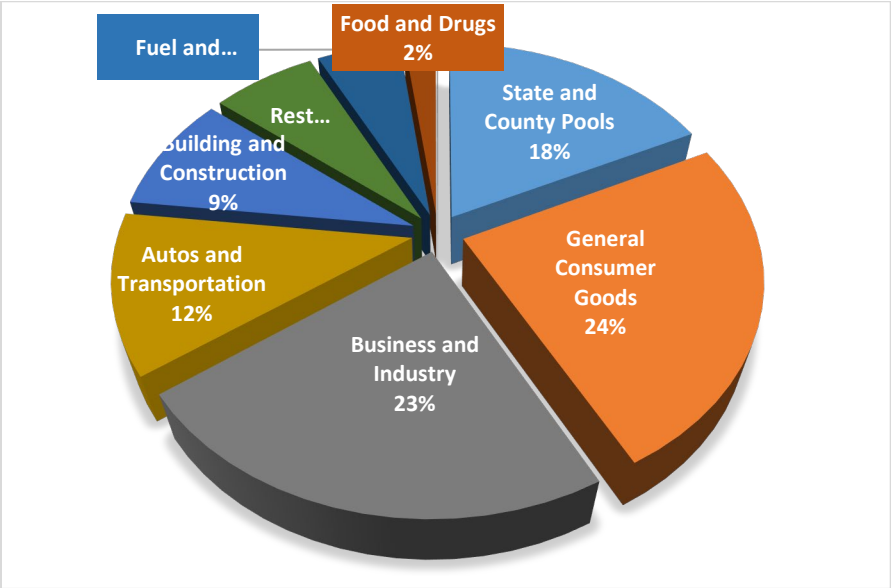


Source: State of CA – Employment Development Department

A key indicator of the local economy is retail sales. Sales tax revenues are highly sensitive to economic conditions such as levels of unemployment, job growth, consumer confidence, per-capita income, and tourism.

It is important to be aware that approximately 25% of the City's sales tax revenue is derived from the San Francisco Premium Outlets which focuses on high-end consumer goods. Many of the shoppers are tourists visiting the San Francisco Bay area. Out of the 4.8 million Livermore visitors, 2.7 million or 56% visited the San Francisco Premium Outlets (source: Placer AI). The 2023 sales tax revenue figures for the Outlets show that sales have gone back to pre-pandemic levels.

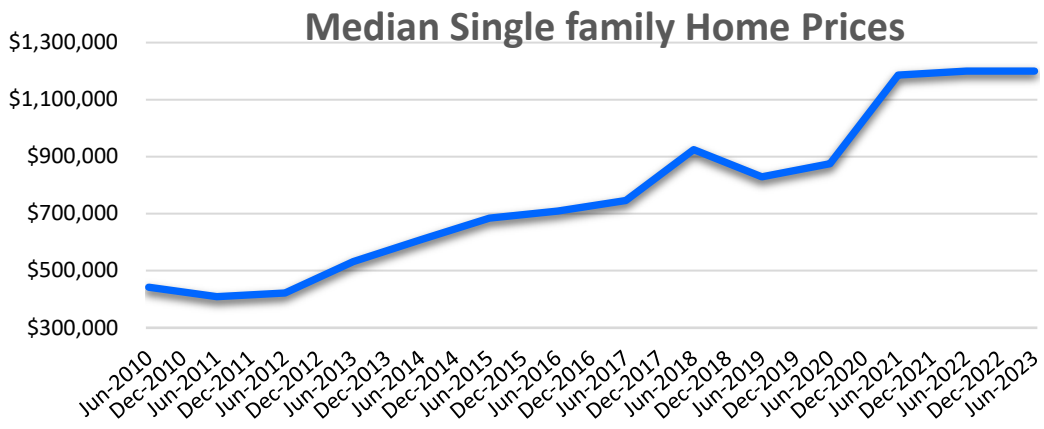
Livermore's taxable sales in second quarter of 2023 were 1.3% higher than the same quarter in 2022 with majority of gains coming from the Business and Industry Group. This increase is due to the relatively high fuel prices occurring during this quarter. The chart below illustrates the City's sales tax revenue for FY 2022-23 by major industry group.



Source: HdL

The local real estate market and property value assessments are key indicators of the local economy. Property tax is less volatile compared to sales tax. The City's assessed property valuation increased by 7.5% to $23.9 billion in FY 2022-23 compared to a 4.6% increase in the previous fiscal year.

Livermore's real estate market continued to strengthen during FY 2022-23. As reported by the East Bay Association of Realtors, the median sales price for a single-family residence in Livermore remained the same - $1.2 million in both June 2023 and June 2022 likely due to increased interest rates.



Source: East Bay Association of Realtors

In its November 9, 2023 Publications, the Conference Board forecasts that US economic growth will slow down under mounting pressure early next year, leading to a very short and shallow recession. This outlook is associated with numerous factors, including elevated inflation, high interest rates, dissipating pandemic savings, rising consumer debt, and the resumption of mandatory student loan repayments. They forecast that real GDP will grow by 2.4 percent in 2023, and then fall to 0.8 percent in 2024.

Long-Term Financial Planning

Although Livermore's current financial picture is positive, there are plenty of reasons for concern when we look out further on the financial horizon. The City is on a steady financial course, but still strives to achieve long-term financial stability, which is linked to adequately funding its long-term liabilities. While General Fund reserves are currently fully funded, future liabilities, increasing employee costs, and deferred infrastructure maintenance temper the City's progress.

The single largest unaddressed financial challenge the City faces is the maintenance and replacement of its infrastructure. The City is in the process of developing a comprehensive infrastructure repair and replacement plan so that adequate resources are available when needed. In the meantime, the City established two capital reserves in June 2023 – Existing Asset Maintenance and Repair Reserve and New and Replacement Asset Reserve. As of June 30, 2023, there was a combined balance of $36.4 million in capital reserves. The City funds capital reserves through year-end surpluses and, depending on the City's budget status, annual budget allocations.

Rising pension costs will continue to be a challenge for most public agencies. The City contributes to the California Public Employees' Retirement System (CalPERS) for its Miscellaneous and Safety Police retirement plans. CalPERS implemented a 20-year rate amortization and a five-year phase-in effective from fiscal year 2016-17. The City's "second tier" pension plan (2% at 60) coupled with the Public Employee Pension Reform Act (PEPRA) will reduce employee pension costs in the long-term. City staff will continue to monitor CalPERS changes and suggest prudent strategies to address these increases as the opportunities arise.

The FY 2023-25 Budget allocated approximately $20 million from General Fund resources for capital improvements, representing a significant investment in facility repairs and replacements, sidewalk repairs, street tree removal and replacement, wall repairs, and stormwater projects.

The City of Livermore, along with the San Francisco Bay Area and much of California, is in the middle of a homelessness crisis. The prolonged economic expansion, low interest rates through most of 2022, and housing shortage led to median home values skyrocketing throughout the Bay Area. As mentioned above, the median home price for a single-family home in Livermore is $1.2 million on June 30, 2023. To purchase a median priced home with 10% down requires approximately $120,000 for down payment, $36,000 for closing costs, and approximately $191,600 in annual household income. The average rent in Livermore for a two-bedroom apartment is approximately $2,600 per month. A household will need an annual average income of $104,000 to afford this level of rent.

A five-year General Fund Financial Plan is included in the City's adopted budget. This is a valuable financial planning management tool, especially in challenging financial times, which assists the City Council in setting priorities and educating the community on the long-term state of the City's finances. Inflation and historical growth rates are used to predict levels of expenditures. The expenditure base and revenue base are then adjusted for discrete changes that may occur within the five-year forecast period such as the addition of a major employer, retail center, hotel and/or additional housing development.

Perhaps the best measure of the City's ability to withstand an economic downturn while maintaining current service levels and building sustained growth for the future is its fund balance reserves. In general, a city should maintain sufficient reserves to mitigate potential emergency scenarios. The City committed to maintaining General Fund reserves equal to at least 30% of annual General Fund budgeted expenditures and transfers related to debt service. The City has maintained reserves equal to at least 30% since 2008 except for 2013 when reserves were equal to 29%.

Major Initiatives and Future Projects

As part of the biennial budget process, the City Council sets goals and priorities for the two-year budget cycle. Council goals include high-priority tasks or programs that the City Council intends to address during the budget plan cycle, though attainment of these goals may take several years. The key initiatives included in the adopted biennial budget for FY 2021-23 are as follows:

1. Asset Management and Stormwater: Establish a comprehensive Asset Management Program with a focus on stormwater, ensuring the community continues to receive vital services through a sustainable infrastructure strategy.

2. Downtown: Enhance the City's vibrancy by completing critical projects downtown, ensuring the right balance of local amenities to support quality of life.

3. General Plan Update: Comprehensively Update the Livermore General Plan, including the Housing Element and Programmatic Environmental Impact Report (EIR), to address changes in regional and state policy, market trends, and community preferences, to plan for growth and conservation for the next 25 years to support and enhance Livermore's quality of life.

4. Homelessness and Affordable Housing: Establish a homelessness strategy, engaging local partners to develop a coordinated response, and expand diversity of affordable housing opportunities.

5. Modernization, Training and Workplace Enhancements: Develop a systematic approach to modernizing the City's aging business systems, reviewing processes for alignment with industry best practices, and providing the City's workforce with the tools and training necessary to deliver services effectively and efficiently to the community.

The City made extensive progress towards each of these priorities. Some of the achievements realized during the current fiscal year are as follows:

- Completed construction of Vineyard 2.0: 23 supportive, affordable housing units for formerly homeless individuals with an approximately 10,000 S.F. homeless services facility and community hot meal/dining facility.

- Across L Street from the L Street Garage that is under construction are the Legacy Apartments that are now leasing 222 market rate apartments and approximately 15,000 square feet of ground floor commercial space on First Street. The Legacy project also constructed Flex Zone/Streetscape improvements along both sides of First Street that included wide sidewalks, double rows of street trees, decorative trellises, and sidewalk furniture.

- City Council adopted the updated Housing Element, covering the period from 2023 to 2031. The State Department of Housing and Community Development certified the Housing Element on March 24, 2023.

- The comprehensive General Plan Update, Imaging Livermore 2045, made progress toward identifying a preferred land use scenario and developing new policies. Five larger focus areas were developed by the General Plan Advisory Committee and reviewed by the Planning Commission and City Council. The City conducted extensive community engagement during the spring, summer and fall of 2023 on the focus areas and will develop a preferred land use scenario for consideration by the public, advisory bodies, and City Council in 2024.

- On November 8, 2022, Livermore voters approved Measure P to extend city sewer service beyond the South Livermore Urban Growth Boundary. The purpose of the service is to protect ground water quality and facilitate development of wine country land uses envisioned under the City's South Livermore Valley Specific Plan and Alameda County's South Livermore Valley Area Plan. City and County staff continue to coordinate funding and design of the system.

- On September 20, 2022, the Livermore Planning Commission approved renovation of the historic building located at the northwest corner of South Livermore Avenue and Second Street. The former SBC Building will be the new home of Farmers Union. Taking a cue from the same restaurant in San Jose, which is a staple in their downtown, the cuisine will feature house-smoked meats, seasonal and local vegetables, and comfort food classics. A roof top deck and prominent street presence will contribute to the downtown's revitalization at this prominent corner.

- The City Council adopted the Isabel Neighborhood Specific Plan in November 2020. The Specific Plan envisions a complete neighborhood around the future Valley Link train station. Three residential projects approved in the summer of 2022 and spring of 2023 are now under construction: 89 condominiums and 210 apartments in Shea Portola by Shea Homes and 184 condominiums in two projects by DeNova Homes. Applied for and under review by staff are 139 townhomes and 110 affordable rentals on the Cornerstone Property and approximately 1,300 units and 92,000 sq. ft. of nonresidential uses on 45 acres owned by Harridge.

- Completed 274 space, three level, I Street Garage that integrated with the existing parking garage serving the Livermore Valley Center.
- Repaired storm damage along city creeks and trails from last season's storms.
- Constructed downtown trash enclosure and made upgrades to downtown surface parking lot to serve downtown businesses along First Street and organize solid waste service and access to the areas along Veterans Way and around Stockmen's Park.
- Installed new crosswalks and repaired multi use trails.
- Installed public sewer and water systems on Trevarno Road to replace old and failing lines.
- Began construction on major primary and secondary treatment system upgrades at the Water Reclamation Plant.
- Demolished the old City Council Chambers.
- Repaired the storm drains downstream of the Granada Channel.
- Began upgrades to HVAC system at City Hall and the Police Building.
- Implemented on-line permitting through the City's Accela Citizen Access, ACA for the following permit categories: mechanical, electrical, roofing, water heaters, photovoltaic, furnaces, and EV chargers.
- Completed a pilot leak detection program using satellite and acoustic technology to save 23 million gallons of drinking water per year.
- Refreshed striping of the airfield taxiways and vehicle access roads.
- Implemented a new Flight Tracking and Noise Reporting software.
- Implemented a new Airport Leasing and Development Policy.
- Celebrated Earth Day by distributing 36 tons of compost to 850 households through a Compost Giveaway.
- Began implementation of the Enterprise Resource Program (ERP) integrated financial and human resources system that is expected to be mostly complete by July 1, 2024.

Relevant Financial Policies

Fund Balance Policy In June 2016, the City Council adopted a resolution updating the Livermore Fund Balance Policy to maintain the fiscal stability of the organization, to help maintain the City's credit worthiness, and to provide funds for economic uncertainties, contingencies, and cash flow requirements. The General Fund Financial Stabilization Operating Reserve is set at 15 percent of budgeted operating expenditures plus debt service transfers to be used in a catastrophic event or in a major emergency or in periods of severe fiscal crisis. The General Fund Economic Uncertainty Reserve is set at 13.5 percent of budgeted operating expenditures plus debt service transfers to be used during times of severe economic distress such as protracted recessionary periods or other impactful unforeseen events which greatly diminish the financial ability of the City to deliver core services. Minimum unassigned fund balance is set at 1.5 percent of the budgeted operating expenditures plus transfers for debt service.

Infrastructure Repair and Replacement Funding As previously noted, Council adopted a resolution creating two capital reserves for general government-owned facilities and infrastructure to help ensure there is sufficient funding to address the City's capital needs – Existing Asset Maintenance and Repair Reserve Fund and the New and Replacement Aset Reserve Fund.

Debt Management and Disclosure policy The City's Debt Management and Disclosure Policy is intended to ensure compliance by the City with all applicable federal and state securities laws and regulations; to achieve the highest practical credit ratings within the context of the City's financing needs and financing capabilities; and to establish maximum limits on the amounts of debt outstanding and the amount of annual debt service the City will consider. This policy sets a ceiling for the cumulative annual payments related to debt from the General Fund at 7.5 percent of the previous fiscal year's General Fund revenue.

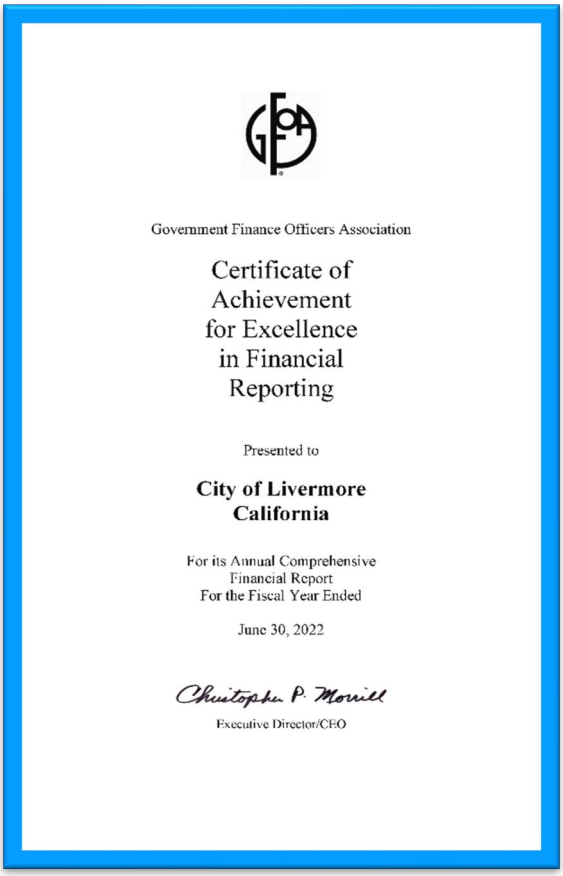
Timeliness of Financial Reporting Practices The City believes that time is of the essence in the publication of Budget and Annual Comprehensive Financial Report documents. The budget is adopted before June 30 and loaded into the financial system on the first day of the new fiscal year. The ACFR publication date is generally within 180 days of the close of the fiscal year. The City's major financial documents are available on the web at www.livermoreca.gov.

Achievement Awards

GFOA Financial Reporting Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Livermore for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 34th consecutive year that the City of Livermore has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Livermore
California

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

Acknowledgments

This report represents the culmination of dedicated efforts by City staff both inside and outside of the Finance Division. The preparation of this report on a timely basis could not have been accomplished without the hard work and team effort of the entire financial reporting team. I wish to thank all departments for their assistance in providing the data necessary to prepare this report. I would like to express my appreciation and thanks to Ahmad Gharaibeh and his staff at Eide Bailly LLP. Credit is also due to the mayor and the City Council members for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Very truly yours,

Tina Olson
Administrative Services Director

Directory of City Officials
As of June 30, 2023

Elected Officials



Mayor
John Marchand



Vice Mayor
Brittni Kiick



Council Member
Ben Barrientos



Council Member
Evan Branning



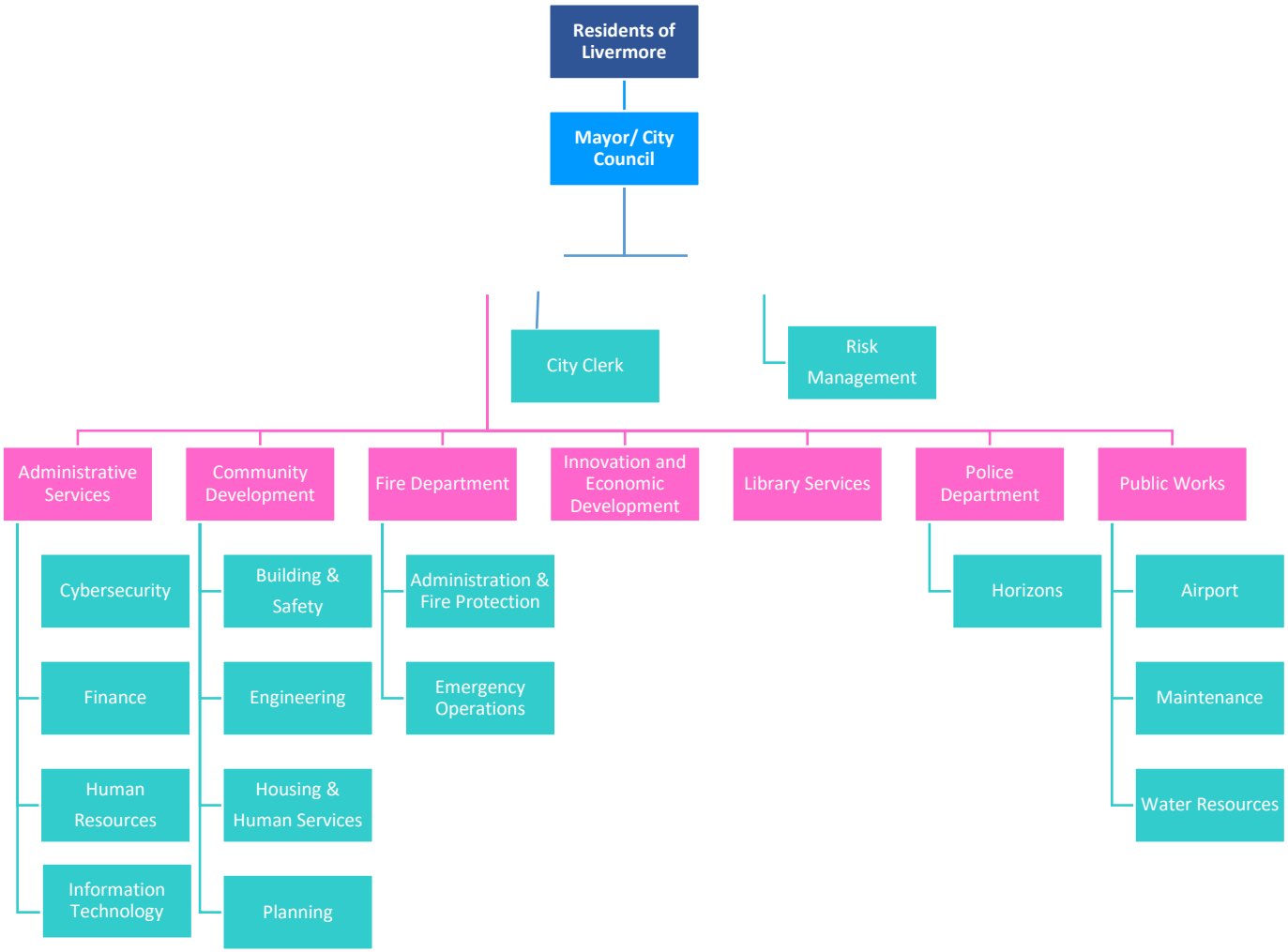
Council Member
Bob Carling

Executive Team

Marianna Marysheva City Manager	Jason Alcala City Attorney

Assistant City Manager	Christine Martin
Deputy City Manager/City Clerk	Marie Weber
Director of Administrative Services	Tina Olson
Director of Community Development	Paul Spence
Director of Innovation & Economic Development	Brandon Cardwell
Director of Library Services	Anwan Baker
Director of Public Works	Scott Lanphier
Fire Chief	Joe Testa
Police Chief	Jeramy Young

Organization Chart
As of June 30, 2023



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Financial Section
June 30, 2023

City of Livermore

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To Honorable Mayor and Members
of the City Council of the City of Livermore
Livermore, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Livermore,California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Correction of an Error

As discussed in Note 19 to the financial statements, the prior year financial statements contained an error that was discovered during the current year. The prior year financial statements underreported certain notes receivables that were tracked by the City's contractor. Accordingly, the beginning net position of the governmental activities, the fund balance of the Low Income Housing-Special Revenue Fund and the fund balance of the Nonmajor Governmental Funds has been restated to include the additional beginning balances of the notes receivables. Our opinions are not modified with respect to this matter.

Adoption of a New Accounting Standard

As discussed in Note 19 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Accordingly, a restatement has been made to the Governmental Activities, Business-Type Activities, the Water, the Sewer and the Storm Water funds' net position as of July 1, 2022, to restate the beginning net position and fund balances. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual, Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios, Schedule of Pension Contributions, Schedule of Changes in the City's Net OPEB Liability and Related Ratios, and Schedule of OPEB Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
December 31, 2023

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Management's Discussion and Analysis

The purpose of the Management's Discussion and Analysis is to offer to the reader of the City's financial statements a narrative overview and analysis of the financial activities of the City of Livermore for the fiscal year ended June 30, 2023. The reader is encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal, which can be found on pages i-xi of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Livermore exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2023 by $702.9 million (net position). Of this amount, $71.8 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's net position increased 5.64 percent (or $37.6 million) for the current fiscal year to $702.9 million from a net position balance of $665.3 million in the prior fiscal year of which $30.8 million was generated by governmental activities and $6.8 million was generated by business-type activities.

- The City's Net Pension liability increased $71.7 million from $83.5 million in the prior year to $155.2 million in the current fiscal year, largely changes in value of investment returns of the City's pension plan with CalPERS. CalPERS reports have a measurement date one year behind the financials, and the City is expecting the Net Pension liability to increase slightly in next year's financials due to investment gains underperforming in FY23.

- The City's Net OPEB liability decreased $12.6 million from $42.9 million in the prior year to $30.3 million in the current fiscal year, largely due to changes in investment returns of $5.7 million in fiscal year 2023.

- The City had a total unrealized loss on investments for the year of $17.4 million for fiscal year 2023. This is coming from the City's portfolio having a market value loss of $13.1 million in fiscal year 2022, and a loss of $4.3 million in fiscal year 2023. The decline was due to continued federal rate hikes to combat inflation. The City should see this number narrow in future years as maturing investments are reinvested at higher rates. The City did not incur any actual losses. Actual investment income was $5.6 million in fiscal year 2023.

- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of $274.6 million, an increase of $60.7 million from the prior fiscal year's fund balance of $213.9 million due to issuance of new debt for $40.1 million along with an increase in the City's property tax revenues and other expenditure savings.

- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was $78.2 million, or approximately 61.3 percent of total general fund expenditures, and transfers out.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all the City's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City is improving or declining.

The *Statement of Activities* presents information showing how the City's Net Position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. This is known as the full accrual basis of accounting.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include the following functions: General Government (city council, city manager, city attorney, city clerk, finance, human resources), fire, police, public services, community development, economic development, and library. The business-type activities of the City include airport, water, sewer, and stormwater.

The government-wide financial statements include not only the City itself (known as the primary government) but also the activities of its legally separate component unit, the Livermore Capital Projects Financing Authority (LCPFA). Since the City Council acts as the governing board for LCPFA and because this component unit functions as part of the City government, its activities are blended with those of the primary government. The government-wide financial statements can be found on pages 23-24 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been designated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may be useful in evaluating the City's near-term financial requirements. The basis of accounting in governmental funds is known as the modified accrual basis.

The focus of fund financial statements is narrower than that of government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the City's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. This is required because the government-wide statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting.

The governmental fund financial statements provide separate information for all major funds, while non-major funds are combined in a single column. In the FY 2022-23, the City identified three major governmental funds, which are the General Fund, the Low-Income Housing Fund, and the 2022 COPS Construction Capital Projects Fund.

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its airport, water, sewer, and stormwater activities. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its retained risk for general liability and workers' compensation, and for its fleet and equipment services, information technology, cybersecurity, and facilities rehabilitation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all four of the City's enterprise funds. These funds are Airport, Water, Sewer, and Stormwater. All of the City's internal service funds are combined into a single, aggregated presentation in the propriety fund financial statements. Individual fund data for the internal service funds is provided in the *Supplemental Information* section of this report.

Fiduciary Statements

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its own operations.

The City maintains two different types of fiduciary funds. The Private-Purpose Trust Fund is used to account for the assets and liabilities held in trust for the Successor Agency to the former Redevelopment Agency; and Custodial Funds are used to account for monies collected and disbursed in a custodial capacity for the Livermore Pleasanton Fire District JPA and other agencies. The fiduciary fund financial statements can be found on pages 35-36.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide important additional information that is essential to a full understanding of the data reported in the government-wide and fund financial statements. The notes to the basic financial Statements are found on pages 37-93.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to the City's changes in net pension liability, employer's contribution to the pension plans, the Schedule of Changes in the City's OPEB Liability, the Schedule of Contributions for other post-employment benefits, and the budgetary comparison schedules for major governmental funds. Required supplementary information can be found on pages 94-103.

Individual fund data for non-major governmental funds, internal services funds, and fiduciary funds are presented immediately following the required supplementary information beginning on pages 104-134 of this report.

Government-wide Financial Analysis

As noted earlier, the City's net position may serve over time as a useful indicator of whether the City's financial position is improving or deteriorating. Other factors, such as market conditions, should be considered when measuring the City's overall financial position. This analysis focuses on the net position and changes in net position of the City as a whole. As shown in the chart below, total government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $701.2 million, at the close of the most recent fiscal year.

Long-term liabilities, which consists mostly of claims, debt, compensated absences, pension, and postemployment benefit obligations, increased by $97.7 million from the previous year for governmental and business-type activities combined. The City's debt increased by $35.8 million primarily due to the new issuance of the certificates of participation for $40.2 million, as discussed later under Debt Administration section. The claims liability increased $3.0 million due to increases in actuarially determined claims liability. The increase in the City's total pension liability of $71.7 million was partially offset by a decrease of $12.6 million in net OPEB liability.

City of Livermore Net Position (in Millions)

	Governmental actitivies		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	$ 293.8	$ 218.9	$ 167.7	$ 165.5	$ 461.5	$ 384.4
Capital assets	389.5	383.9	146.5	147.8	536.0	531.7
Total assets	**683.3**	**602.8**	**314.2**	**313.3**	**997.5**	**916.1**
Total Deferred outflows of resources	**52.4**	**25.6**	**6.9**	**3.1**	**59.3**	**28.7**
Liabilities:						
Long-term liabilities outstanding	257.0	167.2	33.0	25.1	290.0	192.3
Other liabilities	33.0	25.5	6.7	11.1	39.7	36.6
Total liabilities	**290.0**	**192.7**	**39.7**	**36.2**	**329.7**	**228.9**
Total Deferred inflows of resources	**11.2**	**42.5**	**12.9**	**18.6**	**24.1**	**61.1**
Net position:						
Net investment in capital assets	330.0	329.9	139.2	140.4	469.2	470.3
Restricted	196.0	137.9	-	-	196.0	137.9
Unrestricted	(91.6)	(74.6)	129.2	121.2	37.6	46.6
Total net position	**$ 434.4**	**$ 393.2**	**$ 268.4**	**$ 261.6**	**$ 702.8**	**$ 654.8**

By far, the largest portion of the City's net position ($469.2 million or 66.75 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the City is unlikely to use the capital assets themselves to liquidate these liabilities.

An additional portion of the City's net position ($196.0 million or 27.89 percent) represents resources that may be used only for specified capital projects, special revenue programs, or landscape and maintenance. The restrictions on these funds were placed there by outside agencies and are not subject to change by the City.

At the end of the current fiscal year, except for unrestricted net position, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate business-type activities. The unrestricted category for governmental activities had a deficit balance of $91.6 million as of the end of the current fiscal year. The deficit is caused primarily by the approximately $88.5 million for the unfunded pension liabilities and $29.3 million in postemployment liabilities including the related deferred inflows and outflows of resources. The unfunded net pension liabilities and net OPEB liabilities will be funded annually in accordance with actuarially determined contribution rates. The positive component of the governmental activities unrestricted net position, excluding the effects of pension and OPEB liabilities, is $26.2 million and may be used to meet the City's ongoing obligations to citizens and creditors.

Overall, the City's net position increased by $37.6 million to $702.9 million in the current fiscal year from $665.3 million for the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Changes in Net Position (in Millions)						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	$ 16.7	$ 16.2	$ 52.2	$ 50.6	$ 68.9	$ 66.8
Operating contributions and grants	15.8	17.8	0.6	0.5	16.4	18.3
Capital grants and contributions	3.3	4.9	2.7	1.7	6.0	6.6
Total program revenues	35.8	38.9	55.5	52.8	91.3	91.7
General revenues:						
Property taxes	44.8	40.8	-	-	44.8	40.8
Sales taxes	39.0	39.9	-	-	39.0	39.9
Other taxes	25.9	18.4	-	-	25.9	18.4
Intergovernmental	12.2	10.0	-	-	12.2	10.0
Investment income	4.0	(7.7)	0.8	(3.0)	4.8	(10.7)
Miscellaneous	8.8	8.0	-	-	8.8	8.0
Total general revenues	134.7	109.4	0.8	(3.0)	135.5	106.4
Total Revenues	170.5	148.3	56.3	49.8	226.8	198.1
Expenses						
General Government	15.5	14.3	-	-	15.5	14.3
Fire	25.4	21.1	-	-	25.4	21.1
Police	41.0	39.0	-	-	41.0	39.0
Public Works	21.4	23.8	-	-	21.4	23.8
Community Development	21.5	26.6	-	-	21.5	26.6
Economic Development	2.9	2.6	-	-	2.9	2.6
Library	6.9	6.3	-	-	6.9	6.3
Interest on long term debt	2.8	1.1	-	-	2.8	1.1
Airport	-	-	3.0	3.5	3.0	3.5
Water	-	-	18.3	17.1	18.3	17.1
Sewer	-	-	25.2	23.8	25.2	23.8
Stormwater	-	-	5.3	5.1	5.3	5.1
Total expenses	137.4	134.8	51.8	49.5	189.2	184.3
Increase (Decrease) in Net Position before transfers	33.1	13.5	4.5	0.3	37.6	13.8
Transfers, net	(2.3)	(2.9)	2.3	2.9	-	-
Changes in net position	**30.8**	**10.6**	**6.8**	**3.2**	**37.6**	**13.8**
Net position - Beginning as restated	403.7	382.6	261.6	258.4	665.3	641.0
Net position - Ending	$ 434.5	$ 393.2	$ 268.4	$ 261.6	$ 702.9	$ 654.8

Governmental Activities

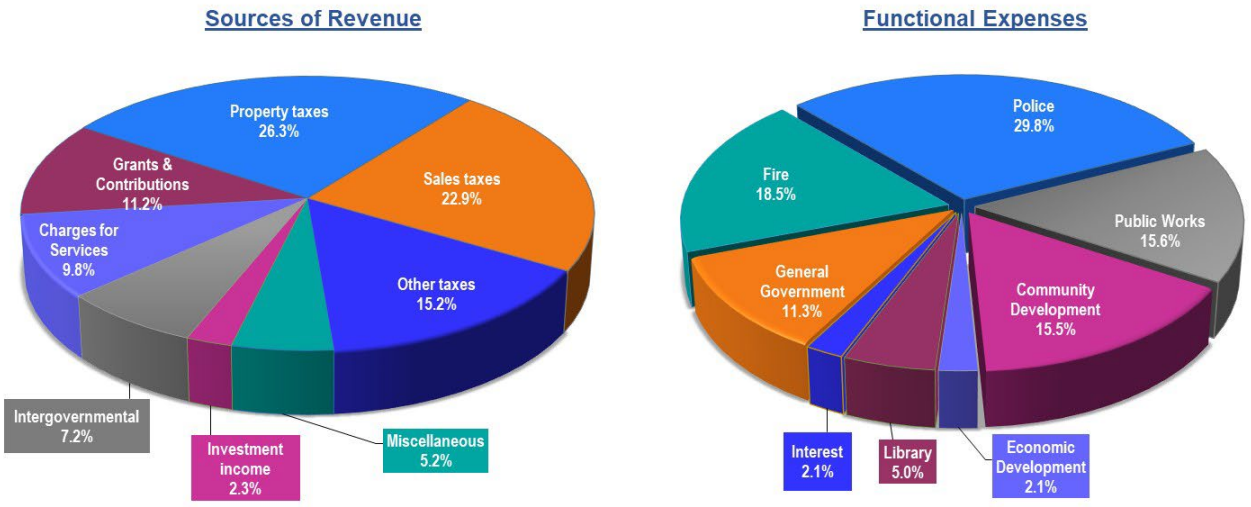
The *Statement of Activities* presents program revenues and expenses, and general revenues in detail. The City's governmental activities Net Position was $434.4 million on June 30, 2023, an increase of $30.7 million over the 2022 balance of $403.7 million.

Total revenues of governmental activities were $170.5 million. The largest component of total revenue is taxes at $109.7 million, making up 64.3 percent of total revenues. As shown in table on the previous page, $35.8 million, or 21.0 percent, of the City's Governmental revenue in the current year came from program revenues out of which charges for services accounted for 9.8 percent of total governmental revenues while Operating and Capital Grants made up 11.2 percent of the total governmental revenues.

Program revenues for governmental activities decreased by $3.1 million during the year due to a reduction of $3.6 million for total grants and contributions, offset by a $0.5 million increase in charges for services. General revenues experienced an increase of $25.3 million in the current year primarily due to an increase of $10.6 million in taxes, $0.8 million in miscellaneous, and $11.7 million in investment income. You can find additional details under the Fund Financial Statements Analysis.

The sources of the revenues shown previously are portrayed in the chart below by percentage for the Governmental Activities. The City's reliance upon tax revenues is evident from the sources of revenue chart, indicating that more than half of the City's total governmental activities revenue comes from general tax revenues. This is consistent with the nature and purpose of governmental funds, particularly in the General Fund, where programs are largely supported by general taxes.

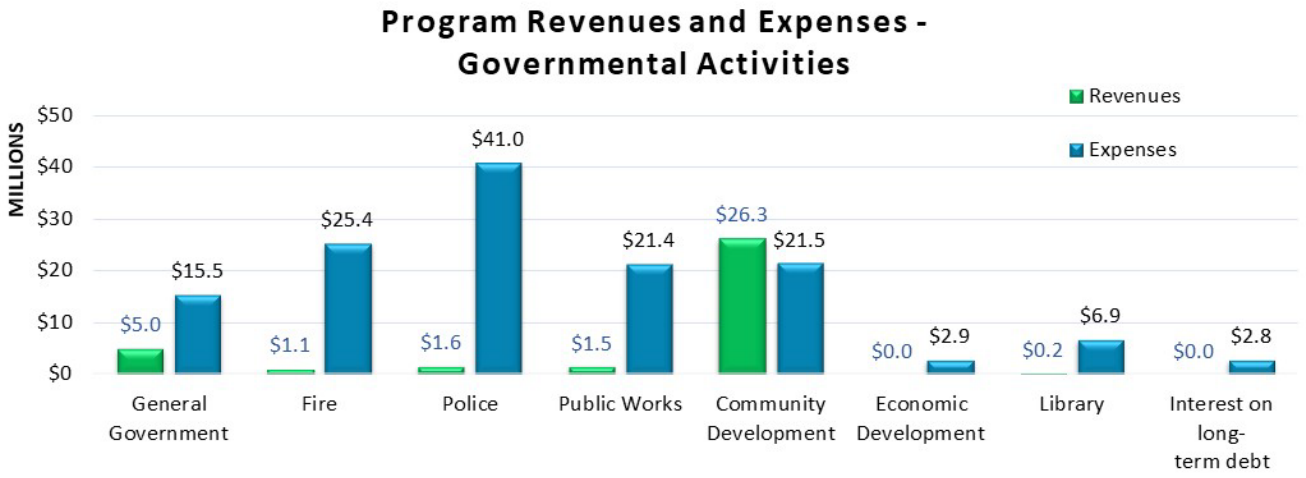
Citywide Governmental Activities



Total expenses were $137.5 million in the current fiscal year, an increase of $2.7 million from the prior year. The largest increase was in interest on long-term debt of $1.7 million, while the largest decreases were in Public Works and Community Development of $1.1 and $6.3 million, respectively.

The Functional Expenses chart above shows Police and Fire accounted for 48.3 percent of total governmental expenses while Community Development accounted for 14.7 percent, Public Works 16.5 percent and other governmental programs 20.4 percent.

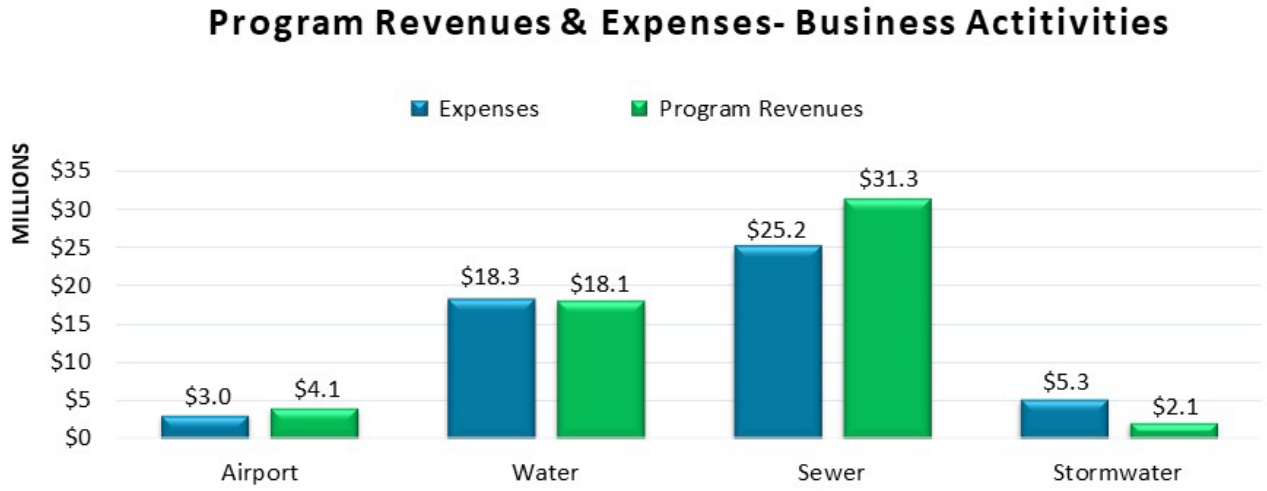
As shown in the graph below, during the current fiscal year, the cost of all activities except for Community Development exceeded the revenue generated by those programs. This is to be expected as other general sources of revenues such as property taxes, sales taxes, other taxes, and investment income are used to subsidize the gap between program expenditures and program revenues.



Business-type Activities

For the City's business-type activities, the results for the current fiscal year were positive in that the overall net position increased to reach an ending balance of $268.4 million. The total increase in net position for business-type activities was $6.8 million or 2.6 percent from the prior fiscal year. Overall business type program revenues increased by $2.7 million from the prior year level of $52.8 million to $55.5 million in the current fiscal year. The increase was mostly due to an increase of $1.6 million in charges for services.

Program expenses increased by $2.3 million to a total of $51.8 million in the current year. The major reason for the increase is related to increased pension expense in the fiscal year coming from their proportionate share of the CalPERS total pension liability.



Analysis of the Fund Statements

The table below summarizes the activities and balances of governmental funds. As of June 30, 2023, the City's governmental funds reported combined fund balances of $274.6 million, an increase of $60.7 million from the prior year ending fund balance of $213.8 million. Approximately 0.2 percent of this amount ($0.6 million) is available for spending at the government's discretion (unassigned fund balance). See Note 10 for detailed classifications of the City's governmental fund balances.

During the current fiscal year, the City experienced an overall increase of $20.7 million in revenues for the governmental funds primarily due to increase the property tax, other tax and interest income revenues.

Financial Highlights at Fund Level at June 30 (in Millions)

Governmental Funds	2023	2022
Total assets	$ 307.5	$ 229.6
Total liabilities	24.4	19.6
Total deferred inflows	8.5	31.0
Total fund balances	274.6	179.0
Total revenues	168.4	147.7
Total expenditures	147.0	162.9
Total other financing sources (uses)	39.3	(1.8)

The following are contributing factors affecting the revenues this fiscal year:

- Property tax revenues grew $4.0 million in the current fiscal year primarily from assessed valuation growth.
- Overall sales tax revenues decreased approximately $0.9 million compared to the prior fiscal year as inflation and rising interest rates slowed large purchases.
- Use of money and property increased $6.3 million as interest rates rose throughout the year and the year end market value adjustment loss narrowed in the current year.
- Miscellaneous revenue increased $6.1 million, mostly coming from a settlement with the two national labs for past business license taxes.

In fiscal year 2022-23 expenditures for governmental funds totaled $147.0 million, a decrease of $15.9 million (or 10.8%) from the fiscal year 2021-22 total of $162.9 million. Over half of this increase was due to a decrease of $9.5 million in capital projects and an increase of $2.2 million in debt service. The rest of the decreases were due to salary savings and decreased repair and maintenance expenses with Community Development leading the way with a decrease of $8.8 million followed by public works with a decrease of $2.6 million.

Analyses of Major Governmental Funds

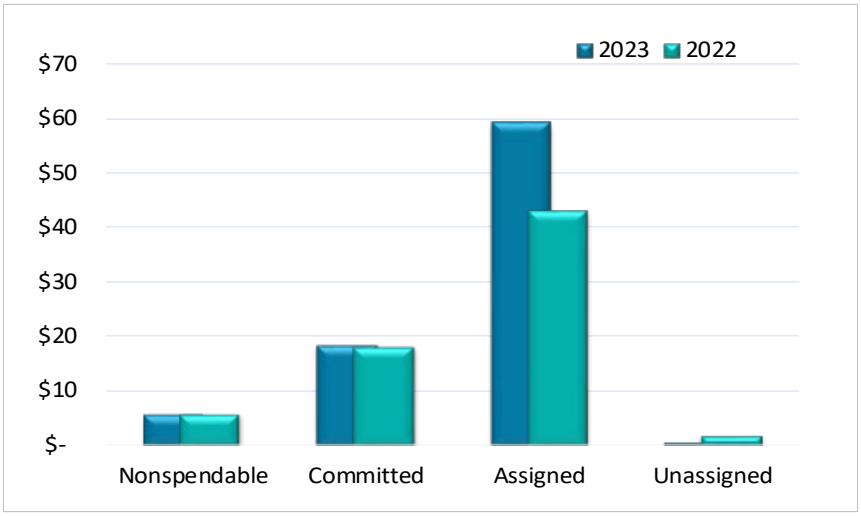
General Fund

The General Fund is the chief operating fund of the City of Livermore. At the end of the current fiscal year, the total fund balance of the General Fund was $83.9 million, out of which $0.6 million was unassigned.

As a measure of the General Fund liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures and transfers-out. The unassigned fund balance of $0.6 million represents approximately 0.5 percent of total General Fund expenditures and transfers out, while the total fund balance of $83.9 million represents approximately 70.36 percent of the same amount.

The non-spendable fund balance of $5.7 million represents balances set aside for specific items and therefore, are unavailable. The Committed Fund Balance of $18.5 million represents Financial Stabilization Operating Reserve which can only be used in a catastrophic event, major emergency, or in periods of severe fiscal crisis. The Assigned General Fund Balance of $59.1 million represents the Economic Uncertainty Reserve, CIP, and Infrastructure Replacement reserve. The Economic Uncertainty Reserve will be used during times of protracted recessionary periods. The shift in Unassigned Reserves in fiscal year 2021-22 to Assigned Reserves in fiscal year 2022-23 comes from Council's approval of Assigning the budgetary surplus to the Infrastructure Reserve in fiscal year 2022-23. See Note 10 for further information.

Fund Balance Categories- General Fund



Local taxes, including property tax, sales taxes, transient occupancy tax, and business license taxes are the primary revenue source for the General Fund, constituting 73.9 percent of revenues in the fiscal year 2022-23. These revenue sources are highly susceptible to economic fluctuations.

The General Fund revenues were $142.4 million in the fiscal year 2022-23, a $15.4 million increase from the prior fiscal year amount of $127.0 million. As discussed in detail under "The City's Fund Financial Statements", increase mainly came from property tax, use of money and property, and miscellaneous categories while intergovernmental and sales tax decreased from the prior year. The decrease in intergovernmental revenues was expected this year as the American Rescue Plan Act (ARPA) funding was completed in fiscal year 2022, with nothing recognized as revenue in the current fiscal year, down from $5.5 million in the previous year. Adjusting for the $5.5 million one-time ARPA revenue source, ongoing intergovernmental revenue saw an increase of $0.9 million in the current fiscal year.

General Fund Statement of Revenues, Expenditures And Changes In Fund Balances (in Millions)	2023	2022
REVENUES		
Property taxes and special assessments	$44.8	$40.8
Sales Taxes	39.0	39.9
Other taxes	21.4	18.4
Licenses and permits	4.0	4.2
Intergovernmental	12.2	16.8
Contributions from outside sources	0.0	-
Fines and forfeitures	0.4	0.4
Charges for current services	9.0	7.3
Use of money and property	3.8	(2.5)
Miscellaneous	7.8	1.7
Total Revenues	142.4	127.0
EXPENDITURES		
Current:		
General Government:	15.8	15.8
Fire	24.9	24.3
Police	42.4	40.2
Public Works	8.7	11.1
Community Development	16.3	19.0
Economic Development	2.9	2.8
Library	6.3	6.3
Capital Outlay	1.3	10.4
Debt service:		
Principal	0.0	0.0
Interest and fiscal charges	0.0	0.0
Total Expenditures	118.6	129.8
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23.7	(2.8)
OTHER FINANCING SOURCES (USES)		
Transfers in	0.3	0.8
Transfers (out)	-8.2	(6.4)
Total Other Financing Sources (Uses)	-7.9	(5.6)
NET CHANGE IN FUND BALANCES	15.1	(8.4)
FUND BALANCES- BEGINNING as restated	68.8	77.2
FUND BALANCES- ENDING	$ 83.9	$ 68.8

The table on the following page shows the original budget, final amended budget, and the actual results for the current fiscal year. The original budget was amended to reflect the change in economic expectations between the adoption of the original and final budget. The variances computed are between the final budget and actual results.

General Fund property tax revenues increased as a result of increased assessed values and home sales from the previous fiscal year. Use of money and property was $0.1 million under budget and this was due to the yearly unrealized market value adjustment of nearly $2.0 million that is not budgeted. Miscellaneous Revenue saw an increase of $7.4 million mostly due to the recognition of a settlement with the two national labs on past business license taxes.

From an expenditure perspective, total expenditures and transfers out came under budget. Expenditures for most departments were under budget for the fiscal year primarily due to vacant positions. The General Government, Police, and capital outlay out accounted for $7.4 million under budget. The other departments variances totaled $2.9 million under budget, with Economic Development being the only department over budget by $0.1 million due to higher than expected expenses for their economic incentive program.

General Fund Budgetary and Actual Variance Analysis (in Millions)

	Original Budget	Final Budget	Actual	Variance Final Budget to Actual Positive/ (Negative)	Variance Final Budget to Actual (%)
Revenues and transfers in:					
Property taxes	$43.0	$43.4	$44.8	$1.4	3.1%
Sales taxes	39.0	39.0	39.0	0.0	-0.04%
Other taxes	20.6	21.7	21.4	-0.3	-1.35%
Licenses and permits	3.2	3.5	4.0	0.5	13.55%
Intergovernmental	12.4	12.4	12.2	-0.2	-1.51%
Contritbutions from outside sources	0.0	0.0	0.0	0.0	-100.00%
Fines and forfeitures	0.4	0.4	0.4	0.0	11.06%
Charges for current services	8.6	7.6	9.0	1.4	17.77%
Use of money and property	3.9	3.9	3.8	-0.1	-2.36%
Miscellaneous	0.5	0.5	7.8	7.4	1551.09%
Total revenues	131.6	132.4	142.4	10.0	7.5%
Transfers in	0.9	0.9	0.3	-0.6	-70.07%
Total revenues and transfers in	$132.5	$133.3	$142.6	$9.3	7.00%
Expenditures and transfers out:					
General Government:	$16.9	$16.9	$15.8	$1.1	6.5%
Fire	25.4	25.4	24.9	0.5	1.9%
Police	44.5	44.5	42.4	2.1	4.7%
Public Works	9.3	9.3	8.7	0.6	6.5%
Community Development	20.5	20.5	16.3	4.2	20.7%
Economic Development	2.8	2.8	2.9	-0.1	-3.5%
Library	6.9	6.9	6.3	0.6	8.3%
Capital projects	1.9	2.5	1.3	1.2	49.9%
Debt service	0.7	0.7	0.7	0.0	0.0%
Total expenditures	128.9	129.5	119.3	10.3	7.9%
Transfers out	8.2	8.2	8.2	0.0	0.2%
Total expenditures and transfers out	$137.1	$137.8	$127.5	$10.3	7.45%

Low Income Housing Fund
This fund is established to account for the receipt and disbursement of in-lieu low-income housing impact fees collected from developers and used to finance affordable housing developed offsite. In the current year revenues increased by $2.2 million mostly from loan repayments and the gain on sale of land, while expenditures decreased by $4.3 million due to new housing loans or notes not being classified as expenses in the current year.

Analysis of Major Enterprise Funds

Airport Fund
The Livermore Municipal Airport is a General Aviation Reliever Airport, which serves private, business and corporate tenants and customers. Airport revenues are primarily comprised of short and medium-term hangar and tie-down space rents as well as Fixed Base Operator (FBO) and approved non-aeronautical ground rents. The Airport leases 393 hangar units and has 134 aircraft tie-down spaces. Approximately 450 aircraft are currently based at the Airport and all hangar units are occupied.

Operating revenue of $3.5 million was comparable to previous fiscal year. Operating expenses decreased by $.5 million due to high repairs and maintenance expense in prior fiscal year for the FBO building flood proofing project.

Water Fund
The Water Enterprise purchases potable water from water wholesaler Zone 7 Water Agency, and then distributes the water to customers in the Livermore Municipal Water service area. The City's municipal water service area has a combined residential and commercial customer base of approximately 10,500 water accounts. Each water bill consists of a flat rate City meter service charge based on the size of meter that is located at the property (fixed charge), a City consumption charge for water used at the property (variable charge), and pass-through of wholesale water charges. Effective January 1, 2017, the wholesale rate structure was changed by Zone 7 to include fixed and volume-based rates.

Water operating revenue dropped slightly from $17.6 million to $17.4 million. In fiscal year 2022-23, a new five-year Livermore Municipal water rate schedule became effective. A major change included in this new rate schedule was an effective date move from July 1st to January 1st each year. This date change resulted in rate increases being reflected in only the last six months of the fiscal year. The change was implemented to align with Zone 7 pass-through rate changes. Recycled water revenue decreased by $.2 million from prior year as the 2023 recycled water rate was reduced by 17%.

Operating expenses were $.8 million higher compared to prior year, primarily due to increases in the purchase of water from Zone 7 and employee pension categories. Pension expense is affected by CalPERS investment returns each year. Net nonoperating revenues (expenses) increased by $1.1 million due to year end market value adjustment of the City's investments. Capital contribution revenue increased by $.6 million due to reimbursement of water connection expenditures for the Trevarno Road project.

Sewer Fund
The Sewer Enterprise is responsible for the operation, maintenance, and periodic replacement of the City's sewer, collection system, wastewater treatment and recycled water production systems. It operates and maintains the Livermore Water Reclamation Plant, which provides wastewater treatment and disposal, and produces recycled water for landscape irrigation and other uses. The Plant currently treats approximately 6.2 million gallons of wastewater each day from throughout the Livermore area.

The Sewer Fund's net operating income was $5 million in the current fiscal year compared to $3.8 million in fiscal year 2021-22. Operating revenues were $1.9 million higher in the current year, primarily due to an increase in sewer rates. Revenue is expected to continue to rise as the City Council has approved rate increases in each of the next two fiscal years. Operating expenses of $24.7 million experienced a modest increase from $23.9 million in the prior year.

Nonoperating revenues (expenses) increased by $2.1 million due to year end market value adjustment of the City's investments. Contribution revenue for conveyed properties decreased by $.6 million as the prior year revenue included Pleasant View Lane annexation improvements.

Stormwater Fund

The Stormwater Enterprise is responsible for costs associated with the implementation of the City's stormwater management and discharge control program along with the operation and periodic replacement of the stormwater conveyance system. Operating revenues of $1.1 million remained flat while capital contributions revenue rose by $.3 million from prior year. The capital contributions revenue reflects Republic Square storm drain infrastructure conveyed to the City.

Operational expense of $5.2 million was comparable to the previous fiscal year. Contracted services decreased by $.4 million which was largely offset by an increase of $.3 million in cost of sales, salaries, and benefits expenditures.

Capital Assets

GASB 34 requires the City to record all its capital assets including infrastructure. Infrastructure includes roads, bridges, signals, and similar assets used by the entire population. The City depreciates all its capital assets over their estimated useful lives, as required by GASB 34. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users.

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to $535.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads, highways, and the water reclamation plant. At the end of fiscal years 2022-23 and 2021-22, the cost of capital assets recorded on the City's financial statements was as shown in the table as following.

Capital Assets at Year-end (in Millions)	Governmental actitivies		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Land and Land Improvements	$ 43.8	$ 43.8	$ 14.0	$ 14.0	$ 57.8	$ 57.8
Intangible Assets	4.5	4.5	-	-	4.5	4.5
Construction in progress	85.3	73.4	14.1	8.1	99.4	81.5
Buildings	123.6	123.7	22.7	22.7	146.3	146.4
Equipment and vehicles	36.6	36.6	9.2	9.9	45.8	46.5
Infrastructure	375.0	373.0	-	-	375.0	373.0
Airport Infrastructure	-	-	12.0	12.8	12.0	12.8
Water Infrastructure	-	-	59.9	59.9	59.9	59.9
Sewer Infrastructure	-	-	142.1	143.0	142.1	143.0
Stormwater Infrastructure	-	-	112.3	112.1	112.3	112.1
Right-to-use subscription IT assets	4.0	-	0.4	-	4.4	-
Less accumulated depreciation and ar	(283.3)	(271.2)	(240.3)	(234.6)	(523.6)	(505.8)
Totals	**$ 389.5**	**$ 383.8**	**$ 146.4**	**$ 147.9**	**$ 535.9**	**$ 531.7**

The total capital assets for the current fiscal year increased approximately $4.2 million (or 0.8 percent) due to depreciation being less than new assets added. Major additions to capital asset during fiscal year 2022-23 included the following:

- Construction in progress for governmental activities increased by $11.9 million, with $6.0 million due to the start of site preparation and construction of the L Street garage.
- There was a similar increase in construction in progress of $6.0 million in business-type activities, with $3.5 million due to continued work on a major project for WRP Primary & Secondary Treatment Improvements.

Additional information on capital assets may be found in Note 7 on pages 55-57 of this report.

Debt Administration

Each of the City's debt issues is discussed in detail in Note 8 to the financial statements. As of June 30, 2023, and 2022, the City's debt comprised the following:

Outstanding Debt (in Millions)	Governmental actitivies		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Certificates of Participation	$ 84.3	$ 47.0	$ 6.7	$ 7.2	$ 91.0	$ 54.2
Notes payable	0.7	0.8	-	-	0.7	0.8
Capital Leases	5.4	6.1	0.2	0.2	5.6	6.3
Totals	**$ 90.4**	**$ 53.9**	**$ 6.9**	**$ 7.4**	**$ 97.3**	**$ 61.3**

The outstanding debt in the current fiscal year increased by $36.5 million for the governmental activities and decreased by $0.5 million for business type activities. The increase is primarily due to the 2022 COPS being issued to fund the L Street garage project. The decrease in business type debt of $0.5 million is due to continued payments and amortization of premiums on the 2020 COPS and other debt payments. Refer to note 8 for further information.

In October 2022, the S&P global rating services reaffirmed the City's bond ratings at AA noting the city had a steady recovery from the COVID-19 pandemic, with property and sales tax increasing over the past three years along with a very strong housing market and continued residential and commercial development. The credit reports highlighted the City's consistent positive financial performance, strong reserves, and unassigned fund balance, as well as strong management throughout economic cycles. They noted that increasing pension costs are something the City needs to plan for.

Economic Factors and Next Year's Budget

The economic factors affecting the City and its long-term financial plan are discussed in detail in the accompanying Transmittal Letter.

The total appropriation for fiscal year 2023-24 is $363.5 million for all City activities, including allocations to fund balance reserves. The fiscal year 2023-24 budget continues to provide resources for the City's long-term obligations, including fleet and information technology replacement needs, capital improvements, and other post-employment benefits.

Property tax revenue in fiscal year 2023-24 is projected to be $46.6 million, an increase of 7.4%, or $3.2 million, compared to current year's budgeted revenue as property values are expected to continue to rise because of additional development and increased property value. Sales tax is projected to be $40.8 million, an increase of 4.6%, or $1.8 million, for the next fiscal year compared to the current year's budgeted revenue. The City will evaluate the local economic conditions as well as the City's portfolio of the sales tax producers, and revise the sales tax forecast in next budget cycle, as appropriate. Use of money and property is projected to be $5.8 million, an increase of 48.7%, or $1.9 million compared to current year's budgeted revenue as interest rates rose causing increases to investment income. Other revenues have also been projected slightly upwards to reflect anticipated increase in demand for services.

The General Fund budget for fiscal year 2023-24 provides $143.1 million in resources, and $151.7 million in uses, including $1.9 million for the Capital Improvement Plan (CIP). The Proposed Financial Plan Update shows a General Fund budget shortfall of $7.4 million in fiscal year 2023-24 that will require use of capital reserves to fund $6.4 million in capital projects in fiscal year 2023-24 and $980,000 use of fund balance for contracts carried forward in FY 2022-23.

The General Fund's operating expenditures are projected to grow by $8.4 million to $137.3 million from fiscal year 2022-23 budgeted expenditures of $128.9 million with anticipated increases in employment-related costs, consulting services and other costs associated with the capital projects, as well as the undertaking of other important projects such as the ERP implementation and asset management-related efforts.

The fund balance for the General Fund at the end of operations for FY 2023-24 is estimated at $79.6 million with $77.1 million in reserves and $2.5 million in spendable fund balance available for appropriations, excluding capital reserves.

Requests for Information

The Annual Comprehensive Financial Report is intended to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the *Administrative Services Director, 1052 South Livermore Avenue, Livermore, CA 94550-4899.*

Statement of Net Position and Activities

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets, deferred outflows, liabilities, and deferred inflows as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is considered, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the City's total assets, liabilities, and deferred inflows of resources, deferred outflows of resources and includes all the City's capital assets and all its long-term obligations. The Statement of Net Position presents similar information in a way that focuses the reader on the composition of the City's Net Position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources.

The Statement of Net Position summarizes the financial position of the entire City's Governmental Activities in a single column and the financial position of the entire City's Business-Type Activities in a single column. These columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects, and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities and a portion of the Internal Services Funds.

The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the governmental Fund financial statements, which reflect only current assets, current liabilities, measurable and available revenues, and expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City as well as the Livermore Capital Projects Financing Authority, which is a legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for its activities.

These financial statements along with the fund financial statements and notes are called *Basic Financial Statements*.

City of Livermore
Statement of Net Position
June 30, 2023

STATEMENT OF NET POSITION JUNE 30, 2023	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury (Note 3)	$ 219,120,010	$ 129,370,268	$ 348,490,278
Cash and investments with Trustees (Note 3)	37,952,177	-	37,952,177
Accounts receivables, net	12,911,378	6,662,208	19,573,586
Interest receivable	9,744,744	34,178	9,778,922
Lease receivables	570,037	12,129,254	12,699,291
Inventory	361,074	-	361,074
Internal balances (Note 4)	866,295	(866,295)	-
Prepaids, deposits and supplies	132,586	-	132,586
Notes receivable (Note 5)	49,003,712	-	49,003,712
Investment (Deficit) in JPA Equity (Note 14)	(40,976,748)	20,386,487	(20,590,261)
Land held for redevelopment (Note 1)	4,128,757	-	4,128,757
Land, easements and construction in progress (Note 7)	133,719,143	28,135,238	161,854,381
Capital assets, net of accumulated depreciation (Note 7)	252,519,892	117,961,784	370,481,676
Right-to-use subscription IT assets, net of accumulated amortization (Note 7)	3,244,799	377,082	3,621,881
Total Assets	683,297,856	314,190,204	997,488,060
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Notes 11)	51,347,805	6,752,925	58,100,730
Related to OPEB (Notes 12)	1,102,015	186,062	1,288,077
Total Deferred Outflows of Resources	52,449,820	6,938,987	59,388,807
LIABILITIES			
Accounts payable and other accruals	10,568,130	4,998,067	15,566,197
Accrued payroll	2,404,785	418,405	2,823,190
Interest payable	907,381	61,130	968,511
Deposit payable and unearned revenue	9,273,842	496,914	9,770,756
Non-current liabilities:			
Due within one year:			
Claims payable (Note 15)	2,692,018	-	2,692,018
Accrued compensated absences (Note 8)	1,266,330	244,773	1,511,103
Long-term debt (Note 8)	6,092,330	595,563	6,687,893
Due in more than one year:			
Claims payable (Note 14B)	6,936,179	-	6,936,179
Accrued compensated absences (Note 8)	2,909,948	407,151	3,317,099
Long-term debt (Note 8)	87,483,960	6,704,658	94,188,618
Net pension liability (Note 11)	133,657,661	21,560,262	155,217,923
Net OPEB liabilities (Note 12)	25,918,432	4,376,004	30,294,436
Total Liabilities	290,110,996	39,862,927	329,973,923
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Notes 11)	6,167,659	380,344	6,548,003
Related to OPEB (Notes 12)	4,470,107	754,721	5,224,828
Related to leases (Notes 6)	538,493	11,731,163	12,269,656
Total Deferred Inflows of Resources	11,176,259	12,866,228	24,042,487
NET POSITION (Note 10)			
Net investment in capital assets	330,015,760	139,173,883	469,189,643
Restricted:			
Capital improvement programs	74,741,245	-	74,741,245
Landscape and Maintenance	15,599,361	-	15,599,361
Affordable Housing	60,765,027	-	60,765,027
Park fee	4,368,026	-	4,368,026
Art programs	3,961,681	-	3,961,681
Grant programs	8,305,059	-	8,305,059
Gas tax and other transportation programs	24,418,940	-	24,418,940
Community services	3,236,235	-	3,236,235
Nonexpendable endowment fund	601,048	-	601,048
Unrestricted	(91,551,961)	129,226,153	37,674,192
Total Net Position	$ 434,460,421	$ 268,400,036	$ 702,860,457

EXHIBIT A

City of Livermore
Statement of Activities
Year Ended June 30, 2023

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023							
		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	$ 15,486,750	$ 897,891	$ 4,121,360	$ -	$ (10,467,499)	$ -	$ (10,467,499)
Fire	25,376,744	1,125,366	-	-	(24,251,378)	-	(24,251,378)
Police	40,999,419	1,287,389	237,754	89,645	(39,384,631)	-	(39,384,631)
Public Works	21,412,309	249,909	1,259,957	-	(19,902,443)	-	(19,902,443)
Community Development	21,514,818	13,154,684	9,982,614	3,211,267	4,833,747	-	4,833,747
Economic Development	2,901,245	-	-	-	(2,901,245)	-	(2,901,245)
Library	6,913,509	10,508	195,435	-	(6,707,566)	-	(6,707,566)
Interest on long term debt	2,779,617	-	-	-	(2,779,617)	-	(2,779,617)
Total Governmental Activities	137,384,411	16,725,747	15,797,120	3,300,912	(101,560,632)	-	(101,560,632)
Business-type Activities:							
Airport	3,030,841	3,542,766	518,621	3,398	-	1,033,944	1,033,944
Water	18,333,679	17,392,495	49,773	620,671	-	(270,740)	(270,740)
Sewer	25,174,657	30,144,505	-	1,129,895	-	6,099,743	6,099,743
Stormwater	5,282,516	1,154,925	-	956,352	-	(3,171,239)	(3,171,239)
Total Business-type Activities	51,821,693	52,234,691	568,394	2,710,316	-	3,691,708	3,691,708
Total primary government	$ 189,206,104	$ 68,960,438	$ 16,365,514	$ 6,011,228	(101,560,632)	3,691,708	(97,868,924)
General revenues:							
Property taxes					44,792,322	-	44,792,322
Sales taxes					39,032,166	-	39,032,166
Business license taxes					14,943,613	-	14,943,613
Transient occupancy, franchise and other taxes					10,909,227	-	10,909,227
Intergovernmental, unrestricted					12,176,887	-	12,176,887
Investment income					3,969,590	810,299	4,779,889
Miscellaneous					8,816,246	-	8,816,246
Transfers, net (Notes 4 & 5)					(2,299,891)	2,299,891	-
Total general revenues and transfers					132,340,160	3,110,190	135,450,350
Change in Net Position					30,779,528	6,801,898	37,581,426
Net Position-Beginning, as restated					403,680,893	261,598,138	665,279,031
Net Position-Ending					$ 434,460,421	$ 268,400,036	$ 702,860,457

Fund Financial Statements

Only individual major funds are presented in the Fund Financial Statements, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

The City has identified the funds below as major governmental funds:

General Fund

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and related expenditures.

Low Income Housing Special Revenue Fund

Established to account for the receipt and disbursement of in-lieu low-income housing impact fees collected from developers.

2022 COPS Construction Capital Fund

Established to account for the receipt and disbursement of the design and construction of a parking garage to provide adequate parking for all existing and new development and other improvements of the City.

EXHIBIT A

City of Livermore
Balance Sheet – Governmental Funds
June 30, 2023

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2023	General Fund	Low Income Housing Special Revenue Fund	2022 COPS Construction Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments in City Treasury (Note 3)	$ 76,062,296	$ 5,390,251	$ (487,520)	$ 108,518,694	$ 189,483,721
Cash and investments with Trustees (Note 3)	-	-	37,345,293	606,884	37,952,177
Accounts receivables, net	10,654,940	699	7,495	2,027,341	12,690,475
Lease receivables	570,037	-	-	-	570,037
Interest receivable	1,792,195	5,513,604	-	2,438,945	9,744,744
Advances to other funds (Note 4)	3,874,396	-	-	-	3,874,396
Prepaids and deposits	15,938	12,216	-	-	28,154
Notes receivable (Note 5)	64,369	36,874,562	-	12,064,781	49,003,712
Land held for redevelopment (Note 1)	1,727,437	2,401,320	-	-	4,128,757
Total Assets	$ 94,761,608	$ 50,192,652	$ 36,865,268	$ 125,656,645	$ 307,476,173
LIABILITIES					
Accounts payable and other accrued liabilities	$ 4,000,145	$ 214,361	$ 2,591,973	$ 2,231,960	$ 9,038,439
Accrued payroll and benefits	2,171,175	-	-	81,773	2,252,948
Deposit payable	1,111,524	7,537	165,079	2,227,781	3,511,921
Advance from other funds (Note 4)	-	-	-	3,874,396	3,874,396
Unearned rents and revenue	3,010,519	-	-	2,712,924	5,723,443
Total Liabilities	10,293,363	221,898	2,757,052	11,128,834	24,401,147
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	5,513,603	-	2,438,944	7,952,547
Deferred inflows of resources - leases	538,493	-	-	-	538,493
Total deferred inflows of resources	538,493	5,513,603	-	2,438,944	8,491,040
FUND BALANCES (Note 10)					
Nonspendable	5,713,684	12,216	-	601,048	6,326,948
Restricted	-	44,444,935	34,108,216	108,889,876	187,443,027
Committed	18,537,548	-	-	2,597,943	21,135,491
Assigned	59,058,156	-	-	-	59,058,156
Unassigned	620,364	-	-	-	620,364
Total fund balances	83,929,752	44,457,151	34,108,216	112,088,867	274,583,986
Total Liabilities, deferred inflows of resources, and fund balances	$ 94,761,608	$ 50,192,652	$ 36,865,268	$ 125,656,645	$ 307,476,173

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:		
Amount reported in the Governmental Balance Sheet as Fund Balance	$	274,583,986
CAPITAL ASSETS		
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.		368,649,947
Right-to-use subscription IT assets		
Right-to-use subscription IT assets used in governmental activities are not financial resources and therefore are not reported as assets in Governmental Funds.		2,803,602
ALLOCATION OF INTERNAL SERVICE FUND NET POSITION		
Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The assets and liabilities of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Postion.		
Cash and investments		29,636,289
Accounts receivable		220,903
Inventory		361,074
Internal balances		866,295
Prepaids, deposits and supplies		104,432
Capital assets		18,030,285
Deferred pension outflows		2,589,500
Deferred outflow of resources related to OPEB		66,333
Accounts payable and other accruals		(1,529,691)
Accrued payroll		(151,837)
Interest payable		(5,987)
Claims payable		(9,628,197)
Deposit payable		(38,478)
Subscription liability		(422,759)
Net pension liability		(8,267,573)
Net OPEB liabilities		(1,560,111)
Long term debt		(5,354,242)
Deferred inflow for resources related to pension		(145,848)
Deferred inflow for resources related to OPEB		(269,069)
ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES		
Revenues which are reported as deferred inflows on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.		7,952,547
LONG-TERM ASSETS AND LIABILITIES		
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:		
Investment (Deficit) in JPA Equity		(40,976,748)
Compensated absences		(4,176,278)
Long-term debt		(85,023,269)
Subscription liability		(2,776,020)
Interest payable		(901,394)
Net OPEB liabilities		(24,358,321)
Deferred outflow of resources related to OPEB		1,035,682
Deferred inflow of resources related to OPEB		(4,201,038)
Net pension liability		(125,390,088)
Deferred outflow of resources related to pension		48,758,305
Deferred inflow of resources related to pension		(6,021,811)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	434,460,421

City of Livermore
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2023

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Low Income Housing-Special Revenue Fund	2022 COPS Construction Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes and special assessments	$ 44,792,322	$ -	$ -	$ 4,462,006	$ 49,254,328
Sales Taxes	39,032,166	-	-	-	39,032,166
Other taxes	21,390,834	-	-	-	21,390,834
Licenses and permits	3,952,512	-	-	-	3,952,512
Intergovernmental	12,176,887	-	-	9,852,485	22,029,372
Fines and forfeitures	394,263	-	-	-	394,263
Charges for current services	8,975,913	1,791,936	-	5,597,043	16,364,892
Use of money and property	3,804,535	273,644	784,828	395,809	5,258,816
Contributions from outside sources	-	4,875	-	601,109	605,984
Miscellaneous	7,844,147	1,750,247	-	562,995	10,157,389
Total Revenues	142,363,579	3,820,702	784,828	21,471,447	168,440,556
EXPENDITURES					
Current:					
General Government:					
City Council	193,146	-	-	-	193,146
City Manager	2,518,037	-	-	68,261	2,586,298
City Attorney	1,906,811	-	-	-	1,906,811
Administrative Services	7,837,745	-	-	-	7,837,745
General Services	3,374,607	-	-	-	3,374,607
Fire	24,948,208	-	-	5,650	24,953,858
Police	42,400,747	-	-	1,113,817	43,514,564
Public Works	8,734,430	-	-	3,348,359	12,082,789
Community Development	16,275,441	918,751	-	3,534,490	20,728,682
Economic Development	2,884,414	-	-	95,750	2,980,164
Library	6,301,649	-	-	171,001	6,472,650
Capital Outlay:					
Capital projects	1,254,016	105,008	5,799,684	5,947,204	13,105,912
Debt service:					
Principal	623,911	-	-	3,751,956	4,375,867
Interest and fiscal charges	36,635	-	-	2,851,839	2,888,474
Total Expenditures	119,289,797	1,023,759	5,799,684	20,888,327	147,001,567
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23,073,782	2,796,943	(5,014,856)	583,120	21,438,989
OTHER FINANCING SOURCES (USES)					
Certificates of participation issued (Note 7)	-	-	40,930,127	628,828	41,558,955
Transfers in (Note 4)	276,201	-	-	6,396,495	6,672,696
Transfers (out) (Note 4)	(8,203,386)	-	-	(769,201)	(8,972,587)
Total Other Financing Sources (Uses)	(7,927,185)	-	40,930,127	6,256,122	39,259,064
Net Change in Fund Balance	15,146,597	2,796,943	35,915,271	6,839,242	60,698,053
FUND BALANCES- BEGINNING, as restated	68,783,155	41,660,208	(1,807,055)	105,249,625	213,885,933
FUND BALANCES- ENDING	$ 83,929,752	$ 44,457,151	$ 34,108,216	$ 112,088,867	$ 274,583,986

City of Livermore

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2023

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:	
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 60,698,053
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
The capital outlay asset addition expenditures are therefore added back to fund balance	13,105,912
Loss on sale of property added back to fund balance	(7,099)
Depreciation expense is deducted from the fund balance	
(Depreciation expense is net of internal service fund depreciation of $2,351,048 which has already been allocated to internal service funds.)	(12,153,384)
LONG TERM DEBT PROCEEDS AND PAYMENTS	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	
Bond proceeds	(41,558,955)
Premium on issuance recognized	482,323
Repayment of debt principal is added back to fund balance	3,751,956
Payment of principal on Subscription-based IT arrangements	623,911
Amortization of premium on long-term debt	584,175
ACCRUAL OF NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Long-term compensated absences	(149,473)
Interest payable	(957,641)
Unavailable revenue	2,023,274
Change in equity in JPA	(155,575)
Governmental funds report City pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension expense and OPEB expense.	
Deferred outflow of resources related to pension	27,087,922
Deferred inflow of resources related to pension	32,873,808
Change in net pension liability	(58,068,531)
Deferred outflow of resources related to OPEB	(1,706,721)
Deferred inflow of resources related to OPEB	(3,433,629)
Change in net OPEB liability	10,233,683
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY	
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.	
Change in Net Position - All Internal Service Funds	(3,535,904)
Change in Net Position of Internal Service Funds reported with Business-Type Activities	1,041,423
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 30,779,528

Major Proprietary Funds

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal year 2022-23.

Airport Fund

Established to account for the operations of the Livermore Municipal Airport.

Water Fund

Established to account for the operations of the self-supporting municipal water service. Services are rendered on a user charge basis and impact fees are collected for future water storage needs.

Sewer Fund

Established to account for operations of the self-supporting wastewater disposal plant, the export pipeline, impact fees collected for sewer connections, and urban runoff fees.

Stormwater Fund

Established to account for operations of the self-supporting storm water operations and impact fees collected for storm drain infrastructure.

Internal Service Funds

Internal service funds, which are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, maintenance of buildings, risk management services, and information technology services. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

City of Livermore
Statement of Net Position – Proprietary Funds
June 30, 2023

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Business-Type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Airport	Water	Sewer	Stormwater	Totals	
ASSETS						
Current Assets:						
Cash and investments in City Treasury (Note 3)	$ 6,948,466	$ 35,264,681	$ 78,963,908	$ 8,193,213	$ 129,370,268	$ 29,636,289
Accounts receivables (net of allowable for uncollectibles)	568,906	2,329,586	883,699	2,880,017	6,662,208	220,903
Lease receivables	11,897,627	231,627	-	-	12,129,254	-
Interest receivables	33,645	533	-	-	34,178	-
Inventory	-	-	-	-	-	361,074
Prepaids, deposits and supplies	-	-	-	-	-	104,432
Total current assets	19,448,644	37,826,427	79,847,607	11,073,230	148,195,908	30,322,698
Noncurrent Assets:						
Investment in JPA-LAVWMA (Note 14)	-	-	20,386,487	-	20,386,487	-
Land and construction in progress (Note 7)	13,198,919	945,558	13,083,270	907,491	28,135,238	1,871,891
Capital assets, net of accumulated depreciation (Note 7)	8,116,723	31,093,766	57,770,160	20,981,135	117,961,784	15,717,197
Right-to-use subscription IT assets, net of accumulated amortization (Note 7)	-	62,847	287,300	26,935	377,082	441,197
Total noncurrent assets	21,315,642	32,102,171	91,527,217	21,915,561	166,860,591	18,030,285
Total assets	40,764,286	69,928,598	171,374,824	32,988,791	315,056,499	48,352,983
DEFERRED OUTFLOWS OF RESOURCES						
Related to pension (Note 11)	669,136	1,576,556	4,061,477	445,756	6,752,925	2,589,500
Related to OPEB (Note 12)	21,856	34,096	124,629	5,481	186,062	66,333
Total deferred outflows of resources	690,992	1,610,652	4,186,106	451,237	6,938,987	2,655,833
LIABILITIES						
Current Liabilities:						
Accounts payable and other accruals	139,744	2,504,099	1,988,058	366,166	4,998,067	1,529,691
Accrued payroll and benefits	49,005	96,329	245,398	27,673	418,405	151,837
Interest payable	33,959	24,198	2,718	255	61,130	5,987
Accrued compensated absences (Note 8)	23,946	60,927	143,369	16,531	244,773	-
Claims payable (Note 15)	-	-	-	-	-	2,692,018
Deposit payable	235,800	111,938	149,176	-	496,914	38,478
Long-term debt (Note 8):						
Due within one year	248,971	302,221	-	-	551,192	856,119
Total current liabilities	731,425	3,099,712	2,528,719	410,625	6,770,481	5,274,130
Noncurrent Liabilities:						
Accrued compensated absences (Note 8)	44,972	109,051	217,317	35,811	407,151	-
Claims payable (Note 15)	-	-	-	-	-	6,936,179
Subscription liability	-	62,765	286,928	26,899	376,592	422,759
Net pension liability (Note 11)	2,136,371	5,033,516	12,967,196	1,423,179	21,560,262	8,267,573
Net OPEB liabilities (Note 12)	514,041	801,901	2,931,162	128,900	4,376,004	1,560,111
Long-term debt (Note 8):						
Due in more than one year	3,939,245	2,433,192	-	-	6,372,437	4,498,123
Total non-current liabilities	6,634,629	8,440,425	16,402,603	1,614,789	33,092,446	21,684,745
Total liabilities	7,366,054	11,540,137	18,931,322	2,025,414	39,862,927	26,958,875
DEFERRED INFLOWS OF RESOURCES						
Related to pension (Note 11)	37,688	88,796	228,754	25,106	380,344	145,848
Related to OPEB (Note 12)	88,656	138,302	505,532	22,231	754,721	269,069
Related to leases (Note 6)	11,512,939	218,224	-	-	11,731,163	-
Total deferred inflows of resources	11,639,283	445,322	734,286	47,337	12,866,228	414,917
NET POSITION (Note 10)						
Net investment in capital assets	17,127,426	29,366,758	71,140,730	21,915,561	139,550,475	12,676,043
Unrestricted	5,322,515	30,187,033	84,754,592	9,451,716	129,715,856	10,958,981
Total net position	$ 22,449,941	$ 59,553,791	$ 155,895,322	$ 31,367,277	269,266,331	$ 23,635,024
Some amounts reported for *business-type activities* in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with business-type activities.					(866,295)	
Net position business-type activities					$ 268,400,036	

City of Livermore

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds

Year Ended June 30, 2023

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Airport	Water	Sewer	Stormwater	Totals	
OPERATING REVENUES						
Charges for services	$ 3,162,244	$ -	$ 29,561,501	$ 1,150,022	$ 33,873,767	$ 16,999,590
Sales	359,713	17,356,206	-	-	17,715,919	-
Miscellaneous	20,809	36,289	63,271	4,903	125,272	671,334
Total Operating Revenues	3,542,766	17,392,495	29,624,772	1,154,925	51,714,958	17,670,924
OPERATING EXPENSES						
Cost of sales, salaries and benefits	1,771,862	14,481,001	10,657,461	2,113,248	29,023,572	4,850,690
Contracted services	151,290	459,094	4,679,758	745,585	6,035,727	3,450,361
Insurance premiums	87,629	375,257	585,079	68,541	1,116,506	5,672,988
Materials, supplies and other	69,231	256,722	1,372,929	135,373	1,834,255	1,333,098
Utilities	218,579	273,011	1,255,988	9,221	1,756,799	808,719
Depreciation and amortization	347,231	1,746,300	4,109,486	1,962,241	8,165,258	2,502,247
Repairs and maintenance	216,920	294,697	2,002,636	168,276	2,682,529	2,527,739
Total Operating Expenses	2,862,742	17,886,082	24,663,337	5,202,485	50,614,646	21,145,842
Operating Income (Loss)	680,024	(493,587)	4,961,435	(4,047,560)	1,100,312	(3,474,918)
NONOPERATING REVENUES (EXPENSES)						
Investment income (loss)	422,059	130,355	222,433	35,452	810,299	-
Interest and fiscal charges (expense)	(104,081)	(51,906)	(8,811)	(826)	(165,624)	(161,359)
Change of value from investment in JPA - LAVWMA	-	-	519,733	-	519,733	-
Other nonoperating revenues	518,621	49,773	-	-	568,394	125,320
Gain (loss) on disposal of surplus property	-	-	-	-	-	(24,947)
Net Nonoperating Revenues (Expenses)	836,599	128,222	733,355	34,626	1,732,802	(60,986)
Income (Loss) Before Contributed Assets and Transfers	1,516,623	(365,365)	5,694,790	(4,012,934)	2,833,114	(3,535,904)
Capital contributions	-	566,503	611,529	256,970	1,435,002	-
Capital contributions - Connection fees	-	54,168	518,366	174,038	746,572	-
Capital Grants	3,398	-	-	525,344	528,742	-
Transfers in (Note 4)	-	-	-	2,300,000	2,300,000	-
Transfers out (Note 4)	(62)	(47)	-	-	(109)	-
Change in net position	1,519,959	255,259	6,824,685	(756,582)	7,843,321	(3,535,904)
Total net position (deficit)-beginning, as restated	20,929,982	59,298,532	149,070,637	32,123,859		27,170,928
Total net position(deficit)-ending	$ 22,449,941	$ 59,553,791	$ 155,895,322	$ 31,367,277		$ 23,635,024
Some amounts reported for *business-type activities* in the Statement of Activities are different because the portion of the net income of certain internal service funds is reported with the business-type activities					(1,041,423)	
Net business-type activities reported on the Statement of Activities					$ 6,801,898	

City of Livermore
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2023

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Airport	Water	Sewer	Stormwater	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 4,096,639	$ 17,419,117	$ 29,428,054	$ 2,669,777	$ 53,613,587	$ 17,690,853
Payments to suppliers	(2,439,987)	(14,372,115)	(23,301,017)	(3,068,113)	(43,181,232)	(7,739,480)
Payments to employees	(1,118,222)	55,490	(292,880)	31,212	(1,324,400)	(4,493,449)
Claims paid	(87,629)	(375,257)	(585,079)	(68,541)	(1,116,506)	(4,543,598)
Receipts from other sources	20,809	36,289	63,271	4,903	125,272	-
Net cash provided by (used for) operating activities	471,610	2,763,524	5,312,349	(430,762)	8,116,721	914,326
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Cash received from other funds	-	-	-	2,300,000	2,300,000	-
Cash transferred to other funds	(62)	(47)	-	-	(109)	
Net cash provided by noncapital financing activities	(62)	(47)	-	2,300,000	2,299,891	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Grants	3,398	-	-	525,344	528,742	-
Loss on disposal	-	-	-	-	-	(24,947)
Capital contributions	-	620,671	1,129,894	431,008	2,181,573	-
Capital asset additions	-	(778,515)	(5,430,042)	(587,239)	(6,795,796)	(3,784,560)
Long term debt:						
Repayment of principal	(199,509)	(245,493)	-	-	(445,002)	(794,252)
Interest paid	(145,095)	(99,944)	5,918	555	(238,566)	(155,372)
Net cash provided by (used for) capital and related financing activities	(341,206)	(503,281)	(4,294,230)	369,668	(4,769,049)	(4,759,131)
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income (losses)	941,193	180,183	213,622	34,626	1,369,624	125,320
Other	-	-	-	-	-	-
Net cash provided by (used for) investing activities	941,193	180,183	213,622	34,626	1,369,624	125,320
Net increase (decrease) in cash and cash equivalents	1,071,535	2,440,379	1,231,741	2,273,532	7,017,187	(3,719,485)
Cash and investments at beginning of period	5,876,931	32,824,302	77,732,167	5,919,681	122,353,081	33,355,774
Cash and investments at end of period	$ 6,948,466	$ 35,264,681	$ 78,963,908	$ 8,193,213	$ 129,370,268	$ 29,636,289
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	$ 680,024	$ (493,587)	$ 4,961,435	$ (4,047,560)	$ 1,100,312	$ (3,474,918)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	347,231	1,746,300	4,109,486	1,962,241	8,165,258	2,502,247
Pension and OPEB Expense	(1,130,292)	10,859	(329,780)	(6,336)	(1,455,549)	(93,224)
Change in assets and liabilities:						
Accounts receivable	580,742	35,843	(41,455)	1,519,755	2,094,885	(18,549)
Prepaids, deposits and supplies	-	-	2,216,423	-	2,216,423	195,355
Accounts payable and other accruals	(12,105)	1,329,645	(5,835,596)	103,590	(4,414,466)	607,931
Accrued payroll	10,595	17,374	51,095	6,102	85,166	(341)
Accrued compensated absences	1,475	27,257	(14,195)	4,547	19,084	-
Subscription liability	-	62,765	286,928	26,899	376,592	422,759
Deposits payable	(6,060)	27,068	(91,992)	-	(70,984)	-
Claims Payable	-	-	-	-	-	773,066
Net Cash provided by (Used for) operating activities	$ 471,610	$ 2,763,524	$ 5,312,349	$ (430,762)	$ 8,116,721	$ 914,326
Non-cash transactions:						
Investment in LAVWMA JPA equity	$ -	$ -	$ 519,733	$ -	$ 519,733	$ -
Loss on disposal of capital assets	(2,000)	-	-	-	(2,000)	-
Amortization of premium	(39,330)	(46,888)	-	-	(86,218)	-
Capital assets contributed	-	566,503	611,529	256,970	1,435,002	-

Fiduciary Funds

Fiduciary funds account for assets held by the City acting as an agent for various functions. The City has the following fiduciary funds:

Successor Agency to the Livermore Redevelopment Agency Private Purpose Trust Fund

Established for the assets received from the City's former redevelopment agency in order to liquidate its enforceable obligations, pursuant to Assembly Bill X1 26 which dissolved redevelopment agencies in California.

Custodial Funds

Established to account for assets held by the City in a fiduciary capacity for special assessment districts, Livermore Pleasanton Fire Department, and agency pass through fees.

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
June 30, 2023

	Successor Agency to the Livermore Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments in City Treasury (Note 3)	$ 4,225,584	$ 10,441,724
Cash and investments with Trustees (Note 3)	702	2,812,388
Accounts receivable	-	1,252,655
Total Assets	4,226,286	14,506,767
LIABILITIES		
Accrued liabilities	-	1,991,211
Accrued interest	247,174	-
Deposits payable	-	5,512,269
Long-term debt (Note 18):		
Due within one year	1,502,489	-
Due in more than one year	15,025,279	-
Loans payable to City of Livermore:		
Due in more than one year (Note 5 and 18)	443,438	-
Total Liabilities	17,218,380	7,503,480
NET POSITION		
Restricted for other organizations and governments	$ (12,992,094)	$ 7,003,287

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED ON JUNE 30, 2023

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property taxes and special assessment	$ 2,212,819	$ -
Investment income	695	-
Charges for services	-	49,834,508
Total Additions	2,213,514	49,834,508
DEDUCTIONS		
Administrative Fee	24,600	-
Recipient Payments	4,400	51,396,060
Debt service:		
Interest and fiscal charges	506,603	-
Total Deductions	535,603	51,396,060
Net Change in Net Position	1,677,911	(1,561,552)
NET POSITION		
Beginning of year	(14,670,005)	8,564,839
End of year	$ (12,992,094)	$ 7,003,287

Note 1 - Significant Accounting Policies

The City of Livermore was incorporated on April 1, 1876. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, sewer, water, public improvements, planning and zoning, general administration services and housing services.

The accounting policies of the City conform with generally accepted accounting principles in the United States of America as applicable to governments. The following is a summary of these policies:

Reporting Entity

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's blended component unit is described below.

Component Units Included in the Reporting Entity

The **Livermore Capital Projects Financing Authority (LCPFA)** provides financing assistance to the City. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. Separate financial statements are not issued for the LCPFA.

Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

Government-wide Statements The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Certain indirect costs are included in program expenses reported for individual functions and activities.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental, proprietary,* and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. O*perating* revenues and expenses generally result from exchange transactions associated with a proprietary fund's principal ongoing operations. Exchange transactions are those in which each party receives and gives up essentially equal values. The principal operating revenues of the City's enterprise funds, and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Major Funds

The City's major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined, and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – The general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Low Income Housing Special Revenue Fund – Established to account for the receipt and disbursement of in-lieu low-income housing impact fees collected from developers.

2022 COPS Construction Capital Fund – Established to account for the receipt and disbursement of the design and construction of a parking garage to provide adequate parking for all existing and new development and other improvements of the City.

The City reported the following business-type funds as major funds in the accompanying financial statements.

Airport Fund – Established to account for the operations of the Livermore Municipal Airport.

Water Fund – Established to account for the operations of the municipal water service. Services are rendered on a user charge basis and impact fees are collected for future water storage needs.

Sewer Fund – Established to account for operations of the wastewater disposal plant, the export pipeline, impact fees collected for sewer connections, and urban runoff fees.

Stormwater Fund – Established to account for operations of the storm water operations and impact fees collected for storm drain infrastructure.

The City also reports the following fund types:

Internal Service Funds – These funds are used to account for the financing of services and supplies provided by one City department to another on a cost-reimbursement basis. The City operates the Liability Insurance Reserve Fund, Workers Compensation Fund, Fleet and Equipment Services Fund, Information Technology Fund, and Facilities Rehabilitation Projects Fund.

Fiduciary Funds – These funds are used to account for assets held by the City as an agent for various functions. The financial activities of these funds are excluded from the City-wide financial statements but are presented in separate Fiduciary Fund financial statements. The City has the following three types of fiduciary funds:

Successor Agency to the Livermore Redevelopment Agency Private Purpose Trust Fund – Established for the assets received from the City's former redevelopment agency in order to liquidate its enforceable obligations, pursuant to Assembly Bill X1 26 which dissolved redevelopment agencies in California as of January 31, 2012. Funds received from the county to pay off enforceable obligations are held in this fund.

Custodial Funds – Established to account for assets held by the City in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Custodial Funds account for activities carried out exclusively for the benefit of that outside of the City but not administered through other fiduciary trusts or equivalent arrangements such as assessments for payments of certain conduit debt and other custodial activities as well as custodial activities related to the Livermore Pleasanton Fire District, JPA.

Permanent Fund – The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs. Doolan Canyon Endowment Fund accounts for an endowment restricted for items related to mitigation of the burrowing owl habitat. The Doolan Canyon fund has $601,048 in non-spendable fund balance.

Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting.* Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City's accrual period is sixty days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability has incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and other postemployment benefits liabilities, and claims and judgments, are recorded only when payment is due. Thus, such amounts are not current liabilities as their settlement will not require expenditures of existing fund assets.

Financial resources usually are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items including fines, license, and permits are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and accrual basis of accounting.

Cash and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City participates in the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California which invests a portion of the pooled funds in Structured Notes and Asset-backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments.

In addition, these Structured Notes and Asset-backed Securities are subject to market risk due to change in interest rates. For purposes of the statement of cash flows of the proprietary funds types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

Restricted Cash and Investments

Restricted cash and investments include amounts held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects, for deposits held for others within the enterprise funds, and for amounts held in an irrevocable trust for pension activities.

Inventories and Prepaid items

Inventories are valued at cost on an average cost basis and consist of expendable supplies, fuel, and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Receivables

During the course of normal operations, the City carries various receivable balances that are shown net of allowances for doubtful accounts for taxes, interest, services, utilities and special assessments.

Notes Receivable

For the purposes of the governmental fund financial statements, expenditures related to long-term notes arising from subsidy programs are charges to operations upon funding and the notes are recorded with an offset to an unavailable revenue account under the deferred inflows of resources section. For the purposes of the government-wide financial statements, long-term loans are not offset by unavailable revenue accounts.

Leases and Subscription Based Information Technology Arrangements (SBITA)

The City is a lessor for a noncancellable lease of a buildings, land and cell tower. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The City has several leasing arrangements accounted for under GASB No. 96, Subscriptions Based Information Technology Arrangements. At the commencement of a subscription based information technology arrangement (SBITA), the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the lease liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) lease receipts. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription if certain changes occur that are expected to significantly affect the amount of the subscription.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or governmental fund balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and OPEB liabilities and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Livermore's California Public Employees' Retirement System (CalPERS) pension and Public Agency Retirement System (PARS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and PARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Property Tax Levy, Collection and Maximum Rates

The State of California Constitution Article XIII(A) provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII(A), generally equivalent to the latest sale price, and may be increased by no more than two percent per year unless the property is sold or transferred. Assessed values may be reduced because of taxpayer-initiated re-assessments or declining sales prices. The State Legislature has determined the method of distribution of receipts from this tax levy among the counties, cities, school districts and other districts.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and become delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings, such as airplanes, boats, etc. These taxes are secured by liens on the property being taxed.

Revenue Recognition for Water and Sewer Operations

Revenues from residential sewer customers are based on annual billings collected on the tax rolls by Alameda County. Revenues for sewer services provided but not billed at the end of the fiscal year are estimated and accrued.

Land Held for Redevelopment

Land held for redevelopment includes land parcels used to develop or redevelop blighted properties and are accounted for as investments on the balance sheet at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer. Individual parcels which have experienced a market value decline are written down to estimated current market value. No appreciation is recorded if the current market value of an individual parcel exceeds cost.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements

During the fiscal year ended June 30, 2023, the City implemented the following GASB Pronouncements:

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The provisions of this statement have been implemented as further described at Note 19.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 or FY 2022/2023. The provisions of this statement have been implemented within note 9.

GASB Statement No. 93 – In May 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement is to address those and other accounting and reporting implications resulting from the replacement of an IBOR by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced and providing clarification to the hedge accounting termination provisions, removing LIBOR as a benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 or FY 2021/2022, except the removal of LIBOR as a benchmark interest rate which is effective for periods beginning after December 31, 2022 or FY 2023/2024. The Statement did not impact the City's financial statements.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of this Statement improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 or FY 2022/2023. The Statement did not impact the City's financial statements.

GASB Statement No. 99 – In April 2022, GASB Issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Statement did not impact the City's financial statements.

Future Accounting Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2023:

GASB Statement No. 100 – In June 2022, GASB Issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. The City is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 101 – In June 2022, GASB Issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City is evaluating the impact of this Statement on the financial statements.

Note 2 - Stewardship, Compliance and Accountability

Budgeting Procedures

The City adopts a biennial operating budget on or before June 30 for each of the ensuing two fiscal years for all funds except the Fiduciary Funds. The operating budget takes the form of a two-year financial plan which is adopted in its entirety by the City Council by a resolution. A mid-period review is conducted in the off-year and appropriations are adjusted accordingly. The fiscal year begins on July 1 and ends on June 30 of the following year. As Livermore is a general law city, it is not subject to a budgetary process prescribed by statute or charter.

The operating budget is subject to supplemental appropriations throughout its term to provide flexibility to meet changing needs and conditions. A resolution approving a supplemental appropriation is necessary when the original total appropriations for that fund would be exceeded. Similarly, supplemental appropriations and budget transfers between funds and projects need approval from the City Council. Budget adjustments within the same fund may be approved by the City Manager if the total appropriation does not exceed the total approved limit for that fund. All appropriations and encumbrances lapse at year-end. Valid outstanding encumbrances (those for which performance under executory contract is expected in the next fiscal year) are re-appropriated and become part of the subsequent year's budget.

The operating budget is on a program basis; however, the legal level of budgetary control is at the fund level. For governmental funds, the budget is prepared on a modified accrual basis consistent with generally accepted accounting principles (GAAP), except that land held for redevelopment is treated as an expenditure when purchased, proceeds from the disposition of this land is treated as revenue when measurable and available, and transfers (to) or from different fund categories are treated as budgetary resources (uses). Organizational priorities which have been developed by City Council and City staff are implemented at the program level.

Fund Balance Deficits / Net Position Deficits

As of June 30, 2023, none of the funds had a significant fund balance/net position deficit.

Note 3 - Cash and Investments

The City pools cash from all sources and all funds, except Cash and Investments held by Trustees, so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and the City is placed ahead of general creditors of the institution.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Cash and investments in City Treasury	$ 348,490,278
Cash and investments with Trustees	37,952,177
Total City cash and investments	386,442,455
Cash and investments in Fiduciary Funds (Separate Statement)	
In City Treasury	14,667,308
With Trustees	2,813,090
Total Fiduciary cash and investments	17,480,398
Total cash and investments	$ 403,922,853

Cash and investments available for operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following Investment types, provided the credit ratings of the issuers are acceptable to the City and the approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
California Local Agency Bonds*	5 years	A	None	None
U.S. Treasury Bills and Notes	5 years	N/A	None	None
Obligations issued by United States Government Agencies	5 years	N/A	None	None
Bankers Acceptances	180 days	A	40%	30%
Commercial Paper	270 days	A1/P1	10%	10%
Negotiable Certificates of Deposit	5 years	None	30%	None
Repurchase Agreements	1 year	None	20%	None
Reverse Repurchase Agreements	92 days	None	20%	None
Medium Term Corporate Notes	5 years	A	30%	None
Money Market Mutual Funds	5 years	Top rating category	15%	10%
Collateralized Notes, Bonds, or Other Obligations Secured by First Priority Security Interest	5 years	N/A	None	None
Certificates of Deposit	5 years	N/A	30%	None
California Local Agency Investment Fund	5 years	N/A	$75 million per	$75 million per
Passbook Savings Account	N/A	N/A	N/A	N/A
Supranationals	5 Years	AA	30%	None

* No Maximum Maturity or minimum rating on Bonds issued by the City of Livermore.

Under the City's Investment Policy, investments not described above are ineligible investments. In addition, the City may not invest any funds in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages in accordance with the California Government Code. Except for callable federal agency securities, any security that derives its value from another asset or index is prohibited. In addition, the City may not invest any funds in any security that could result in zero interest accrual if held to maturity.

Investments Authorized by Debt and Trust Agreements

The City and the Successor Agency to the former Redevelopment Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City and/or the Successor Agency fail to meet their obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with the City resolutions, bond indentures or State statutes.

The table below identifies the investment types that are authorized for investments held by fiscal agents.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % Allowed
U.S. Treasury Bills and Notes	No Limit	NA	No Limit
Federal and Local Agency Obligations	No Limit	NA	No Limit
Federal funds, unsecured certificates of deposit, time deposits & bankers acceptances	Not more than 360 days	A-1 or A-1+ by S&P and P-1 by Moody	No Limit
Commercial Paper	Not more than 270 days	A-1+ by S&P and P-1 by Moody	No Limit
Money Market Mutual Funds	No Limit	AAAm or AAAm-G or better by S&P	No Limit
Municipal Bonds	No Limit	Aaa or AAA or general obligations of states with a rating of A2/A or high by Moody, S&P, or Fitch	No Limit
California Local Agency Investment Fund (LAIF)	NA	NA	$75 million per account
Repurchase Agreements	6 mo. or less	Equal to or better than existing Certificates by Moody's	No Limit
Investment Agreements	No Limit	Equal to or better than existing Certificates by Moody's	No Limit
Pre-refunded municipal obligations	No Limit	Aaa by Moody's & AAA by S&P; if no Moody's rating, then must have been pre-refunded with cash.	No Limit

Interest Rate Risk

Interest rate risk represents how changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	More than 60 Months	Total
U.S. Government-Sponsored Enterprise Agencies					
Callable	$ -	$ 23,034,790	$ 11,235,610	$ -	$ 34,270,400
Non-callable	27,752,561	33,822,221	100,621,804	-	162,196,586
California Local Agency Investment Fund	30,376,825	-	-	-	30,376,825
Money Market Fund	1,953,709	-	-	-	1,953,709
Supranational	-	-	2,706,390	7,722,430	10,428,820
U.S. Treasury Bond	-	3,839,840	18,600,688	-	22,440,528
Negotiable Certificates of Deposit	3,608,538	6,910,786	2,439,979	-	12,959,303
Medium Term Corporate Notes	44,950,994	9,448,380	12,793,956	-	67,193,330
Mortgage-backed Security	-	-	6,577,023	-	6,577,023
Municipal Bonds	265,910	235,913	3,171,821	1,792,000	5,465,644
Total Investments	$ 108,908,537	$ 77,291,930	$ 158,147,271	$ 9,514,430	353,862,168
Cash Equivalent					50,060,685
Total Cash and Investments					$ 403,922,853

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2023 for each investment type as provided by Standard and Poor's investment rating service.

Investment Type	AAA	AA	A	BBB	Not Rated	Total
Rated:						
U.S. Agencies						
Callable	$ -	$ 34,270,400	$ -	$ -	$ -	$ 34,270,400
Non-callable	-	162,196,586	-	-	-	162,196,586
California Local Agency Investment Fund	-	-	-	-	30,376,825	30,376,825
Money Market Fund	1,953,709	-	-	-	-	1,953,709
Supranational	-	10,428,820	-	-	-	10,428,820
U.S. Treasury Bond	-	22,440,528	-	-	-	22,440,528
Negotiable Certificates of Deposit	-	-	-	-	12,959,303	12,959,303
Medium Term Corporate Notes	-	2,918,850	55,581,930	4,715,550	3,977,000	67,193,330
Mortgage-backed Security	-	6,577,023	-	-	-	6,577,023
Municipal Bonds	-	3,673,644	-	-	1,792,000	5,465,644
Total Investments	$ 1,953,709	$ 242,505,851	$ 55,581,930	$ 4,715,550	$ 49,105,128	353,862,168
Cash Equivalent (Overdraft)						50,060,685
Total Cash and Investments						$ 403,922,853

Local Agency Investment Fund

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. These investments matured in an average of 260 days. Money Market funds were available for withdrawal on demand at June 30, 2023 with an average maturity of 30 days or less.

Concentration of Credit Risk

Investments in the securities of any individual issuer, other than U. S. Treasury securities, mutual funds, and external investment funds that represent 5% or more of total investments are as follows on June 30, 2023:

Issuer	Type of Investments	Amount
Entity-wide:		
Federal Home Loan Bank	U.S. Agency Securities	$ 89,487,203
Federal Farm Credit Bank	U.S. Agency Securities	38,253,123
Federal National Mortgage Association	U.S. Agency Securities	26,586,610
Federal Home Loan Mortgage Association	U.S. Agency Securities	16,883,695

Fair Value Measurement of Investments

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets that the City has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the City's own data. The City should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the City are not available to other market participants.

The City's fair value measurements are as follows at June 30, 2023:

	Fair Value Measurements Using Levels			
	Level 1	**Level 2**	**Level 3**	**6/30/2023**
U.S. Government-Sponsored Enterprise Agencies				
Callable	$ -	$ 34,270,400	$ -	$ 34,270,400
Non-callable	-	162,196,586	-	162,196,586
Supranational	-	10,428,820	-	10,428,820
U.S. Treasury Bond	22,440,528	-	-	22,440,528
Medium Term Corporate Notes	-	67,193,330	-	67,193,330
Municipal Bonds	-	3,673,644	1,792,000	5,465,644
Negotiable Certificates of Deposit	-	12,959,303	-	12,959,303
Mortgage-backed Security	-	6,577,023	-	6,577,023
Total investments measured at fair value	$ 22,440,528	$ 297,299,106	$ 1,792,000	321,531,634
Investments Measured at Amortized Cost:				
Money Market Mutual Funds				1,953,709
Investments Exempt from Fair Value Hierarchy:				
California Local Agency Investment Fund				30,376,825
Cash Equivalent				50,060,685
Total Cash and Investments				$ 403,922,853

The California Local Agency Investment Fund (LAIF) is valued using a factor provided in the Pooled Money Investment Account (PMIA) Performance Report by the State Treasurer's Office. Investments classified in Level 2, were valued using prices provided by the City's custodian bank. Fair value is defined as quoted market value on the last day of the period.

The City issued Pleasant View Limited Obligation Improvement Bonds, Series 2018 for and on behalf of Assessment District No.2016-2 in the amount of $967,537 on June 14, 2018, as a direct placement debt. The City also issued Trevarno Road Limited Obligation Improvement Bonds, Series 2021 for and on behalf of Assessment District No.2021-1 in the amount of $912,000 on January 6, 2022, as a direct placement debt. The City then purchased these bonds as an investment. These investments are not traded in the open market and, therefore, measured at Level 3 as per GASB Statement No. 72 since the valuation inputs for this bond are unobservable. As of June 30, 2023, the balance outstanding for these bonds is $1,792,000. Additional information is provided in Note 9.

Note 4 - Interfund Transactions

Current Interfund Balances

Current interfund balances arise in the normal course of business and represent short-term borrowings occurring as a result of expenditures which are paid prior to the receipt of revenues. These balances are expected to be repaid shortly after the end of the fiscal year when revenues are received. There were no current amounts due from one fund to another at June 30, 2023.

Transfers between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to subsidize operations of programs and funds which are not self-sustaining. Less often, a transfer may be made to open or close a fund. Interfund transfers for the year ended June 30, 2023 are summarized below.

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
General Fund	Non-Major Governmental Funds	$ 276,201	A
Non-Major Governmental Funds	General Fund	5,903,386	B
	Non-Major Governmental Funds	493,000	C
Stormwater Enterprise Fund	General Fund	2,300,000	C
Total Interfund Transfers		$ 8,972,587	

A - Transfer for reimbursement for administrative costs
B - Transfers of approximately $5.36 million for the debt service payments and the rest as operating subsidies
C - Operating subsidy

Long-Term Interfund Advances

The City's General Fund made an advance of $4,720,000 to the Other Impact Fees Special Revenue Fund for downtown revitalization and the loan will be repaid to the General Fund as the fees are collected. No payment was made during fiscal year 2022-2023. The balance as of June 30, 2023 is $3,874,396.

Internal Balances

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's airport, water, stormwater, and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Internal balances are presented in the government-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

Note 5 - Notes Receivable

As of June 30, 2023, Notes Receivables balances are as follows:

	General Fund	Housing Successor	Low Income Housing	Housing & Community Assistance	Other Impact Fee	Other Local, State and Federal Grants	Other Special Revenue Funds	Total
Deferred Second Mortgage Program	$ -	$ -	$ 16,898,928	$ 651,612	$ -	$ 1,542,998	$ -	$ 19,093,538
Rehabilitation Loan Program	-	-	1,175,924	13,680	-	210,618	-	1,400,222
Livermore Housing Authority	-	-	-	-	-	1,153,670	-	1,153,670
Las Posadas	-	-	680,000	-	-	219,000	-	899,000
Valley Care Senior Housing Project	-	-	800,000	-	-	-	-	800,000
2891 Carmen LP	-	-	2,665,000	-	-	230,000	-	2,895,000
MidPen Housing	-	-	9,999,982	-	-	-	-	9,999,982
California Water Service Agreement(s)							66,340	66,340
2205 Railroad LLC	64,369	-	-	-	-	-	-	64,369
Tri-Valley BMR (Vineyard 2.0)	-	2,457,750	3,254,728	-	1,620,135	-	-	7,332,613
Loans to Successor Agency of former RDA	-	443,438	-	-	-	-	-	443,438
Eden Housing Project	-	811,149	1,400,000	-	-	100,000	-	2,311,149
Livermore Independent Living Associates Project	-	2,372,631	-	-	-	-	-	2,372,631
Affordable Housing Loans	-	171,760	-	-	-	-	-	171,760
Totals	$ 64,369	$ 6,256,728	$ 36,874,562	$ 665,292	$ 1,620,135	$ 3,456,286	$ 66,340	$ 49,003,712

The City administers a Deferred Second Mortgage Program and a Rehabilitation Loan Program. Under these Programs, individuals with incomes below a certain level are eligible to receive low interest loans, secured by second deeds of trust, to help purchase their home or rehabilitate it. Upon approval of loans, the City disburses the funds, arranges for, and collects repayments.

In fiscal year 1994-95, the City loaned Livermore Housing Authority $643,670 for two apartments at 1031 and 1045 Bluebell Drive. These loans are due 30 years from the date of the original loan. In 2022, the Housing Authority reached out to the City to extend the payment terms and the City agreed if other terms were met. Those terms are still being worked out by the Housing Authority and City. From the discussion, if any new rehabilitation loans are made, they will bear interest at 3%, be due 55 years from the date of the loan, and be paid back from residual receipts

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In fiscal year 2005-06, the City loaned Livermore Housing Authority $510,000 from the Housing Trust Fund to be used for the acquisition of six units for low-income individuals located at 2276-2280 Chestnut Street. The loan bears interest at 3.00% per annum on the outstanding principal from the date of the closing of the permanent loan. The principal and all the interest will be due and payable on the earlier of the date the property is sold or when the permanent loan is refinanced. In the event of residual receipts, payments of principal and interest will commence on July 1, 2008 until the loan is paid in full or terminated.

In fiscal year 1999-2000, the City loaned Allied Housing Inc. $899,000 from Home Funds and Housing In-Lieu Funds to be used for the acquisition of the property and rehabilitation improvements. The loan bears interest at 3.00% per annum on the outstanding principal from the date of the closing of the permanent loan. The principal and all the interest will be due and payable on the earlier of 55 years from the date of the Note, or the date the property is sold or when the permanent loan is refinanced.

As part of the Valley Care Senior Housing Project, Agency funds transferred to the City's Housing and Community Assistance Fund in fiscal year 2001-02 were used to finance the Developer Loan in the amount of $800,000 which was used to partially finance City and County Development Fees. The loan bears interest at ten percent, is due in fifty-seven years and is secured by a subordinated deed of trust.

If the project maintains affordability covenants through maturity the interest rate will drop to five percent and eventually the five percent interest accrued will be forgiven.

In fiscal year 2006-07 the City loaned 2891 Carmen LP a total of $2,895,000 in two separate notes. One note for $2,665,000 from the Housing-In-Lieu Fund, with simple interest at 3% per year and payments to be made from residual receipts annually. The other note for $230,000 is from the CDBG Fund ($130,000), and HOME Fund ($100,000), with simple interest at 5% per year and payments to be made from residual receipts annually.

In fiscal year 2015-16 the City entered into a DDLA agreement with MidPen Housing and loaned a total of $9,999,982 for the development of affordable housing. One note for $649,982 was made in fiscal year 2016-17 for predevelopment, with simple interest of 3% annually. Another loan for $9,350,000 for the actual development was funded in fiscal years 2017-18 and 2018-19. The loans will be due 55 years from the date of the loan and be paid back from residual receipts.

In July 1990 and September 1992, the City and California Water Service Company ("Calwater") entered into agreements to make annual payments for a term of 40 years to the City of Livermore for water lines sold to Calwater under Consolidated Refunding District 2002, College Avenue. The balance outstanding on this loan on June 30, 2023 is $66,340.

In fiscal year 2022-23 the City entered into an agreement with 2205 Railroad Avenue LLC for the development of a four-story hotel site and received a note for $64,369. The note is interest-free and is due no later than December 31, 2025.

The former Redevelopment Agency (RDA) engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the Agency's terms.

With the dissolution of the former Redevelopment Agency the City became the Successor to the former Redevelopment Agency's housing activities and as a result, the Housing Successor Fund assumed the notes receivable of the former Redevelopment Agency's Low- and Moderate-Income Housing Fund. The balances of the notes receivable in the Housing Successor Fund at June 30, 2023 are set forth below:

From fiscal year 2018-19 to 2022-23, the City entered into multiple agreements Tri-Valley BMR for the Vineyard 2.0 Project development of affordable housing and other services to assist the low-income community. These loans are spread among several funds and have interest at 3% per year. As of June 30, 2023, the outstanding balance totals $7,332,643, of which $2,457,750 is from the Housing Successor Fund, $3,254,758 is from the Low-Income Housing Fund, and $1,620,135 is from the Other Impact Fee Fund.

During the fiscal year ended June 30, 2010, the former RDA approved an interfund advance of $1,561,803 from the Low and Moderate Income Housing fund to the former Agency's Capital Projects Fund to make the required payment to the Supplemental Education Revenue Augmentation Fund (SERAF). During the fiscal year ended June 30, 2011, the former Agency approved a second interfund advance in the amount of $321,548 for a total of $1,883,351. As of June 30, 2023, the outstanding balance is $443,438.

From fiscal year 1992 to 2000, the former RDA and the City entered into agreements with the Eden Housing Project, the proceeds of which were used for land acquisition and development of low- and moderate-income housing and have interest at 3%. As of June 30, 2023, the outstanding balance totals $2,311,149, of which $811,149 is from the Housing Successor Fund, $1,400,000 is from the Low-Income Housing Fund, and $100,000 is from the Other Local, State and Federal Grant Funds.

In 2009, the former RDA agreed to a property tax loan, extended to the Livermore Senior Associates LLC, which bears interest at 4%. Annual repayments begin after the project is complete commencing in year eight from available cash flows of the project. In fiscal year 2017-18, loan advances have ceased, and the loan repayment period commenced. The principal balance was adjusted to match the repayment schedule. As of June 30, 2023, the outstanding loan balance was $2,372,632.

In April 2011, the former RDA loaned an individual $199,032 from Low- and Moderate-Income Housing Funds to be used for the purchase of an affordable housing unit. To assist in the refinancing of a below market rate unit, the City originally loaned the borrower $61,000. To further assist, the City increased that loan to $184,652 (original loan of $61,000 included). The balance of the two loans as of June 30, 2023 is $171,760

Note 6 - Lease Receivables

The City, as a lessor, has entered into long-term non-cancelable lease agreements for buildings, parking lots, land, facilities, and cell sites, which expire at various dates through 2061. During the year ended June 30, 2023, the City recognized $755,138 and $442,048 in lease revenue and interest revenue, respectively, pursuant to these contracts. As of June 30, 2023, the City has a receivable for lease payments of $12,699,291, and a balance of deferred inflow of resources of $12,269,656. The future lease payments were discounted at a rate of 1.92% to 3.57%, depending on the length of the lease.

Note 7 - Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at acquisition cost. Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. Generally accepted accounting principles requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

The City's policy is to capitalize infrastructure with a cost exceeding $100,000 and other capital assets with a cost exceeding $25,000 and with useful lives exceeding one year.

The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems in its government–wide financial statements.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of the assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on statement of Net Position as a reduction in the book value of the capital assets.

Depreciation of capital assets in service is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Buildings	25-50 years
Improvements	20-50 years
Equipment	3-20 years
Library books	3-20 years
Licensed Vehicles	3-20 years
Infrastructure	25-50 years

Capital Asset Additions and Retirements

Capital asset activity for the year ended June 30, 2023 comprises the following:

	Balance June 30, 2022	Additions	Retirements and adjustments	Transfers/ Reclassification	Balance at June 30, 2023
Governmental Activities					
Governmental Fund Capital Assets					
Capital assets not being depreciated:					
Land	$ 43,845,980	$ -	$ -	$ -	$ 43,845,980
Intangible asset - easement	4,542,933	-	-	-	4,542,933
Construction in progress	72,849,888	10,608,451	-	-	83,458,339
Subtotal	121,238,801	10,608,451	-	-	131,847,252
Capital assets being depreciated, cost:					
Office equipment	2,959,651	-	(306,979)	-	2,652,672
Other equipment	9,576,754	343,682	(449,590)	-	9,470,846
Library books	2,062,340	-	-	-	2,062,340
Licensed vehicles	261,992	27,999	-	-	289,991
Infrastructure	360,546,455	2,174,895	(288,384)	-	362,432,966
Buildings	123,688,658	-	(49,348)	-	123,639,310
Subtotal	499,095,850	2,546,576	(1,094,301)	-	500,548,125
Accumulated Depreciation:					
Office equipment	(2,705,796)	(50,642)	306,450	-	(2,449,988)
Other equipment	(7,201,350)	(229,695)	398,744	-	(7,032,301)
Library books	(2,062,340)	-	-	-	(2,062,340)
Licensed vehicles	(203,400)	(20,114)	-	-	(223,514)
Infrastructure	(194,779,073)	(8,691,147)	283,544	-	(203,186,676)
Buildings	(46,274,503)	(2,565,457)	49,349	-	(48,790,611)
Subtotal	(253,226,462)	(11,557,055)	1,038,087	-	(263,745,430)
Net Governmental Funds capital assets being depreciated	245,869,388	(9,010,479)	(56,214)	-	236,802,695
Right-to-use subscription IT assets being amortized					
Right-to-use subscription IT assets	3,399,931	-	-	-	3,399,931
Accumulated amortization	-	(596,329)	-	-	(596,329)
Net right-to-use subscription IT assets	3,399,931	(596,329)	-	-	2,803,602
Total Governmental Funds capital assets	$ 370,508,120	$ 1,001,643	$ (56,214)	$ -	$ 371,453,549

	Balance at June 30, 2022	Additions	Retirements and Adjustments	Transfers/ Reclassification	Balance at June 30, 2023
Internal Service Fund Capital Assets					
Capital assets not being depreciated:					
Construction in progress	$ 591,211	$ 1,501,937	$ -	$ (221,257)	$ 1,871,891
Subtotal	591,211	1,501,937	-	(221,257)	1,871,891
Capital assets being depreciated, cost:					
Office equipment	2,718,194	161,076	(111,498)	-	2,767,772
Other equipment	1,238,803	-	(105,703)	-	1,133,100
Infrastructure	12,406,587	-	-	-	12,406,587
Licensed vehicles	17,796,113	1,572,254	(1,362,282)	221,257	18,227,342
Subtotal	34,159,697	1,733,330	(1,579,483)	221,257	34,534,801
Accumulated Depreciation:					
Office equipment	(2,424,448)	(134,643)	109,481	-	(2,449,610)
Other equipment	(614,835)	(72,989)	105,704	-	(582,120)
Infrastructure	(3,118,596)	(821,330)	-	-	(3,939,926)
Licensed vehicles	(11,845,060)	(1,322,086)	1,321,198	-	(11,845,948)
Subtotal	(18,002,939)	(2,351,048)	1,536,383	-	(18,817,604)
Net Internal Service Fund capital assets being depreciated	16,156,758	(617,718)	(43,100)	221,257	15,717,197
Right-to-use subscription IT assets being amortized					
Right-to-use subscription IT assets	592,396	-	-	-	592,396
Accumulated amortization	-	(151,199)	-	-	(151,199)
Net right-to-use subscription IT assets	592,396	(151,199)	-	-	441,197
Total Internal Service Funds	17,340,365	733,020	(43,100)	-	18,030,285
Governmental activity capital assets, net	$ 387,848,485	$ 1,734,663	$ (99,314)	$ -	$ 389,483,834

	Balance June 30, 2022	Additions	Retirements and adjustments	Transfers/ Reclassification	Balance at June 30, 2023
Business-type activities					
Capital assets not being depreciated:					
Land	$ 13,380,924	$ -	$ -	$ -	$ 13,380,924
Land improvements	634,433	-	-	-	634,433
Construction in progress	8,088,817	6,031,064	-	-	14,119,881
Subtotal	22,104,174	6,031,064	-	-	28,135,238
Capital assets being depreciated:					
Office equipment	704,549	-	(56,769)	-	647,780
Other equipment	8,273,531	54,205	(496,151)	-	7,831,585
Licensed Vehicles	910,008	-	(200,416)	-	709,592
Airport infrastructure	12,770,892	-	(780,159)	-	11,990,733
Water infrastructure	59,911,630	25,935	-	-	59,937,565
Sewer infrastructure	142,982,434	27,620	(917,828)	-	142,092,226
Storm Drain infrastructure	111,051,698	256,971	-	-	111,308,669
Stormwater infrastructure	1,011,473	-	-	-	1,011,473
Buildings	22,674,452	-	(16,733)	-	22,657,719
Subtotal	360,290,667	364,731	(2,468,056)	-	358,187,342
Accumulated Depreciation:					
Office equipment	(394,538)	(58,749)	56,769	-	(396,518)
Other equipment	(1,593,777)	(459,159)	471,368	-	(1,581,568)
Licensed Vehicles	(480,283)	(34,178)	200,415	-	(314,046)
Airport infrastructure	(11,116,410)	(94,087)	780,159	-	(10,430,338)
Water infrastructure	(28,582,519)	(1,666,147)	-	-	(30,248,666)
Sewer infrastructure	(91,719,698)	(3,397,414)	916,349	-	(94,200,763)
Storm Drain infrastructure	(89,186,801)	(1,912,517)	-	-	(91,099,318)
Stormwater infrastructure	(198,853)	(44,651)	-	-	(243,504)
Buildings	(11,278,399)	(449,172)	16,734	-	(11,710,837)
Subtotal	(234,551,278)	(8,116,074)	2,441,794	-	(240,225,558)
Net capital assets being depreciated	125,739,389	(7,751,343)	(26,262)	-	117,961,784
Right-to-use subscription IT assets being amortized					
Right-to-use subscription IT assets	426,266	-	-	-	426,266
Accumulated amortization	-	(49,184)	-	-	(49,184)
Net right-to-use subscription IT assets	426,266	(49,184)	-	-	377,082
Business-type activity capital assets, net	$ 148,269,829	$ (1,769,463)	$ (26,262)	$ -	$ 146,474,104

Depreciation Allocation

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amount allocated to each function or program was as follows:

	Depreciation and amortization	
	Governmental Activities	Business-Type Activities
General Government	$ 2,492	$ -
Fire	322,347	-
Police	346,296	-
Public Works	11,636,219	-
Community Development	1,609,946	-
Library	738,331	-
Airport	-	347,231
Water	-	1,746,300
Sewer	-	4,109,486
Storm Water	-	1,962,241
Total Depreciation Expense	$ 14,655,631	$ 8,165,258

Note 8 - Long-Term Liabilities

Long-Term Debt Schedule:

The City's debt comprises bonds, loans, notes, certificates of participation (COP), and refunding certificates of participation. Certificates of participation are similar to debt; they allow investors to participate in a share of guaranteed payments, which are made by the City. Because they are similar to debt, the present value of the total of the payments to be made by the City is recorded as long-term debt. Details of the individual debt issues and transactions are set forth below:

	Balance at June 30, 2021	Additions (Retirements)	Balance at June 30, 2022	Current Portion
Governmental Activities				
Certificates of Participation:				
2020A, 4%, 2042	$ 7,285,000	$ (205,000)	$ 7,080,000	$ 230,000
Unamortized Premium	1,285,103	(64,255)	1,220,848	64,255
2020B, 4%, 2030	32,959,948	(2,611,198)	30,348,750	2,718,660
Unamortized Premium	5,468,829	(519,920)	4,948,909	519,919
2022, 5%, 2052	-	40,215,000	40,215,000	665,000
Unamortized Premium	-	482,323	482,323	16,632
Housing & Urban Development Loan, varies, 2030	818,197	(90,758)	727,439	90,758
Internal Service Funds:				
Financed Purchase:				
Banc of America Equipment Purchase Loan	6,148,494	(794,252)	5,354,242	856,119
Total governmental activities debt	$ 53,965,571	$ 36,411,940	$ 90,377,511	$ 5,161,343
Business-type Activities				
Airport				
Certificates of Participation:				
2020B, 4%, 2030	$ 3,564,255	$ (168,306)	$ 3,395,949	176,008
Unamortized Premium	621,673	(39,330)	582,343	39,330
Financed Purchase:				
Banc of America Equipment Purchase Loan	241,127	(31,202)	209,925	33,633
Water				
Certificates of Participation:				
2020B, 4%, 2030	2,605,797	(245,494)	2,360,303	255,333
Unamortized Premium	421,997	(46,888)	375,109	46,888
Total business-type activities debt	$ 7,454,849	$ (531,220)	$ 6,923,629	$ 551,192

Long Term Debt

2020 Certificates of Participation

On June 25, 2020, the City issued tax-exempt **2020 Certificates of Participation (2020 COP)** to refinance the 2011 COP, 2014 COP Series A and 2014 COP Series B. There are two semi-annual debt service payments, consisting of principal payments due annually on April 1 and interest payments due on October 1 and April 1, which are payable solely from and secured by the lease payments made by the City to the Public Property Financing Corporation of California. Lease payments will be made by the City pursuant to the Lease Agreement for the use and occupancy of the Leased Property, which comprises of the City's police facility and civic center library located in the City's Civic Center.

The **2020 Certificates of Participation Series A** (2020 COP Series A) are qualified 501(c)(3) certificates and are issued in the principal amount $7,465,000 to refund the 2014 COP Series A (Livermore Valley Performing Arts Center Refunding) and to pay certain costs of executing and delivering the 2020 Series A Certificates.

Lease payments for 2020 COP Series A will be made by the pledged revenue of the Host Community Impact Fee Special Revenue Fund.

The City issued $42,035,000 principal amount of **2020 Certificates of Participation Series B,** (2020 COP Series B) to refund the outstanding principal balance of $14,945,000 for the 2011 COP and $35,530,000 for the 2014 COP Series B as well as to fund certain costs of executing and delivery of the Certificates. Lease payments for 2020 COP Series B will be made by the General Fund, Airport Enterprise Fund, and Water Enterprise Fund.

2022 Certificates of Participation

On November 1, 2022, the City issued tax-exempt **2022 Certificates of Participation (2022 COP)** to finance the design and construction of a parking garage to provide adequate parking for all existing and new development and other improvements of the City and pay certain costs of executing and delivering the Certificates. There are two semi-annual debt service payments, consisting of principal payments due annually on April 1 and interest payments due on October 1 and April 1, which are payable solely from and secured by the lease payments made by the City to the Public Property Financing Corporation of California. Lease payments will be made by the City pursuant to the Lease Agreement for the use and occupancy of the Leased Property, which comprises of the City's police facility and civic center library located in the City Hall and the Civic Center Meeting Hall. Lease payments for 2022 COP will be made by the General Fund.

Hud Section 108 Loans – Direct Borrowing:

In fiscal year 2010, the City received a Section 108 loan in the amount of $1,320,000 from the Department of Housing and Urban Development to purchase the Hagemann Farms. The principal payments are due annually from 2012 through 2030. As of June 30, 2023, the outstanding loan balance was $480,000.

In May 2014, the City entered into a Public Participation Jurisdiction (PPJ) agreement with Alameda County and the Cities of Dublin and Pleasanton to jointly repay a $1,250,000 Section 108 loan guarantee from the US Department of Housing and Urban Development (HUD). This loan was obtained to renovate a building owned by Axis Community Health at 5925 West Las Positas Boulevard, Pleasanton, to expand medical and mental health services throughout the Tri-Valley region. The City of Pleasanton drew $950,000 only since Alameda County paid its share of $300,000 in cash. The City of Livermore has committed to pay $387,505 or approximately 41% of the total loan amount of $950,000. As of June 30, 2023, the outstanding loan balance was $247,439. Payment of the loan is made out of the Other State, Federal, and Local Grants Fund.

Financed Purchase

Bank of America Equipment Purchase Loan

On October 24, 2012, the City entered into an equipment purchase agreement with Bank of America Public Capital Corp to install photovoltaic panels and streetlights throughout the City. The present value of minimum lease payments in the amount of $12,538,957 were initially reported on the financial statements. Rental payments are due in 180 uneven monthly payments ranging from $69,892 to $115,868 and include interest at the rate of 2.59%. Monthly lease payments began on November 24, 2013 and end on October 24, 2028. Because loan payments did not begin until construction was completed in November 2013, the accrued interest of $110,494 for July through October was capitalized and added to the principal balance at that time. Loan payments are being made by the Facilities Rehabilitation Internal Service Fund and the Airport Enterprise Fund.

Debt Service Requirements

Debt service requirements are shown below for all long-term debt, including capital lease obligations.

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	$ 4,560,537	$ 3,508,745	$ 464,972	$ 244,417
2025	4,793,637	3,328,514	484,391	226,678
2026	5,043,782	3,139,279	505,124	208,186
2027	5,269,770	2,941,077	528,522	188,928
2028	5,524,950	2,733,974	551,386	168,826
2029-2033	18,236,523	10,867,326	1,958,158	529,125
2034-2038	10,615,178	8,158,929	864,678	244,946
2039-2043	11,231,054	5,702,206	608,946	65,250
2044-2048	9,280,000	3,610,650	-	-
2049-2052	9,170,000	1,144,406	-	-
Total	$ 83,725,431	$ 45,135,106	$ 5,966,177	$ 1,876,356
Premium, net of amortization	6,652,080		957,452	
	$ 90,377,511		$ 6,923,629	

Subscription-Based Information Technology Arrangements

A subscription-based IT arrangement (SBITA) is defined as a contractual agreement that conveys control of the right to-use another entity's IT asset, alone, or in conjunction with a tangible capital asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The City enters into SBITAs such as software licenses downloaded or available remotely, data storage, and hardware necessary to use the IT asset. The related obligations are presented in the amounts equal to the present value of SBITA payments, payable during the remaining SBITA term. As the licensee, the City recognizes a SBITA liability and an associated intangible-SBITA asset on the Statement of Net Position.

The City has several leasing arrangements accounted for under GASB No. 96, Subscriptions Based Information Technology Arrangements. These arrangements are summarized below.

Licensee Activities

The City has accrued liabilities for eight subscription based information technology (IT) arrangements as of June 30, 2023. Software subscriptions accrued provide the City with remote desktops capabilities, and enterprise application functionality. The remaining liability for these subscriptions is $3,575,371 as of June 30, 2023, respectively. Right to use assets, net of amortization, for these subscriptions is $3,621,881 as of June 30, 2023. Interest expense recognized on these subscriptions was $22,958 for the fiscal year ended June 30, 2023. Principal payments of $796,712 were recognized in the year ended June 30, 2023. Final payment on these subscription arrangements is expected in fiscal year 2033.

	Balance at June 30, 2022	Additions (Retirements)	Balance at June 30, 2023	Current Portion
Governmental Activities				
Governmental Fund Capital Assets				
Subscriptions payable	$ 3,394,131	$ (618,111)	$ 2,776,020	$ 763,281
Internal Service Fund Capital Assets				
Subscriptions payable	592,396	(169,637)	$ 422,759	167,706
Total governmental activities	$ 3,986,527	$ (787,748)	$ 3,198,779	$ 930,987
Business-type Activities				
Water				
Subscriptions payable	$ 70,334	$ (7,569)	$ 62,765	$ 7,395
Sewer				
Subscriptions payable	321,574	(34,646)	286,928	33,806
Stormwater				
Subscriptions payable	30,148	(3,249)	26,899	3,169
Total business-type activities	$ 422,056	$ (45,464)	$ 376,592	$ 44,371

The City's schedule of future payments included in the measurement of leases payable is as follows:

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	$ 930,987	$ 77,106	$ 44,371	$ 10,703
2025	959,129	62,117	47,284	9,442
2026	776,559	36,528	50,329	8,098
2027	282,020	16,086	53,513	6,668
2028	78,492	7,107	56,838	5,147
2029-2033	171,592	7,386	124,257	5,349
Total	$ 3,198,779	$ 206,330	$ 376,592	$ 45,407

Compensated Absences

Compensated absences are comprised of unused vacation leave and certain compensated time off and are accrued as earned. Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be paid out for permanent liquidations due to terminations and retirements are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Position. Sick pay does not vest and is not accrued.

The change in compensated absences for the fiscal year 2023 was as follows:

	Governmental Activities	Business Type Activities	Total
Beginning balance	$ 4,026,805	$ 632,840	$ 4,659,645
Additions	1,703,201	312,353	2,015,554
Payments	(1,553,728)	(293,269)	(1,846,997)
Ending balance	$ 4,176,278	$ 651,924	$ 4,828,202
Current portion	$ 1,266,330	$ 244,773	$ 1,511,103

Note 9 - Special Assessment District Debt with No City Commitment

Special assessment districts, including Mello Roos Districts, exist in various parts of the City to provide improvements to properties located in those districts. Properties are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements and must be sufficient to repay this debt. The City acts solely as the collecting and paying agent for the special assessment district debt issues below, but it has no direct or contingent liability or moral obligation for the payment of this debt. This debt is not included in the general debt of the City. The outstanding balance of each of these issues as of June 30, 2023 is as follows:

District	Balance at June 30, 2022	Additions (Retirements)	Balance at June 30, 2023	Current Portion
Community Facilities District No. 2009-1 (El Charro)				
2015 Refunding Special Tax Note	$ 16,843,451	$ (488,804)	$ 16,354,647	$ 515,145
2016 Special Tax Bonds	4,318,815	(105,108)	4,213,707	109,207
2017 Special Tax Note	2,568,315	(121,279)	2,447,036	127,039
Community Facilities District No. 1999-1 (Tri-Valley Technology Park)				
Special Tax Bonds Series 2015	10,295,000	(1,010,000)	9,285,000	1,035,000
Community Facilites District No. 2016-2 (Shea Properties)				
Special Tax Refunding Bonds, Series 2016	8,500,000	(340,000)	8,160,000	360,000
Assessment District 2016-2 (Pleasant View)				
Improverment Bonds, Series 2018	900,000	(20,000)	880,000	20,000
Assessment District 2021-1 (Trevarno Road)				
Improverment Bonds, Series 2022	912,000	-	912,000	18,000
Total	$ 44,337,581	$ (2,085,191)	$ 42,252,390	$ 2,184,391

Community Facilities District (CFD) No. 2009-1 (El Charro)

2015 Refunding Special Tax Note – On June 1, 2015, the City on behalf of El Charro CFD No. 2009-1 entered into a special tax loan agreement with Livermore Premium Outlets, LLC. This loan was issued to refund the remaining principal amounts of the 2012 and 2014 loans.

2016 Special Tax Bonds – On September 1, 2016 the City on behalf of El Charro CFD No. 2009-1 entered into a special tax loan agreement with Crosswinds Church. The Bonds were issued to fund certain public infrastructure improvements within the CFD.

2017 Special Tax Note – On July 14, 2017 the City on behalf of El Charro CFD No. 2009-1 entered into a special tax loan agreement with Livermore Investments, LLC. This loan was issued to fund certain public infrastructure improvements within the CFD.

Community Facilities District No. 1999-1 (Tri-valley Technology Park) Special Tax Bonds, Series 2015
On May 28, 2015, the City sponsored the issuance of the Community Facilities District No. 1999-1 (Tri-valley Technology Park) Special Tax Bonds, Series 2015. The Bonds were issued to defease and refund remaining principal amount of Community Facilities District No. 1999-1 (Tri-valley Technology Park) Special Tax Bonds, Series 2000.

Community Facilities District No. 2016-2 (Shea Properties) Special Tax Refunding Bonds, Series 2016
On December 22, 2016, the City sponsored the issuance of Community Facilities District No. 2016-2 (Shea Properties) Special Tax Refunding Bonds, Series 2016. The bonds were issued to defease and refund the remaining principal amount of the Community Facilities District No 2006-1 (Shea Properties) Special Tax Bonds, Series 2006.

Assessment District No. 2016-2 (Pleasant View) Limited Obligation Improvement Bonds, Series 2018
On June 14, 2018, the City issued bonds to fund certain public infrastructure improvements within the assessment district. The improvements included connections to the sanitary sewer service system, installation of streetlights, fire hydrants, provide for emergency vehicle access, and the addition of sidewalk curb and gutters to the required standards of the City. For additional information, see Note 3.

Assessment District No. 2021-1 (Trevarno Road) Limited Obligation Improvement Bonds, Series 2022
On January 6, 2022, the City issued bonds to fund certain public infrastructure improvements within the assessment district. The improvements included connections to the sanitary sewer service system and improvements to the water infrastructure. For additional information, see Note 3.

Note 10 - Net Position and Fund Balances

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis.

Net Position

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets. See table below for calculation of Net Investment in Capital Assets from portions of the Statement of Net Position.

	Governmental Activities	Business-Type Activities	Total
Net Assets:			
Land, easements and construction in progress	$ 133,719,143	$ 28,135,238	$ 161,854,381
Capital assets, net of accumulated depreciation	252,519,892	117,961,784	370,481,676
Right-to-use subscription IT assets, net of accumulated amortization	3,244,799	377,082	3,621,881
Total Net Assets:	**389,483,834**	**146,474,104**	**535,957,938**
Less Debt Related to Assets:			
Long-term debt (current portion)	(6,092,330)	(506,821)	(6,599,151)
Long-term debt (due in more than one year)	(87,483,960)	(6,793,400)	(94,277,360)
Total Debt Related to Assets:	**(93,576,290)**	**(7,300,221)**	**(100,876,511)**
Unspent Debt Proceeds	**34,108,216**	**-**	**34,108,216**
Net Investments in Capital Assets	**$ 330,015,760**	**$ 139,173,883**	**$ 469,189,643**

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These restrictions principally include developer fees received for use on capital projects and debt service requirements.

Unrestricted describes the portion of Net Position which is not restricted as to use.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources.

Each category in the following hierarchy is ranked according to the degree of spending constraint:

Non-spendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of non-spendable assets are restricted, committed or assigned, then non-spendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances have constraints imposed by formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Intent is expressed through Council resolution and/or budget document or its designee (City Manager) and may be changed at the discretion of the City Council or its designee. This category includes Non-spendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

The City's permanent fund reported a fund balance amount of $577,287 of which $70,763 represents the cumulative net appreciation on investments available for expenditure and a permanent amount of $506,524 reported as restricted fund balance. The investment income can only be spent on Doolan Canyon projects.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance.

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Detailed classification of the City's fund balances as of June 30, 2023 are below:

Fund Balance Classifications	General Fund	Low Income Housing-Special Revenue Fund	2022 COPS Construction Capital Projects Fund	Other Governmental Funds	Total
Nonspendable:					
Items not in spendable form:					
Prepaids and deposits	$ 15,938	$ 12,216	$ -	$ 601,048	$ 629,202
Leases	31,544	-	-	-	31,544
Advances	3,938,765	-	-	-	3,938,765
Land held for redevelopment	1,727,437	-	-	-	1,727,437
Total Nonspendable Fund Balances	5,713,684	12,216	-	601,048	6,326,948
Restricted for:					
Alameda County Transportation programs	-	-	-	10,379,060	10,379,060
Gas tax program	-	-	-	14,039,880	14,039,880
Grant Programs	-	-	-	7,641,080	7,641,080
Host Community Impact program	-	-	-	1,401,820	1,401,820
Housing and human services programs	-	44,444,935	-	9,031,524	53,476,459
Maintenance Program	-	-	-	15,599,361	15,599,361
Capital improvements programs	-	-	34,108,216	40,633,029	74,741,245
Park program	-	-	-	4,368,026	4,368,026
PEG program	-	-	-	1,443,963	1,443,963
Art programs	-	-	-	3,961,681	3,961,681
Solid waste and recycling program	-	-	-	321,661	321,661
Street sweeping program	-	-	-	68,791	68,791
Total Restricted Fund Balances	-	44,444,935	34,108,216	108,889,876	187,443,027
Committed for:					
Financial stabilization arrangement	18,537,548	-	-	-	18,537,548
Open space acquisition and management	-	-	-	2,597,943	2,597,943
Total Committed Fund Balance	18,537,548	-	-	2,597,943	21,135,491
Assigned for:					
Economic Uncertainty Reserve	16,683,793	-	-	-	16,683,793
Infrastructure Repair & Replacement	25,325,000	-	-	-	25,325,000
CIP Reserves	17,049,363	-	-	-	17,049,363
Total Assigned Fund Balances	59,058,156	-	-	-	59,058,156
Unassigned:					
General Fund	620,364	-	-	-	620,364
Total Unassigned Fund Balances	620,364	-	-	-	620,364
Total Fund Balances	$ 83,929,752	$ 44,457,151	$ 34,108,216	$ 112,088,867	$ 274,583,986

Minimum Operating Reserve Policy

On June 13, 2016 the City adopted a resolution to update the City's Fund Balance Policy. Special Revenue, Debt Service and Capital Projects Funds have no minimum funding levels due to the nature of the funds. The minimum funding levels of the policy are highlighted below.

General Fund

The Committed General Fund Financial Stabilization Operating Reserve minimum funding level is 15% of operating expenditures plus debt service transfers to be used in a catastrophic event or in a major emergency or in periods of severe fiscal crisis. The Assigned General Fund Economic Uncertainty Reserve minimum funding level is 13.5% of operating expenditures plus debt service transfers to be used during times of severe economic distress such as protracted recessionary periods. State raids on local resources, or other impactful unforeseen events which greatly diminish the financial ability of the City to deliver core services. The Unassigned General Fund balance minimum funding level is 1.5% of operating expenditures plus outgoing debt service transfers.

Enterprise Funds

The Airport and Water Funds' unrestricted net position minimum balance is 12.5% (or 45 days' worth of working capital) and 33% (or 120 days' worth of working capital) of operating expenditures plus debt service requirements respectively. The Sewer Fund is recommended to maintain an unrestricted Net Position minimum balance of 50% of their operating budget plus debt service requirements.

Internal Service Funds

Liability Insurance and Workers Compensation Funds are recommended to fully fund actuarially determined claim obligations at a minimum at the seventy percent (70%) confidence level. The City will strive to fully fund actuarially determined claim obligations at the 90% confidence level.

The Fleet Services, Information Technology and Facilities Rehabilitation Funds are recommended to keep 12.5% of operating expenses as minimum unrestricted net position balance.

Note 11 - Pension Plans

A. Social Security/ Public Agency Retirement Systems (PARS)

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. The City's part-time, seasonal, and temporary employees are not covered under Social Security. The City has an agreement with the Public Agency Retirement System (PARS) to provide an alternative retirement system for employees not eligible for the California Public Employees' Retirement System (CalPERS) Pension Plan and adopted the PARS 457 Trust including the PARS Section 457 FICA Alternative Retirement Plan.

B. California Public Employees' Retirement System (CalPERS) Pension Plans

All public employees meeting CalPERS membership requirements must participate in pension plans offered by California Public Employees Retirement System (CalPERS).

For the fiscal year ended June 30, 2023, the City reported its net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Miscellaneous Plan	$ (100,494,154)	$ 31,475,941	$ (1,772,818)	$ 12,736,622
Safety Plan	(54,723,769)	26,624,789	(4,775,185)	1,754,063
Total	$ (155,217,923)	$ 58,100,730	$ (6,548,003)	$ 14,490,685

1. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (Police) cost-sharing and Miscellaneous (all other) agent multiple-employer defined benefit plans (Plans), administered by the CalPERS. The Miscellaneous Plans are an agent multiple employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

The City's Safety Plans became part of a cost-sharing multiple employer defined benefit pension plan administered by CalPERS, commonly referred to as a risk pool, as of the actuarial valuation date of June 30, 2003. Risk pools exist for employers with less than 100 active plan members.

The City has three retirement benefit tiers in the Plans. Membership in the first tier of the retirement system is closed to new employees hired on or after December 31, 2012. The second tier was adopted by the City in November 2012 for all employees hired December 31, 2012. The third tier was adopted by the City effective January 1, 2013 pursuant to State Assembly Bill 340.

The net pension liabilities will be liquidated primarily from the general fund, approximately 80%, with the remaining amounts from the Airport, Water, Sewer, Stormwater, and internal service funds.

2. Benefits Provided and Actuarial Assumptions

CalPERS provides service and disability retirement benefits, cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total credited service are eligible to retire at age 50 with statutorily reduced benefits. Members may apply for a non-duty disability retirement benefit after 5 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	Safety
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Minimum retirement age	50/52	50
Employees hired prior to December 30, 2012	**Tier 1**	**Tier 1**
Monthly benefits, as a % of annual salary	2.7% at 55	3% at 50
Required member contribution rates	8%	9%
% paid by employee	8%	9% [1]
% paid by employer	0%	0% [1]
Required employer contribution rates (Normal cost)	11.350%	23.750%
Employer payment of unfunded liability	$ 8,801,893 [4]	$ 3,816,196
Employees hired December 31, 2012	**Tier 2**	**Tier 2**
Monthly benefits, as a % of annual salary	2% at 60 [4]	3% at 55 [3]
Required member (employee) contribution rates	6.75%	9.00%
Required employer contribution rates (Normal cost)	11.350%	20.640%
Employer payment of unfunded liability	$ -	$ 22,448
Employees hired after December 31, 2012	**Tier 3**	**Tier 3**
Monthly benefits, as a % of annual salary	2% at 62 [2]	2.7% at 57 [3]
Required member (employee) contribution rates:	6.25%	12.0%
Required employer contribution rates (Normal cost)	11.350%	12.780%
Employer payment of unfunded liability	$ -	$ 8,341

1 Rates presented in the table above were effective 7/1/2016.

2 Newly hired Misc Employees will be enrolled in the 2% at 60 or 2% at 62 formula, dependent on the individual's eligibility, as per AB340.

3 Newly hired Safety Employees will be enrolled in the 3% at 55 or 2.7% at 57 formula, dependent on the individual's eligibility, as per AB340.

4 Balance mentioned above is a combined amount for all Miscellaneous plans.

Employees Covered – At June 30, 2023, the following employees were covered by the benefit terms of the Miscellaneous Plans, however, information for the Safety Police Plans was not provided from CalPERS for cost-sharing multiple employer defined benefit pension plans.

	Miscellaneous[1]
Inactive employees or beneficiaries currently receiving benefits	508
Inactive employees entitled to but not yet receiving benefits	285
Active employees	310
Total	1,103

[1] All Tiers of the Miscellaneous plans were reported together in the Census data report by CalPERS.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The City must contribute these amounts. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as part of pension expense for the Plans were as follows:

	Miscellaneous[1]	Safety Police[1]	Total
Contributions - employer	$ 12,350,716	$ 6,516,715	$ 18,867,431

[1] All Tiers of the Miscellaneous and Safety Police plans were combined together on GASB 68 report by CalPERS.

Actuarial Assumptions – The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	All Plans (1)
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.300%
Payroll Growth	2.750%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.50% (2)
Mortality (3)	Derived using CalPERS' membership data for all funds

(1) All of the City's plans for miscellaneous and safety police employed the same

(2) Net of pension plan investment expenses, including inflation

(3) 2021 CalPERS Experience Study for the period from 2001-2019, Recipients with attained age of 50

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of the 2019 CalPERS Experience Study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The table below reflects long-term expected real rate of return by asset class.

Asset Class [1]	Assumed Asset Allocation	Real Return [1, 2]
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021 Asset Liability Management study.

3. Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan (Miscellaneous)

The changes in the Net Pension Liability for the Miscellaneous Plan during the measurement year were as follows:

Miscellaneous Plan[1]**:**	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 [2]	$ 332,484,739	$ 276,907,431	$ 55,577,308
Changes in the year:			
Service cost	6,196,254	-	6,196,254
Interest on the total pension liability	23,169,756	-	23,169,756
Changes of Assumptions	10,174,287	-	10,174,287
Difference between expected and actual experience	(1,740,186)	-	(1,740,186)
Net plan to plan resource movement	-	-	-
Contribution - employer	-	11,735,625	(11,735,625)
Contribution - employee (paid by employer)	-	-	-
Contribution - employees	-	2,310,862	(2,310,862)
Net investment income	-	(20,990,725)	20,990,725
Benefit payments, including refunds of employee contributions	(16,446,814)	(16,446,814)	-
Administrative expenses	-	(172,497)	172,497
Net changes	21,353,297	(23,563,549)	44,916,846
Balance at June 30, 2022 [2]	$ 353,838,036	$ 253,343,882	$ 100,494,154

[1] All Tiers of the Miscellaneous plan were combined together on GASB 68 report by CalPERS.
[2] Represent measurement dates used in the GASB 68 valuation report.

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

4. Safety Police Cost-Sharing Multiple-Employer Defined Benefit Plan (Police Safety)

As of June 30, 2023, the City reported net pension liabilities for its proportionate share of the net pension liability of the Police Safety Plan as follows:

	Proportionate Share of Net Pension Liability [1]
Safety Police Plan	$ (54,723,769)

[1] All Tiers of the Safety Police plan were combined together on GASB 68 report by CalPERS.

The City's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans are measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of the measurements dates of June 30, 2021 and 2022 was as follows:

	Safety Police
Proportion - June 30, 2021	0.79545%
Proportion - June 30, 2022	0.79638%
Change - Increase (Decrease)	0.00093%

[1] All Tiers of the Safety Police plan were combined together on GASB 68 report by CalPERS.

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

5. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City's Miscellaneous Plan and the City's proportionate share of the net pension liability for the Safety Police Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate		
	1% Decrease	Current	1% Increase
Net Pension Liability	(5.90%)	(6.90%)	(7.90%)
Miscellaneous Plan[1]	$146,222,624	100,494,154	$62,516,096
Police Safety Plan[1]	82,034,817	54,723,769	32,403,157

[1] All Tiers of the Miscellaneous plan and Safety Police plan were combined together into

6. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2023, the City recognized pension expense of $12,736,622 for the Miscellaneous Plan and $1,754,063 for the Police Safety Plan for a total pension expense of $14,490,685.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan		Safety Police Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ -	$ (1,772,818)	$ 2,264,818	$ (594,257)	$ 2,264,818	$ (2,367,075)
Changes in assumptions	6,406,032	-	5,517,813	-	11,923,845	-
Net differences between projected and actual earnings on plan investments	12,719,192	-	-	-	12,719,192	-
Change in proportion and differences between actual contributions and proportionate share of contributions	-	-	12,325,444	(4,180,928)	12,325,444	(4,180,928)
Total	$ 19,125,224	$ (1,772,818)	$ 20,108,075	$ (4,775,185)	$ 39,233,299	$ (6,548,003)

Pension contributions subsequent to measurement date	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Miscellaneous Plan[1]	$ 12,350,716	$ -	$ 12,350,716
Safety Police Plan[1]	6,516,715	-	6,516,715
Total	$ 18,867,431	$ -	$ 18,867,431

[1] All Tiers of the Miscellaneous and Police Safety plan were combined together on GASB 68 report by CalPERS.

In the table above amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Miscellaneous Plan Deferred Outflows/(inflows) of Resources	Safety Police Plan Deferred Outflows/(inflows) of Resources	Total Deferred Outflows/(inflows) of Resources
2024	$ 4,463,913	$ 4,524,410	$ 8,988,323
2025	4,000,955	3,574,397	7,575,352
2026	889,240	1,962,565	2,851,805
2027	7,998,298	5,271,518	13,269,816
	$ 17,352,406	$ 15,332,890	$ 32,685,296

Note 12 - Other Post Employment Benefits

The City has two types of retirement health benefits as determined by Council resolution and through agreements with its labor units. One plan is a Defined Benefit Plan (Other Post Employment Benefit "OPEB") which provides health care benefits for retired employees under third party insurance plans. The second plan is a Defined Contribution Plan in which the City contributes a fixed amount to a retirement health savings account on behalf of employees who are not eligible for OPEB. The City's Defined Benefit OPEB plan is closed to new entrants; all new employees are enrolled into the City's Defined Contribution plan.

	Executive Management	Mid-Mgmt & Confidential	ALE	LPOA	Police Management
§ Hired Before	• 8/1/2014	· 2/1/2006	· 4/1/2007	· 2/1/2007	· 9/1/2004
§ Eligibility	• Retire directly from the City with 10 years CalPERS service (15 years for Police safety) and a minimum of 5 years City service, or • Industrial disability, for police safety (except for employees enrolled in retirement health savings account)				
§ Benefit	• City reimburses up to a percentage subject to a cap that varies by bargaining group • City will reimburse Medicare A & B if required for Medical coverage • Reimbursement percentage based on bargaining group and CalPERS service:				
	PERS Service / Reimb % 10 / 75% 15 / 80% 20 / 90% 25+ / 100%		PERS Service / Reimb % 10 / 70% 15 / 80% 20 / 90% 25+ / 100%	PERS Service / Reimb % 15 / 75% 20 / 85% 25+ / 100%	
§ Cap	· DOR < 10/9/01: $200 · DOR < 10/9/01 and DOH < 1/10/05: $2,121.24 • DOH ≥ 1/10/05: With a current benefit maximum of $1,866.20[1] · DOH ≥ 8/1/14: No benefits, City contributes 4% of base pay to RHSA	· DOR < 9/25/00: $200 · DOR between 9/25/00 and 7/1/15: $2,121.24[1] · DOR ≥ 7/1/15 and DOH < 2/1/06: With a current benefit maximum of $1,950[1] · DOH ≥ 2/1/06: No benefit, City contributes 4% of base pay to RHSA	· DOR < 10/3/03: $200 · DOR > 10/3/03: $2,121.24 · DOR > 1/1/06: With a current benefit maximum of $2,058.20[1] · DOR > 11/9/14: With a current benefit maximum of $2,050 · DOR > 1/1/17: $1,950 · DOH ≥ 4/1/07: No benefits, City contributes 4% of base pay to RHSA	· DOR < 2/1/02: $200 · DOH < 2/1/07: $1,866.20[2] · DOH > 2/1/07: No benefits, City contributes 5% of base pay to RHSA, EE contributes 1% of base pay to RHSA	· DOR < 4/7/03: $200 · Tier 1 (PL/Cpt): (DOR < 9/1/04) $2,121.24[1] · Tier 2 (Actively employed as of 8/30/04): $2,371.81[2] · Tier 3 (promoted after 9/1/04): $1,866.20[2] · Promoted EE's stay with RHSA if RHSA was prior benefit · DOH ≥ 9/1/04: No benefits; City contributes 5% of base pay to RHSA

1: Will be matched to Kaiser A two party rate for an active employee
2: Will be matched to Pre 65 Retireee Kaiser A two party rate

Funding Policy and Actuarial Assumptions

The actuarially determined contribution (ADC) to the OPEB plan was determined as part of a June 30, 2022 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 6.25% investment rate of return, (b) 2.75% projected annual salary increase, and (c) 2.50% general inflation rate and (d) health inflation decreases ranging from 4.0%-7.5%. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future.

In accordance with the City's budget, the actuarially determined contribution (ADC) is to be funded throughout the year as a percentage of payroll. During fiscal year ended June 30, 2010, the City joined the Public Agencies Post-Retirement Health Care Plan, a multiple employer trust administered by Public Agency Retirement Services (PARS). During current fiscal year, the City contributed $5,163,000 to an irrevocable trust administrated by PARS, managed by an appointed board not under the control of City Council. This trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for PARS may be obtained from PARS at 4350 Von Karman Ave., Suite 200, Newport Beach, CA 92660.

OPEB Trust Fund

Plan Administration

The City is the plan administrator. The Public Agency Retirement Services (PARS) administers the trust for the City's retiree healthcare benefit plan – an agent multiple-employer defined benefit OPEB plan that provides healthcare benefits for eligible general and public safety employees of the City.

	Fiscal Year ended 6/30/23
Plan Type	Agent Multiple Employer
OPEB Trust	No
Special Funding Situation	No
Nonemployer Contributing Entity	No

Plan Membership

As of June 30, 2023, membership in the plan consisted of the following:

	Number of Covered Employees
Retirees and beneficiaries receivng benefits	319
Terminated plan members entitled to but not yet receiving benefits	19
Active plan members	141
	479

Benefits Provided

Post-employment healthcare and similar benefit allowances are provided to eligible employees who retire from the City or to their surviving spouses. As noted in the table above in Note 11B(ii), there were 320 participants receiving these healthcare benefits as of June 30, 2023. Refer to the table on the previous page for the contractual maximum contribution rates for the eligible employees depending upon their association with specific bargaining groups.

Contribution Information

PARS establish rates for each employer based on an actuarially determined rate for each employer. For the year ended June 30, 2023, the City's average contribution rate was 20.5 percent of covered-employee payroll. Plan members are not required to contribute to the plan.

For the year ended June 30, 2023, the City contributed $4,720,518 in relation to the actuarially determined contribution.

Investment Policy

PARS offer different investment portfolios as part of the investment vehicle. The City invests in "Capital Appreciation" portfolio; the primary goal of the Capital Appreciation objective is growth of principal. The major portions of the assets are invested in the equity securities and market fluctuations are expected. The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selections and monitoring helps to drive return potential while reducing portfolio risk.

The following is the City adopted asset allocation policy as of June 30, 2023.

Asset Class Component:	Target Allocation	Expected Real Rate of Return
Global Equity	75.00%	4.56%
Fixed Income	20.00%	0.78%
Cash	5.00%	-0.50%
Assumed Long Term Rate of Inflation		2.50%
Discount Rate		6.25%

Changes in Net OPEB Liability

The changes in the Net OPEB Liability are as follows.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2021 [1]	$ 82,272,320	$ 39,358,981	$ 42,913,339
Changes in the year:			
Service cost	1,087,105	-	1,087,105
Interest on the total pension liability	4,886,409	-	4,886,409
Investment Experience	(9,974,671)		(9,974,671)
Changes of assumptions	93,577	-	93,577
Contribution - employer	-	4,720,518	(4,720,518)
Net investment income	-	4,064,254	(4,064,254)
Benefit payments, including refunds of employee contributions	(3,838,518)	(3,838,518)	-
Administrative expenses	-	(73,449)	73,449
Net changes	(7,746,098)	4,872,805	(12,618,903)
Balance at June 30, 2022 [1]	$ 74,526,222	$ 44,231,786	$ 30,294,436

[1] Represent measurement dates used in the GASB 75 valuation report.

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from PARS. The liability will be paid for by the general fund.

Actuarial Methods and Assumptions

The City's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

Measurement Date	June 30, 2023
Valuation Date	June 30, 2022
Funding Policy	City Contributes full ADC PARS portfolio: Capital Appreciation
Medical Trend	Non-Medicare - 8.50% for 2024, decreasing to 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076
Healthcare participation for future Retirees	Not in RHSA: 90%; In RHSA: not applicable
Cap Increases	Kaiser plan A 2-party premium: Medical trend Active medical cap - Minimum of: Healthnet PPO Family Premium (Increase with Medical Trend); 1% (for ALE hired between 1/1/06 and 12/31/16) of budgeted monthly salary (increased with payroll
Actuarial Assumptions:	
Discount Rate	6.25%
Salary Increase	Aggregate:-2.75% annually Merit- CalPERS 2000-2019 Experience Study
Inflation	2.50%
Investment Rate of Return	6.25%
Mortality , Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

Discount rate

The discount rates used to measure the total OPEB liability were 6.25% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the net OPEB liability of the City as of June 30, 2023, calculated using the discount rate of 6.25%, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

	Discount Rate		
	1% Decrease	Current	1% Increase
	-5.25%	-6.25%	-7.25%
Net OPEB Liability	$ 39,301,774	$ 30,294,436	$ 22,743,273

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Trend Rate		
	1% Decrease	Current	1% Increase
Net OPEB Liability	$ 26,300,853	$ 30,294,436	$ 33,831,050

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB credit of $1,511,541. As of fiscal year, ended June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ -	$ (5,224,828)
Changes in assumptions	472,714	-
Net differences between projected and actual earnings on plan investments*	815,363	-
Total	$ 1,288,077	$ (5,224,828)

* Deferred Inflows and Outflows combined for footnote disclosure.

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year Ended June 30	Deferred Outflows/(inflows) od Resources
2024	$ (4,266,696)
2025	(692,457)
2026	1,361,693
2027	(339,291)
	$ (3,936,751)

Payable to OPEB Plan

The City did not report any payables for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2023.

The net OPEB liability will be liquidated primarily from the general fund, approximately 80%, with the remaining amounts from the Airport, Water, Sewer, Stormwater, and internal service funds.

Note 13 - Deferred Compensation Plan

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

Note 14 - Joint Ventures

The City participates in the joint venture activities described below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these organizations exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. Assets and liabilities of the separate entities are not those of the City. The City's sole financial responsibility is to fund annual contributions to each entity which are used along with other member contributions to finance each joint venture's annual operations.

Livermore-Amador Valley Water Management Agency (LAVWMA)

Livermore-Amador Valley Water Management Agency (LAVWMA) was formed in 1974. LAVWMA operates the export pipeline connecting with the East Bay Discharges Authority's systems and discharges treated wastewater into San Francisco Bay. The current members of the Agency are Dublin San Ramon Services District, City of Livermore, and City of Pleasanton. Sewer revenue bonds issued by LAVWMA are being repaid with user charges assessed to member agencies.

The City accounts for its investment in LAVWMA by the equity method in the Sewer Enterprise Fund. The City records its share of earnings (losses) in the Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position as "Change in value in investment in JPA - LAVWMA," and the carrying value of the City's investment in LAVWMA is recorded in the Proprietary Funds Statement of Net Position as "Investment in JPA - LAVWMA."

On August 1, 2011, LAVWMA issued $105,345,000 principal amount of 2011 Sewer Revenue Refunding Bonds. Proceeds of the issuance were used to refund and retire the Series A Sewer Revenue Bonds and to pay costs of issuance. Under an Amended and Restated Sewer Service Contract dated October 1, 2011 between LAVWMA and the Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2011 Bonds, a lien on the Net Revenues of their respective wastewater systems to pay to LAVWMA the amounts owed in order for LAVWMA to pay the debt service on the 2011 bonds. The City's share is 27.83% of the total debt service. The City's equity interest in LAVWMA was $20,386,487 as of June 30, 2023. Financial statements for LAVWMA may be obtained from DSRSD at 7051 Dublin Boulevard, Dublin, California 94568.

Livermore-Amador Valley Transit Authority (LAVTA)

This Authority was formed in May 1985 by a joint exercise of powers agreement between the County of Alameda and the Cities of Livermore, Pleasanton, and Dublin for the purpose of providing general public transportation under the business name "Wheels". Financial statements may be obtained from LAVTA, 1362 Rutan Court, Suite 100, Livermore, CA 94551.

Tri-Valley Transportation Council (TVTC)

The Tri-Valley Transportation Council was formed in 1991 by a joint exercise of powers agreement between the cities of Dublin, Livermore, Pleasanton, and San Ramon, the Town of Danville and the Counties of Alameda and Contra Costa for the purposes of preparing a transportation plan and providing transportation facilities within the Tri-Valley area. Financial statements may be obtained from Franklin Management Systems, Inc., Attn: Mr. Jack Harrington, 3037 Hopyard Road, Suite M, Pleasanton, CA 94588.

Livermore - Pleasanton Fire Department Joint Powers Agreement (LPFD)

On December 3, 1996, the cities of Livermore and Pleasanton signed a joint powers agreement to form a joint Fire Department covering both cities. The LPFD may own physical assets and can enter into contracts with the approval of the governing board, where applicable. Fire protection services are provided by the City of Pleasanton employees under the joint power agreement. The LPFD prepares its budget including contributions required from each City to fund operating and capital needs for the year. In January 2013, the City of Livermore began functioning as Treasurer for LPFD. The City of Livermore has 50% equity share (or deficit, when applicable) in LPFD and share all the costs at approximately 50%. The deficit net position of the LPFD is reported on the governmental activities statement of net position because the City has an ongoing financial responsibility. During the year ended June 30, 2023, the City contributed $22,248,639 to LPFD representing its share of costs. The City's deficit interest in LPFD was $40,200,931 as of June 30, 2023, based on LPFD audited financial statements for the fiscal year ended June 30, 2023. Financial statements for LPFD may be obtained from the City of Livermore at 1052 South Livermore Avenue, Livermore, California 94550.

California Public Finance Authority (CalPFA)

California Public Finance Authority (CalPFA) is a political subdivision of the State of California established under the Joint Exercise of Powers Act for the purpose of issuing tax-exempt and taxable conduit bonds for public and private entities throughout California. CalPFA is empowered to promote economic, cultural, and community development opportunities that create temporary and permanent jobs, affordable housing, community infrastructure and improve the overall quality of life in local communities.

The City joined a Joint Exercise of Powers Agreement with CalPFA to issue bonds or other debt that constitute "qualified residential rental project bonds" under Section 142 (a)(7) and Section 142 (d) of the Internal Revenue Code in an amount not-to-exceed $55,000,000 for the purpose of financing or refinancing the acquisition and construction of Ageno Apartments. CalPFA is responsible for all the reporting and monitoring components and the City has no post issuance obligations. The City's name does not appear on any legal documents. Since the JPA is a separate legal entity, the City has no liability exposure. Additionally, the City has no ongoing obligation to the JPA, unless the City wishes to issue bonds for another development project through the JPA.

Financial statements may be obtained from the California Public Finance Authority website, http://www.calpfa.org/general-information/audits-transaction-reports or from California Public Finance Authority, 2999 Oak Road Suite 710, Walnut Creek, CA 94597.

East Bay Community Energy (EBCE)

This authority formed in October 2016 by a joint exercise of power agreement between the County of Alameda and the Cities of Livermore, Pleasanton, and Dublin for the purpose of purchasing energy on a community-wide basis by pooling the buying power of the individuals within their jurisdictions. Involvement in the JPA gives opportunities to the City for gaining greater local involvement over the provision of electricity supply services, competitive electric rates, the development of local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs.

Stopwaste

This authority formed in 1976 by a joint exercise of power agreement between the County of Alameda, all fourteen cities located within the County along with two sanitary districts for the purpose of reducing waste in Alameda County. A representative from each Member Agency serves on the Alameda County Waste Management Authority Board. The Alameda County Waste Management Authority provides solid waste planning, projects and initiatives to increase recycling and reduce waste by residents, businesses and schools. Funding is provided by waste-related fees. Some projects for reduction of waste include the Green Building in Alameda County program, curbside residential food scrap recycling and the reusable bag ordinance. These programs have reduced construction waste, increased use of recycled building materials, produced food scrap composting and reduced the number of plastic bags in the County landfills. For more information visit www.stopwaste.org.

Note 15 - General Liability and Workers Compensation Coverage

Risk Management

The City of Livermore is self-insured for general liability claims up to a self-insured retention (SIR) of $750,000 per occurrence. It is a member of California Joint Powers Risk Management Authority (CJPRMA), an excess insurance pool that provides coverage for each occurrence that exceeds the SIR. CJPRMA provides coverage up to $40,000,000 per occurrence. The first $5,000,000 layer is retained by CJPRMA and the second and third layers totaling $35,000,000 are covered by reinsurance, purchased through their broker of record, Aon. The City of Livermore contributed $1,156,576 to CJPRMA for liability coverage for the fiscal year ending June 30, 2023. The City of Livermore purchases a variety of insurance products from Aon, both through the CJPRMA pooled programs and directly. The City paid $229,771 directly to Aon, $736,103 to Alliant through CJPRMA for property insurance, and $63,727 for auto physical damage insurance to Alliant through CJPRMA.

The Local Agency Workers Compensation Excess Joint Powers Authority (LAWCX) covers workers compensation up to statutory limits. The City has a deductible or uninsured liability of up to $500,000 per claim. During the fiscal year ended June 30, 2023, the City contributed $502,882 for program year coverage.

Each risk pool is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of each risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. The City's contribution to each risk pool equals the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. CJPRMA’s financial statements may be obtained by contacting CJPRMA at (925) 837-0667. LAWCX’s financial statements may be obtained by contacting LAWCX at (800) 541-4591.

Liability for Uninsured Claims

The City's liability for the uninsured portion of claims, including a provision for claims incurred but not reported, was computed as follows based on claims experience:

	Liability Insurance Reserve	Workers' Compensation	Total
Balances of claims payable at June 30, 2022	$ 3,736,869	$ 5,118,262	$ 8,855,131
Incurred claims and change in estimated	1,237,169	1,208,426	2,445,595
Claims paid	(589,510)	(1,083,019)	(1,672,529)
Balances of claims payable at June 30, 2023	$ 4,384,528	$ 5,243,669	$ 9,628,197
Claims payable - current	$ 1,443,000	$ 1,248,000	$ 2,691,000

Note 16 - Economic Development Incentives – Tax Abatements

The City offers economic development incentive program to the entities that propose to locate or expand already established businesses within the City. This incentive program is expected to provide a stimulus to the City's economy, increase the tax base and create jobs. Each of the agreements entered into by the City, provides for a rebate of taxes paid to the City according to formulas contained in the agreements. These limited terms agreements provide for a sharing of the taxes (percentage rebates) above certain amounts with a maximum rebate not to exceed the cost of a business' improvements and/or development impact fees. The City generally expects to receive increased revenue as a result of these agreements. These incentive agreements require approval by City Council.

For financial reporting purposes, the GASB Statement No. 77 defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. According to the GASB 77, the substance of these agreements meets the definition of "tax abatements" as the revenues received were not available for general municipal services purposes, but rather used to effectively reduce the net tax liability of certain taxpayers per the conditions of an agreement.

The taxes paid to the City are included in the revenue reported in these financial statements. The payments made to the businesses based upon the taxes paid are also included as expenditures in these financial statements. For the fiscal year ended June 30, 2023, under this program the City has abatements of sales tax totaling $1,441,638.

Pursuant to the Sales and Use Tax law (chapter 8 – Article 1 – section 7056), in order to protect the confidential information of sales taxes collected and abatements provided to each of the specific agencies, the City has presented the aggregate amount abated during the current fiscal year.

Note 17 - Commitments and Contingencies

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

Construction Commitments

The City has the following outstanding construction commitments at June 30, 2023:

Vendors	Amount
Motorola	$ 89,218

There were no outstanding encumbrances related to these commitments on June 30, 2023.

Animal Shelter

The Cities of Dublin, Pleasanton, and Livermore and the County of Alameda reached an agreement under which Alameda County constructed an animal shelter facility on County property. Under the agreement the entities share in the debt service and operating costs of the project based on their use of the animal shelter. The City of Livermore paid $301,650 for its share of debt service and operating costs. The City's portion of the project fluctuates based on actual usage and was 17% as of June 30, 2023.

Alameda County

During fiscal year 2014-15, Alameda County made a $2.8 million contribution necessary to affect the redemption and retirement of the 2006 Bankhead Theater bond and prepayment of 2006 loan and issuance of 2014 COP Series A. The City is obliged to return $2.8 million to Alameda County in the event the Bankhead Theater is sold. At present, the City does not have any intentions of selling the Theater.

Note 18 - Successor Agency Activities

The City of Livermore opted to become the Livermore Successor Agency to the former Redevelopment Agency of Livermore as of January 9, 2012. Since February 1, 2012, the date of dissolution, the housing related assets and activities of the dissolved redevelopment agency are reported in the governmental Housing Successor Special Revenue Fund. The non-housing related assets and activities of the dissolved redevelopment agency are reported in the fiduciary Successor Agency to the Redevelopment Agency Private Purpose Trust Fund whose activities are subject to review and approval of the Oversight Board.

Long-Term Debt

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012. On August 1, 2001, the Redevelopment Agency issued $36,775,000 of **2001 Tax Allocation Bonds, Series A**. Proceeds were used to refund the above outstanding Livermore Redevelopment Project 1986 Tax Allocation Bonds Series A, and to provide funds to finance various redevelopment activities within the Project Area.

Post Dissolution Assembly Bill 1484 permits the refunding of outstanding bonds of former redevelopment agencies if the total debt service (principal and interest) on the new refunding bonds is less than the total remaining debt service on the bonds being refunded (currently outstanding). The purpose for refunding redevelopment bonds is to reduce the interest rate, which lowers the annual tax increment required to make debt payments and increases the share of tax increment available to affected taxing entities.

In December 2016, the Successor Agency refinanced the 2001 Tax Allocation Bonds, Series A and issued two refunding bonds, 2016 Tax Allocation Refunding Bonds, Series A (tax exempt) and Series B (taxable). The refinancing of this debt did not extend the August 1, 2032 final maturity date or provide additional proceeds for projects; however, the anticipated present value savings are more than $300,000 annually or approximately $4.9 million over the life of the refunding issue. The future annual debt savings will allow more funds to flow to the affected taxing entities, including the City. The table below presents the detail of activities during current fiscal year.

	Balance at June 30, 2022	Retirements	Balance at June 30, 2023	Amount due in one year
Fiduciary Activities				
2016 Tax AllocationRefunding Bonds, 3.00%-5.00%, 2032	$ 17,190,000	$ (1,410,000)	$ 15,780,000	$ 1,410,000
Unamortized Premium	840,257	(92,489)	747,768	92,489
Total debt	$ 18,030,257	$ (1,502,489)	$ 16,527,768	$ 1,502,489

Semiannual debt service payments are due August 1 and February 1, and are repayable from tax increment revenues of the Redevelopment Agency Project Area. Annual debt service requirements combined are shown below:

For the Year Ending June 30	Principal	Interest	Total
2024	$1,485,000	$556,094	$ 2,041,094
2025	1,550,000	480,219	2,030,219
2026	1,630,000	400,719	2,030,719
2027	1,715,000	334,244	2,049,244
2028	1,765,000	282,044	2,047,044
2029-2032	7,635,000	812,066	8,447,066
Total	15,780,000	$ 2,865,386	$ 18,645,386
Unamortized Premium	747,768		
Total Debt	$ 16,527,768		

Commitments and Contingencies

The City and former Agency have entered into a variety of development agreements with third parties to provide needed improvements and projects. Activities under agreements for which there are continuing commitments are disclosed in the following paragraphs. Additionally, the City and Agency have other agreements that entitle them to collect certain loans or notes receivable which are disclosed in Note 5.

Last and Final Recognized Obligation Payment Schedule (LFROPs)
In September 2018, the State Department of Finance (DOF) approved the Successor Agency's Last and Final Recognized Obligation Payment Schedule (LFROP). The Successor Agency will continue to receive property tax increment revenue to pay items listed on the LFROPs, without any objections by the DOF, until all obligations are paid off.

Loans between the LSA and the City
The remaining loan left for the Successor agency is the SERAF Loan, with a current balance of $543,438. Further information on the loans is provided in Note 5.

Note 19 - Restatement due to Change in Accounting Principle and Correction of an Error

The City implemented the requirements of GASB Statement No. 96, *Subscription-Based Information Technology Arrangement,* effective July 1, 2022. The City discovered an error in the notes receivables reported on its financial statements and accordingly restated its beginning net position or fund balance as follows:

	Governmental Activities	Business-Type Activities	Low Income Housing-Special Revenue Fund	Water Proprietary Fund
Net Position/Fund Balance - Beginning	$ 393,186,642	$ 261,593,928	$ 14,871,690	$ 59,297,822
Notes receivable	10,488,451	-	26,788,518	-
Intangible capital assets	3,399,931	426,266	-	71,044
Subscription payable	(3,394,131)	(422,056)	-	(70,334)
Net Position/Fund Balance - Beginning as Restated	$ 403,680,893	$ 261,598,138	$ 41,660,208	$ 59,298,532

	Sewer Proprietary Fund	Stormwater Proprietary Fund	Internal Service Fund	Housing & Community Assistance Fund*
Net Position/Fund Balance - Beginning	$ 149,067,437	$ 32,123,559	$ 27,170,928	$ 1,390,026
Notes receivable	-	-	-	665,292
Intangible capital assets	324,774	30,448	592,396	-
Subscription payable	(321,574)	(30,148)	(592,396)	-
Net Position/Fund Balance - Beginning as Restated	$ 149,070,637	$ 32,123,859	$ 27,170,928	$ 2,055,318

	Other Special Revenue Fund*	Housing Successor Agency Fund*	Other Local, State and Federal Grants Fund*
Net Position/Fund Balance - Beginning	$ 5,554,417	$ 2,810,200	$ 3,423,531
Notes receivable	66,340	3,960,056	3,426,796
Net Position/Fund Balance - Beginning as Restated	$ 5,620,757	$ 6,770,256	$ 6,850,327

** Presented as a nonmajor fund on the financial statements*

Required Supplementary Information
June 30, 2023

City of Livermore

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Note 1 - Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual

The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual presents the comparison of actual balances with the balances budgeted for revenues, expenses, and transfers. This schedule is presented for General Fund, Low Income Housing Special Revenue Fund and Housing Successor Special Revenue Fund.

The City's funds are required to adopt an annual budget prepared on a basis generally consistent with Generally Accepted Accounting Principles (GAAP).

Note 2 - Agent Multiple-Employer Defined Benefit Pension Plan (Miscellaneous Plan):

Schedule of Changes in the Net Pension Liability and Related Ratios

This schedule reports the beginning and ending balances of the total pension liability, the plan assets available for pension benefits (called plan net position), and the net pension liability, as well as the change in those amounts during the year presented by cause (similar to the note disclosure). It also reports the total pension liability, plan net position, net pension liability, a ratio of plan net position divided by the total pension liability, the payroll amount for current employees in the plan (covered-employee payroll), and a ratio of the net pension liability divided by covered payroll.

Schedule of Contributions

This schedule reports the agent multiple-employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered payroll.

Note 3 - Cost-Sharing Employer Defined Benefit Pension Plan (Safety Plan)

Schedule of Proportionate Share of the Net Pension Liability

This schedule reports the proportion (percentage) of the collective net pension liability, the proportionate share (amount) of the collective net pension liability, the employer's covered employee payroll, the proportionate share (amount of the collective net pension liability as a percentage of the employer's covered employee payroll and the pension plan's fiduciary net position as a percentage of the total pension liability.

Schedule of Contributions

This schedule reports the cost sharing employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions.

Note 4 - Other Post-Employment Benefits

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

This schedule presents information about the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percentage of covered-employee payroll.

Schedule of Contributions

This schedule reports the City's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered-employee payroll.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	$ 43,011,015	$ 43,435,815	$ 44,792,322	$ 1,356,507
Sales taxes	39,047,000	39,047,000	39,032,166	(14,834)
Other taxes	20,573,780	21,683,780	21,390,834	(292,946)
Licenses and permits	3,220,242	3,481,000	3,952,512	471,512
Intergovernmental	12,364,166	12,364,166	12,176,887	(187,279)
Contributions from outside sources	-	25,000	-	(25,000)
Fines and forfeitures	355,000	355,000	394,263	39,263
Charges for current services	8,608,340	7,621,320	8,975,913	1,354,593
Use of money and property	3,939,280	3,896,554	3,804,535	(92,019)
Miscellaneous	486,250	475,090	7,844,147	7,369,057
Total Revenues	131,605,073	132,384,725	142,363,579	9,978,854
EXPENDITURES				
Current:				
General Government:				
City Council	226,565	226,565	193,146	33,419
City Manager	2,896,537	2,896,537	2,518,037	378,500
City Attorney	2,178,330	2,178,330	1,906,811	271,519
Administrative Services	8,024,136	8,024,136	7,837,745	186,391
General Services	3,596,673	3,596,673	3,374,607	222,066
Fire	25,437,560	25,437,560	24,948,208	489,352
Police	44,455,553	44,495,553	42,400,747	2,094,806
Public Works	9,343,132	9,343,132	8,734,430	608,702
Community Development	20,524,619	20,524,619	16,275,441	4,249,178
Economic Development	2,786,434	2,786,434	2,884,414	(97,980)
Library	6,870,312	6,870,312	6,301,649	568,663
Capital Outlay	1,897,000	2,503,801	1,254,016	1,249,785
Debt service:				
Principal	623,911	623,911	623,911	-
Interest and fiscal charges	36,635	36,635	36,635	-
Total Expenditurs	128,897,397	129,544,198	119,289,797	10,254,401
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,707,676	2,840,527	23,073,782	20,233,255
OTHER FINANCING SOURCES (USES)				
Transfers in	852,919	922,919	276,201	(646,718)
Transfers (out)	(8,218,044)	(8,218,044)	(8,203,386)	14,658
Total Other Financing Sources (Uses)	(7,365,125)	(7,295,125)	(7,927,185)	(632,060)
Net change in fund balance	(4,657,449)	(4,454,598)	15,146,597	$ 19,601,195
Fund balance-beginning	68,783,155	68,783,155	68,783,155	
Fund balance-ending	$ 64,125,706	$ 64,328,557	$ 83,929,752	

LOW INCOME HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Contributions from outside sources	$ -	$ 4,875	$ 4,875
Charges for services	1,300,000	1,791,936	491,936
Use of money and property	154,443	273,644	119,201
Miscellaneous	110,000	1,750,247	1,640,247
Total Revenues	1,564,443	3,820,702	2,256,259
EXPENDITURES			
Current:			
Community Development	4,796,197	918,751	3,877,446
Capital Outlay:	355,000	105,008	249,992
Total Expenditures	5,151,197	1,023,759	4,127,438
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,586,754)	2,796,943	6,383,697
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(252,424)	-	252,424
Total Other Financing Sources (Uses)	(252,424)	-	252,424
Net change in fund balance	$ (3,839,178)	2,796,943	$ 6,636,121
Fund balances - beginning, as restated		41,660,208	
Fund balances - ending		$ 44,457,151	

City of Livermore

Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Plan

Last Ten Fiscal Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Miscellaneous Plan[1]
An Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years[2]

	Measurement period ended June 30,								
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Total Pension Liability[3]									
Service Cost	$ 4,972,951	$ 4,537,193	$ 4,562,441	$ 5,221,025	$ 5,353,724	$ 5,434,229	$ 5,542,184	$ 5,758,510	$ 6,196,254
Interest on total pension liability	16,548,323	17,148,686	18,070,523	18,672,998	19,302,859	20,616,830	21,754,166	22,490,655	23,169,756
Changes in assumptions[4]	-	(4,175,908)	-	15,364,082	(2,304,595)	-	-	-	10,174,287
Differences between expected and actual experience	-	(3,477,134)	1,428,415	(1,649,050)	(921,100)	6,244,408	3,404,399	(2,611,847)	(1,740,186)
Benefit payments, including refunds of employee contributions	(9,745,631)	(10,512,026)	(11,641,525)	(11,823,392)	(12,027,431)	(13,100,635)	(14,104,669)	(14,879,565)	(16,446,814)
Net change in total pension liability	**11,775,643**	**3,520,811**	**12,419,854**	**25,785,663**	**9,403,457**	**19,194,832**	**16,596,080**	**10,757,753**	**21,353,297**
Total pension liability - beginning	223,030,646	234,806,289	238,327,100	250,746,954	276,532,617	285,936,074	305,130,906	321,726,986	332,484,739
Total pension liability - ending (a)	$ 234,806,289	$ 238,327,100	$ 250,746,954	$ 276,532,617	$ 285,936,074	$ 305,130,906	$ 321,726,986	$ 332,484,739	$ 353,838,036
Plan fiduciary net position									
Contributions - employer	$ 5,315,795	$ 5,509,908	$ 6,359,536	$ 7,245,912	$ 7,671,730	$ 8,682,861	$ 9,778,161	$ 10,678,645	$ 11,735,625
Contributions - employee	2,148,997	1,995,107	2,089,854	2,145,822	2,298,455	2,383,496	2,349,388	2,345,433	2,310,862
Net investment income	26,647,212	3,984,421	936,187	19,644,077	16,437,015	13,686,966	10,900,291	51,699,700	(20,990,725)
Benefit payments	(9,745,631)	(10,512,026)	(11,641,525)	(11,823,392)	(12,027,431)	(13,100,635)	(14,104,669)	(14,879,565)	(16,446,814)
Net plan to plan resource movement	-	-	-	-	(481)	-	-	-	-
Administrative expense	-	(201,583)	(109,139)	(260,907)	(301,784)	(147,841)	(308,279)	(227,049)	(172,497)
Other miscellaneous income/(expense)	-	-	-	-	(573,094)	481	-	-	-
Net change in plan fiduciary net position	**24,366,373**	**775,827**	**(2,365,087)**	**16,951,512**	**13,504,410**	**11,505,328**	**8,614,892**	**49,617,164**	**(23,563,549)**
Total fiduciary net position - beginning	153,937,012	178,303,385	179,079,212	176,714,125	193,665,637	207,170,047	218,675,375	227,290,267	276,907,431
Total fiduciary net position - ending (b)	$ 178,303,385	$ 179,079,212	$ 176,714,125	$ 193,665,637	$ 207,170,047	$ 218,675,375	$ 227,290,267	$ 276,907,431	$ 253,343,882
Net pension liability - ending (a) - (b)	$ 56,502,904	$ 59,247,888	$ 74,032,829	$ 82,866,980	$ 78,766,027	$ 86,455,531	$ 94,436,719	$ 55,577,308	$ 100,494,154
Fiscal Year Ended	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Plan fiduciary net position as a percentage of the total pension liability	75.94%	75.14%	70.48%	70.03%	72.45%	71.67%	70.65%	83.28%	71.60%
Covered payroll [5]	$ 25,934,554	$ 24,958,429	$ 25,849,521	$ 26,984,829	$ 27,914,510	$ 29,985,230	$ 30,451,705	$ 30,835,078	$ 36,952,443
Net pension liability as percentage of covered payroll	217.87%	237.39%	286.40%	307.09%	282.17%	288.33%	310.12%	180.24%	271.96%

Notes to Schedule

[1] All Tiers of the Miscellaneous plan were combined on GASB 68 report by CalPERS.

[2] This schedule is intended to show information for 10 years. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

[3] Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date.
This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

[4] Changes in assumptions: Discount rates	7.50%	7.65%	7.65%	7.15%	7.15%	7.15%	7.15%	7.15%	6.90%

[5] Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

City of Livermore

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date – Safety Police Plan

Last Ten Fiscal Years

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE
Safety Police Plan
A Cost Sharing Defined Benefit Pension Plan
Last 10 Years[1]

Measurement period ended June 30,	Proportion of the net pension liability	Proportionate share of the net pension liability	Plan's covered payroll [2]	Proportionate share of the net penion Liability/(assets) as a percentage of its covered payroll	Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	Fiscal Year ended June 30,
2014	0.35300%	$ 21,965,368	$ 9,836,927	223.30%	81.45%	2015
2015	0.62029%	25,558,797	9,776,879	261.42%	79.04%	2016
2016	0.63978%	33,135,364	10,332,152	320.70%	74.13%	2017
2017	0.64020%	38,253,169	10,874,918	351.76%	73.15%	2018
2018	0.66102%	38,785,811	11,599,156	334.38%	74.09%	2019
2019	0.67581%	42,187,668	12,310,910	342.69%	74.04%	2020
2020	0.69837%	46,528,122	13,023,674	357.26%	72.96%	2021
2021	0.79545%	27,916,195	12,779,176	218.45%	86.61%	2022
2022	0.79683%	54,723,769	12,987,878	421.34%	75.52%	2023

[1] This schedule is intended to show information for 10 years. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

[2] With the implementation of GASB 82, Covered Payroll is defined as the actual payroll on which contributions to a pension plan are based.

City of Livermore
Schedule of Contributions – Miscellaneous Plan
Last Ten Fiscal Years*

SCHEDULE OF CONTRIBUTIONS Miscellaneous Plan[1] An Agent Multiple-Employer Defined Benefit Pension Plan Last 10 Years[2]					
Fiscal year ended June 30,	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014 [3]	$ 5,315,795	$ (5,315,795)	$ -	$ 25,934,554	20.50%
2015 [3]	5,509,908	(5,509,908)	-	24,958,429	22.08%
2016 [3]	6,359,536	(6,359,536)	-	25,849,521	24.60%
2017 [3]	7,245,912	(7,245,912)	-	26,984,829	26.85%
2018 [3]	7,671,730	(7,671,730)	-	27,914,510	27.48%
2019 [3]	8,878,238	(8,878,238)	-	29,985,230	29.61%
2020 [4]	10,004,357	(10,004,357)	-	30,451,705	32.85%
2021 [4]	10,927,202	(10,927,202)	-	30,835,078	35.44%
2022 [4]	11,735,625	(11,735,625)	-	36,952,443	31.76%
2023 [4]	12,350,716	(12,350,716)	-	31,421,164	39.31%

Notes to Schedule

Methods and assumptions used to determine

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Amortization period	A fixed 30-year period with the increases or decreases in the rate spread directly over a 5-
Asset valuation method	Market value of assets
Inflation	2.500%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.750%
Investment rate of return	6.90%, net of pension plan investment expense, including inflation.
Retirement age	50 years
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period

Benefit changes: None
Changes in assumptions: The investment rate of return was changed from 7.00% to 6.90% in 2023.

[1] All Tiers of the Miscellaneous plan were combined on GASB 68 report by CalPERS.

[2] This schedule is intended to show information for 10 years. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

[3] Fiscal years noted in this table match with the fiscal years presented in the GASB 68 actuarial valuation report

City of Livermore
Schedule of Contributions – Safety Police Plan
Last Ten Fiscal Years*

SCHEDULE OF CONTRIBUTIONS Safety Police Plan A Cost Sharing Defined Benefit Pension Plan Last 10 Years[1]					
Fiscal year ended June 30,	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered payroll [4]	Contributions as a percentage of covered payroll
2014 [2]	$ 2,334,711	$ (2,334,711)	$ -	$ 9,487,559	24.61%
2015 [2]	2,620,741	(2,620,741)	-	9,776,879	26.81%
2016 [2]	2,894,745	(2,894,745)	-	10,332,152	28.02%
2017 [2]	3,301,561	(3,301,561)	-	10,874,918	30.36%
2018 [2]	3,759,899	(3,759,899)	-	11,599,156	32.42%
2019 [2]	4,387,258	(4,387,258)	-	12,310,910	35.64%
2020 [3]	5,095,707	(5,095,707)	-	13,023,674	39.13%
2021 [3]	5,548,843	(5,548,843)	-	12,779,176	43.42%
2022 [3]	5,916,978	(5,916,978)	-	12,987,878	45.56%
2023 [3]	6,516,715	(6,516,715)	-	13,844,914	47.07%

Notes to Schedule
Benefit changes: None
Changes in assumptions: None

[1] This schedule is intended to show information for 10 years. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

[2] Fiscal years noted in this table match with the fiscal years presented in the GASB 68 actuarial valuation report

[3] As prescribed in GASB 68, paragraph 46, the information presented is from the most recent year

[4] Covered Payroll is defined as the actual payroll on which contributions to a pension plan are based.

City of Livermore

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Last Ten Fiscal Years*

SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years [1]

	Measurement Date / Fiscal Year Ended June 30,						
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Service Cost	$ 1,324,000	$ 1,364,072	$ 1,404,890	$ 1,188,021	$ 1,223,662	$ 1,032,271	$ 1,087,105
Interest	4,461,000	4,645,578	4,827,840	4,936,407	5,115,274	4,869,477	4,886,409
Changes of benefit terms	-	-	-	-	-	-	-
Changes in assumptions	-	-	4,311,034	-	(1,463,176)	1,365,243	93,577
Differences between expected and actual experience	-	-	(5,282,915)	-	(1,868,874)	-	(9,974,671)
Benefit payments, including refunds	(2,839,793)	(3,109,307)	(3,383,525)	(3,363,911)	(3,452,661)	(3,748,080)	(3,838,518)
Net change in total OPEB liability	2,945,207	2,900,343	1,877,324	2,760,517	(445,775)	3,518,911	(7,746,098)
Total OPEB liability - beginning	68,715,793	71,661,000	74,561,343	76,438,667	79,199,184	78,753,409	82,272,320
Total OPEB liability - ending (a)	$ 71,661,000	$ 74,561,343	$ 76,438,667	$ 79,199,184	$ 78,753,409	$ 82,272,320	$ 74,526,222
Plan fiduciary net position							
Contributions - employer	$ 5,747,533	$ 5,324,000	$ 5,380,000	$ 4,900,000	$ 5,163,000	$ 5,035,080	$ 4,720,518
Net investment income	2,128,521	2,012,498	1,855,034	805,844	10,050,944	(5,719,634)	4,064,254
Benefit payments, including refunds	(2,839,793)	(3,109,307)	(3,383,525)	(3,363,911)	(3,452,661)	(3,748,080)	(3,838,518)
Administrative expense	(86,886)	(102,288)	(111,259)	(121,024)	(141,453)	(78,844)	(73,449)
Net change in plan fiduciary net position	4,949,375	4,124,903	3,740,250	2,220,909	11,619,830	(4,511,478)	4,872,805
Plan fiduciary net position - beginning	17,215,192	22,164,567	26,289,470	30,029,720	32,250,629	43,870,459	39,358,981
Plan fiduciary net position - ending (b)	$ 22,164,567	$ 26,289,470	$ 30,029,720	$ 32,250,629	$ 43,870,459	$ 39,358,981	$ 44,231,786
City's net OPEB liability - ending (a) - (b)	$ 49,496,433	$ 48,271,873	$ 46,408,947	$ 46,948,555	$ 34,882,950	$ 42,913,339	$ 30,294,436
Plan fiduciary net position as a percentage of the total pension liability	30.9%	35.3%	39.3%	40.7%	55.7%	47.8%	59.4%
Covered payroll [2]	$ 29,345,533	$ 47,169,986	$ 28,506,581	$ 26,656,102	$ 26,508,421	$ 23,571,067	$ 23,052,445
City's net OPEB liability as a percentage of covered payroll	168.7%	102.3%	162.8%	176.1%	131.6%	182.1%	131.4%

[1] This schedule is intended to show information for 10 years. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

[2] With the implementation of GASB 82, Covered Payroll is defined as the actual payroll on which contributions to a pension plan are based.

Notes to Schedule

Benefit changes: None

Changes in assumptions:

- Discount Rate was updated from 6.00% to 6.25% for anticipated lower capital market assumptions in fiscal year 2023
- Decreased medical trend rate for Kaiser Senior Advantage plans
- Medical Plan Election updated based on current experience
- Mortalility improvement scale was updated to Scale MP-2020

City of Livermore
Other Post-Employment Benefits
Last Ten Fiscal Years*

SCHEDULE OF CONTRIBUTIONS
OTHER POST EMPLOYEMENT BENEFITS
Last 10 Fiscal Years [1]

Fiscal year ended June 30,	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered payroll [2]	Contributions as a percentage of covered payroll
2017	$ 5,426,000	$ (5,747,533)	$ (321,533)	$ 29,345,533	19.59%
2018	5,060,000	(5,324,000)	(264,000)	47,169,986	11.29%
2019	5,082,000	(5,380,000)	(298,000)	28,506,581	18.87%
2020	4,900,000	(4,900,000)	-	26,656,102	18.38%
2021	4,963,000	(5,163,000)	(200,000)	26,508,421	19.48%
2022	5,035,080	(5,035,080)	-	23,571,067	21.36%
2023	4,718,000	(4,720,518)	(2,518)	23,052,445	20.48%

Notes to Schedule

Valuation date: June 30, 2020

Methods and assumptions used to determine

Actuarial cost method	Entry age, level percentage of payroll
Amortization method	Level percentage of payroll
Remaining amortization period	15-year fixed period for 2022-23
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Inflation	2.75%
Healthcare cost trend rates	Non-medicare - 6.75% for 2023, scaling down to 4.0% in 2076 Medicare - 5.90% for 2023 scaling down to 4.0% in 2076
Salary increases	2.75%
Discount Rate	6.25%
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2015 CalPERS Experience Study report, derived from data collected during fiscal years 1997 to 2015. The table includes Mortality improvement projection Scale MP-2018 with 15-year convergence.

Benefit changes: None
Changes in assumptions: None

[1] This schedule is intended to show information for 10 years. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

[2] With the implementation of GASB 82, Covered Payroll is defined as the actual payroll on which contributions to

Supplementary Information
June 30, 2023

City of Livermore

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Special Revenue Funds are used to account for City revenues from sources that, by law or administrative action, are designated to finance particular functions or activities of government. The individual special revenue funds are as follows:

Housing Successor Agency
Established to account for assets and liabilities assumed by the City from the former Redevelopment Agency's Low and Moderate Income Housing Fund.

Housing and Community Assistance
Established to account for outside resources used for Housing and Human Service programs that can be used to create and expand affordable housing opportunities.

Horizons
Established to account for the receipt of grant funds from the Federal Department of Health and Human Services (passed through the Alameda County Probation Department and the Alameda County Health Care Services Agency) for the youth diversion program.

Solid Waste Management
Established to account for funds received from waste hauler franchise fees and Alameda County Waste Management Authority used to administer and participate in City/County planning programs to ensure compliance with the California Integrated Solid Waste Management Act, AB 939.

Maintenance District
Established to account for the receipt and disbursement of Landscape and Maintenance District fees collected from developers and homeowners.

City Street Sweeping
Established to administer funds received through solid waste collection fees.

Park Fee
Established to administer the AB1600 funds received from developers to construct new parks in the City.

Other Special Revenue Funds
Established to account for City programs including the Public Art In-Lieu Fee Program, Altamont Open Space Program, and Brownfield Program.

PEG
Established to account for Public, Educational, and Government (PEG) Access funds received from local cable TV franchises used for capital related items for community cable programming.

Alameda County Transportation Funds
Established to account for funds received from the Alameda County Transportation Commission including Measure B funds, Measure F funds (Vehicle Registration Fees), and project-specific grant funds which provide funding for street maintenance and improvement programs, pedestrian programs, and transportation-related capital projects.

Gas Tax
Established to account for revenue apportioned to the City from State Street & Highways Codes 2103, 2105, 2106, and 2107, and State Department of Transportation Proposition 1B funds which are expended for construction and maintenance of City streets.

Host Community Impact Fee
Established to account for the collection of Host Community Impact Fees from the Altamont and Vasco Road Landfills which are restricted for the use of promoting the arts in Livermore.

Other Impact Fee Special Revenue Fund
Established to account for other City impact fees including the Downtown Revitalization Impact Fee, Human Services Facilities Impact Fees, Parking Space Impact Fees, Storm Drain Impact Fees, and Solid Waste and Recycling Impact Fees to be expended according to their respective City ordinances.

Tri-Valley Transportation Council (TVTC) 20% Fee
Established to account for receipts of Tri-Valley Transportation Council fees for specific capital improvement projects.

Other Local, State, and Federal Grants Special Revenue Fund
Established to account for various grants from local agencies, the State of California, and the Federal Government to be expended for a specific program, activity or facility.

Debt Service Funds are used to account for the payment of principal and interest on city-wide governmental debt.

2020 COP
Series A were issued to defease 2014 COP Series A. Series B were issued to defease LCPFA 2011 COP and the 2014 COP Series B.

2022 COPS
2022 COPS were issued to provide financing for the design and construction of a parking garage to provide adequate parking for all existing and new development and other improvements of the City.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Traffic Impact Fee
Established to account for traffic impact fees collected from developers for the purpose of constructing or providing circulation system improvements.

Isabel Avenue
Established to account for the construction of new interchange on I-580 at Isabel Avenue/ Route 84 Extension. Financing is provided by Other Local, State and Federal Grant Funds, Alameda County Transportation Fund, and developer impact fees.

El Charro Specific Plan
Established to account for the design and construction of the public infrastructure to serve the El Charro Specific Plan Area. Financing is provided by the Water Enterprise Fund, Storm Drain Fund, Traffic Impact Fee Fund, LCPFA COP 2008 and 2011 COP Construction Funds, Alameda County Zone 7 Water Agency, Alameda County Transportation Commission Grant Funds, State grants, City of Pleasanton, and development impact fees collected.

Developer Deposits
Established to account for developer fees received pursuant to development agreements, performance deposits, public park improvement fees and transportation development fees collected.

Other Capital Projects
Established to account for various quality community improvements including Transferable Development Credits from developers, fire station, Livermore park, and to account for construction of public improvements on College Avenue Assessment District 87-2A and Shea Community Facilities District.

Street Fund
Established to account for the construction and improvements of city streets including Vasco Road, Civic Center Bus Stop, and Route 84. Financing includes multiple sources including City funds (Tri-Valley Transportation Council Funds, Traffic Impact Fees) and third parties (California Department of Transportation, LAVTA and Agency Trust).

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

Doolan Canyon Endowment Fund
Established to account for an endowment restricted for items related to mitigation of the burrowing owl habitat.

City of Livermore
Non-Major Governmental Funds – Combining Balance Sheet
June 30, 2023

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	SPECIAL REVENUE FUNDS					
	Housing Successor Agency	Housing & Community Assistance	Horizons	Solid Waste Management	Maintenance District	City Street Sweeping
ASSETS						
Cash and investments in City Treasury	$ 715,543	$ 1,391,230	$ 440,180	$ 286,598	$ 14,826,112	$ 111,807
Cash and investments with Trustees	-	-	-	-	-	-
Accounts receivables, net	-	2,733	103,260	65,247	25,637	395
Prepaids and supplies	-	-	-	-	-	-
Interest receivable	1,736,880	38,086	-	-	-	-
Notes receivable	6,256,728	665,292	-	-	-	-
Land held for redevelopment	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total Assets	$ 8,709,151	$ 2,097,341	$ 543,440	$ 351,845	$ 14,851,749	$ 112,202
LIABILITIES						
Accounts payable and other accruals	$ 3	$ -	$ 806	$ 21,994	$ 249,295	$ 37,502
Accrued payroll	-	-	24,921	8,190	36,787	5,909
Interest payable	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Unearned rents and revenue	-	-	-	-	-	-
Total Liabilities	3	-	25,727	30,184	286,082	43,411
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue- special assessments	-	-	-	-	-	-
Unavailable revenue	1,736,879	38,086	-	-	-	-
Total deferred inflows of resources	1,736,879	38,086	-	-	-	-
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted	6,972,269	2,059,255	517,713	321,661	14,565,667	68,791
Committed	-	-	-	-	-	-
Total Fund Balances (Deficits)	6,972,269	2,059,255	517,713	321,661	14,565,667	68,791
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	$ 8,709,151	$ 2,097,341	$ 543,440	$ 351,845	$ 14,851,749	$ 112,202

EXHIBIT A

City of Livermore
Non-Major Governmental Funds – Combining Balance Sheet
June 30, 2023

NON-MAJOR GOVERNMENTAL FUNDS							
SPECIAL REVENUE FUNDS							
Park Fee	Other Special Revenue Funds	PEG	Alameda County Transportation Funds	Gas Tax	Host Community Impact Fee	Other Impact Fee	TVTC 20% Fee
$ 4,472,003	$ 5,259,043	$ 1,384,103	$ 10,272,046	$ 14,187,703	$ 1,138,549	$ 5,401,233	$ 2,925,081
-	-	-	-	-	-	-	-
-	1,048	59,860	618,822	367,234	280,408	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	66,340	-	-	-	-	1,620,135	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 4,472,003	$ 5,326,431	$ 1,443,963	$ 10,890,868	$ 14,554,937	$ 1,418,957	$ 7,021,368	$ 2,925,081
$ 37,212	$ 51,105	$ -	$ 509,308	$ 515,057	$ 17,137	$ 345,311	$ 10,384
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,500	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,874,396	-
66,765	471,850	-	-	-	-	-	-
103,977	522,955	-	511,808	515,057	17,137	4,219,707	10,384
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,368,026	2,205,533	1,443,963	10,379,060	14,039,880	1,401,820	2,801,661	2,914,697
-	2,597,943	-	-	-	-	-	-
4,368,026	4,803,476	1,443,963	10,379,060	14,039,880	1,401,820	2,801,661	2,914,697
$ 4,472,003	$ 5,326,431	$ 1,443,963	$ 10,890,868	$ 14,554,937	$ 1,418,957	$ 7,021,368	$ 2,925,081

(Continued)

City of Livermore
Non-Major Governmental Funds – Combining Balance Sheet
June 30, 2023

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2023	SPECIAL REVENUE FUND	DEBT SERVICE FUND		CAPITAL PROJECTS FUNDS	
.	Other Local, State and Federal Grants	2020 COPS	2022 COPS	Traffic Impact Fee	El Charro Specific Plan
ASSETS					
Cash and investments in City Treasury	$ 4,400,040	$ -	$ -	$ 23,183,536	$ -
Cash and investments with Trustees	-	-	582	-	-
Accounts receivables, net	502,697	-	-	-	-
Prepaids and supplies	-	-	-	-	-
Interest receivable	663,979	-	-	-	-
Notes receivable	3,456,286	-	-	-	-
Land held for redevelopment	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	$ 9,023,002	$ -	$ 582	$ 23,183,536	$ -
LIABILITIES					
Accounts payable and other accruals	$ 382,860	$ -	$ -	$ 30,564	$ -
Accrued payroll	5,966	-	-	-	-
Interest payable	-	-	-	-	-
Deposits payable	728,504	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned rents and revenue	118,326	-	-	-	-
Total Liabilities	1,235,656	-	-	30,564	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue- special assessments	-	-	-	-	-
Unavailable revenue	663,979	-	-	-	-
Total deferred inflows of resources	663,979	-	-	-	-
FUND BALANCE					
Nonspendable	-	-	-	-	-
Restricted	7,123,367	-	582	23,152,972	-
Committed	-	-	-	-	-
	7,123,367	-	582	23,152,972	-
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	$ 9,023,002	$ -	$ 582	$ 23,183,536	$ -

City of Livermore
Non-Major Governmental Funds – Combining Balance Sheet
June 30, 2023

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

CAPITAL PROJECTS FUNDS			PERMANENT FUND	
Developer Deposits	Other Capital Projects	Street Fund	Doolan Canyon Endowment Fund	Total Nonmajor Governmental Funds
$ 3,567,854	$ 14,558,861	$ -	$ (2,828)	$ 108,518,694
-	-	-	606,302	606,884
-	-	-	-	2,027,341
-	-	-	-	-
-	-	-	-	2,438,945
-	-	-	-	12,064,781
-	-	-	-	-
-	-	-	-	-
$ 3,567,854	$ 14,558,861	$ -	$ 603,474	$ 125,656,645
$ 20,996	$ -	$ -	$ 2,426	$ 2,231,960
-	-	-	-	81,773
-	-	-	-	-
1,496,777	-	-	-	2,227,781
-	-	-	-	-
-	-	-	-	3,874,396
2,055,983	-	-	-	2,712,924
3,573,756	-	-	2,426	11,128,834
-	-	-	-	-
-	-	-	-	2,438,944
-	-	-	-	2,438,944
-	-	-	601,048	601,048
(5,902)	14,558,861	-	-	108,889,876
-	-	-	-	2,597,943
(5,902)	14,558,861	-	601,048	112,088,867
$ 3,567,854	$ 14,558,861	$ -	$ 603,474	$ 125,656,645

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS					
	Housing Successor Agency	Housing & Community Assistance	Horizons	Solid Waste Management	Maintenance District	City Street Sweeping
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ 4,462,006	$ -
Intergovernmental	-	-	-	259,349	-	-
Contributions from outside sources	-	-	20,589	-	-	-
Charges for services	-	-	581,809	249,109	-	696,803
Use of money and property	87,275	6,720	-	2,974	-	-
Miscellaneous	114,781	40,348	677	-	-	-
Total Revenues	202,056	47,068	603,075	511,432	4,462,006	696,803
EXPENDITURES						
Current:						
General Government						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	872,774	-	-	-
Public Works	-	-	-	531,123	1,986,282	676,561
Community Development	43	2,192	-	-	-	-
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:			-			
Capital projects	-	40,939	-	-	1,279,372	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	43	43,131	872,774	531,123	3,265,654	676,561
EXCESS (DEFICIENCW) OF REVENUES OVER EXPENDITURES	202,013	3,937	(269,699)	(19,691)	1,196,352	20,242
OTHER FINANCING SOURCES (USES)						
Certificates of Participation issued	-	-	-	-	-	-
Transfers in	-	-	509,258	-	32,306	-
Transfers (out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	509,258	-	32,306	-
Net change in fund balances	202,013	3,937	239,559	(19,691)	1,228,658	20,242
Fund balances (deficits)- beginning, as restated	6,770,256	2,055,318	278,154	341,352	13,337,009	48,549
Fund balances (deficits)- ending	$ 6,972,269	$ 2,059,255	$ 517,713	$ 321,661	$ 14,565,667	$ 68,791

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS						
Park Fee	Other Special Revenue Funds	PEG	Alameda County Transportation Funds	Gas Tax	Host Community Impact Fee	Other Impact Fee	TVTC 20% Fee
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	3,475,355	4,121,210	-	-	-
-	9,044	-	-	-	546,530	-	-
851,029	366,811	-	-	-	-	1,414,237	112,234
93,552	15,821	-	(63,520)	(30,951)	34,359	-	34,394
-	-	240,546	-	298	-	-	-
944,581	391,676	240,546	3,411,835	4,090,557	580,889	1,414,237	146,628
-	-	68,261	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	111,840	-	42,553	-	-
156,831	17,165	-	147,396	864,071	-	1,242,549	-
-	95,750	-	-	-	-	-	-
-	-	-	-	-	-	-	-
175,251	1,078,473	-	1,045,142	636,471	-	40,691	444,977
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
332,082	1,191,388	68,261	1,304,378	1,500,542	42,553	1,283,240	444,977
612,499	(799,712)	172,285	2,107,457	2,590,015	538,336	130,997	(298,349)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(17,569)	-	-	(113,877)	(493,000)	-	-
-	(17,569)	-	-	(113,877)	(493,000)	-	-
612,499	(817,281)	172,285	2,107,457	2,476,138	45,336	130,997	(298,349)
3,755,527	5,620,757	1,271,678	8,271,603	11,563,742	1,356,484	2,670,664	3,213,046
$ 4,368,026	$ 4,803,476	$ 1,443,963	$ 10,379,060	$ 14,039,880	$ 1,401,820	$ 2,801,661	$ 2,914,697

(Continued)

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUND	DEBT SERVICE FUNDS		CAPITAL PROJECTS FUNDS	
	Other Local, State and Federal Grants	2020 COPS	2022 COPS	Traffic Impact Fee	El Charro Specific Plan
REVENUES					
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -
Intergovernmental	1,996,571	-	-	-	-
Contributions from outside sources	24,946	-	-	-	-
Charges for services	30,175	-	-	1,294,836	-
Use of money and property	40,295	-	757	119,159	-
Miscellaneous	165,236	-	-	-	-
Total Revenues	2,257,223	-	757	1,413,995	-
EXPENDITURES					
Current:					
General Government:					
City Manager	-	-	-	-	-
Fire	5,650	-	-	-	-
Police	241,043	-	-	-	-
Public works	-	-	-	-	-
Community Development	1,073,207	-	-	-	-
Economic Development	-	-	-	-	-
Library	171,001	-	-	-	-
Capital Outlay:					
Capital projects	360,869	-	-	844,132	887
Debt service:					
Principal retirement	90,758	2,816,198	845,000	-	-
Interest and fiscal charges	29,103	1,554,874	1,267,862	-	-
Total Expenditures	1,971,631	4,371,072	2,112,862	844,132	887
EXCESS (DEFICIENCW) OF REVENUES OVER EXPENDITURES	285,592	(4,371,072)	(2,112,105)	569,863	(887)
OTHER FINANCING SOURCES (USES)					
Certificates of Participation issued	-	-	628,828	-	-
Transfers in	-	4,371,072	1,483,859	-	-
Transfers (out)	(12,552)	-	-	(62,794)	-
Total Other Financing Sources (Uses)	(12,552)	4,371,072	2,112,687	(62,794)	-
Net change in fund balances	273,040	-	582	507,069	(887)
Fund balances (deficits)- beginning, as restated	6,850,327	-	-	22,645,903	887
Fund balances (deficits)- ending	$ 7,123,367	$ -	$ 582	$ 23,152,972	$ -

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

CAPITAL PROJECTS FUNDS			PERMANENT FUND	
Developer Deposits	Other Capital Projects	Street Fund	Doolan Canyon Endowment	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 4,462,006
-	-	-	-	9,852,485
-	-	-	-	601,109
-	-	-	-	5,597,043
-	-	177	54,797	395,809
-	1,109	-	-	562,995
-	1,109	177	54,797	21,471,447
-	-	-	-	68,261
-	-	-	-	5,650
-	-	-	-	1,113,817
-	-	-	-	3,348,359
-	-	-	31,036	3,534,490
-	-	-	-	95,750
-	-	-	-	171,001
-	-	-	-	5,947,204
-	-	-	-	3,751,956
-	-	-	-	2,851,839
-	-	-	31,036	20,888,327
-	1,109	177	23,761	583,120
-	-	-	-	628,828
-	-	-	-	6,396,495
-	-	(69,409)	-	(769,201)
-	-	(69,409)	-	6,256,122
-	1,109	(69,232)	23,761	6,839,242
(5,902)	14,557,752	69,232	577,287	105,249,625
$ (5,902)	$ 14,558,861	$ -	$ 601,048	$ 112,088,867

City of Livermore
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Budgeted Non-Major Funds
Year Ended June 30, 2023

BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	HOUSING SUCCESSOR			HOUSING & COMMUNITY ASSISTANCE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	120,000	-	(120,000)
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	44,629	87,275	42,646	5,100	6,720	1,620
Miscellaneous	105,000	114,781	9,781	41,000	40,348	(652)
Total Revenues	149,629	202,056	52,427	166,100	47,068	(119,032)
EXPENDITURES						
Current:						
General Government:						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community Development	1,853,278	43	1,853,235	65,923	2,192	63,731
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:						
Capital projects	-	-	-	223,500	40,939	182,561
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	1,853,278	43	1,853,235	289,423	43,131	246,292
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,703,649)	202,013	1,905,662	(123,323)	3,937	127,260
OTHER FINANCING SOURCES (USES)						
Certificates of Participation issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	$ (1,703,649)	202,013	$ 1,905,662	$ (123,323)	3,937	$ 127,260
Fund balances (deficits)- beginning, as restated		6,770,256			2,055,318	
Fund balances (deficits)- ending		$ 6,972,269			$ 2,059,255	

City of Livermore

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Budgeted Non-Major Funds

Year Ended June 30, 2023

HORIZONS			SOLID WASTE MANAGEMENT			MAINTENANCE DISTRICT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -	$ 4,570,034	$ 4,462,006	$ (108,028)
-	-	-	570,000	259,349	(310,651)	-	-	-
18,000	20,589	2,589	-	-	-	-	-	-
555,000	581,809	26,809	498,218	249,109	(249,109)	-	-	-
-	-	-	999	2,974	1,975	33,299	-	(33,299)
3,000	677	(2,323)	-	-	-	-	-	-
576,000	603,075	27,075	1,069,217	511,432	(557,785)	4,603,333	4,462,006	(141,327)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,183,521	872,774	310,747	-	-	-	-	-	-
-	-	-	730,410	531,123	199,287	2,569,051	1,986,282	582,769
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,279,372	1,279,372	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,183,521	872,774	310,747	730,410	531,123	199,287	3,848,423	3,265,654	582,769
(607,521)	(269,699)	337,822	338,807	(19,691)	(358,498)	754,910	1,196,352	441,442
-	-	-	-	-	-	-	-	-
509,258	509,258	-	-	-	-	195,547	32,306	(163,241)
-	-	-	-	-	-	(234,000)	-	234,000
509,258	509,258	-	-	-	-	(38,453)	32,306	70,759
$ (98,263)	239,559	$ 337,822	$ 338,807	(19,691)	$ (358,498)	$ 716,457	1,228,658	$ 512,201
	278,154			341,352			13,337,009	
	$ 517,713			$ 321,661			$ 14,565,667	

(Continued)

BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CITY STREET SWEEPING			PARK FEE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	1,393,816	696,803	(697,013)	1,200,000	851,029	(348,971)
Use of money and property	-	-	-	32,571	93,552	60,981
Miscellaneous	-	-	-	-	-	-
Total Revenues	1,393,816	696,803	(697,013)	1,232,571	944,581	(287,990)
EXPENDITURES						
Current:						
General Government:						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	676,562	676,561	1	-	-	-
Community Development	-	-	-	500,000	156,831	343,169
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:						
Capital projects	-	-	-	1,498,000	175,251	1,322,749
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	676,562	676,561	1	1,998,000	332,082	1,665,918
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	717,254	20,242	(697,012)	(765,429)	612,499	1,377,928
OTHER FINANCING SOURCES (USES)						
Certificates of Participation issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	$ 717,254	20,242	$ (697,012)	$ (765,429)	612,499	$ 1,377,928
Fund balances (deficits)- beginning, as restated		48,549			3,755,527	
Fund balances (deficits)- ending		$ 68,791			$ 4,368,026	

City of Livermore

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Budgeted Non-Major Funds

Year Ended June 30, 2023

OTHER SPECIAL REVENUE FUNDS			PEG			ALAMEDA COUNTY TRANSPORTATION FUNDS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	2,470,000	3,475,355	1,005,355
9,044	9,044	-	-	-	-	-	-	-
205,500	366,811	161,311	-	-	-	-	-	-
10,350	15,821	5,471	-	-	-	23,198	(63,520)	(86,718)
250,000	-	(250,000)	250,000	240,546	(9,454)	-	-	-
474,894	391,676	(83,218)	250,000	240,546	(9,454)	2,493,198	3,411,835	918,637
-	-	-	68,261	68,261	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	449,365	111,840	337,525
753,000	17,165	735,835	-	-	-	2,490,000	147,396	2,342,604
155,393	95,750	59,643	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,416,294	1,078,473	337,821	-	-	-	4,983,569	1,045,142	3,938,427
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,324,687	1,191,388	1,133,299	68,261	68,261	-	7,922,934	1,304,378	6,618,556
(1,849,793)	(799,712)	1,050,081	181,739	172,285	(9,454)	(5,429,736)	2,107,457	7,537,193
-	-	-	-	-		-	-	
-	-	-	-	-	-	-	-	-
(12,495)	(17,569)	(5,074)	-	-	-	-	-	-
(12,495)	(17,569)	(5,074)	-	-	-	-	-	-
$ (1,862,288)	(817,281)	$ 1,045,007	$ 181,739	172,285	$ (9,454)	$ (5,429,736)	2,107,457	$ 7,537,193
	5,620,757			1,271,678			8,271,603	
	$ 4,803,476			$ 1,443,963			$ 10,379,060	

Continued

BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GAS TAX			HOST COMMUNITY IMPACT FEE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	3,684,500	4,121,210	436,710	-	-	-
Contributions from outside sources	-	-	-	520,000	546,530	26,530
Charges for services	-	-	-	-	-	-
Use of money and property	14,989	(30,951)	(45,940)	-	34,359	34,359
Miscellaneous	-	298	298	-	-	-
Total Revenues	3,699,489	4,090,557	391,068	520,000	580,889	60,889
EXPENDITURES						
Current:						
General Government:						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	42,553	42,553	-
Community Development	9,387,000	864,071	8,522,929	-	-	-
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:						
Capital projects	2,354,134	636,471	1,717,663	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	11,741,134	1,500,542	10,240,592	42,553	42,553	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(8,041,645)	2,590,015	10,631,660	477,447	538,336	60,889
OTHER FINANCING SOURCES (USES)						
Premium on refunding bonds issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(109,000)	(113,877)	(4,877)	(493,000)	(493,000)	-
Total Other Financing Sources (Uses)	(109,000)	(113,877)	(4,877)	(493,000)	(493,000)	-
Net change in fund balance	$ (8,150,645)	2,476,138	$ 10,626,783	$ (15,553)	45,336	$ 60,889
Fund balances (deficits)- beginning, as restated		11,563,742			1,356,484	
Fund balances (deficits)- ending		$ 14,039,880			$ 1,401,820	

City of Livermore

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Budgeted Non-Major Funds

Year Ended June 30, 2023

OTHER IMPACT FEE			TVTC 20% FEE			OTHER LOCAL, STATE, AND FEDERAL GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	5,117,303	1,996,571	(3,120,732)
-	-	-	-	-	-	15,000	24,946	9,946
3,029,330	1,414,237	(1,615,093)	200,000	112,234	(87,766)	30,500	30,175	(325)
-	-	-	15,162	34,394	19,232	30,136	40,295	10,159
-	-	-	-	-	-	193,000	165,236	(27,764)
3,029,330	1,414,237	(1,615,093)	215,162	146,628	(68,534)	5,385,939	2,257,223	(3,128,716)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	24,200	5,650	18,550
-	-	-	-	-	-	728,036	241,043	486,993
-	-	-	-	-	-	16,000	-	16,000
3,048,590	1,242,549	1,806,041	-	-	-	2,800,632	1,073,207	1,727,425
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	243,609	171,001	72,608
50,000	40,691	9,309	3,046,509	444,977	2,601,532	2,817,062	360,869	2,456,193
-	-	-	-	-	-	126,759	90,758	36,001
-	-	-	-	-	-	43,931	29,103	14,828
3,098,590	1,283,240	1,815,350	3,046,509	444,977	2,601,532	6,800,229	1,971,631	4,828,598
(69,260)	130,997	200,257	(2,831,347)	(298,349)	2,532,998	(1,414,290)	285,592	1,699,882
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(150,000)	-	150,000	-	-	-	(33,000)	(12,552)	20,448
(150,000)	-	150,000	-	-	-	(33,000)	(12,552)	20,448
$ (219,260)	130,997	$ 350,257	$ (2,831,347)	(298,349)	$ 2,532,998	$ (1,447,290)	273,040	$ 1,720,330
	2,670,664			3,213,046			6,850,327	
	$ 2,801,661			$ 2,914,697			$ 7,123,367	

City of Livermore

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Budgeted Non-Major Funds

Year Ended June 30, 2023

BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	2020 COP DEBT SERVICE			2022 COP DEBT SERVICE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	-	-	-	-	757	757
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	-	-	-	757	757
EXPENDITURES						
Current:						
General Government:						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:						
Capital projects	-	-	-	-	-	-
Debt service:						
Principal	2,816,198	2,816,198	-	845,000	845,000	-
Interest and fiscal charges	1,553,474	1,554,874	(1,400)	1,267,868	1,267,862	6
Total Expenditures	4,369,672	4,371,072	(1,400)	2,112,868	2,112,862	6
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(4,369,672)	(4,371,072)	(1,400)	(2,112,868)	(2,112,105)	763
OTHER FINANCING SOURCES (USES)						
Certificates of Participation issued	-	-	-	668,829	628,828	(40,001)
Transfers in	4,379,672	4,371,072	(8,600)	1,525,000	1,483,859	(41,141)
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	4,379,672	4,371,072	(8,600)	2,193,829	2,112,687	(81,142)
Net change in fund balance	$ 10,000	-	$ (10,000)	$ 80,961	582	$ (80,379)
Fund balances (deficits)- beginning, as restated		-			-	
Fund balances (deficits)- ending		$ -			$ 582	

EXHIBIT A

City of Livermore

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Budgeted Non-Major Funds

Year Ended June 30, 2023

TRAFFIC IMPACT FEE			EL CHARRO SPECIFIC PLAN			DEVELOPER DEPOSITS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,200,000	1,294,836	94,836	-	-	-	-	-	-
95,249	119,159	23,910	-	-	-	6,176	-	(6,176)
-	-	-	-	-	-	-	-	-
1,295,249	1,413,995	118,746	-	-	-	6,176	-	(6,176)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
225,000	-	225,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,265,552	844,132	2,421,420	887	887	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,490,552	844,132	2,646,420	887	887	-	-	-	-
(2,195,303)	569,863	2,765,166	(887)	(887)	-	6,176	-	(6,176)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(63,995)	(62,794)	1,201	-	-	-	-	-	-
(63,995)	(62,794)	1,201	-	-	-	-	-	-
$ (2,259,298)	507,069	$ 2,766,367	$ (887)	(887)	$ -	$ 6,176	-	$ (6,176)
	22,645,903			887			(5,902)	
	$ 23,152,972			$ -			$ (5,902)	

BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	OTHER CAPITAL PROJECTS			STREET FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	2,689,955	-	(2,689,955)	-	-	-
Use of money and property	-	-	-	769	177	(592)
Miscellaneous	-	1,109	1,109	-	-	-
Total Revenues	2,689,955	1,109	(2,688,846)	769	177	(592)
EXPENDITURES						
Current:						
General Government:						
City Manager	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay:						
Capital projects	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,689,955	1,109	(2,688,846)	769	177	(592)
OTHER FINANCING SOURCES (USES)						
Certificates of Participation issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(69,409)	(69,409)	-
Total Other Financing Sources (Uses)	-	-	-	(69,409)	(69,409)	-
Net change in fund balance	$ 2,689,955	1,109	$ (2,688,846)	$ (68,640)	(69,232)	$ (592)
Fund balances (deficits)- beginning, as restated		14,557,752			69,232	
Fund balances (deficits)- ending		$ 14,558,861			$ -	

City of Livermore

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Budgeted Non-Major Funds

Year Ended June 30, 2023

DOOLAN CANYON ENDWOMENT FUND			2022 COP CONSTRUCTION CAPITAL PROJECTS FUND		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
66,244	54,797	(11,447)	650,000	784,828	134,828
-	-	-	-	-	-
66,244	54,797	(11,447)	650,000	784,828	134,828
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,036	31,036	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,288,000	5,799,684	(4,511,684)
-	-	-	-	-	-
-	-	-	-	-	-
31,036	31,036	-	1,288,000	5,799,684	(4,511,684)
35,208	23,761	(11,447)	(638,000)	(5,014,856)	(4,376,856)
-	-	-	40,930,127	40,930,127	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	40,930,127	40,930,127	-
$ 35,208	23,761	$ (11,447)	$ 40,292,127	35,915,271	$ (4,376,856)
	577,287			(1,807,055)	
	$ 601,048			$ 34,108,216	

Internal Service Funds

Internal service funds are used to account for the financing of services and supplies provided by one city department to another on a cost reimbursement basis.

The concept of major funds introduced by GASB 34 does not extend to internal service funds because they do not do business with outside parties. GASB 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting against the operations of the other city departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below:

Liability Insurance Reserve
Established to account for the City's public liability self-insured program.

Workers Compensation
Established to account for the City's self-insured workers compensation program.

Fleet and Equipment Services
Established to account for the maintenance and acquisition of the City's fleet and small equipment.

Information Technology
Established to account for the maintenance and acquisition of the City's software and hardware.

Facilities Rehabilitation Projects
Established to account for the repair and maintenance of city facilities.

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INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2023	Liability Insurance Reserve	Workers Compensation	Fleet and Equipment Services
ASSETS			
Current Assets:			
Cash and investments in City Treasury	$ 5,340,518	$ 4,590,709	$ 6,998,053
Accounts receivable, net	-	-	111,623
Inventory	-	-	361,074
Prepaids, deposits and supplies	-	-	-
Total current assets	5,340,518	4,590,709	7,470,750
Noncurrent Assets:			
Land and construction in progress	-	-	297,034
Depreciable capital assets (net of depreciation)	-	-	6,537,778
Subscription assets (net of amortization)	-	-	-
Total noncurrent assets	-	-	6,834,812
Total Assets	5,340,518	4,590,709	14,305,562
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	175,868	162,412	720,894
Related to OPEB	7,205	2,329	24,759
Total deferred outflows of resources	183,073	164,741	745,653
LIABILITIES			
Current Liabilities:			
Accounts payable and other accruals	124,039	122,959	341,722
Accrued payroll	10,729	9,568	40,751
Interest payable	-	-	-
Claims payable	1,443,000	1,249,018	-
Deposits payable	-	-	-
Long-term debt:			
Due within one year	-	-	-
Total current liabilities	1,577,768	1,381,545	382,473
Noncurrent Liabilities:			
Claims payable	2,941,528	3,994,651	-
Subscription liability	-	-	-
Net Pension liability	561,499	518,538	2,301,619
Net OPEB liabilities	169,450	54,783	582,312
Long-term debt:			
Due in more than one year	-	-	-
Total noncurrent liabilities	3,672,477	4,567,972	2,883,931
Total liabilities	5,250,245	5,949,517	3,266,404
DEFERRED INFLOWS OF RESOURCES			
Related to pension	9,905	9,148	40,603
Related to OPEB	29,225	9,448	100,430
Total deferred inflows of resources	39,130	18,596	141,033
NET POSITION			
Net Investment in Capital Assets	-	-	6,834,812
Unrestricted	234,216	(1,212,663)	4,808,966
Total Net Position	$ 234,216	$ (1,212,663)	$ 11,643,778

Information Technology	Facilities Rehabilitation Projects	Total
$ 6,540,995	$ 6,166,014	$ 29,636,289
(175)	109,455	220,903
-	-	361,074
104,432	-	104,432
6,645,252	6,275,469	30,322,698
-	1,574,857	1,871,891
318,161	8,861,258	15,717,197
441,197	-	441,197
759,358	10,436,115	18,030,285
7,404,610	16,711,584	48,352,983
1,123,452	406,874	2,589,500
25,486	6,554	66,333
1,148,938	413,428	2,655,833
115,434	825,537	1,529,691
65,185	25,604	151,837
5,987	-	5,987
-	-	2,692,018
-	38,478	38,478
-	856,119	856,119
186,606	1,745,738	5,274,130
-	-	6,936,179
422,759		422,759
3,586,877	1,299,040	8,267,573
599,419	154,147	1,560,111
-	4,498,123	4,498,123
4,609,055	5,951,310	21,684,745
4,795,661	7,697,048	26,958,875
63,276	22,916	145,848
103,381	26,585	269,069
166,657	49,501	414,917
759,358	5,081,873	12,676,043
2,831,872	4,296,590	10,958,981
$ 3,591,230	$ 9,378,463	$ 23,635,024

INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Liability Insurance Reserve	Workers Compensation	Fleet and Equipment Services
OPERATING REVENUES			
Charges for services	$ 4,450,000	$ 1,014,673	$ 4,689,839
Miscellaneous	-	2,770	534,891
Total Operating Revenues	4,450,000	1,017,443	5,224,730
OPERATING EXPENSES			
Salaries and benefits	227,828	222,570	1,304,566
Contracted services	506,243	197,567	46,367
Insurance premiums and claim expenses	3,487,000	1,829,664	114,668
Materials, supplies and others	35,782	80,373	985,507
Utilities	1,859	1,795	1,160
Depreciation and amortization	-	-	1,373,157
Repairs and maintenance	5,552	2,944	556,926
Total Operating Expenses	4,264,264	2,334,913	4,382,351
Operating Income (Loss)	185,736	(1,317,470)	842,379
NONOPERATING REVENUE (EXPENSES)			
Interest and fiscal charges (expense)	-	-	-
Other Nonoperating Income (expenses)	-	-	125,320
Gain (loss) on disposal of property	-	-	(22,930)
Net Nonoperating Revenues (Expenses)	-	-	102,390
Income (Loss) Before Transfers	185,736	(1,317,470)	944,769
Change in Net Position	185,736	(1,317,470)	944,769
Net position-beginning (Deficit)	48,480	104,807	10,699,009
Net position-ending	$ 234,216	$ (1,212,663)	$ 11,643,778

Information Technology	Facilities Rehabilitation Projects	Total
$ 4,535,000	$ 2,310,078	$ 16,999,590
-	133,673	671,334
4,535,000	2,443,751	17,670,924
2,269,352	826,374	4,850,690
2,688,332	11,852	3,450,361
143,202	98,454	5,672,988
161,552	69,884	1,333,098
95,651	708,254	808,719
285,842	843,248	2,502,247
734,417	1,227,900	2,527,739
6,378,348	3,785,966	21,145,842
(1,843,348)	(1,342,215)	(3,474,918)
(11,394)	(149,965)	(161,359)
-	-	125,320
(2,017)	-	(24,947)
(13,411)	(149,965)	(60,986)
(1,856,759)	(1,492,180)	(3,535,904)
(1,856,759)	(1,492,180)	(3,535,904)
5,447,989	10,870,643	27,170,928
$ 3,591,230	$ 9,378,463	$ 23,635,024

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Liability Insurance Reserve	Workers Compensation	Fleet and Equipment Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 4,453,800	$ 1,017,443	$ 5,186,575
Payments to suppliers	(741,093)	(161,698)	(1,668,422)
Payments to or on behalf of employees	(329,302)	(294,012)	(1,388,093)
Claims paid	(2,839,341)	(1,704,257)	-
Net cash provided (used) by operating activities	544,064	(1,142,524)	2,130,060
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital asset purchase	-	-	(1,828,203)
Loss on disposal	-	-	(22,930)
Long term Debt			
Repayments	-	-	-
Interest paid	-	-	-
Cash Flows (used for) Capital and Related Financing Activities	-	-	(1,851,133)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income (loss)	-	-	125,320
Cash Flow from (used by) Investing Activities	-	-	125,320
Net Cash Flows	544,064	(1,142,524)	404,247
Cash and investments at beginning of period	4,796,454	5,733,233	6,593,806
Cash and Investment at end of period	$ 5,340,518	$ 4,590,709	$ 6,998,053
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income	$ 185,736	$ (1,317,470)	$ 842,379
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	-	1,373,157
Change in assets and liabilities:			
Accounts receivable	3,800	-	(38,155)
Prepaids, deposits and supplies	-	-	(10,893)
Deferred outflows	(80,218)	(82,104)	(394,275)
Net pension liability	188,479	180,437	1,042,534
Net OPEB liabilities	(59,673)	(19,318)	(244,094)
Accounts payable and accrued liabilities	(191,657)	120,981	58,488
Accrued payroll	101	(442)	-
Subscription liability	-	-	-
Claims payable	647,659	125,407	-
Deferred inflows	(150,163)	(150,015)	(499,081)
Net cash provided (used) by operating activities	$ 544,064	$ (1,142,524)	$ 2,130,060

City of Livermore
Combining Statements of Cash Flow
Year Ended June 30, 2023

Information Technology	Facilities Rehabilitation Projects	Total
$ 4,535,175	$ 2,497,860	$ 17,690,853
(3,663,539)	(1,504,728)	(7,739,480)
(1,729,851)	(752,191)	(4,493,449)
-	-	(4,543,598)
(858,215)	240,941	914,326
(751,454)	(1,204,903)	(3,784,560)
(2,017)	-	(24,947)
-	(794,252)	(794,252)
(5,407)	(149,965)	(155,372)
(758,878)	(2,149,120)	(4,759,131)
-	-	125,320
-	-	125,320
(1,617,093)	(1,908,179)	(3,719,485)
8,158,088	8,074,193	33,355,774
$ 6,540,995	$ 6,166,014	$ 29,636,289
$ (1,843,348)	$ (1,342,215)	$ (3,474,918)
285,842	843,248	2,502,247
175	15,631	(18,549)
167,770	38,478	195,355
(669,518)	(248,295)	(1,474,410)
1,771,491	640,069	3,823,010
(248,917)	(41,632)	(613,634)
4,197	615,922	607,931
-	-	(341)
422,759	-	422,759
-	-	773,066
(748,666)	(280,265)	(1,828,190)
$ (858,215)	$ 240,941	$ 914,326

Custodial Funds

Custodial funds are used to account for assets held by the City for other entities and individuals. Such funds are operated to carry out the specific actions of trust agreements, ordinances, and other governing regulations.

Community Facilities and Assessment Districts' Bonds
This fund accounts for the collection of property owners' debt service obligation which is used to pay principal and interest on 1915 Act Bonds.

Other Custodial Funds
This fund accounts for assets which are held for other governmental agencies or individuals by the City in a custodial capacity.

CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	Passthrough Funds	LPFD JPA JPA	Total
ASSETS			
Cash and investments in City Treasury (Note 3B)	$ 9,568,725	$ 872,999	$ 10,441,724
Cash and investments with Trustees (Note 3B)	2,812,388	-	2,812,388
Accounts receivable	16,648	1,236,007	1,252,655
Total Assets	12,397,761	2,109,006	14,506,767
LIABILITIES			
Accrued liabilities	382,206	1,609,005	1,991,211
Deposits payable	5,512,269	-	5,512,269
Total Liabilities	5,894,475	1,609,005	7,503,480
NET POSITION			
Held in trust	$ 6,503,286	$ 500,001	$ 7,003,287

CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED ON JUNE 30, 2023

	Passthrough	LPFD JPA	Total
ADDITIONS			
Charges for services	$ 4,603,727	$ 45,230,781	$ 49,834,508
Total Additions	4,603,727	45,230,781	49,834,508
DEDUCTIONS			
Recipient Payments	5,415,281	45,980,779	51,396,060
Total Deductions	5,415,281	45,980,779	51,396,060
Net Change in Net Position	(811,554)	(749,998)	(1,561,552)
NET POSITION			
Beginning Net Position (Note 9F)	7,314,840	1,249,999	8,564,839
End of year	$ 6,503,286	$ 500,001	$ 7,003,287

Statistical Section (Unaudited)
June 30, 2023

City of Livermore

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This part of the City of Livermore's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents:

	Pages
Financial Trends theses schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	136 - 142
Revenue Capacity these schedules contain information to help the reader assess the government's two most significant local revenue source – the sales tax and property tax.	143 - 149
Debt Capacity these schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	150 - 152
Demographic and Economic Information these schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	153 - 155
Operating Information these schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	156 - 164
Livermore Successor Agency these schedules contain information to help the reader assess the Livermore RDA's revenues, debt service, and other indicators.	165 - 167

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

City of Livermore

Net Position by Component

Last Ten Fiscal Years (Accrual Basis of Accounting)

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	$ 278,670,042	$ 282,932,408	$ 286,589,221	$ 288,382,796	$ 290,283,699	$ 308,461,598	$ 316,407,161	$ 316,616,522	$ 329,890,590	$ 330,015,760
Restricted	34,034,587	61,824,573	78,250,270	76,320,882	92,305,699	81,561,447	88,497,962	145,907,840	137,933,441	195,996,622
Unrestricted	33,575,365	(59,176,525)	(36,129,816)	(20,113,778)	(31,158,732)	(28,940,594)	(35,517,921)	(79,949,428)	(74,637,389)	(91,551,961)
Total governmental activities net position	$ 346,279,994	$ 285,580,456	$ 328,709,675	$ 344,589,900	$ 351,430,666	$ 361,082,451	$ 369,387,202	$ 382,574,934	$ 393,186,642	$ 434,460,421
Business-type activities										
Net investment in capital assets	$ 140,571,723	$ 141,163,645	$ 137,068,262	$ 139,333,158	$ 141,811,387	$ 132,533,193	$ 144,490,755	$ 144,545,798	$ 140,388,714	$ 139,173,883
Unrestricted	97,792,547	91,680,464	96,819,619	94,747,853	102,114,754	113,918,054	112,447,010	113,873,028	121,205,214	129,226,153
Total business-type activities net position	$ 238,364,270	$ 232,844,109	$ 233,887,881	$ 234,081,011	$ 243,926,141	$ 246,451,247	$ 256,937,765	$ 258,418,826	$ 261,593,928	$ 268,400,036
Primary government										
Net investment in capital assets	$ 419,241,765	$ 424,096,053	$ 423,657,483	$ 427,715,954	$ 432,095,086	$ 440,994,791	$ 460,897,916	$ 461,162,320	$470,279,304	$ 469,189,643
Restricted	34,034,587	61,824,573	78,250,270	76,320,882	92,305,699	81,561,447	88,497,962	145,907,840	137,933,441	195,996,622
Unrestricted	131,367,912	32,503,939	60,689,803	74,634,075	70,956,022	84,977,460	76,929,089	33,923,600	46,567,825	37,674,192
Total primary government net position	$ 584,644,264	$ 518,424,565	$ 562,597,556	$ 578,670,911	$ 595,356,807	$ 607,533,698	$ 626,324,967	$ 640,993,760	$654,780,570	$ 702,860,457

City of Livermore
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017 *	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
General Government	$ 12,589,567	$ 11,880,499	$ 11,433,092	$ 11,513,994	$ 15,729,502	$ 18,619,685	$ 23,532,602	$ 15,550,878	$ 14,261,204	$ 15,486,750
Fire	15,368,561	16,665,396	17,222,099	23,553,737	25,472,063	20,854,960	21,975,048	24,427,677	21,113,001	25,376,744
Police	31,092,970	30,516,594	29,624,394	32,703,145	36,741,948	37,862,170	37,301,780	40,395,532	38,985,776	40,999,419
Public Works	14,383,488	14,363,304	14,985,937	18,116,391	19,060,229	19,290,328	19,665,609	21,662,957	23,798,519	21,412,309
Community Development	23,528,766	15,711,525	27,302,011	22,044,584	20,012,366	36,444,392	32,628,435	24,802,552	26,558,158	21,514,818
Economic Development	-	-	-	2,353,896	2,165,309	2,820,265	2,805,692	4,418,752	2,596,471	2,901,245
Library	5,052,341	4,863,723	4,886,840	5,858,998	6,214,109	6,341,564	6,349,762	6,303,545	6,302,537	6,913,509
Redevelopment	-	-	-	-	-	-	-	-	-	-
Interest on long term debt	1,142,866	1,288,881	1,033,661	1,266,179	1,270,061	1,397,328	1,682,372	1,219,276	1,127,846	2,779,617
Total governmental activities expenses	103,158,559	95,289,922	106,488,034	117,410,924	126,665,587	143,630,692	145,941,300	138,781,169	134,743,512	137,384,411
Business-type activities:										
Airport	6,336,579	5,637,480	3,870,139	7,017,908	3,016,304	3,504,956	4,250,953	4,022,246	3,498,840	3,030,841
Water	11,408,389	9,907,976	10,996,708	13,884,791	14,701,669	15,934,857	15,625,538	18,821,642	17,126,698	18,333,679
Sewer	21,614,437	23,005,606	25,293,809	24,879,897	21,824,590	24,081,018	24,049,671	24,026,163	23,822,392	25,174,657
Stormwater	-	-	-	-	4,572,368	6,215,290	5,157,718	5,341,864	5,075,457	5,282,516
Las Positas	3,492,698	3,331,686	3,204,730	2,935,020	3,025,888	1,986,853	-	-	-	-
Springtown	38,399	32,171	105,030	-	-	-	-	-	-	-
Total business-type activities expenses	42,890,502	41,914,919	43,470,416	48,717,616	47,140,819	51,722,974	49,083,880	52,211,915	49,523,387	51,821,693
Total primary government expenses	$ 146,049,061	$ 137,204,841	$ 149,958,450	$ 166,128,540	$ 173,806,406	$ 195,353,666	$ 195,025,180	$ 190,993,084	$ 184,266,899	$ 189,206,104

* Starting fiscal year 2017, City Clerk is presented as a part of Administrative Services
* Starting fiscal year 2018, Stormwater is presented separately from Sewer

(Continued)

City of Livermore
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017 *	2017	2019	2020	2021	2022	2023
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	$ 774,339	$ 1,083,813	$ 855,888	$ 1,534,690	$ 2,009,308	1,598,885	1,502,556	1,203,282	682,277	897,891
Fire	1,714,973	1,634,534	1,822,267	1,813,604	2,560,405	767,507	1,339,356	1,150,341	2,202,529	1,125,366
Police	1,340,240	1,600,551	1,718,669	1,596,383	1,866,310	1,936,452	1,781,262	1,664,591	1,848,328	1,287,389
Public Works	178,263	205,163	220,715	253,942	214,104	319,336	237,566	237,986	240,778	249,909
Community Development	10,414,752	14,881,608	19,070,042	13,679,642	12,374,344	8,685,435	12,068,342	9,082,146	11,234,653	13,154,684
Economic Development	-	-	-	-	-	-	-	-	-	-
Library	147,543	121,244	113,218	109,423	106,819	102,007	29,584	935	5,257	10,508
Redevelplment	-	-	-	-	-	-	-			
Operating grants and contributions	9,665,802	19,882,483	14,034,381	10,152,472	17,851,251	14,944,050	16,349,423	19,784,517	17,750,934	15,797,120
Capital grants and contributions	8,435,777	20,161,044	21,329,334	10,968,620	22,984,924	11,646,318	12,379,725	9,478,790	4,947,988	3,300,912
Total governmental activities program revenues	32,671,689	59,570,440	59,164,514	40,108,776	59,967,465	39,999,990	45,687,814	42,602,588	38,912,744	35,823,779
Business-type activities:										
Charges for services:										
Airport	6,925,128	6,166,771	4,671,643	3,989,363	3,638,327	3,949,727	3,988,814	3,807,332	3,426,583	3,542,766
Water	12,523,886	13,211,780	12,567,619	13,790,365	15,088,661	14,871,772	16,757,972	17,610,383	17,640,764	17,392,495
Sewer	18,822,193	20,401,801	22,853,237	20,438,612	21,391,758	22,944,348	24,535,578	25,604,994	28,379,195	30,144,505
Stormwater				-	1,112,473	1,136,319	1,137,063	1,134,233	1,145,489	1,154,925
Las Positas	3,259,879	3,087,554	3,016,898	2,636,577	2,733,407	1,628,472	-	-	-	-
Springtown	11,392	6,173	3,694	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	3,079,962	199,428	643,541	-	374,526	512,162	568,394
Capital grants and contributions	2,120,480	2,691,864	50,450	4,269,465	7,025,848	7,342,209	7,381,049	2,988,779	1,679,990	2,710,316
Total business-type activities program revenues	43,662,958	45,565,943	43,163,541	48,204,344	51,189,902	52,516,388	53,800,476	51,520,247	52,784,183	55,513,401
Total primary government program revenues	$ 76,334,647	$ 105,136,383	$ 102,328,055	$ 88,313,120	$ 111,157,367	$ 92,516,378	$ 99,488,290	$ 94,122,835	$91,696,927	$ 91,337,180
Net (Expense) Revenue										
Governmental activities	$ (70,486,870)	$ (35,719,482)	$ (47,323,520)	$ (77,302,148)	$ (66,698,122)	$ (103,630,702)	$ (100,253,486)	$ (96,178,581)	$ (95,830,768)	$ (101,560,632)
Business-type activities	772,456	3,651,024	(306,875)	(513,272)	4,049,083	793,414	4,716,596	(691,668)	3,260,796	3,691,708
Total primary government net expenses	$ (69,714,414)	$ (32,068,458)	$ (47,630,395)	$ (77,815,420)	$ (62,649,039)	$ (102,837,288)	$ (95,536,890)	$ (96,870,249)	$ (92,569,972)	$ (97,868,924)

(Continued)

EXHIBIT A

City of Livermore
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017 *	2017	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 24,721,318	$ 26,379,108	$ 28,340,602	$ 30,494,247	$ 32,960,384	35,577,827	37,797,380	38,874,958	40,754,977	44,792,322
Incremental property taxes	-	-	-	-	-	-	-	-	-	-
Sales taxes	25,159,952	27,278,151	29,932,022	30,684,026	32,346,374	35,556,493	32,869,001	35,441,550	39,907,361	39,032,166
Other taxes	11,859,580	13,587,065	15,204,335	15,429,188	17,211,775	16,895,027	16,253,107	16,150,202	18,389,594	25,852,840
Intergovernmental	6,055,370	6,506,780	6,964,071	7,411,648	7,897,068	8,417,344	8,962,999	9,417,844	10,029,277	12,176,887
Investment income	1,336,195	952,239	1,782,742	757,516	1,295,887	6,928,825	8,520,096	1,573,776	(7,655,464)	3,969,590
Miscellaneous	7,366,432	8,313,221	8,430,147	8,608,485	6,655,867	5,508,154	6,001,803	6,442,577	7,960,003	8,816,246
Change of value from investment in JPA	-	-	-	-	-	(1,354,554)	(1,522,359)	-	-	-
Transfers (net)	328,427	(4,258,088)	(201,180)	(202,737)	(12,507,742)	3,794,799	(323,790)	(1,767,363)	(2,943,272)	(2,299,891)
Total governmental activities	76,827,274	78,758,476	90,452,739	93,182,373	85,859,613	111,323,915	108,558,237	106,133,544	106,442,476	132,340,160
Business-type activities:										
Interest and other income	281,708	388,004	1,034,225	293,279	711,495	4,250,989	3,293,931	405,366	(3,028,966)	810,299
Transfers (net)	(328,427)	4,258,088	201,180	202,737	12,507,742	(3,794,799)	323,790	1,767,363	2,943,272	2,299,891
Change in value of Investment in JPA	(232,754)	39,878	115,242	210,386	329,595	1,275,502	445,399	-	-	-
Total business-type activities	(279,473)	4,685,970	1,350,647	706,402	13,548,832	1,731,692	4,063,120	2,172,729	(85,694)	3,110,190
Total primary government activities	$ 76,547,801	$ 83,444,446	$ 91,803,386	$ 93,888,775	$ 99,408,445	$ 113,055,607	$ 112,621,357	$ 108,306,273	$106,356,782	$ 135,450,350
Change in Net Position										
Governmental activities	$ 6,340,404	$ 43,038,994	$ 43,129,219	$ 15,880,225	$ 19,161,491	$ 7,693,213	$ 8,304,751	$ 9,954,963	$10,611,708	$ 30,779,528
Business-type activities	492,983	8,336,994	1,043,772	193,130	17,597,915	2,525,106	8,779,716	1,481,061	3,175,102	6,801,898
Total primary government	$ 6,833,387	$ 51,375,988	$ 44,172,991	$ 16,073,355	$ 36,759,406	$ 10,218,319	$ 17,084,467	$ 11,436,024	$13,786,810	$ 37,581,426

City of Livermore

Fund Balances of Governmental Funds

Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	$ 6,317,781	$ 5,423,421	$ 5,220,875	$ 5,191,768	$ 6,911,157	$ 5,712,441	$ 5,627,682	$ 5,609,833	$5,844,210	$ 5,713,684
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	12,548,889	12,897,711	13,980,181	14,534,792	15,689,514	15,954,446	16,561,703	17,419,222	18,137,383	18,537,548
Assigned	8,365,926	8,598,474	16,490,551	17,891,417	20,120,563	22,359,001	24,905,533	29,677,300	43,006,790	59,058,156
Unassigned	5,050,960	10,406,034	11,447,929	16,850,333	20,197,806	21,015,747	22,903,595	24,471,138	1,794,772	620,364
Total general fund	$ 32,283,556	$ 37,325,640	$ 47,139,536	$ 54,468,310	$ 62,919,040	$ 65,041,635	$ 69,998,513	$ 77,177,493	$68,783,155	$ 83,929,752
All Other Governmental Funds										
Nonspendable	$ 57,439,026	$ 4,000	$ -	$ 3,580	$ 510,525	$ 540,789	$ 537,935	$ 521,482	$589,503	$ 613,264
Restricted	-	82,222,196	106,877,672	117,117,738	122,335,628	107,752,207	106,314,261	115,657,837	107,008,330	187,443,027
Committed	-	-	-	-	980,960	1,583,505	2,597,943	2,597,943	2,597,943	2,597,943
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(1,230,719)	(548)	-	(157,775)	(66,518)	(337,703)	-	-	-	-
Total all other governmental funds	$ 56,208,307	$ 82,225,648	$ 106,877,672	$ 116,963,543	$ 123,760,595	$ 109,538,798	$ 109,450,139	$ 118,777,262	$110,195,776	$ 190,654,234

City of Livermore

Changes in Fund Balances of Governmental Fund
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Changes In Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Taxes and special assessments	$ 39,047,027	$ 42,437,878	$ 46,106,890	$ 48,513,433	$ 52,797,891	$ 55,378,923	$ 57,137,281	$ 58,827,934	$ 63,508,257	$ 70,645,162
Sales taxes	25,159,952	27,278,151	29,932,022	30,684,026	32,346,374	35,556,493	32,869,001	35,441,550	39,907,361	39,032,166
Property tax increment	-	-	-	-	-	-	-	-	-	-
Licenses and permits	2,020,956	2,919,585	3,375,139	2,587,073	3,329,443	2,647,472	2,408,482	2,587,449	4,236,642	3,952,512
Intergovernmental	14,523,429	17,513,836	15,818,812	15,329,383	18,609,342	19,663,932	21,151,712	27,824,580	26,390,007	22,029,372
Contributions from outside sources	3,090,683	6,407,835	1,492,046	3,360,435	12,763,436	3,668,666	1,735,332	395,011	625,103	605,984
Fines and forfeitures	442,101	474,279	404,562	382,735	472,063	522,198	480,714	12,837,128	444,025	394,263
Charges for current services	18,937,543	34,250,853	39,071,843	23,669,667	25,413,665	15,988,594	20,392,611	5,322,238	14,008,997	16,364,892
Use of money and property	3,444,283	3,573,515	5,106,185	3,718,382	4,594,593	12,607,413	12,667,441	4,222,473	(4,288,535)	5,258,816
Miscellaneous	1,568,992	7,731,071	8,218,597	2,754,329	4,344,239	1,820,316	1,338,085	2,311,612	2,862,290	10,157,389
Total revenues	108,234,966	142,587,003	149,526,096	130,999,463	154,671,046	147,854,007	150,180,659	149,769,975	147,694,147	168,440,556
Expenditures										
General government	13,440,473	13,981,528	14,343,118	13,531,789	13,631,535	15,040,356	16,768,256	13,826,319	15,881,178	15,898,607
Fire	15,293,516	16,392,361	17,593,133	18,160,089	19,742,654	21,484,772	21,963,399	22,765,664	24,292,024	24,953,858
Police	30,000,873	32,114,470	31,248,269	32,611,631	35,474,413	37,991,489	37,855,355	39,584,317	41,583,398	43,514,564
Public Works	6,259,095	6,479,506	7,125,447	9,801,590	10,649,264	10,858,274	11,296,986	13,093,994	15,942,006	12,082,789
Community Development	22,660,129	23,177,157	26,435,968	22,366,625	26,613,789	41,744,030	31,872,893	23,269,924	28,304,312	20,728,682
Economic Development	-	-	-	2,355,266	2,169,717	2,815,442	2,826,509	4,435,600	2,912,656	2,980,164
Library	4,369,666	4,455,160	4,540,660	5,287,778	5,639,115	5,665,784	5,896,798	5,626,180	6,387,640	6,472,650
Redevelopment	-	-	-	-	-	-	-	-	-	-
Capital outlay	5,641,979	18,897,678	6,211,698	4,065,706	9,106,715	20,651,425	11,028,144	10,629,079	22,565,242	13,105,912
Debt service funds:										
Principal	8,445,369	4,703,788	5,597,905	3,908,648	3,274,972	2,817,102	3,125,453	122,607	3,287,228	4,375,867
Interest and fiscal charges	1,414,883	1,872,291	1,555,850	1,292,959	1,274,238	1,400,431	1,505,596	1,375,594	1,746,920	2,888,474
Issuance cost	-	-	-	-	-	-	407,260	-	-	-
Total Expenditures	107,525,983	122,073,939	114,652,048	113,382,081	127,576,412	160,469,105	144,546,649	134,729,278	162,902,604	147,001,567
Excess of Revenues over (under) expenditures	708,983	20,513,064	34,874,048	17,617,382	27,094,634	(12,615,098)	5,634,010	15,040,697	(15,208,457)	21,438,989

(Continued)

City of Livermore

Changes in Fund Balances of Governmental Fund
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Changes In Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses)										
Proceeds from long term debt	$ -	$ 49,776,268	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 41,558,955
Payment to refunded bond escrow agent	-	(39,411,268)	-	-	-	-	(51,296,699)	-	-	-
Refunding bonds issued	-	-	-	-	-	-	42,932,418	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	7,922,280	-	-	-
Transfers in	11,632,939	58,411,053	8,915,955	8,774,169	8,914,189	5,744,041	56,604,093	3,212,134	6,510,390	6,672,696
Transfers out	(11,449,012)	(58,229,692)	(9,324,083)	(8,976,906)	(20,951,304)	(7,186,717)	(56,927,883)	(4,979,497)	(8,277,757)	(8,972,587)
Total other financing sources (uses)	183,927	10,546,361	(408,128)	(202,737)	(12,037,115)	(1,442,676)	(765,791)	(1,767,363)	(1,767,367)	39,259,064
Net change in fund balances	$ 892,910	$ 31,059,425	$ 34,465,920	$ 17,414,645	$ 15,057,519	$ (14,057,774)	$ 4,868,219	$ 13,273,334	$ (16,975,824)	$ 60,698,053
Debt service as a percentage of noncapital expenditures	9.7%	6.4%	6.6%	4.8%	3.8%	3.0%	3.5%	1.2%	3.6%	5.4%

City of Livermore
Taxable Sales by Category
Last Ten Fiscal Years

TAXABLE SALES BY CATEGORY *
LAST TEN CALENDAR YEARS
(In thousands)

Business Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Apparel Stores	$ 281,213	$ 307,674	$ 374,135	$ 463,533	$ 481,639	$ 518,984	$ 534,128	$ 272,264	$ 445,974	$ 490,106
General Merchandise	237,158	239,714	237,252	239,903	248,531	256,781	264,587	231,840	267,865	292,338
Food Stores	41,699	41,828	43,382	44,270	44,271	45,206	44,334	48,146	46,423	47,106
Eating and Drinking Places	148,779	163,118	176,523	193,331	200,835	209,541	217,431	161,627	217,194	243,993
Building Materials	175,935	180,357	211,876	223,778	242,577	263,116	244,488	252,777	296,004	312,657
Auto Dealers and Supplies	285,595	387,808	447,076	454,236	468,415	469,931	512,168	402,481	438,041	447,429
Service Stations	199,835	192,424	160,878	150,389	168,825	199,928	193,527	135,983	190,482	226,097
Other Retail Stores	179,952	190,948	208,524	218,332	218,677	227,634	225,905	183,504	212,526	228,877
All Other Outlets	542,211	555,559	575,804	579,353	715,998	767,406	773,622	741,580	1,570,546	1,677,671
Total	**$ 2,092,377**	**$ 2,259,430**	**$ 2,435,450**	**$ 2,567,125**	**$ 2,789,768**	**$ 2,958,527**	**$ 3,010,190**	**$ 2,430,202**	**$ 3,685,055**	**$ 3,966,274**

Source: The HdL Companies

* The amounts reported are based on adjusted sales tax values and might fluctuate from what was reported the previous year.

City of Livermore

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years (In Percentage)

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years (In Percentage)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Direct Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Alameda County	1.75%	2.25% (a)	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	3.25% (c)	3.25%
State of California	6.25%	6.25%	6.25%	6.00% (b)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Total Rate	**9.00%**	**9.50%**	**9.50%**	**9.25%**	**9.25%**	**9.25%**	**9.25%**	**9.25%**	**10.25%**	**10.25%**

(a) FY 2014-15 Alameda County rate increased by 0.50%
(b) FY 2016-17 State rate was reduced by 0.25%
(c) FY 2021-22 Alameda County rate increased by 1.00%

City of Livermore
Principal Sales Tax Payers
Current Year and Ten Years Ago (In alphabetical Order)

Principal Sales Tax Payers Current Year and Nine Years Ago In Alphabetical Order Data in Calendar Years	
2022	**2013**
AMS Net	7 Eleven
Audi Livermore	Bridgelux
Bauer Compressors	Coach/Kate Spade
Coach/Kate Spade	Costco
Computacenter Fusionstorm	Harris Rebar
Costco	Home Depot
Gillig	JA Momaney Services
Gucci Outlet	Jifco
Home Depot	Kaiser Pharmacy
JA Momaney Services	Kate Spade
Jifco	Livermore Ford/Lincoln/Alfa/Maserati
Land Rover Jaguar Livermore	Livermore Honda/Subaru/Jag/Rover/Audi
Livermore Ford/Lincoln/Alfa/Maserati	Lowes
Livermore Honda	Macpherson Western Tool Supply
Livermore Subaru	Mobile Modular Management Corp
Livermore Toyota	Porsche Livermore
Lowes	Prada
Porsche Livermore	Quik Stop Market
Safeway Fuel	Safeway
Target	Safeway Fuel
Tesla Motors	Solar Universe
Toyota Material Handling	Target
US Foodservice	US Food Service
Walmart	Walmart
Waxie Sanitary Supply	Waxies

Source: HdL Company

Assessed Value and Estimated Taxable Property
Last Ten Fiscal Years

Fiscal Year	Common Property	Public Utility	Unsecured Valuation	Total Taxable Assessed Valuation	Total Direct Tax Rate*
2013-2014	13,495,749,069	16,534,025	677,891,857	14,190,174,951	1.00%
2014-2015	14,441,874,348	15,920,292	618,857,248	15,076,651,888	1.00%
2015-2016	15,425,274,831	16,125,723	644,740,332	16,086,140,886	1.00%
2016-2017	16,462,710,778	16,036,533	669,293,841	17,148,041,152	1.00%
2017-2018	17,584,794,540	13,149,678	665,835,413	18,263,779,631	1.00%
2018-2019	18,716,232,125	13,261,314	742,728,963	19,472,222,402	1.00%
2019-2020	19,706,452,617	12,659,804	887,677,095	20,606,789,516	1.00%
2020-2021	20,739,018,910	12,463,593	890,242,048	21,641,724,551	1.00%
2021-2022	21,764,066,539	27,593,705	908,083,685	22,699,743,929	1.00%
2022-2023	22,988,612,094	27,850,904	958,541,900	23,975,004,898	1.00%

Note:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchese price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* Direct tax rate is per $1,000 of assessed value.

Source: Alameda County Office of the Auditor-Controller.

City of Livermore

Direct and Overlapping Governments Property Tax Rates
Last Ten Fiscal Years

Direct and Overlapping Governments Property Tax Rates
(Rates per $1,000 of assessed value)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Direct Rates:										
City Direct Rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Overlapping Rates (1):										
Livermore Valley Joint Unified School District	0.0596	0.0497	0.0404	0.0886	0.0803	0.0771	0.0743	0.0691	0.0706	0.0638
Chabot Las Positas	0.0214	0.0217	0.0198	0.0246	0.0445	0.0443	0.0422	0.0214	0.0458	0.0388
Pleasanton Unified School District	0.0916	0.0695	0.0239	0.0224	0.0672	0.0640	0.0642	0.0580	0.0435	0.0422
Zone 7 Flood Control	0.0257	0.0250	0.0343	0.0333	0.0359	0.0332	0.0309	0.0309	0.0307	0.0279
Bay Area Rapid Transit	0.0075	0.0045	0.0026	0.0080	0.0084	0.0070	0.0120	0.0139	0.0060	0.014
East Bay Regional Park	0.0078	0.0085	0.0067	0.0032	0.0021	0.0057	0.0060	0.0014	0.0020	0.0058
County General Obligation Bond						0.0112	0.0108	0.0036	0.0041	0.0103
Total Direct and Overlapping Rate	1.2136	1.1789	1.1277	1.1801	1.2384	1.2425	1.2404	1.1983	1.2027	1.2028

Source: Alameda County Treasurer and Tax Collector.

Note:

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Livermore. Not all overlapping rates apply to all property owners. For an overlapping rate to apply, the property has to be located within that district's geographic boundary.

City of Livermore
Principal Property Taxpayers
Current Year and Nine Years Ago

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2023 Taxable Assessed Value Secured/ Unsecured	2023 Rank	2023 Percentage of Total City Taxable Assessed Value	2014 Taxable Assessed Value Secured/ Unsecured	2014 Rank	2014 Percentage of Total City Taxable Assessed Value
Livermore Premium Outlets LLC	$234,142,865	1	0.98%	$150,002,837	1	1.09%
Livermore Oaks Joint Venture LLC	151,283,945	2	0.63%			
Longfellow Logistics Center LLC	140,156,160	3	0.59%			
Form Factor Inc	128,520,344	4	0.54%	118,042,990	2	0.86%
Kaiser	117,136,798	5	0.49%	68,743,579	3	0.50%
Arkay Properties LLC	109,324,867	6	0.46%			
Comcast of Alameda Inc	92,200,500	7	0.39%			
Jack London Blvd and Isabel Avenue LLC	85,421,466	8	0.36%			
Raintree Ironwood LLC	83,182,947	9	0.35%			
Lam Research Corporations	79,215,300	10	0.33%			
RT Tri Valley LLC				52,415,500	4	0.38%
Marathon Drive Buildings LLC				51,363,270	5	0.37%
Sutter Health				46,551,050	6	0.34%
Alere Home Monitoring Inc				44,633,685	7	0.32%
BNP Paribas Leasing Corporation				41,393,752	8	0.30%
Valley Care Senior Housing Inc				39,106,319	9	0.28%
Bridgelux Inc				37,151,271	10	0.27%
Golden Bears LLC & Ellis Street Property						0.00%
	$ 1,220,585,192		5.12%	$ 649,404,253		4.71%

Source: HdL Company

City of Livermore
Property Tax Levies and Collections
Last Ten Fiscal Years

Property Tax Levies and Collections Last Ten Fiscal Years				
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Property Taxes for the Fiscal Year	Delinquent Tax Collections (Refund)
		Amount	Percentage of Levy		
2014	$ 24,137,249 (a)	$ 23,526,725	97.47%	$ 610,524	$ 458,926 (b)
2015	26,171,312 (a)	26,034,522	99.48%	136,790	(7,631) (b)
2016	27,839,513 (a)	27,718,828	99.57%	120,685	320,482 (b)
2017	29,014,829 (a)	28,341,709	97.68%	673,120	321,785 (b)
2018	31,087,296 (a)	30,559,069	98.30%	528,227	338,288 (b)
2019	33,273,066 (a)	32,570,581	97.89%	702,485	533,453 (b)
2020	35,368,204 (a)	34,740,288	98.22%	627,916	341,676 (b)
2021	36,930,452 (a)	36,077,734	97.69%	852,718	451,056 (b)
2022	38,114,809 (a)	37,598,776	98.65%	516,033	414,496 (b)
2023	41,369,080 (a)	40,870,045	98.79%	499,035	371,527 (b)

Source: Alameda County Office of the Auditor-Controller and City of Livermore Finance Division

(a) Taxes Levied include secured, unsecured, and estimated unitary tax.
Tax levies are net of payments for
- Educational Revenue Augmentation Fund.
- Redevelopment agencies for the fiscal years 2005-06 through 2011-12
- Redevelopment Property Tax Trust Fund (RPTTF) payments beginning from Fiscal year 2012-13.

(b) Alameda County does not provide delinquent tax collection data by levy year, so the amounts shown in the delinquent tax collections column include delinquency collections for all prior years that were remitted to the City in each fiscal year.

City of Livermore

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities						
Fiscal Year	Certificates of Participation	Notes & Loans Payable	Capital Lease	Certificates of Participation	Revenue Loans	State Loan	Capital Lease	Total Primary Government	Percentage of Personal Income [1]	Per Capita
2014	$ 58,367,644	$ 4,803,697	$ 12,654,274	$ 15,589,104	$ -	$ -	$ 847,354	$ 92,262,073	5.9%	1,087
2015	64,032,534	3,970,233	11,668,003	15,348,123	-	-	740,467	95,759,360	6.6%	1,129
2016	60,193,384	2,566,738	11,330,801	14,186,182	-	-	619,257	88,896,362	5.5%	1,009
2017	56,386,950	2,440,343	10,300,691	13,003,050	-	-	512,946	82,643,980	7.5%	922
2018	53,758,606	1,793,715	9,152,150	12,336,394	-	-	392,972	77,433,837	8.5%	847
2019	54,295,394	1,667,320	8,189,116	8,429,606	-	-	321,293	72,902,729	9.8%	801
2020	50,854,698	1,540,562	7,563,146	7,783,689	-	-	296,702	68,038,797	11.3%	741
2021	50,270,524	1,417,955	6,883,846	7,697,470	-	-	270,016	66,539,811	13.1%	729
2022	46,998,880	818,197	6,148,494	7,213,722	-	-	241,127	61,420,420	0.7%	713
2023	84,295,830	727,439	5,354,242	6,713,702	-	-	209,925	97,301,138	1.8%	1,148

Note: Details regarding the city's outstanding debt can be found in the footnotes.

[1] Personal income is income for Alameda County.

EXHIBIT A

City of Livermore
Direct and Overlapping Governmental Activities Debt
June 30, 2023

Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

City Assessed Valuation, net of exemptions		$24,093,397,298
Redevelopment Agency Incremental Valuation*		-
Total Assessed Valuation		$ 24,093,397,298

Governmental Unit	Percentage Applicable [1]	Outstanding Debt 6/30/23	Estimated share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes:			
Alameda County	6.429%	$515,890,000	$33,166,568
Bay Area Rapid Transit District	2.529%	2,484,285,000	62,827,568
Chabot-Las Positas Community College District	15.504%	756,200,000	117,241,248
Livermore Valley Joint Unified School District	93.791%	237,660,000	222,903,691
East Bay Regional Park District	0.083%	175,955,000	146,043
City of Livermore Community Facilities District No. 99-1	100.000%	9,285,000	9,285,000
City of Livermore Community Facilities District No. 2009-1 I.A. No. 1	100.000%	16,354,648	16,354,648
City of Livermore Community Facilities District No. 2009-1 I.A. No. 2	100.000%	4,213,707	4,213,707
City of Livermore Community Facilities District No. 2009-1 I.A. No. 3	100.000%	2,447,036	2,447,036
City of Livermore Community Facilities District No. 2016-2	100.000%	8,160,000	8,160,000
City of Livermore 1915 Act Bonds	100.000%	1,837,000	1,837,000
CA Statewide Communities Development Authority Assessment District Bonds	100.000%	8,956,846	8,956,846
Total overlapping debt repaid with property taxes		4,221,244,237	487,539,355
Overlapping Other Debt:			
Alameda County Gen. Fund Obligations & Coliseum Authority	6.429%	706,903,500	45,446,826
Tax Increment Debt (Successor Agency)	100.000%	15,780,000	15,780,000
Total overlapping other debt		722,683,500	61,226,826
Total overlapping debt		$ 4,943,927,737	548,766,181
City of Livermore Certificate of Participation			83,400,002
City of Livermore Notes & Loans			727,439
City of Livermore Capital Leases			5,564,167
Total gross direct debt			89,691,608
Less: City of Livermore Obligations Supported by Rate Payers' Fees			(5,966,177)
Less: City of Livermore Obligations Funded by Grants Revenues			(7,807,439)
Total net direct debt			75,917,992
Total direct and overlapping debt			$ 624,684,173

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable pecentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

(2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the Only includes the debt that is paid with property tax.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations

* Redevelopment Agency was dissolved effective January 31, 2012, in accordance with Assembly Bill 1X 26.

City of Livermore
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2022-23	
Common Property Assessed Valuation-Secured Roll	$23,402,827,613
Government Code Sec. 43605 Debt Limit 15% of Assessed Valuation	3,510,424,142
Amount of debt applicable to the limit	-
Legal debt margin	3,510,424,142
Percent of debt limit authorized and issued	0.00%

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	$ 2,024,362,360	$ 2,166,281,152	$ 2,313,791,225	$ 2,469,406,617	$ 2,637,719,181	$ 2,807,434,819	$ 2,955,967,893	$ 3,110,852,837	$ 3,264,609,981	$ 3,510,424,142
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 2,024,362,360	$ 2,166,281,152	$ 2,313,791,225	$ 2,469,406,617	$ 2,637,719,181	$ 2,807,434,819	$ 2,955,967,893	$ 3,110,852,837	$ 3,264,609,981	$ 3,510,424,142
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Livermore Finance Division
Alameda County Office of the Auditor-Controller

Demographic and Economic Statistics Last Ten Calendar Years					
Year	Livermore Population (1)		Per Capita Personal Income Alameda County (2)	Total Personal Income	Unemployment Rate (3) (3)
2013	84,852	Est.	3,421,148	40,319	3.7%
2014	84,815	Est.	3,480,129	41,032	4.0%
2015	88,138	Est.	3,573,663	40,546	6.2%
2016	89,648	Est.	3,675,152	40,995	2.9%
2017	91,411	Est.	3,883,413	42,482	2.3%
2018	91,039	Est.	4,226,619	46,426	2.5%
2019	91,861	Est.	4,493,228	48,913	2.5%
2020	91,216	Est.	4,916,696	53,901	7.2%
2021	86,149	Est.	5,313,309	61,675	4.6%
2022	84,793	Est.	5,501,069	64,876	2.6%

Note:

1. Data Source: State of California, Department of Finance
2. Data Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, Local Area Personal Income. County income estimates are not currently available after 2020.
3. Data Source: Bureau of Labor Statistics

Population Demographics[1]		
Age	**Number**	**Percent of Population**
Under 5 years	3,646	4.3%
5 to 9 years	5,624	6.6%
10 to 14 years	5,416	6.4%
15 to 19 years	5,328	6.3%
20 to 24 years	3,707	4.4%
25 to 29 years	3,817	4.5%
30 to 34 years	7,139	8.4%
35 to 39 years	6,041	7.1%
40 to 44 years	6,078	7.2%
45 to 49 years	6,315	7.5%
50 to 54 years	6,690	7.9%
55 to 59 years	5,426	6.4%
60 to 64 years	4,769	5.6%
65 to 69 years	4,337	5.1%
70 to 74 years	3,466	4.1%
75 to 79 years	3,465	4.1%
80 to 84 years	1,388	1.6%
85 years and over	2,070	2.4%
Total Population	84,722	100.0%

City of Livermore
Principal Employers
Current Year and Nine Years Ago

Principal Employers Current Year and Nine Years Ago						
	2023			2013		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lawrence Livermore National Lab	9,291	1	17.21%	5,723	1	16.49%
Sandia National Lab	1,842	2	3.41%	1,139	2	3.28%
Livermore Valley Joint Unified School District	1,380	3	2.56%	1,236	3	3.56%
Lam Research	1,055	4	1.95%			
Form Factor	825	5	1.53%	833	5	2.40%
Kaiser Permanente	813	6	1.51%	850	4	2.45%
GILLIG	640	7	1.19%			
US Foodservice Inc	562	8	1.04%			
Topcon Positioning Systems	410	9	0.76%			
Las Positas College	305	10	0.56%	463	9	1.33%
Comcast				500	6	1.44%
Wente				736	7	2.12%
Livermore Area Recreation and Parks District				501	8	1.44%
Valley Care Health Systems				432	10	1.24%
			31.72%			35.75%

* Estimated

Source: City of Livermore Office of Innovation and Economic Development
U.S. Bureau of Labor Statistics

City of Livermore

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Administrative Services [1,4]	31.75	31.75	32.50	33.50	35.50	39.25	38.25	39.25	39.25	35.25
City Manager [2]	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.00	7.00	12.00
City Attorney	8.00	8.00	8.50	8.50	8.50	8.50	9.00	9.00	9.00	9.00
Police [4]	140.75	141.75	141.75	142.75	141.75	145.00	145.50	145.50	145.50	147.25
Public Works	42.70	42.70	41.45	43.80	43.80	45.50	45.50	45.50	45.50	45.50
Community Development	63.50	63.50	63.50	64.50	66.50	66.50	68.50	68.50	67.50	67.50
Economic Development [3]	-	-	-	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Library	28.00	28.00	28.00	27.00	27.00	27.00	27.35	27.35	27.35	27.88
Airport	8.00	8.00	8.00	8.00	8.00	8.00	8.50	8.50	8.50	8.50
Water	15.00	15.00	15.00	13.75	13.75	10.00	11.00	10.00	10.00	10.00
Sewer	48.50	48.50	48.50	49.50	49.50	49.50	49.50	50.50	50.50	51.50
Las Positas Golf Course	0.80	0.80	0.80	0.70	0.70	-	-	-	-	-
Total	394.00	395.00	395.00	401.00	405.00	409.25	414.10	415.10	414.10	418.38

Notes:

1. Administrative Services was created in fiscal year 2010 and includes Human Resources, Finance and Information Technology employees. Starting in FY17, includes City Clerk employees. Prior years' data is added to Administrative Services for comparison purposes.
2. Prior to fiscal year 2010, City Manager included Information Technology employees.
3. In fiscal year 2011, Redevelopment employees are included in Community Development.
3. In fiscal years 2014-2016, Economic Development employees are included in Community Development.
4. Starting in FY18, two police Information Technology employees are included in Administrative Services.
6. Fire safety services are provided by Livermore-Pleasanton Fire Department, a JPA.

EXHIBIT A

City of Livermore
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	58	57	58	59	63	61	63	61	65	64
Fire stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (centerline miles)	306	306	308	306	308	308	308	308	310	360
Streetlights	7,382	7,382	7,382	7,500	7,500	7,500	7,500	7,500	7,526	10,212
Traffic Signals	111	104	105	106	106	106	108	114	112	114
Enhanced Crosswalks	10	11	15	17	17	17	22	24	24	24
Las Positas Municipal Golf Course [2]										
Total acreage	195	195	195	195	195	195	195	195	195	195
Length of 18-hole course in yards	6,723	6,723	6,723	6,723	6,723	6,723	6,723	6,723	6,723	6,723
Length of 9-hole executive course in yards	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133
Water										
Water mains (miles)										
Potable water	147	148	148	148	151	162	162	162	163	163
Recycled water	23	21	21	21	21	20	20	20	20	20
Fire hydrants	1,560	1,487	1,495	1,516	1,548	1,550	1,559	1,567	1,567	1,568
Fire hydrants (recycled)	160	121	122	122	121	120	120	120	120	125
Wastewater										
Sanitary sewers (miles)	295	297	297	297	302	304	304	304	304	305
Storm sewers (miles)	210	214	214	214	224	226	226	226	226	226
Treatment capacity (millions of gallons)	9	9	9	9	9	9	9	9	9	9
Municipal Airport										
Length of longest runway in feet	5,253	5,253	5,253	5,253	5,253	5,253	5,253	5,253	5,253	5,253
Length of longest taxiway in feet	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5,720
Total acreage	644	644	644	644	644	644	644	644	644	644
Number of hangars	393	393	393	393	393	393	393	393	393	393

* No data available

Sources: Various city departments.

9/6/12: The 9-hole Executive Course was closed as of July 1, 2011 and re-opened as a 9-hole Par 3 Course on May 17, 2012.
1/24/12: Measurement is in centerline miles.

(1) Springtown Golf Course has closed. The City has asked the Livermore Area Recreation and Park District to lead the Springtown Open Space Master Plan process.
(2) Las Positas Golf Course ceased as an enterprise fund in February 2019. The City Of Livermore has leased the golf course to a private management company.

EXHIBIT A

City of Livermore
Operating Indicators by Function/Program
Last Ten Fiscal Years

Operating Indicators by Function/Program
Last Ten Fiscal Years [1]

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical arrests	2,613	2,323	2,781	2,278	3,034	3,502	2,922	2,168	1,726	1,712
Parking violations	1,056	1,613	1,708	2,021	2,269	2,819	2,736	1,482	1,431	1,000
Traffic violations	7,114	6,813	5,142	4,540	5,344	8,620	8,576	5,531	4,060	3,425
Fire										
Emergency responses	6,664	6,777	7,233	7,620	7,539	7,536	7,610	7,700	8,329	16,577
Fires extinguished	221	192	210	210	227	218	239	322	291	454
Inspections [1]	453	505	1,195	1,411	1,013	810	839	849	605	568
Annual fire inspection program	529	594	541	624	674	602	712	74	545	986
Public Works										
Street resurfacing (centerline miles)	3.8	4.1	3.3	-	-	-	3.6	1.4	-	-
Potholes repaired	190	653	504	1,347	969	1,152	858	639	700	2,030
Maintenance of Landscaping (acres)	316	320	329	330	334	338	340	350	350	350
Library										
Volumes in collection	255,333 [2]	261,818	281,469	276,849	268,154 [5]	267,319	266,803	270,155	275,662	268,964
Total volumes borrowed	849,145	777,970	762,939	762,304	753,072	760,960	540,073 [7]	249,348 [7]	685,183 [8]	873,274 [8]
Community Development										
Building permits issued	NA	NA	NA	3,694	4,086	3,755	3,729	5,948	-	4,663
Water										
New connections	32	52	200	232	120	89	57	27	1	3
Water mains breaks	1	1	3	3	-	-	-	-	-	1
Other water breaks & leaks	14	14	18	19	16	30	17	31	29	22
Average Daily Consumption										
Potable water (millions of gallons)	5.50	4.20	4.10	4.40	4.80	5.20	5.40	5.50	5.40	4.80
Recycled water (millions of gallons)	1.85	2.04	2.02	1.70	1.84	1.91	1.88	2.00	1.85	1.40
Peak daily consumption - potable (millions of gallons)	9.30	9.10	8.80	9.00	9.50	10.10	10.20	10.40	10.30	9.50
Wastewater										
Average daily sewage treatment (millions of gallons)	6.60	6.10	5.90	5.80	5.80	5.60	5.50	5.50	5.30	5.30
New connections	190	389	659	311	385	347	200	286	96	231
Municipal Airport										
Number of tenant aircraft	517	508	503	507	512	495	487	497	466	454
Total landings & takeoffs	160,733	122,140	121,050	117,834	146,988	156,405	148,568	170,707 [7]	195,952	184,527
Gallons of fuel pumped	734,597	644,617	281,288	- [4]	- [4]	- [4]	- [4]	- [4]	- [4]	-
Las Positas Municipal Golf Course										
Rounds Played	77,408	69,387	66,711	58,982	61,418	N/A [-6]	N/A [6]	N/A [6]	N/A [6]	N/A
Springtown Municipal Golf Course										
Rounds Played	19,583	N/A [3]	N/A [3]	N/A [3]	N/A [3]	N/A [3]	N/A [3]	N/A [3]	N/A [3]	N/A [3]

(1) Data is reported on a fiscal year basis.
(2) In FY 13/14, the City added 28,000 new volumes to the Library Collection, and removed items that were outdated or in poor condition, consequently the overall number decreased.
(3) Springtown Golf Course closed in October 2015. The City Of Livermore has asked the Livermore Area Recreation & Park District to lead the Springtown Open Space Master Plan process.
(4) Starting 11/25/2015, fuel was transitioned to Five Rivers Aviation.
(5) Volume decreased due to removal of outdated materials.
(6) Las Positas Golf Course ceased as an enterprise fund in February 2019. The City Of Livermore has leased the golf course to a private management company.
(7) Reduction due to COVID-19 shelter in place order that began in mid-March 2020.
(8) 600,531 physical + 84,652 digital checkouts
NA Data not available.
Source: Various city departments.

City of Livermore
Water and Sewer Rates
Year Ended June 30, 2023

Water and Sewer Rates
For Year Ended June 30, 2023

Customers in the City's Water service area are billed monthly with rates shown below. The rates provided are those in effect as of June 30, 2023. Residential sewer customers are billed via their property tax bill while Commercial customers are billed monthly.

The monthly residential water bill for a customer using 10 CCF of water per month with a 5/8" meter would be $87.96.

Water

Meter Size (inches)	City Service Meter Charge Flat Rate	Alameda County Zone 7 Meter Charge Flat Rate	Total Meter Charge
5/8" (0.625)	$22.92	$27.04	$49.96
3/4" (0.75)	30.22	40.56	70.78
1" with Fire Line	22.92	27.04	49.96
1"	44.81	67.60	112.41
1 1/2" Displacement	81.28	135.20	216.48
1 1/2" Turbine	95.87	162.24	258.11
2" Displacement	125.05	216.32	341.37
2" Turbine	146.94	256.88	403.82
3" Turbine	325.67	588.12	913.79
4" Turbine	555.46	1,014.00	1,569.46
6" Turbine	1,175.53	2,163.20	3,338.73
8"	2,050.93	3,785.60	5,836.53
10"	3,072.23	5,678.40	8,750.63
5/8" Fire Line	1.27	exempt	1.27
3/4" Fire Line	1.52	exempt	1.52
1" Fire Line	2.02	exempt	2.02
1 1/2" Fire Line	3.03	exempt	3.03
2" Fire Line	4.04	exempt	4.04
3" Fire Line	6.06	exempt	6.06
4" Fire Line	8.08	exempt	8.08
6" Fire Line	12.12	exempt	12.12
8" Fire Line	16.16	exempt	16.16
10" Fire Line	20.2	exempt	20.2

Sewer

Residential

	Billing Type	Monthly Charge
Single Family	per Dwelling Unit	$64.98
Multi-Family	per Dwelling Unit	53.17

Commercial

	Billing Type	Monthly Charge
Fixed Charge:	Flat Rate	$29.40

Variable Charge:	Billing Type	Monthly Charge	*Winter Water Use* (Monthly + 10%) 1
Auto Steam Cleaning	per 100 Cubic ft.	n/a	n/a
Bakeries	per 100 Cubic ft.	11.05	$12.16
Commercial Laundries	per 100 Cubic ft.	6.88	$7.57
Markets	per 100 Cubic ft.	11.08	$12.19
Mortuaries	per 100 Cubic ft.	11.08	$12.19
Restaurants	per 100 Cubic ft.	11.05	$12.16
All Other	per 100 Cubic ft.	4.91	$5.40
Institutional:			
Schools	per 100 Cubic ft.	4.78	$5.26
All Other - Institution	per 100 Cubic ft.	4.78	$5.26

Water and Sewer Rates
For Year Ended June 30, 2023

Water				Sewer
Water Usage Cost Per Unit:				[1] Winter Water Use amount is the average consumption during Winter months multiplied by the Normal Monthly rate with an additional 10% service fee to the normal rate.
	City Distribution Cost	Zone 7 Wholesale Cost	Total Variable Cost	
Residential:				
Single Family Tier 1 (1-7	$1.35	2.27	3.62	
Single Family Tier 2 (8+	$1.95	2.27	4.22	
Multi-Family	1.580	2.270	3.85	
Commercial, Institution, Hydrant (potable) & Public Agency:				
All Units	1.550	2.270	3.82	
Irrigation				
All Units	1.760	2.27	4.03	
Recycled Water:				
All Units	2.74	$ -	2.74	

Livermore Sewer System
Revenues by Class of User
Fiscal Year 2022-23

User Class	Fiscal Year Revenues	Percentage of Revenues
Residential	$ 24,750,546	83.7%
Commercial/Industrial	4,810,955	16.3%
Total	$ 29,561,501	100%

EXHIBIT A

City of Livermore
Sewer Connection Fees
June 30, 2023

Sewer Connection Fees City of Livermore	
Effective Date	July 1, 2023
Residential	
Single Family	$ 7,966.31
Multi-Family	
Studio	$ 4,204.44
One Bedroom	4,735.53
Two Bedroom	6,107.50
Three Bedroom	6,948.39
Four Bedroom	7,966.31
Commercial (BOD & SS = 285 mg/L, unless otherwise shown)	
Auto Repair	$ 4.87
Assembly Facilities	6.64
Eating/drinking w/o cooking	15.49
Gas Stations	20.80
General Use	1.77
Gyms, Health Clubs	13.28
Hotels, Motels (excluding dining facilites)	6.64
Markets	8.41
Mixed use	4.43
Medical/Dental Office/Clinic	9.74
Restaurants	35.87
Warehouse	0.44
Industrial	
F = Flow cost $/gpd	$ 34.28
B = BOD cost $/lb-day	2,981.54
S = SS cost $/lb-day	1,213.68

Livermore Sewer System
Number of Dwelling Unit Equivalents and Connections
by Classification of User
As of June 30, 2023

User Type	Flow/Volume in mg	2022 DUEs	Connections
Single Family Residential	3.00	1,077	23,979
Condominiums/Multiple Family Residential	0.34	316	9,144
Commercial/Institutional	0.52	556	1,068
Total Users	3.86	1,949	34,191

Note: Commercial Connection data prior to FY 2016/17 included double-counting of some accounts. Revised, lower numbers do not indicate a loss of commercial customers. Reduction

Note: DUE calculations were revised for FY2019/20 to ensure that 1 DUE is equal to the average wastewater generated by a single family home.

The declines in Single Family parcels was caused by the reclassification of certain Single Family Residential parcels in FY 2019-20 as Multi-Family Residential due to a use code charge at the Alameda County level.

City of Livermore

Sewer System – Summary of Historical Operating Results

Fiscal Year Ended June 30

Livermore Sewer System
Summary of Historical Operating Results [1]
Fiscal Year Ended June 30

	Audited 2014[5]	Audited 2015	Audited 2016	Audited 2017[5]	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023
Gross Revenues										
Charges for services	$ 18,611,369	$ 18,264,709	$ 18,901,732	$ 20,388,467	$ 21,341,703	$ 22,920,343	$ 24,503,188	$ 25,500,934	$ 27,646,105	$ 29,561,501
Connection Fees	922,479	1,857,287	3,677,231	1,834,854	2,477,971	2,311,224	1,341,958	1,966,329	689,915	518,366
Investment Income (Loss)	552,475	306,248	834,666	178,872	395,756	1,783,751	1,955,582	234,858	(2,091,441)	222,433
Other Revenue[4]	72,686	211,846	59,991	50,147	33,205	20,806	32,390	73,041	53,414	63,271
Total Gross Revenues	20,159,009	20,640,090	23,473,620	22,452,340	24,248,635	27,036,124	27,833,118	27,775,162	26,297,993	30,365,571
Maintenance & Operations Costs[2]	14,477,020	14,871,652	17,392,930	15,784,287	15,982,653	18,020,641	18,480,604	17,778,653	17,565,418	18,704,407
LAVWMA Net Revenues	5,681,989	5,768,438	6,080,690	6,668,053	8,265,982	9,015,483	9,352,514	9,996,509	8,732,575	11,661,164
Other Livermore Obligations										
1994 State Loan Payments[3]	835,725	-	-	-	-	-	-	-	-	-
Net Revenue minus Obligations[3]	4,846,264	5,768,438	6,080,690	6,668,053	8,265,982	9,015,483	9,352,514	9,996,509	8,732,575	11,661,164
Share of LAVWMA Debt Service										
Rehabilitation Project	973,529	974,153	973,711	973,985	974,289	973,970	974,183	974,244	910,398	808,700
Expansion Project	1,252,868	1,253,670	1,253,103	1,253,455	1,253,847	1,253,436	1,253,710	1,253,788	1,171,623	1,040,744
Total LAVWMA Debt Service	$ 2,226,397	$ 2,227,823	$ 2,226,814	$ 2,227,440	$ 2,228,136	$ 2,227,406	$ 2,227,893	$ 2,228,032	$ 2,082,021	$ 1,849,444
LAVWMA Debt Service Coverage	2.18	2.59	2.73	2.99x	3.71x	4.05x	4.2x	4.49x	4.19x	6.31x
Net Revenues Available after Obligations/LAVWMA	2,619,867	$ 3,540,615	$ 3,853,876	$ 4,440,613	$ 6,037,846	$ 6,788,077	$ 7,124,621	$ 7,768,477	$ 6,650,554	$ 9,811,720

[1] Balances are derived from the Livermore audited financial statements.

[2] M&O excludes depreciation and debt service. M&O includes Payments to LAVWMA for LAVWMA Maintenance and Operation Costs. See "SECURITY FOR THE 2021 BONDS." Includes Operating

[3] Reflects Net Revenues remaining after payment of debt service on Livermore's Obligations.

[4] Includes Operating Transfers in, if any.

[5] In fiscal year 2016-17, Stormwater activities were reported together with Sewer activities, but were approximately 5% fo total gross revenues. Stormwater revenues are not pledged to the 2021 Bonds. Starting in fiscal year 2017-18, Stormwater activites are reported seperately from Sewer.

City of Livermore
Schedule of Insurance
June 30, 2023

SCHEDULE OF INSURANCE AS OF JUNE 30, 2023

COVERAGE	BROKER	COVERAGE	POLICY NO	LIMITS	TERM
General/Auto Liability Primary Layer	City of Livermore - Self Insured Retention		Not applicable	$750,000 Self Insured Retention.	7/1/22-6/30/23
General/Auto Liability Excess Coverage First Layer	California Joint Powers Risk Management Authority (CJPRMA)	Bodily Injury, Property Damage, Personal Injury, Public Officials Errors & Omissions, Employment Practices, Mold, Sexual Abuse at day care, terrorism, Pollution	2022-2023 MOC	CJPRMA jointly indemnifies members from SIR to $7.5M	7/1/22-6/30/23
General/Auto Liability Excess Coverage Second Layer	Alliant - Munich Re A.M. Best Rating A+:XV	Following CJPRMA Memorandum of Coverage	152376-3019263-2022	$5,000,000 per occurrence excess of $7,500,000 per occurrence retention for Bodily Injury / Property Damage / Personal Injury / Public Officials E&O	7/1/22-6/30/23
General/Auto Liability Excess Coverage Third Layer	Applied A.M. Best Rating A:XV	Following CJPRMA Memorandum of Coverage	CI21NPX-01042-02	$2,500,000 per occurrence excess of $12,500,000 per occurrence retention for Bodily Injury / Property Damage / Personal Injury / Public Officials E&O	7/1/22-6/30/23
General/Auto Liability Excess Coverage Fourth Layer	Everest Re A.M. Best Rating A+:XV	Following CJPRMA Memorandum of Coverage	FC10045252-2022	$5,000,000 per occurrence excess of $15,000,000 per pccurrence retention for Bodily Injury / Property Damage / Personal Injury / Public Officials E&O	7/1/22-6/30/23
General/Auto Liability Excess Coverage Fifth Layer	Chubb +A.M. Best Rating A++:XV	Following CJPRMA Memorandum of Coverage	G71816370003	$5,000,000 per occurrence excess of $20,000,000 per pccurrence retention for Bodily Injury / Property Damage / Personal Injury / Public Officials E&O	7/1/22-6/30/23
Genera/Auto Liability Excess Coverage Sixth Layer	Scor Reinsurance Company A.M. Best Rating A-:XV	Following CJPRMA Memorandum of Coverage	FA0090560-2022-1	$7,500,000 excess of $25,000,000	7/1/22-6/30/23
Genera/Auto Liability Excess Coverage Seventh Layer	AWAC A.M. Best Rating A:XV	Following CJPRMA Memorandum of Coverage	0312-9438	$7,500,000 excess of $32,500,000	7/1/22-6/30/23
Commercial Property	Lloyd's of London	Real and Personal Property / Business Interruption / Extra Expense / Rental Coverage, Excluding Earthquake and Flood	Lloyds - B0180PJ1900047	Primary Property Limit: $400,000,000 Deductible $250,000 $500,000 for Wildfire $1,000,000 Flood Zones A & V	7/1/22-6/30/23
	APIP	Coverage is on a replacement cost basis.	APIP - 35-JPA/Pools 2		
*Boiler and Machinery included in property program	APIP/ Travelers Boiler & Machinery		APIP 35-JPA/Pools 2 Travelers	$100,000,000	7/1/22-6/30/23
Pollution	Ironshore Specialty Insurance Company	Claims Made and Reported Pollution Liability	ISPILLSCAUNR002	$3,000,000 per occurrence $3,000,000 aggregate with $75,000 deductible	7/1/22-6/30/23
Pollution	APIP/Ironshore	Claims Made and Reported Pollution Liability	APIP 35-JPA/Pools 2	$2,000,000 per occurrence $25,000,000 aggregate (all insureds combined)	7/1/22-6/30/23
Aircraft Policy - Drones	Starr Indemnity & Liability Company	Hull and Liability coverage for reported drones to CJPRMA	1000233406-06	$5,000,000 Combine Single Limit for BI & PD - No Deductible	7/1/22-6/30/23
Cyber Liability	APIP/Beazley	Information security & privacy insurance with electronic media liability coverage	B0180FN2105500	$2,000,000 per member; $25,000,000 aggregate. Deductible is $100,000.	7/1/22-6/30/23
Excess Cyber	Ironshore	Information security & privacy insurance with electronic media liability coverage	EO5SACA0QX001	$2,000,000 excess of $2,000,000 per member, $3,000,000 x $40,000,000 aggregate	7/1/22-6/30/23

City of Livermore
Schedule of Insurance
June 30, 2023

SCHEDULE OF INSURANCE AS OF JUNE 30, 2023

COVERAGE	BROKER	COVERAGE	POLICY NO	LIMITS	TERM
Excess Cyber	Tokio Marine HCC	Information security & privacy insurance with electronic media liability coverage	H22CXS20777-00	$1,000,000 each claim/ $1,000,000 aggregate, $4,000,000 each claim/$43,000,000 aggregate	7/1/22-6/30/23
Deadly Weapon Respsonse Program	APIP/Lloyds	Claims Made and Reported	PJ22000500004	$500,000 per occurrence & aggregate $2,500,000 deductible	7/1/22-6/30/23
Auto Physical Damage	Hanover - Inland Marine	Auto physical damage coverage for city-owned vehicles	IM441-1075 01 09	Per occurrence limit: $10,000,000 $10,000 deductible with replacement value as scheduled	7/1/22-6/30/23
EPL sublimit $12.5M. This is $7.5M CJPRMA retention and $5M with Munich. Retained $5M aggregate with Munich.	Subsidence sublimit changed $7.5M. This reflects CJPRMA increased retention. No coverage in reinsurance.	Communicable disease sublimit of $7.5M added. This reflects coverage in CJPRMA retention. Not excluded in CJPRMA. No coverage in reinsurance.	Fungal pathogens sublimit $12.5M. This is $7.5M CJPRMA retention and $5M with Munich. Retained $5M aggregate with Munich.	Sexual abuse in daycare operations $12.5M. This is $7.5M CJPRMA retention and $5M with Munich. Kept $5M aggregate with Munich.	Terrorism sublimit $12.5M. This is $7.5M CJPRMA retention and $5M with Munich. Retained $5M aggregate with Munich.
Three other sublimits increased from $5M to $7.5M. No reinsurance for these. These are airport public officials error and omissions and some pollution items These are all as exception to exclusions. Exclusion #2 & Exclusion #27.					
Fiduciary	AON/Travelers	457 Governmental money purchase plan and trust.	106945404	$1,000,000 for all claims, $100,000 for each settlement program notice.	7/1/22-6/30/23
DIC (Difference in Conditions) Earthquake and Flood	AON - ACE: Westchester Surplus Lines Insurance	Property coverage per schedule for damage from Earthquake or Flood as excluded from Property Program.	D3740021A011	$5,000,000 per occurrence with $5,000,000 annual aggregate; deductible is $25,000 for flood; 10% of the separate insurable value subject to a minimum of $100,000 per occurrence	7/1/22-6/30/23
DIC (Difference in Conditions) Earthquake and Flood (Excess)	AON - Evanston Insurance Company	Property coverage per schedule for damage from Earthquake or Flood as excluded from Property Program.	MKLV5XPR000359	Additional $5,000,000 coverage	7/1/22-6/30/23
DIC (Difference in Conditions) Earthquake and Flood (Excess)	AON - Arch Specialty Insurance Company	Property coverage per schedule for damage from Earthquake or Flood as excluded from Property Program.	ESP100342302	Additional $5,000,000 coverage	7/1/22-6/30/23
Public Employee Blanket Bond (Crime/Fidelity)	AON – Great American Insurance Group	Faithful performance, any dishonest act, including forgery, alteration, & theft	GVT05217780900	Deductible is $10,000 per loss	7/1/22-6/30/23
		Covers all employees statutorily required to maintain bonding.		Coverage is $500,000 per loss	
Airport Liability	AON/Old Republic Insurance Co.	Airport liability / Hangerkeeper's / Advertising / Vehicles / Non-owned aircraft / Fire Legal Liability / Products and Completed Operations / Premises	PR00269705	$75,000,000 per occurrence with $0 deductible; $4M Excess of $1M for airport owned vehicles off site	7/1/22-6/30/23
Workers' Compensation and Employer Liability Primary Layer	City of Livermore - Self Insured Retention	State Mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	Not applicable	Self Insured retention of $500,000	7/1/22-6/30/23
Workers' Compensation and Employer Liability Excess Coverage First Layer	Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX)	State mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	LAWCX 22.23	$5 million in excess of SIR of $500,000 per claim	7/1/22-6/30/23
Worker's Compensation and Employer Liability Reinsurance and Excess Coverage Second Layer	PRISM, Reinsurance from ACE American Insurance Co.	State mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	PRISM PE 22 EWC-32	$50,000,000 each accident/each employee (Difference between $50,000,000 and the individual member's retention)	7/1/22-6/30/23

City of Livermore

Redevelopment Project – Historical Tax Revenues

Last Ten Fiscal Years

Livermore Successor Agency to the Former Redevelopment Agency
Redevelopment Project
Historical Tax Revenues

Category	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22
Secured Assessed Values	$ 605,121,061	$ 669,402,838	$ 724,912,255	$ 758,981,194	$ 791,094,983	$ 822,520,189	$ 850,789,180
Unsecured Assessed Values	48,359,416	53,829,143	50,958,223	45,926,379	35,085,427	51,529,379	62,774,541
Total Assessed Values	653,480,477	723,231,981	775,870,478	804,907,573	826,180,410	874,049,568	913,563,721
Percentage Change	7.44%	10.67%	7.28%	3.74%	2.64%	5.79%	4.52%
Base Year Assessed Values	$ 70,060,057	$ 70,060,057	$ 70,060,057	$ 70,060,057	$ 70,060,057	$ 70,060,057	$ 70,060,057
Incremental Assessed Values	583,420,420	653,271,924	705,810,421	734,847,516	756,120,353	803,989,511	844,092,046
Gross Tax Increment Revenue	6,058,269	6,874,820	7,445,163	7,580,878	7,803,155	8,120,693	8,450,605
Unitary Tax Revenues	22,544	20,139	26,881	33,058	34,184	34,184	295,127
Gross Revenues	6,080,813	6,894,959	7,472,044	7,613,936	7,837,339	8,154,877	8,745,732
Adjustments to Gross Revenues:							
County Administrative Fees	43,624	46,546	48,779	58,375	52,352	53,869	53,438
Sections 33676 Payments	2,407	2,500	2,620	2,742	2,867	2,994	3,114
Tax Revenues	$ 6,034,782	$ 6,845,913	$ 7,420,645	$ 7,552,819	$ 7,782,120	$ 8,098,014	$ 8,689,180
Negotiation Pass-Through Payments	1,081,931	1,199,765	1,296,935	1,313,615	1,358,458	1,410,293	1,469,000
Statutory Pass-Through Payments	271,154	375,440	449,671	451,116	497,712	541,976	643,000
Net Tax Increment Revenues	$ 4,681,697	$ 5,270,708	$ 5,674,039	$ 5,788,088	$ 5,925,950	$ 6,145,745	$ 6,577,180

Source: The HDL Companies

1) Secured values include state assessed non-unitary utility property
2) Represents section 33676 payments to the Bart, the Abatement District, the Community College and the Flood Control District
3) Represents payments pursuant to the Pass-Through Agreements. Such payments were not subordinate to the payment of debt service on the 2001 Bonds but, because such payments are subordinate to the payment of debt service on the 2016 Bonds, are shown as such for purposes of showing historical Tax Revenues.

4) Represents statutory pass-through payments with respect to the Project Area required pursuant to AB 1290. Such payments were not subordinate to the payment of debt service on the 2016 Bonds, are shown as such for purposes of showing historical Tax Revenues
5) Starting in FY21-22 Supplemental Tax Increment was added to the Unitary Tax Increment line. Before FY 21-22, only Unitary tax was included.

City of Livermore
Redevelopment Project – Ten Largest Taxable Property Owners
Last Ten Fiscal Years

Livermore Successor Agency to the Former Redevelopment Agency
Redevelopment Project
Ten Largest Taxable Property Owners

Assessee	Land Use	Total FY 2022-23 Assessed Value	% of Total Assessed Value	% of Incremental Value
ValleyCare Senior Housing Inc.	Assisted Care Senior Housing Development	$60,654,395	5.89%	6.32%
Sequoia Equities Mill Springs	Mill Springs Park Apartments	54,063,014	5.25%	5.64%
Hospital Comm Livermore Pleas Areas (1)	Stanford Valleycare Medical Offices/Facilities	51,868,296	5.04%	5.41%
Livermore Mutifamily Owner LLC	Orchard Hardware / Safeway Retail Center	44,786,023	4.35%	4.67%
Dorothy J. Anderson Trust	Orchard Hardware / Safeway Retail Center	39,915,926	3.88%	4.16%
Comcast of California	Cable Television/Internet Facilities	38,727,700	3.76%	4.04%
Maroon Bear 2 LP	Commercial Center - Livermore Ave at 1st Street	33,233,743	3.23%	3.47%
35 Fenton Street LLC (1)	The Watermark - Assisted Living	23,556,000	2.29%	2.46%
Serra LLC (1)	Walgreens Pharmacy - 1st Street & SP Street	15,895,875	1.54%	1.66%
Livermore Valley Performing Arts Center		13,835,125	1.34%	1.44%
Top Ten Total		**$ 376,536,097**	**36.57%**	**39.27%**
Total FY 2022-23 Assessed Valuation		**$1,029,171,954**	**100.00%**	
Total FY 2022-23 Incremental Assessed Valuation		**$959,111,897**		**100.00%**

Source: The HDL Companies

1) Taxpayers have pending assessment appeals with respect to property within the Project Area.

Livermore Successor Agency to the Former Redevelopment Agency
Assessment Appeals
Appeals for FY 2015-16 to FY 2021-22

Total Appeals Filed	No. of Resolved Appeals	No. of Successful Appeals	Average AV Reduction	No. of Appeals Pending	Value of Appeals Pending
52	21	3	15.50%	31	$144,643,529

EXHIBIT A

City of Livermore
Redevelopment Project – Actual and Projected Tax Revenues and Debt Service Coverage
Last Ten Fiscal Years

Livermore Successor Agency to the Former Redevelopment Agency
Redevelopment Project
Actual[1] and Projected[2] Tax Revenues and Debt Service Coverage
(Assumes 0% Growth)

Fiscal Year	Gross Tax Revenues	SB 2557 Charge	Section 33676 Payments	Tax Revenues	Debt Service on 2016 Bonds	Debt Service Coverage
2016-17	$ 6,894,959	$ (46,546)	$ (2,500)	$ 6,845,913	$ 2,151,702	3.18
2017-18	7,472,044	(48,779)	(2,620)	7,420,645	1,452,094	5.11
2018-19	7,613,936	(58,375)	(2,742)	7,552,819	2,044,969	3.69
2019-20	7,837,339	(52,352)	(2,867)	7,782,120	2,045,469	3.80
2020-21	8,154,877	(53,869)	(2,994)	8,098,014	2,042,969	3.96
2021-22	8,297,623	(53,438)	(3,114)	8,689,180	2,042,344	4.25
2022-23	9,071,915	(51,368)	(2,638)	9,017,909	2,038,469	4.42
2023-24	6,293,445	(46,309)	(2,268)	6,244,868	2,041,094	3.06
2024-25	6,293,445	(46,309)	(2,268)	6,244,868	2,030,219	3.08
2025-26	6,293,445	(46,309)	(2,268)	6,244,868	2,030,719	3.08
2026-27	6,293,445	(46,309)	(2,268)	6,244,868	2,049,244	3.05
2027-28	6,293,445	(46,309)	(2,268)	6,244,868	2,047,044	3.05
2028-29	6,293,445	(46,309)	(2,268)	6,244,868	2,041,075	3.06
2029-30	6,293,445	(46,309)	(2,268)	6,244,868	2,046,031	3.05
2030-31	6,293,445	(46,309)	(2,268)	6,244,868	2,037,828	3.06
2031-32	6,293,445	(46,309)	(2,268)	6,244,868	2,040,088	3.06
2032-33	6,293,445	(46,309)	(2,268)	6,244,868	-	0.00

1) FY 2016-17 through FY 2022-23 are based on actual
2) FY 2023-24 and on are the projections set forth in the official statement

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CITY OF LIVERMORE

ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE B FUNDS
FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

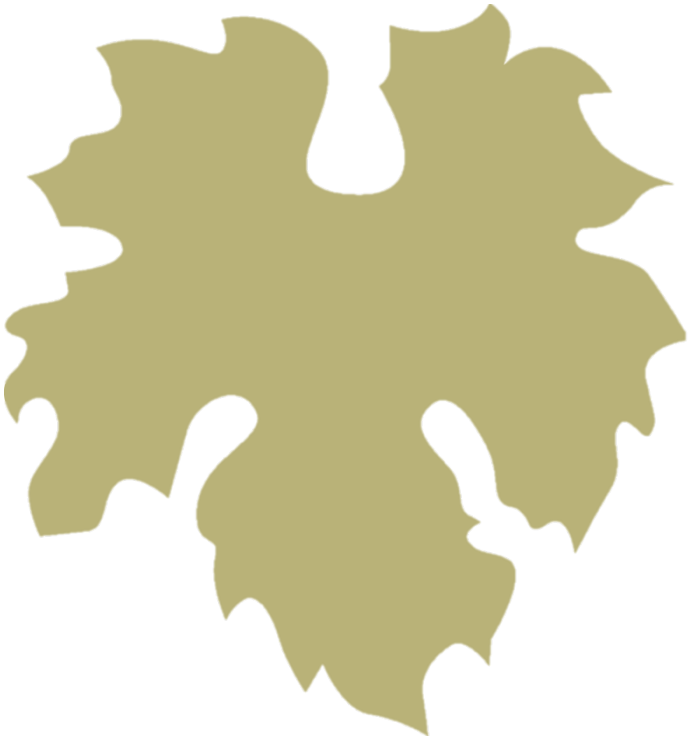


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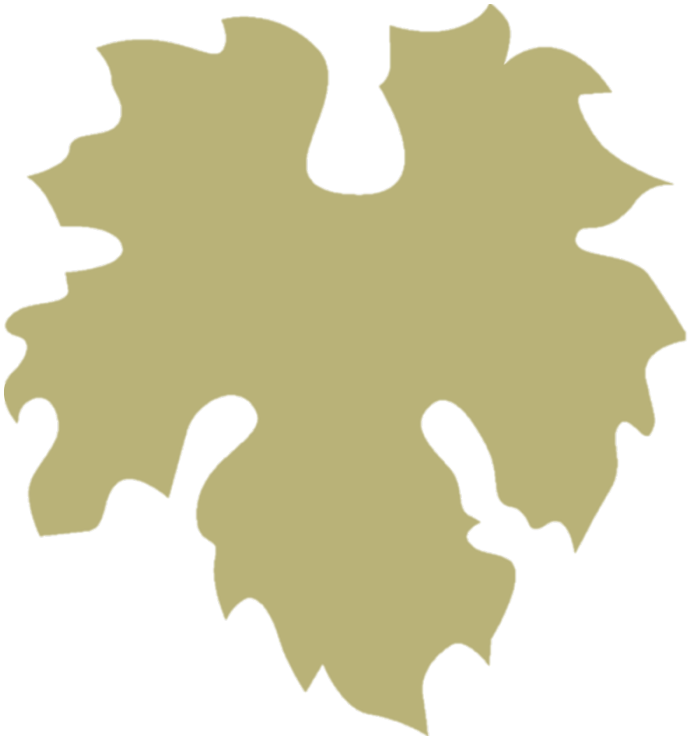
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EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of Livermore, California

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of the Measure B Funds, a special revenue fund of the City of Livermore, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure B Funds of the City, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements specific to Measure B are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

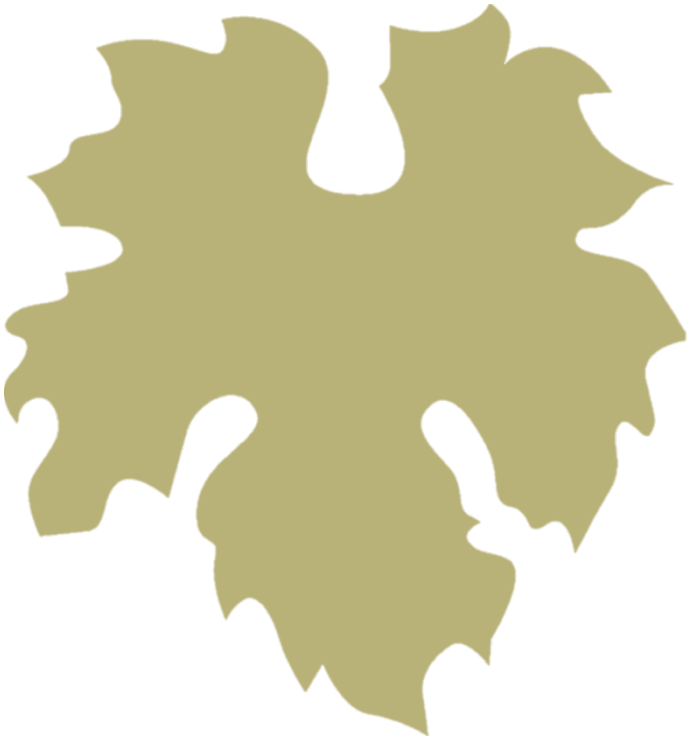
Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
December 31, 2023



BALANCE SHEET
As of June 30, 2023

	Bicycle and Pedestrian	Local Streets and Roads	Totals
ASSETS			
Cash and Investments (Note 2)	$ 422,192	$ 1,615,056	$ 2,037,248
Measure B Direct Local Distribution Program Receivable	-	-	-
Total Assets	$ 422,192	$ 1,615,056	$ 2,037,248
LIABILITIES			
Accounts Payable	$ -	$ 144,797	$ 144,797
Accrued Liabilities	-	2,500	2,500
Total Liabilities	-	147,297	147,297
FUND BALANCES			
Restricted for Measure B Programs and Projects	422,192	1,467,759	1,889,951
Total Fund Balances	422,192	1,467,759	1,889,951
Total Liabilities & Fund Balances	$ 422,192	$ 1,615,056	$ 2,037,248

See accompanying notes to financial statements

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2023

	Bicycle and Pedestrian	Local Streets and Roads	Totals
REVENUES			
Measure B Direct Local Distribution			
Program Revenue			
Direct Local Distribution Funds Allocation	$ -	$ -	$ -
Interest	480	10,593	11,073
Total Program Revenues	480	10,593	11,073
EXPENDITURES			
Measure B Direct Local Distribution			
Expenses			
General Government	202	111,638	111,840
Construction	10,392	527,908	538,300
Total Program Expenditures	10,594	639,546	650,140
REVENUES OVER (UNDER) EXPENDITURES/ NET CHANGE IN FUND BALANCE	(10,114)	(628,953)	(639,067)
FUND BALANCES			
Beginning Fund Balance	432,306	2,096,712	2,529,018
Ending Fund Balance	$ 422,192	$ 1,467,759	$ 1,889,951

See accompanying notes to financial statements

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Measure B Direct Local Distribution (DLD) funds of the City of Livermore, California (City) distributed by Alameda County Transportation Commission (ACTC) - Measure B Program (Measure B Program), are combined with other ACTC fundings and reported as a separate special revenue fund in the basic financial statements of the City. The Measure B Program is used to account for the City's share of DLD revenues earned and expenditures incurred under the City's local streets and roads, and bike and pedestrian programs. The accompanying financial statements are for the Measure B Program only and are not intended to fairly present the financial position of the City and the results of its operations.

B. Basis of Accounting

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a "*current financial resources*" measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increased (revenues and other financing sources) and decreased (expenditures and other financing uses) in net current assets.

C. Description of Funds

The accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts. The City uses Special Revenue Funds to account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes.

D. Capital Assets

Capital assets, consisting primarily of infrastructure, are recorded as expenditures and are not capitalized since they will be maintained by the City.

E. Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are maintained on a pooled basis with those of other funds of the City. Pooled cash and investments consist of U.S. Treasury or its agencies, money market funds investing in such obligations, medium term corporate notes that meet specified rating requirements, and the State Treasurer's investment pool (Local Agency Investment Fund). All investments are stated at fair value. Pooled investment earnings are allocated based on the average cash and investment balances of the various funds and related entities of the City.

See the City's Annual Comprehensive Financial Report for disclosures related to cash and investments and the related custodial risk categorization.

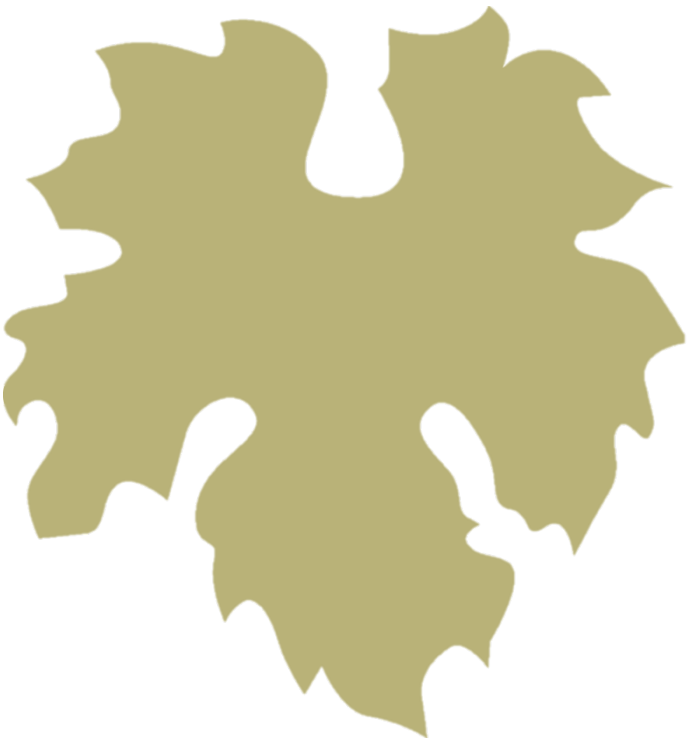
NOTE 3 – MEASURE B PROGRAM

Under Measure B, approved by the voters of Alameda County in 2000, the City receives a portion of the proceeds of an additional on-half cent sales tax to be used for transportation-related expenditures. This measure was adopted with the intention that the funds generated by the additional sales tax will not fund expenditures previously paid by property taxes but, rather, would be used for additional projects and programs.

Projects funded by Measure B 2000 were as follows:

Local Streets and Roads - To improve, repair, and overlay city streets.

Bike and Pedestrian - To provide sidewalk and ADA improvements and to implement the bikeway network.



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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable City Council
City of Livermore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure B Funds (Fund) of the City of Livermore, California (City), as of and for the year ended June 30, 2023, and have issued our report thereon dated Report December 31, 2023. Our opinion included an emphasis of matter as discussed that the financial statements present only the Fund specific to Measure B Fund, and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure B Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements including the applicable compliance requirements specified in the Measure B agreement between the City and Alameda County Transportation Commission, and noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California
December 31, 2023

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance

The Honorable Mayor and Members of the City Council
City of Livermore, California

Report on Compliance

Opinion on Compliance with Measure B

We have audited the City of Livermore, California (City) compliance with the compliance requirements applicable to the Measure B Funds (Measure B Funds) of the City of Livermore, California (City), for the year ended June 30, 2023.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure B Funds for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material* weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.
A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California
December 31, 2023



CITY OF LIVERMORE

ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS
FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

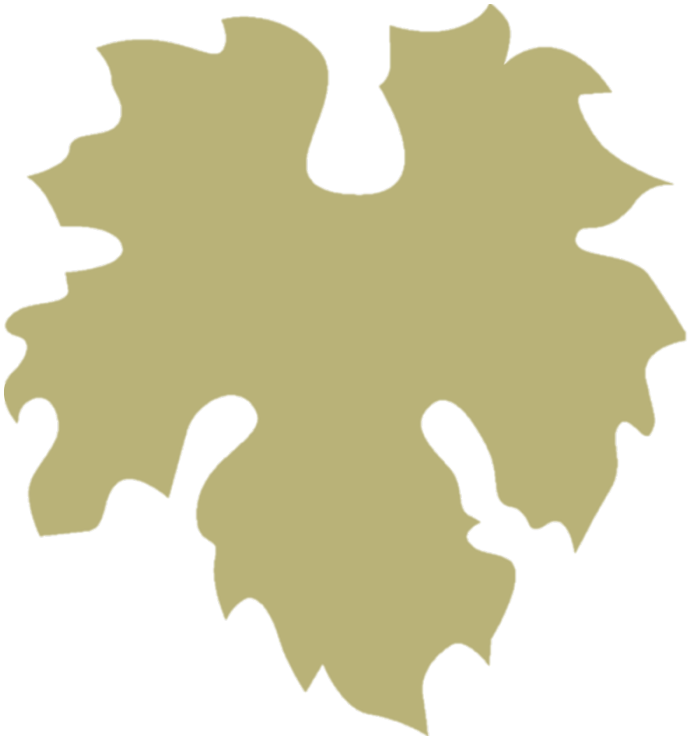


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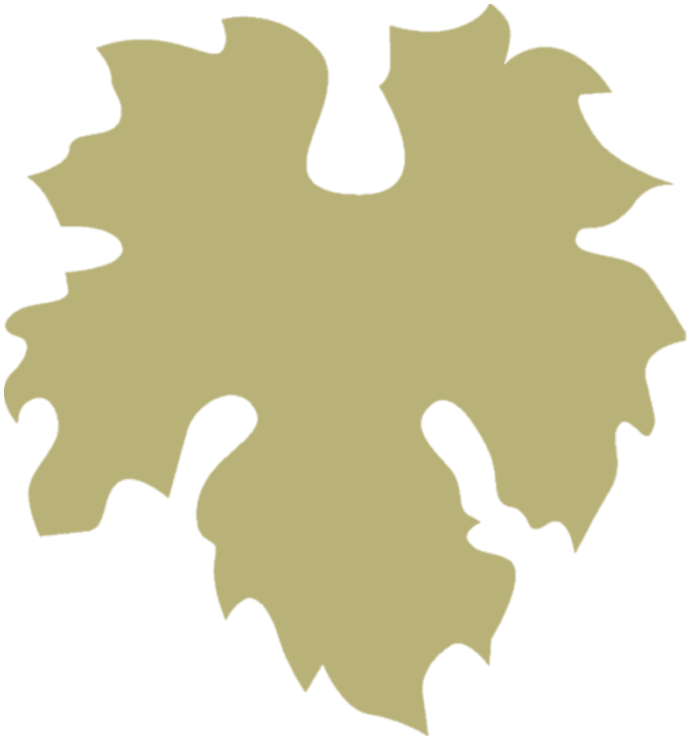
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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council of the
City of Livermore, California

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of the Measure BB Funds, a special revenue fund of the City of Livermore, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure BB Funds of the City, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements specific to Measure BB are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

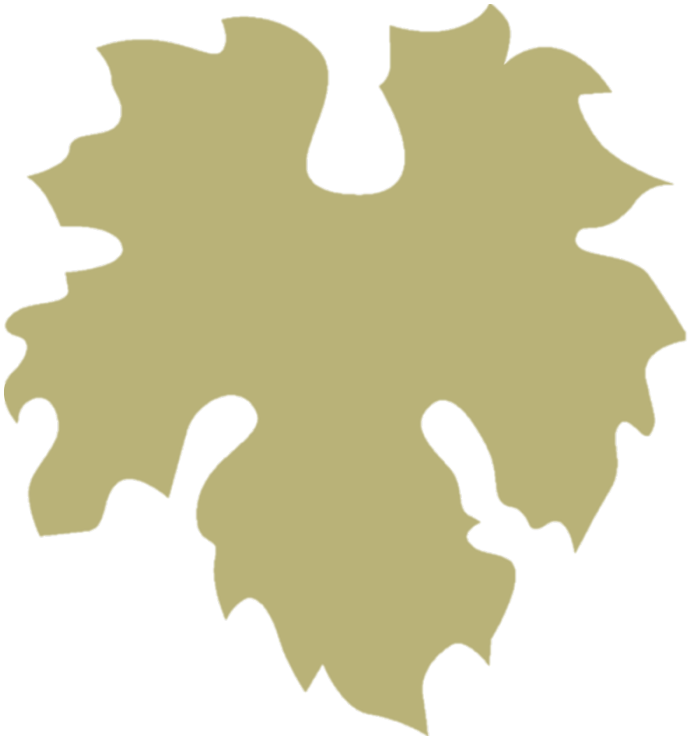
Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
December 31, 2023



BALANCE SHEET
As of June 30, 2023

	Bike and Pedestrian	Local Streets and Roads	Total
ASSETS			
Cash and Investments	$ 1,188,800	$ 5,669,269	$ 6,858,069
Measure BB Direct Local Distribution Program Receivable	105,317	440,215	545,532
Total Assets	$ 1,294,117	$ 6,109,484	$ 7,403,601
LIABILITIES			
Accounts Payable	$ -	$ 348,557	$ 348,557
Accrued Liabilities	-	-	-
Total Liabilities	-	348,557	348,557
FUND BALANCE			
Restricted for Measure BB Programs and Projects	1,294,117	5,760,927	7,055,044
Total Fund Balances	1,294,117	5,760,927	7,055,044
Total Liabilities & Fund Balances	$ 1,294,117	$ 6,109,484	$ 7,403,601

See accompanying notes to financial statements

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2023

	Bike and Pedestrian	Local Streets and Roads	Total
REVENUES			
Measure BB Direct Local Distribution			
Program Revenue			
Direct Local Distribution Funds Allocation	$ 593,931	$ 2,482,600	$ 3,076,531
Interest	(12,220)	(55,066)	(67,286)
Total Program Revenues	581,711	2,427,534	3,009,245
EXPENDITURES			
Measure BB Direct Local Distribution			
Expense			
General Government	7,349	50,465	57,814
Construction	33,034	434,304	467,338
Total Program Expenditures	40,383	484,769	525,152
REVENUES OVER (UNDER) EXPENDITURES/ NET CHANGE IN FUND BALANCE	541,328	1,942,765	2,484,093
FUND BALANCES			
Beginning Fund Balance	752,789	3,818,162	4,570,951
Ending Fund Balance	$ 1,294,117	$ 5,760,927	$ 7,055,044

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Alameda County Transportation Commission - Measure BB Funds (Measure BB Funds) of the City of Livermore, California (City), are included as a separate special revenue fund in the basic financial statements of the City. The Measure BB Funds are used to account for the City's share of revenues earned and expenditures incurred under the City's local streets and roads, and bike and pedestrian programs. The accompanying financial statements are for the Measure BB Funds only and are not intended to fairly present the financial position of the City and the results of its operations.

B. Basis of Accounting

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a "*current financial resources*" measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increased (revenues and other financing sources) and decreased (expenditures and other financing uses) in net current assets.

C. Description of Funds

The accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts. The City uses Special Revenue Funds to account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes.

D. Capital Assets

Capital assets, consisting primarily of infrastructure, are recorded as expenditures and are not capitalized since they will be maintained by the City.

E. Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are maintained on a pooled basis with those of other funds of the City. Pooled cash and investments consist of U.S. Treasury or its agencies, money market funds investing in such obligations, negotiable certificates of deposit, commercial paper and medium term corporate notes that meet specified rating requirements, mutual funds, guaranteed investment contracts, repurchase agreements, reverse repurchase agreements when authorized by the City's Council, the State Treasurer's investment pool (Local Agency Investment Fund), and banker's acceptances. The City did not enter into any reverse repurchase agreements during 2022-2023. All investments are stated at fair value. Pooled investment earnings are allocated quarterly based on the average quarterly cash and investment balances of the various funds are related entities of the City.

See the City's Annual Comprehensive Financial Report for disclosures related to cash and investments and the related custodial risk categorization.

NOTE 3 – MEASURE BB FUNDS

Under Measure BB, approved by the voters of Alameda County in 2014, the City receives a portion of the proceeds of an additional 0.5 percent sales tax to be used for transportation-related expenditures. These measures were adopted with the intention that the funds generated by the additional sales tax will not fund expenditures previously paid by property taxes but, rather, would be used for additional projects and programs.

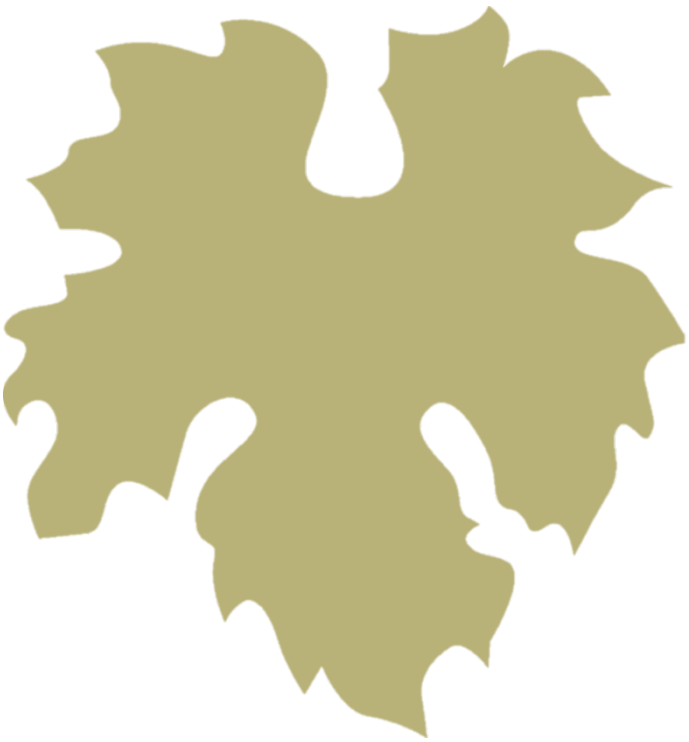
Projects funded by Measure BB 2014 were as follows:

Local Streets and Roads - To improve, repair, and overlay city streets.

Bike and Pedestrian - To provide sidewalk and ADA improvements and to implement the bikeway network.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The City participates in several grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.



EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable City Council
City of Livermore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure BB Funds (Measure BB Funds) of the City of Livermore, California (City), as of and for the year ended June 30, 2023, and have issued our report thereon dated Report December 31, 2023. Our opinion included an emphasis of matter as discussed that the financial statements present only the Fund specific to the Measure BB Funds, and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure BB Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements including the applicable compliance requirements specified in the Measure BB agreement between the City and Alameda County Transportation Commission, and noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California
December 31, 2023

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance

The Honorable Mayor and Members of the City Council
City of Livermore, California

Report on Compliance

Opinion on Compliance with Measure BB

We have audited the City of Livermore, California (City) compliance with the compliance requirements applicable to the Measure BB Funds (Measure BB Funds) of the City of Livermore, California (City), for the year ended June 30, 2023.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure BB Funds for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material* weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.
A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material

weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California
December 31, 2023



CITY OF LIVERMORE

ALAMEDA COUNTY TRANSPORTATION COMMISSION
VEHICLE REGISTRATION FEE PROGRAM (VRF)
FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

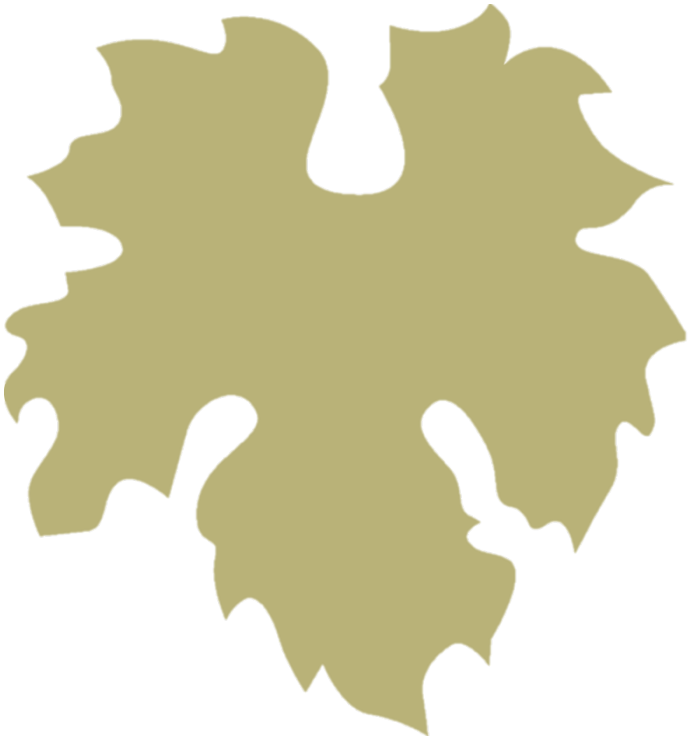


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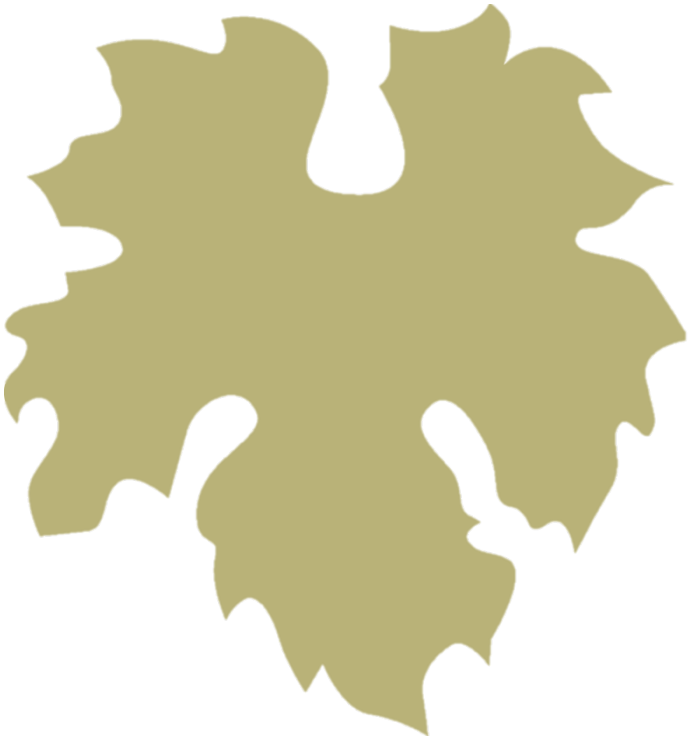
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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council of the
City of Livermore, California

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of the Measure F Funds, a special revenue fund of the City of Livermore, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure F Funds of the City, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements specific to Measure F are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

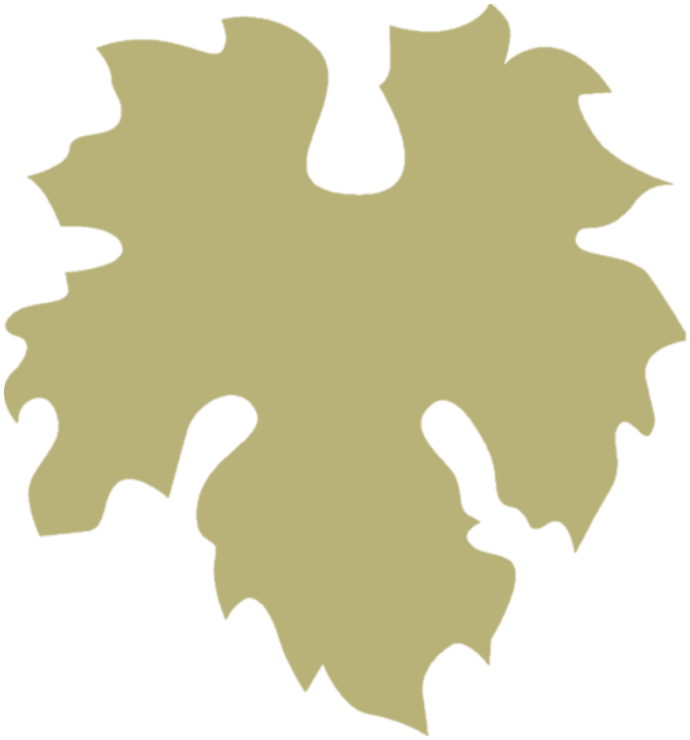
Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
December 31, 2023



BALANCE SHEET
As of June 30, 2023

	Local Streets and Roads
ASSETS	
Cash and Investments	$ 1,376,729
Measure F Direct Local Distribution Program Receivable	73,290
Total Assets	$ 1,450,018
LIABILITIES	
Accounts Payable	$ 15,954
Accrued Liabilities	-
Total Liabilities	-
FUND BALANCE	
Restricted for Measure F Programs and Projects	1,434,065
Total Fund Balances	1,434,065
Total Liabilities & Fund Balances	$ 1,450,019

See accompanying notes to financial statements

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Local Streets and Roads
REVENUES	
Measure F Direct Local Distribution Program Revenue	
Direct Local Distribution Funds Allocation	$ 398,824
Interest	(7,307)
Total Program Revenues	391,517
EXPENDITURES	
Measure F Direct Local Distribution Expenses	
General Government	1,530
Construction	94,693
Total Program Expenditures	96,223
REVENUES OVER (UNDER) EXPENDITURES	
Net Change in Fund Balance	295,295
FUND BALANCE	
Beginning Fund Balance	1,138,770
Ending Fund Balance	$ 1,434,065

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BACKGROUND

The Measure F Alameda County Vehicle Registration Fee Program (VRF) was approved by the voters in November 2010, with 63 percent of the vote. The collection of the $10 per year vehicle registration fee started in the first week of May 2011. The goal of the VRF is to sustain the County's transportation network and reduce traffic congestion and vehicle related pollution. The program includes four categories of projects:

- Local Road Improvement and Repair Program (60 percent)
- Transit for Congestion Relief (25 percent)
- Local Transportation Technology (10 percent)
- Pedestrian and Bicycle Access and Safety Program (5 percent)

The Alameda County Transportation Commission administers the program and distributes an equitable share of the funds among the four planning areas of the county over successive five year cycles. Geographic equity will be measured by a formula, weighted 50 percent by population of the planning area and 50 percent of the registered vehicles of the planning area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – All transactions of the VRF Program of the City of Livermore, California (City), are combined with other Alameda County Transportation Commission funds which are reported as a separate special revenue fund in the basic financial statements of the City. The VRF Program is used to account for the City's share of revenues earned and expenditures incurred under the City's local streets and roads program. The accompanying financial statements include VRF Funds only and are not intended to fairly present the financial position, results of operations and cash flows of the City in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting - The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a "*current financial resources*" measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Description of Funds - The accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts**.** The City uses a Special Revenue Fund to account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes.

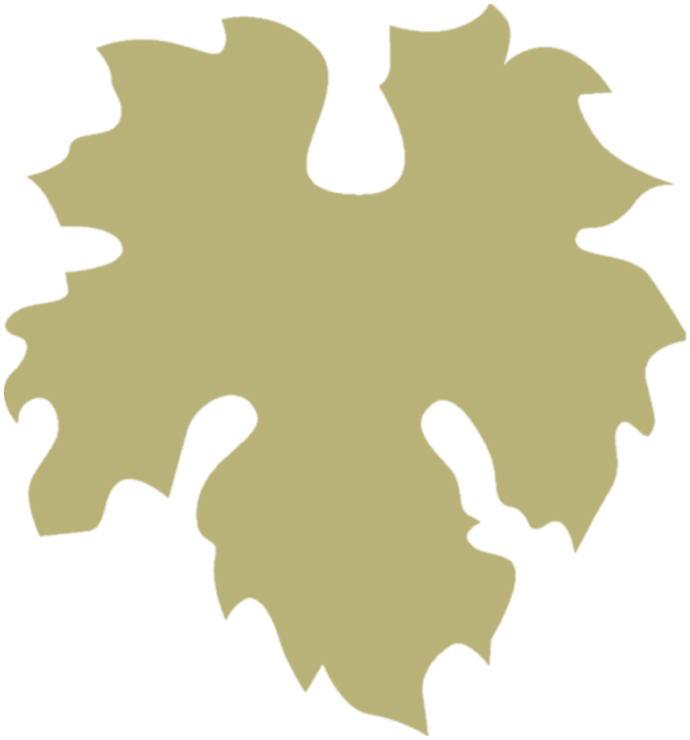
Use of Estimates – Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS

Cash and investments are maintained on a pooled basis with those of other funds of the City. Pooled cash and investments consist of U.S. Treasury or its agencies, money market funds investing in such obligations, medium term corporate notes that meet specified rating requirements, guaranteed investment contracts and the State Treasurer's investment pool (Local Agency Investment Fund). All investments are stated at fair value. Pooled investment earnings are allocated based on the average cash and investment balances of the various funds and related entities of the City.

See the City's Annual Comprehensive Financial Report for disclosures related to cash and investments and the related custodial risk categorization. The ACFR may be obtained from the City of Livermore, 1052 S. Livermore Avenue, Livermore, CA, 94550.



EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable City Council
City of Livermore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure F Funds (Fund) of the City of Livermore, California (City), as of and for the year ended June 30, 2023, and have issued our report thereon dated Report December 31, 2023. Our opinion included an emphasis of matter as discussed that the financial statements present only the Fund specific to Measure F Funds, and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure F Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements including the applicable compliance requirements specified in the Measure F agreement between the City and Alameda County Transportation Commission, and noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California

December 31, 2023

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance

The Honorable Mayor and Members of the City Council
City of Livermore, California

Report on Compliance

Opinion on Compliance with Measure F

We have audited the City of Livermore, California (City) compliance with the compliance requirements applicable to the Measure F Funds (Measure F Funds) of the City of Livermore, California (City), for the year ended June 30, 2023.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure F Funds for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material* weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.
A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California
December 31, 2023

Independent Accountant's Report on
Applying Agreed-Upon Procedures Related To
The Article XIII-B Appropriations Limit Calculation
For the Fiscal Year Ended June 30, 2023

City of Livermore, California

EideBailly

CPAs & BUSINESS ADVISORS

Independent Accountant's Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation

To the Honorable Mayor and Members of the City Council
of the City of Livermore
Livermore, California

We have performed the procedures enumerated below, on the Appropriations Limit Calculation of the City of Livermore, California (City) prepared in accordance with Article XIII-B of the California Constitution for the fiscal year ended June 30, 2023. The City's management is responsible for the Appropriations Limit Calculation.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City in evaluating its Appropriations Limit Calculation and we will report on findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish the City's 2022-2023 appropriations limit calculation and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

   Finding: No exceptions were found as a result of this procedure.

2. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2022-2023 appropriations limit.

   Finding: No exceptions were found as a result of this procedure.

3. We compared the current year information to the worksheets described in No. 1 above.

   Finding: No exceptions were found as a result of this procedure.

4. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by the City Council.

   Finding: No exceptions were no as a result of this procedure.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's Appropriation Limit Calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than those specified parties.

Eide Bailly LLP

Menlo Park, California
December 31, 2023

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To Honorable Mayor and Members
of the City Council of the City of Livermore
Livermore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements the of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Livermore, California, (City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 31, 2023. Our report included an emphasis of matter relating to the adoption of GASB Statement No. 96, S*ubscription-Based Information Technology Arrangements and correction of an error*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as items 2023-001 that we consider to be material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California
December 31, 2023

The following finding represents a material weakness related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

2023-001 Restatement of the beginning net position of the governmental activities, the fund balance of the Low Income Housing-Special Revenue Fund and the fund balance of the Nonmajor Governmental Funds

Criteria

Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should ensure that all notes receivables are reported on the City's financial statements.

Condition

The prior year financial statements contained an error that was discovered during the current year. The net position of the governmental activities, the fund balance of the Low Income Housing-Special Revenue Fund and the fund balance of the Nonmajor Governmental Funds underreported housing loans receivables that were tracked by a contractor of the City.

Effect

The City restated its financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

Cause

Many of these loans were incorrectly tracked and were not included in the financial statements.

Recommendation

We recommend that management performs an evaluation of the outstanding loans and work with the City's contractor to ensure all activities presented in the financial statements are in accordance with GAAP.

Repeat Finding

No.

Views of Responsible Officials

The City agrees with the finding and has restated its beginning net position and fund balance. The City will continue to monitor the activities of the loans in the current year ensuring that all loans are reported on the financial statements.

EideBailly

CPAs & BUSINESS ADVISORS

December 31, 2023

To Honorable Mayor and Members
of the City Council of the City of Livermore
Livermore, California

We have audited the financial statements of the City of Livermore, California (City) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 31, 2023. Professional standards require that we advise you of the following matters relating to our audit.

We are currently performing the audit of the City's federal award programs (Single Audit) and anticipate issuing our report thereon prior to March 31, 2023.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated June 6, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 31, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year, except for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* as described in note 19 to the financial statements.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are related to the City Pension, Other Postemployment Benefits (OPEB), and insurance liabilities.

Management's estimate of the City Pension, OPEB and insurance liabilities is based on actuarial estimated performed by management specialists.

We evaluated the key factors and assumptions used to develop the management estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to the following:

- **Note 1** summarizes the City's accounting policies and describes significant changes in accounting policies due to the implementation of new accounting standards about leases. The effect of the restatement is further described at **Note 19**.

- **Note 11** describes the valuation of the City's net pension liability and related deferred outflows and inflows of resources. Such amounts are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate. As disclosed, a one percent increase or decrease in the discount rate has a material effect on the City's net pension liability.

- **Note 12** describes the City's postemployment benefits liability and related deferred outflows and inflows of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the discount rate and healthcare cost trend rate. As disclosed, a one percent increase or decrease in the discount rate or the healthcare cost trend rate has a material effect on the City's post-employment benefits liability.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected or corrected missstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit. Representations Requested from Management

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. Our report contains an emphasis of matter for the implementation of the GASB Statement 96, *Subscription-Based Information Technology Arrangements* and an emphasis of matter relating to a correction of an error as follows:

Restatement Due to a Correction of an Error

As discussed in Note 19 to the financial statements, the prior year financial statements contained an error that was discovered during the current year. The prior year financial statements underreported certain notes receivables that were tracked by the City's contractor. Accordingly, the beginning net position of the governmental activities, the fund balance of the Low Income Housing-Special Revenue Fund and the fund balance of the Nonmajor Governmental Funds has been restated to include the additional beginning balances of the notes receivables. Our opinions are not modified with respect to that matter.

Adoption of a New Accounting Standard and Correction of an Error

As discussed in Note 19 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements, for the year ended June 30, 2023. Accordingly, a restatement has been made to the Governmental Activities, Business-Type Activities, the Water, the Sewer and the Storm Water fund's net position as of July 1, 2022, to restate the beginning net position and fund balances. Our opinions are not modified with respect to this matter.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated December 31, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

In accordance with such standards, we have read the introductory and statistical sections of the City annual comprehensive financial report and considered whether such information, or the manner of its presentation, as materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

The financial statements include investment in Livermore Pleasanton Fire Department (Department) using the equity interest method, which we considered to be a significant component of the financial statements of the governmental activities of the City. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of the Department and their environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements of Department and completion of further audit procedures.

The financial statements include investment in Livermore Amador Valley Water Management Agency (Agency) using the equity interest method, which we considered to be a significant component of the financial statements of the Water Fund and Business-Type Activities. The financial statements of the Agency were audited by other auditors. Eide Bailly assumed responsibility for the audit of the financial statements of the Agency and no reference is made in the auditor's report to the other auditor. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of the Agency and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements of the City and completion of further audit procedures. Additionally, our audit procedures included obtaining and reading their auditor's report and the related financial statements.

This report is intended solely for the information and use of the governing board, and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Menlo Park, California

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.8**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Tina Olson, Administrative Services Director

SUBJECT: Update on Host Community Impact Fee Reserve Policy.

RECOMMENDED ACTION

Staff recommends City Council receive the update.

SUMMARY

The Host Community Impact Fee Reserve Policy was adopted by the City Council at their July 24, 2017 meeting. The purpose of this Policy is to establish adequate reserves for the Host Community Impact Fee (HCIF) revenues to insulate the City's General Fund from the future obligations associated with the ownership of the Bankhead Theater. The HCIF Reserve Policy calls for regular review and analysis of HCIF revenues to ensure that adequate resources are available to fund debt service and major maintenance and replacement costs of the Bankhead Theater.

DISCUSSION

In September of 2014, the City participated in a complex multi-party settlement agreement which secured the Bankhead Theater as a community facility. To facilitate the purchase of the Bankhead Theater, the City issued a variable rate debt obligation called a Certificate of Participation (COP). The 2014 COP Series A was issued for $9,380,000 in accordance with the Master Settlement Agreement and to be repaid with Host Community Impact Fees (HCIF) collected at the Vasco and Altamont Landfills. In June of 2020 the City issued fixed rate 2020 COPs refinancing the 2014 COPs to eliminate the inevitable interest rate increases that would affect the variable 2014 bond debt service payments. While these fixed payments are higher, they will remain the same regardless of the interest rate swings in the future. The 2020 COPs will be fully redeemed in 2042. If enough HCIF revenue is not available after making debt service payments, the General Fund will make up the shortfall for ongoing major maintenance and replacement costs.

To insulate the City's General Fund from the financial risks associated with owning the Bankhead Theater, and in support of Council's goal of long-term financial stability, Council adopted a HCIF Reserve Policy that requires for HCIF revenues received in excess of debt service to be held in reserve for the

purpose of providing for the maintenance and replacement of the facility's major structural and mechanical systems. The policy also requires that this reserve and the factors that dictate its existence be regularly monitored and reported upon to ensure that adequate resources are available when needed.

In January of 2024, the City received an updated report and projection of revenues associated with the Altamont and Vasco Landfills prepared by HFH Consultants, LLC which is included as Attachment 1 to this staff report. This report took into consideration a myriad of factors and assumptions, including no growth at both Vasco and Altamont landfills as well as a yearly average CPI increase of 2.5%. The report states that in the consultant's opinion, it is reasonable to believe that the cumulative total HCIF revenues for the period between 2024 and 2042 when the 2020 COPs will be redeemed will likely be about $12.14 million (Base Case, Figure 1 from HFH report). Several other scenarios and assumptions were contemplated, and sensitivity analysis was performed for each case. The highest level of cumulative HCIF revenue projected was $17.7 million and the lowest was $7.3 million as shown in the table below.

	January 3, 2024 HFH Report Revenue Projections	
Base Case Projection	Figure 1	$12,144,008
Sensitivity Analysis 1 Scenario	Figure 2	$11,403,863
Sensitivity Analysis 2 Scenario	Figure 3	$8,182,549
Sensitivity Analysis 3 Scenario	Figure 4	$7,296,921
Sensitivity Analysis 4 Scenario	Figure 5	$17,694,603

With so many variables impacting the HCIF revenue stream, it is important to monitor actual performance.

Based on new HCIF revenue projections ending in FY 2041-42, the fixed rate 2020 COP Series A debt service costs, and the need to set money aside to pay for future replacement of the Bankhead's major structural components and building systems, (Attachment 2, Fund Balance Projection), the HCIF fund reserve is projected to be substantially reduced between FY 2023-24 and FY 2032-33, and will most likely become negative from FY 2033-34 through FY 2037-38 where a temporary General Fund subsidy may be necessary to fund major Bankhead Theater building improvements. The last few years of the debt service - FY 2038-39 through FY 2041-42 - is projected to have positive fund balance.

As such, staff's recommendation continues to be that all HCIF revenue received beyond that required to cover debt service be held in reserve to ensure that the Bankhead Theater continues to function as a community facility, while minimizing the financial impact to the General Fund.

FISCAL AND ADMINISTRATIVE IMPACTS

There are no administrative or fiscal impacts associated with receiving this report.

COMMUNITY PILLAR

5: A City That Works

GOAL

17: Ensure effective use of public resources

ATTACHMENTS

1. Host Community Impact Fee Report
2. Fund Balance Projection

Prepared by: Erik Peterson
Finance Manager

Approved by:

Marianna Marysheva
City Manager

Fiscal Review by:

Tina Olson
Administrative Services Director

HF&H CONSULTANTS, LLC
Managing Tomorrow's Resources Today

590 Ygnacio Valley Road, Suite 105
Walnut Creek, California 94596
Telephone: 925/977-6950
Fax: 925/977-6955
www.hfh-consultants.com

Robert D. Hilton, Emeritus
John W. Farnkopf, PE
Laith B. Ezzet, CMC
Richard J. Simonson
Marva M. Sheehan, CPA
Robert C. Hilton

January 9, 2024

Tina Olson
Director
Administrative Services
City of Livermore
1052 South Livermore Ave.
Livermore, CA 94550

Subject: Final Report – Altamont and Vasco Road Landfill Host Fee Revenue Projection – FINAL REPORT

Dear Tina Olson:

HF&H Consultants, LLC (HF&H) is pleased to provide the City of Livermore (City) this report and projection of revenues (Projections) from the Altamont Landfill and Resource Recovery Facility's (Altamont) and Vasco Road Landfill's (Vasco) (collectively, the Landfills) host fees (Host Fees) related to the financing of the regional theatre (Regional Theatre).

The Landfill operators pay Host Fees, which are calculated on a per-ton basis, to the City. The Host Fee is collected on every ton of waste disposed at the Landfills throughout the life of the Landfills. Beginning in January 2001, and each January thereafter, the fee (initially twenty-five cents per ton) has been adjusted to reflect the change in the Consumer Price Index (CPI) for the most recent twelve-month period for all urban consumer items in San Francisco, Oakland and Hayward as published by the U.S. Department of Labor Bureau of Labor Statistics. The fees imposed at Altamont are distributed as provided in the "Altamont Settlement Agreement," which also limits the sources of out-of-County waste that can be disposed at Altamont.

HF&H organized this report into the following major sections:

- Executive Summary
- Approach
- Discussion
- Consultant's Opinion

EXECUTIVE SUMMARY

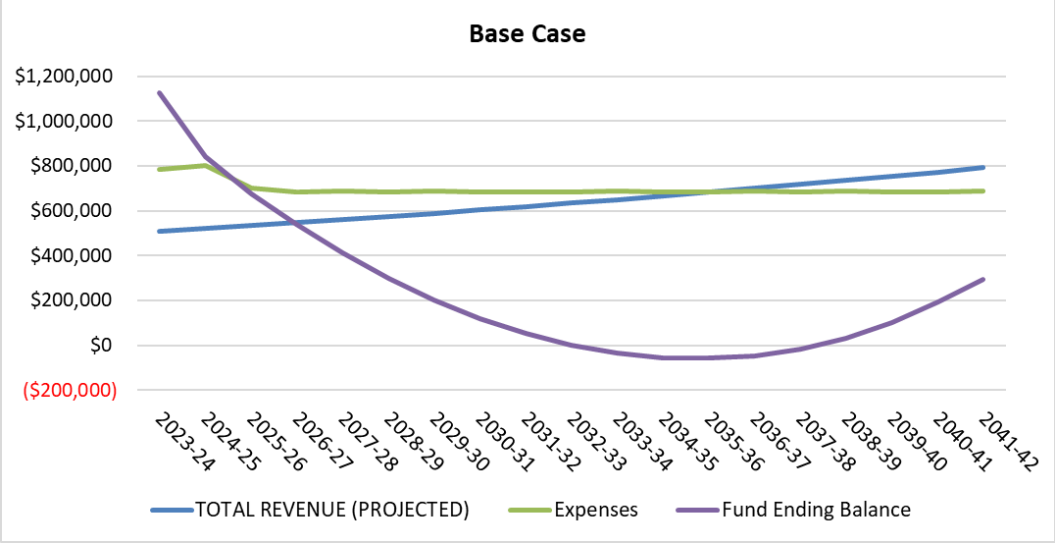
Purpose of Report

The purpose of this report is to present HF&H's projections of revenues the City will receive from Host Fees paid by Altamont and Vasco.

Base Case Projection

In our Base Case Projection, we anticipate a yearly average CPI increase of 2.5%, with no growth expected for both Vasco & Altamont landfills, and annual theater expenses escalated to 2023 dollars from 2012 dollars. Based on the information available to us and referenced in this report and the assumptions and limitations described below, we project that the City of Livermore will receive $12.14 million in Host Fee revenue between the period 2024 and 2042 (See Figure 1 below). At the projected expense levels of the Regional Theatre, this would result in a fund balance of approximately $294,252 for the City by 2042. This surplus occurs after an annual draw down on the fund balance with a negative balance beginning in 2033. The surplus is the result of higher revenues from increases to the host fee rate as a result of projected increases to CPI coupled with reduced projected costs over time.

Figure 1 - Base Case Projection

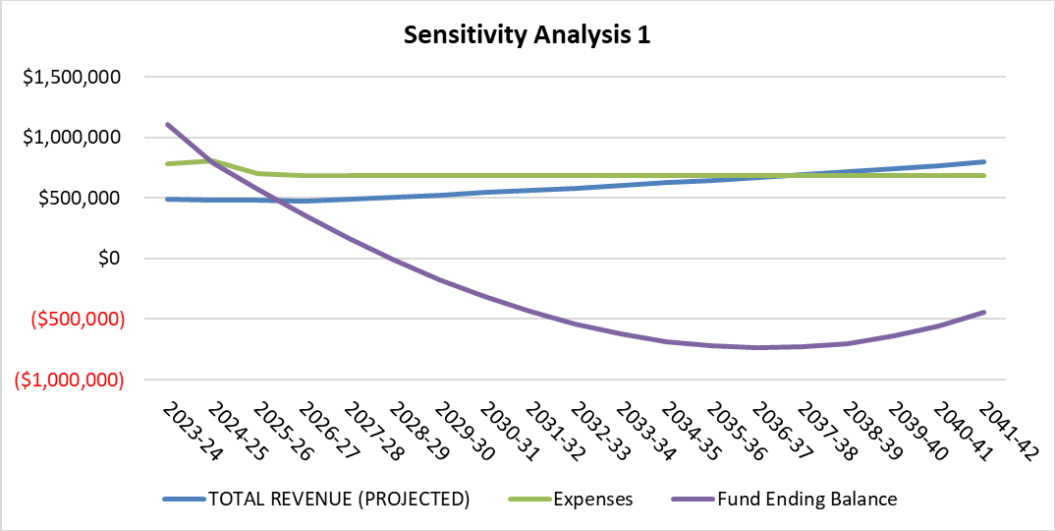


Sensitivity Analyses

Projections of these revenues require us to make assumptions about future events and the actual results may be different than we have assumed in our Base Case Projections. Therefore, in certain cases we have varied our assumptions from those used in the Base Case Projections and project the revenues that result from the revised assumptions.

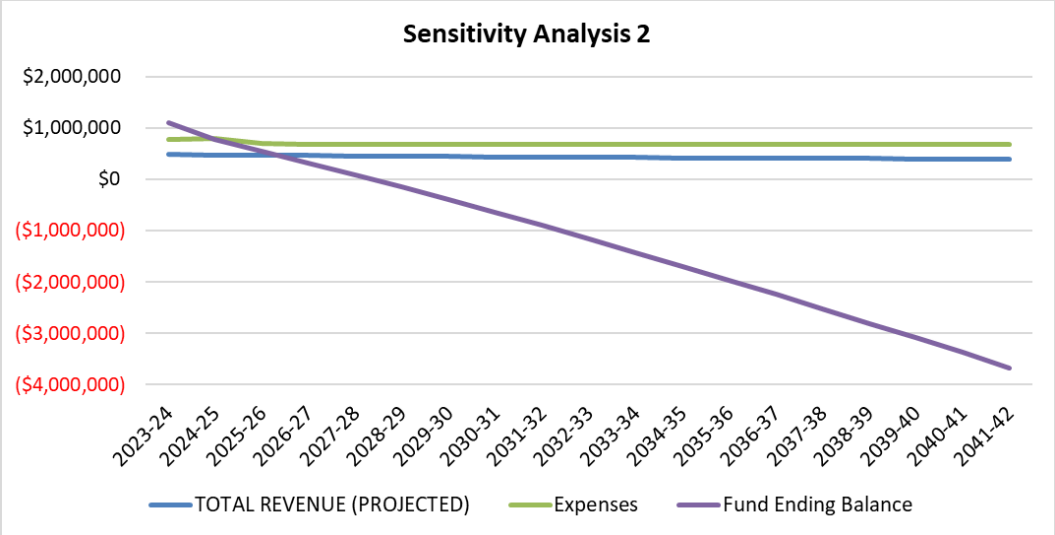
Our Base Case Projections assume that tonnage will continue to flow to both the Altamont and Vasco landfills at the current levels. Modifying our Base Case Projection, we evaluated the potential effects of diversion resulting from SB 1383 on the total tonnage received by landfills. This assumed a decrease in tons of 3.5% a year for the years 2024-2027. We also took into account a resumption of annual tonnage increases once the initial impacts of SB 1383 subside assuming a growth rate of 1% annually resuming in 2028. At 2.5% CPI increase per year, this would generate $11.4 million in revenue, ending with a fund balance of negative $445,894 in 2042, and a negative fund balance beginning in 2028 as seen in Figure 2 below.

Figure 2- Sensitivity Analysis 1



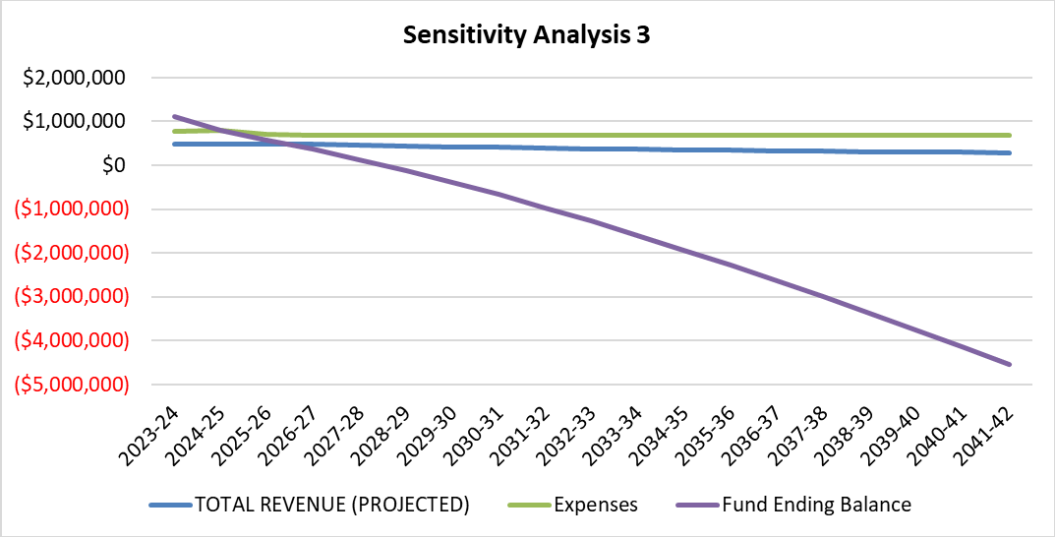
While our Base Case Projection originally considered no growth in tonnage to the landfills, our second sensitivity test adjusted for growth in alignment with the most-recent five-year average of tonnage trends. In this particular instance, both Altamont and Vasco have undergone declines over the past five fiscal years. Adjusting from our Base Case Projection, we utilized a negative 3% growth adjustment for Altamont, and a negative 15% growth adjustment for Vasco. With a 2.5% CPI increase per year, this adjustment is anticipated to generate $8.2 million in revenue, ending with a negative $3.7 million fund balance in 2042, and a negative fund balance beginning in 2028, as seen in Figure 3 below.

Figure 3- Sensitivity Analysis 2



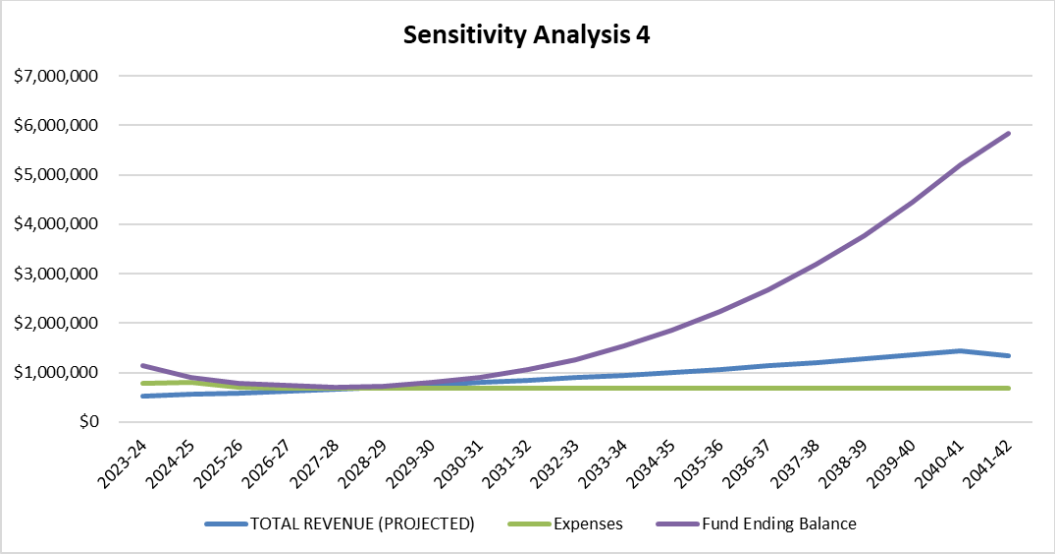
Similar to Sensitivity Analysis #2, we applied negative growth to the landfills, but with a more substantial annual decline in tonnage and factored in the impacts of SB 1383. Adjusting from the Base Case Projection, in this sensitivity Altamont is projected to have negative 5% growth, Vasco is expected to have negative 17.5% growth, and SB 1383 impacts will be incorporated by introducing a slight 3.5% decline in tonnage in years 2024-2027 (similar to Sensitivity Analysis 1). With a 2.5% annual CPI increase, this would generate an estimated $7.3 million in revenue, ending with a negative $4.6 million fund balance in 2042, and a negative fund balance beginning in 2028 as seen in Figure 4 below.

Figure 4- Sensitivity Analysis 3



For the final sensitivity, we tested the assumption in the unlikely event that both landfills experience a steady annual increase in tonnage. Adjusted from our Base Case, we modeled that Altamont & Vasco will experience 3.5% growth in tonnage annually. With a 2.5% annual increase in CPI, this would generate $17.7 million in revenue, ending with a $5.8 million fund balance as seen in Figure 5 below. This scenario is not to be expected as a result of the current downward trend in tonnage along with anticipated increased diversion levels resulting from SB 1383.

Figure 5 - Sensitivity Analysis 4



APPROACH

Procedures Used to Prepare the Report

HF&H performed the calculation of the projected Host Fee revenues for the period from 2023 through 2042. These projections are based on information available to us and referenced in this report from City, county, and state agencies.

Our scope of work was comprised of the following key tasks:

1. The landfill operators provided us with capacity (ultimate, current permitted, and daily) in addition to any anticipated changes to flow of materials or tonnages through 2035 that would be subject to Host Fees.
2. We obtained from the City the conditional use permits and/or other regulations and agreements authorizing the imposition of the Host Fees to determine the materials to which the Host Fees are applied (i.e., solid waste, construction and demolition debris, and special waste), the original amount of the Host Fees, and the methods by which the Host Fee is adjusted annually.
3. We identified the key factors affecting the capacity of the Landfills, the flow of materials to the Landfills, and the adjustment of the Host Fees. We researched reliable sources, such as CalRecycle, the Local Enforcement Agency (LEA), and the Alameda County Waste Management Authority (ACWMA) for assumptions regarding the future values of such factors and used these to calculate the projections.
4. Based on the previous tasks, we performed calculations of the projected Host Fees for the period 2023 through 2042. We then performed certain variance analyses by making alternative assumptions related to the Base Case values for the key factors affecting the projections.

Limitations

All engagements have certain limitations. As with all such projections, our calculations are based on certain assumptions regarding future events and actual results may differ from such assumptions and those differences may be material. While we believe our calculations have been based on reasonable assumptions, we have performed certain variance analyses to show the impact of changes to such assumptions. The most significant factors that could cause actual results to differ from the projections are:

1. The Host Fee is adjusted annually by the change in the Consumer Price Index (CPI) for the most recent 12-month period for all urban consumer items in San Francisco, Oakland and Hayward as published by the U.S. Department of Labor Bureau of Labor Statistics. Future changes to the CPI are speculative and the assumed increases may not be realized.
2. The volumes of material disposed at the Landfills are subject to certain policies (e.g., Alameda County's goal of 75% diversion from landfill disposal), regulations (e.g., Alameda County's ban on the disposal of green waste, California Air Resources Control Board regulations as part of the Assembly Bill 32 Scoping Plan to implement mandatory commercial recycling statewide, State legislation to achieve 75% diversion of materials from landfill disposal statewide), changes in law (e.g., State imposed recycling and diversion requirements, producer product liability, consumer product packaging), economic factors (e.g., employment, population and average income), and market forces (e.g., competing landfills and alternative technologies).
3. The management of landfill disposal sites brings with it certain risks related to the continuation of operations of the landfill resulting from: maintenance and renewal of permits, engineering, construction, and operation of the landfill; changes in regulations; market risks from future competing landfills and technologies; and, force majeure events.

DISCUSSION

Authority for the Fee

Conditional Use Permits for the Landfills require the operator to pay to the City of Livermore a Host Fee which starts at $0.25 per ton for all solid waste disposed at the Landfills. The fee is adjusted annually, beginning January 1, 2001, to reflect the change in the CPI for the most recent 12-month period for all urban consumer items in San Francisco, Oakland and Hayward as published by the U.S. Department of Labor Bureau of Labor Statistics. The fees imposed at Altamont are distributed as provided in the "Altamont Settlement Agreement" which also limits the sources of out-of-County waste that can be disposed at Altamont.

Landfill Capacities and Flow

Altamont

Altamont's current solid waste facility permit allows the operator to accept up to: 11,150 tons per day for disposal; and, 557 refuse vehicles per day. Operating hours are 24 hours per day and the public may deliver waste from 6:00 am to 4:00 pm Monday through Friday. The permit describes Altamont as having 124.4 million tons of design capacity with an estimated closure date of 2070.

From FY 2018-2019 to FY 2019-2020, Altamont's annual solid waste tonnage decreased 8.3%, 0.93% in FY 2020-2021, 0.63% in FY 2021-2022, and 0.06% in FY 2022-2023. This is an average annual decline of 2.48% over that period.

In FY 2022-2023, the solid waste delivered for disposal at Altamont from Alameda County was (98%) and all other sources (2%). In 2011, the solid waste delivered for disposal at Altamont was from Alameda County (63.4%), CCSF (33.2%) and all other sources (3.4%).

Vasco

Vasco's current solid waste facility permit allows the operator to accept up to 2,518 tons per day for disposal. Operating hours are restricted to 6:00 am to 4:00 pm Monday through Saturday. The permit describes Vasco as having 25 million tons (33 million cubic yards at 1,500 pounds per cubic yard) of design capacity with an estimated closure date of 2051.

Since FY 2018-2019, Vasco's annual tonnage has decreased 25.6% in FY 2019-2020, 24.5% in FY 2020-2021, 3.7% in FY 2021-2022, and 8.4% in FY 2022-2023. This decrease continues to trend down, the result being lower Host Fee revenue for the City.

In FY 2022-2023, the solid waste delivered for disposal at Vasco from Alameda County was (75.8%), San Ramon (20.4%) and all other sources (3.8%). 86.6% of the solid waste disposed at Vasco comes from franchised collection operations in the cities of Livermore, Pleasanton, San Leandro, and San Ramon. The remainder of this material is self-hauled by the waste generators.

Base Case Projected Revenues

During the projection period from 2024 to 2042, HF&H projects that 18.4 million tons of waste will be delivered to Altamont and 2.5 million tons of waste will be delivered to Vasco, resulting in Host Fee payments of $10.68 million and $1.46 million respectively for a total of $12.14 million.

Assumptions

1. The City adjusts the Host Fee annually by the change in the CPI. The percentage change is unknown for the projection period 2024 through 2042; therefore, we have assumed an increase of 2.5% per year. In the Base Case and all sensitivities, HF&H has assumed a base Host Fee of $0.46 per ton for Vasco and $0.46 per ton for Altamont for the period of 2023 (the current amount per ton reflected in remittances to the City).
2. HF&H obtained historical solid waste and ADC disposal tonnage by facility from CalRecycle's web-based Disposal Reporting System (DRS). DRS web reports are based upon information reported by permitted facility operators and compiled by County regional agency disposal reporting coordinators. CalRecycle performs accuracy checks and then releases the data in yearly increments. Since DRS contains data from 2019 and earlier, HF&H used CalRecycle's Recycling and Disposal Reporting System (RDRS) for any data after 2019. Altamont and Vasco provided detailed tonnage information broken down by the jurisdiction where the waste was generated. Disposal data from DRS and RDRS was used to forecast incoming tonnage and project the revenue from the Host Fee for 2018 through the most-recently-available time period (Q2 of 2023).

3. Tonnage received by both facilities has been trending downward over the past five years. Additionally, the maturing of solid waste programs related to SB 1383, as well as StopWaste's Mandatory Recycling Ordinance for jurisdictions in Alameda County, indicate that tonnage volumes for solid waste will continue to trend downward.

CONSULTANT'S OPINION

Based on the information, assumptions, and conditions set forth in this report, it is HF&H's opinion that it is reasonable to believe that the City of Livermore will receive $12 million in Host Fee revenue between the period 2024 and 2042, but that other funding sources will be needed to cover costs related to the Regional Theatre. Projections of these revenues require us to make assumptions about future events and the actual results may be different than we have assumed in our Base Case Projections and these differences can be material. Therefore, in certain cases, we have varied our assumptions from those used in the Base Case Projections and project the revenues that result from the revised assumptions as described in this report. Should actual tonnages or CPI figures vary significantly from the projections described in this report, HF&H suggests that the City revise these assumptions and calculate new projections based on the most recent actuals.

Very truly yours,
HF&H CONSULTANTS, LLC

Rob Hilton
President

Fund Balance Projection of HCIF Fund

Fiscal Year	Beginning Fund Balance	Projected Revenues (1)	Annual Debt Service (2)	Estimated Large Replacement Repair Costs (3)	Est. Ending Fund Balance
2023-24	$1,401,820	$507,141	$508,600	$274,140	$1,126,221
2024-25	1,126,221	519,820	528,800	274,140	843,101
2025-26	843,101	532,815	547,800	152,300	675,816
2026-27	675,816	546,136	531,300	152,300	538,352
2027-28	538,352	559,789	534,600	152,300	411,241
2028-29	411,241	573,784	532,400	152,300	300,325
2029-30	300,325	588,128	534,700	152,300	201,453
2030-31	201,453	602,832	531,500	152,300	120,485
2031-32	120,485	617,902	532,800	152,300	53,287
2032-33	53,287	633,350	533,500	152,300	837
2033-34	837	649,184	533,600	152,300	(35,879)
2034-35	(35,879)	665,413	533,100	152,300	(55,866)
2035-36	(55,866)	682,049	532,000	152,300	(58,117)
2036-37	(58,117)	699,100	535,200	152,300	(46,517)
2037-38	(46,517)	716,577	532,700	152,300	(14,940)
2038-39	(14,940)	734,492	534,500	152,300	32,752
2039-40	32,752	752,854	530,600	152,300	102,706
2040-41	102,706	771,675	531,000	152,300	191,081
2041-42	$191,081	$790,967	$535,500	$152,300	$294,248

(1) Projected Revenues increase annually by CPI of 2.5%
(2) Annual Debt Service ends in FY 2041-42.
(3) Estimated amounts from Repair and Replacement Schedule

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.9**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Tina Olson, Administrative Services Director

SUBJECT: Resolution amending the City of Livermore Compensation Policy to reflect best practices.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution amending the City of Livermore Compensation Policy to reflect best practices.

SUMMARY

City Council adopted the City of Livermore Compensation Policy on April 10, 2018. Since adoption, the policy has provided guidance to Human Resources and the Bargaining Units on Salary Structure Principles, Classification Level Differentials, Internal Equity considerations and Relevant Labor Markets to be used when completing total compensation studies.

The industry best practice is to review, and update if required, large scale compensation policies every five to seven years to ensure best practice approaches are being followed.

DISCUSSION

The current City of Livermore Compensation Policy adopted on April 10, 2018, outlines the following key factors:

- Livermore desires to provide its residents with excellent customer service in the delivery of effective and efficient public services.
- The City Council recognizes that a highly skilled, experienced, and dedicated workforce is essential to meet those objectives.
- The City's goal is to allocate approximately seventy five percent (75%) of the general fund budget for personnel and supplemental personnel expenses.
- Pay administration touches many areas of Human Resources administration. Therefore, it is important to cover it in a plan that is easily understood and in the proper context. Details covering various policies on salary adjustments, initial salary at appointment, performance evaluation criteria for salary adjustments, and the effects of reclassification on salary are found in the City's Personnel Rules and

Regulations or applicable Memorandum of Understanding.

Currently, the City compares compensation and benefits of staff to the following agencies:

- Antioch
- Brentwood
- Fremont
- Hayward
- Manteca
- Pleasanton
- San Leandro
- Tracy
- Union City
- *Dublin San Ramon Services District
- *Oro Loma Sanitary District
- *Union Sanitary District

* Special Districts limited to use for Water Resources classifications.

Livermore continues striving to maintain and enhance a high quality of life in our community. To attract the best talent interested in working for the City and able to live in or near Livermore, it is critical that our comparison communities share similar quality of life aspirations and provide similar complexity and quality of services.

Staff is in the final stages of selecting an external compensation expert to complete a full-scale compensation and benefits study across all classifications. The goal of the study is to analyze the City's current compensation and benefits and recommend corrections of any market deficiencies. It is expected that the full study results will be available by the end of the FY 2023-24.

To ensure accurate results from the external study staff recommends the following major changes to the Compensation Policy:

Eliminate the following comparator cities:
Antioch
Manteca
Tracy
Union City

Add the following comparator cities:
Concord
Redwood City
San Mateo
Walnut Creek
*No change is recommended to the Special Districts

Additionally, staff recommends that the City’s goal to allocate approximately seventy five percent (75%) of the general fund budget for personnel and supplemental personnel expenses be revised to:

"The City’s goal is to provide essential City services through in-house personnel by providing a competitive compensation package that will allow the City to attract and retain a highly talented and

diverse pool of employees."

Finally, a section has been added to the policy to describe the data analysis process.

FISCAL AND ADMINISTRATIVE IMPACTS

There is no material fiscal or administrative impact associated with this action.

COMMUNITY PILLAR

5: A City That Works

GOAL

8: Attract, develop, engage, and retain a diverse and highly skilled workforce across the organization.

ATTACHMENTS

1. Redlined Compensation Policy
2. Resolution
3. Exhibit A - Compensation Policy

Prepared by: Nancy Dias
Human Resource Manager

Approved by:



Marianna Marysheva
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director

City of Livermore
Compensation Policy 1/ 22/ 24

Compensation Philosophy

The City of Livermore desires to provide its citizens with excellent customer service in the delivery of effective and efficient public services. The City Council recognizes that a highly skilled, experienced, and dedicated workforce is essential to meet those objectives. The City's compensation philosophy takes into consideration the following compensation guidelines.

The City's ability to compensate employees will consider the City's overall financial condition including competing service priorities, requirements for adequate reserves consistent with adopted budget policies, and multi-year general fund revenue and expenditure projections. ~~The City's goal is to allocate approximately seventy-five percent (75%) of the general fund budget for personnel and supplemental personnel expenses.~~ The City's goal is to provide essential City services through in- house personnel by providing a competitive compensation package that will allow the City to attract and retain a highly talented and diverse pool of employees.

Background

Pay administration touches many areas of Human Resources administration, it is therefore important to cover it in a plan that is easily understood and in the proper context. Details covering various policies on salary adjustments, initial salary at appointment, performance evaluation criteria for salary adjustments, and the effects of reclassification on salary are found in the City's Personnel Rules and Regulations or applicable Memorandum of Understanding.

The City's Human Resources System is administered by the City Manager and operates on a merit basis. Employees are selected, retained, promoted, and paid based on their level of competency to perform required job duties. Each position, except employees on contract, in the City service has an assigned pay range with minimum and maximum pay rates. Basic qualifications are established for each position, and thereafter employees are selected in accordance with the City's Personnel Rules and Regulations.

Salary adjustments are currently based on three factors – General Wage Increases, Equity Adjustments and Merit Increases. General wage increases and equity adjustments are based on negotiated agreements between the City and bargaining units. Merit salary increases are based entirely on employee performance. All recommendations for merit increases ~~are presented to the City Manager and~~ shall include a written performance evaluation in accordance with the City's Personnel Rules and Regulations.

Employee salary ranges are contained in the City's adopted Salary Plan. The Salary Plan indicates the minimum and maximum rates of pay for each classification. Initially, each classification is rated according to its level of difficulty and responsibility, working conditions, supply and demand, market conditions and other objective factors. Review and adjustment recommendations

to salary ranges are made to the City Council by the City Manager in accordance with the City's Personnel System Rules and current operating procedures.

Salary Structure Principles

The City utilizes a pay system for its classifications. All the City's regular classifications, except employees on contract, have pay ranges that span approximately 25% from the minimum to the maximum of the range. This range size and structure is typical within public agencies. In addition to the basic structure of the pay ranges, a major guiding principle for a salary structure is an acceptable differential between various classification levels.

Classification Level Differentials

While labor market data is a good indicator of market trends in pay, the concept of internal equity, e.g., how classifications are paid relative to each other within the City's salary plan, is an equally, if not more important factor, when establishing a pay plan.

Professional compensation practices provide some guidelines when reviewing internal equity between levels of classifications, i.e., how a classification in one level is paid relative to another level based on increasing duties and responsibilities and span of control. These guidelines can minimize compaction issues, i.e., supervisory or management positions that make less than their employees when overtime is taken into consideration. The guidelines presented below are listed in a range format with a minimally accepted differential up to a maximum targeted differential. Salary differentials that fall below the minimum are considered an internal salary compaction problem that will be addressed by the City Manager as soon as reasonably possible.

Salary differentials towards the maximum of the range are to be used under unusual circumstances and are outlined later in this section. The City's ability to pay is also a factor that needs to be considered in setting the appropriate classification level differentials. Salary differentials are measured by calculating the difference between the highest rate (top of the range) of one pay grade to the highest rate (top of the range) in the next pay grade to which the classification reports. The differential ranges that are best practices are outlined below, though there are sometimes exceptions, especially between upper management levels. The following represents optimal differentials between levels:

1. Entry to journey level of series = 7% - 10% is the target differential

   (Building Inspector I to Building Inspector II)

2. Journey to advanced journey/lead level of series = 5% - 10% is the target differential

   (Assistant Planner to Associate Planner)

3. Supervisory/Management = 10% or more differential over the highest level regularly supervised

   (Supervising Groundskeeper to Public Works Supervisor)

4. Senior Management = 7.5% or more differential over the highest level regularly supervised

   (Plan Check Engineer to Permit Center Manager)

5. Executive Management = 10% or more differential over the highest level regularly supervised

   (Department Head to Assistant City Manager and Assistant City Manager and Department Heads to City Manager)

For differences between levels in a class series (#1 and #2 above), the advanced levels may be up to 15% higher than the next lower level if the higher-level job requires more education, experience and/or certifications to be considered qualified for advancement to journey or advanced journey/lead level jobs.

For differences between subordinates and their supervisors (#3, #4, and #5 above), the range of acceptable differentials are greater to accommodate the variety of special circumstances that may occur and be accounted for. The special circumstances that would warrant a reasonable differential, based upon industry standards between two classes at the upper end of the differential ranges are below:

- To ensure equitable compensation for supervisors/managers over employees who earn high amounts of overtime.
- To compensate for supervisors/managers who must possess a different and higher level of technical proficiency than their subordinates.
- To keep pace with the market.

Internal Equity

Internally equitable pay must clearly define the relative value of each job among all jobs within an organization and the Classification Plan. This ordered set of jobs represents the job structure or hierarchy. The basic concept is simple: jobs that require higher qualifications, more responsibilities, and more complex duties are paid more than jobs that require lower qualifications, fewer responsibilities, and less complex job duties.

The City utilizes its current salary plan system as a means of effective internal equity. One level of equity maintenance is achieved by the systematic approach to job/classification studies that review certain jobs for proper alignment within the Classification Plan, and therefore, proper salary placement. This process is called job analysis and is very important to create and maintain an

internally consistent job structure. Job analysis is almost a purely descriptive procedure. Effective job analysis (or job description) identifies and defines job content by describing the job duties and tasks as well as other pertinent factors such as skill and effort needed to perform the job adequately. The City currently uses a Position Classification Questionnaire (PCQ) in conducting job analyses. This method utilizes the common allocation factors of decision-making, scope, and complexity, contact with others required by the job, supervision exercised and received, and the minimum qualifications that include the knowledge, skills, and abilities (KSAs).

Market Surveys

Market-competitive pay systems play a significant role in setting a salary that will attract and retain the most qualified employees. Conversely, paying more than is necessary may represent an undue financial burden for the City. Because money is a limited resource, the City must strike a balance between offering competitive salaries to attract and retain highly qualified employees and providing sufficient resources to enable them to be productive. To this end, the City must have a strategy that includes surveying the relevant labor market to determine the organization's place in the external market and determining the most adequate frequency and benchmarks for surveys. The City ~~shall to~~strives to conduct market surveys at the start of every labor negotiations cycle with bargaining unit groups.

Relevant Labor Market

Relevant labor markets represent the field of potentially qualified candidates for jobs and are defined based on occupational classification, geography, and service/function/industry provided.

The following factors should also be considered in determining the relevant labor market:

- The most effective number of survey agencies is between 8 and 12. Anything less than 8 survey agencies increases the chance that there will not be sufficient data collected when a job is difficult to match. More than 10 or 12 agencies, however, does not significantly affect and/or add value to the data results in most cases. This is particularly important when the cost of surveying more agencies only make the survey more costly and time consuming than necessary.
- Geography is important for determining the labor market. The potential candidate pools are shared by similar agencies that are close in proximity. If there is any potential of employees being recruited away from the City, it most likely will be by another agency within the Bay Area. It is very doubtful that there will be any loss of employees of any significant degree to either Fresno or Los Angeles for instance.
- Size of the organization is another important factor. A larger organization typically has more levels of management, supervision, and workers so to match a Supervisor classification with a much smaller organization would be very difficult and often leads to a

lack of sufficient data on some jobs. While size is important, this factor should not trump an otherwise good market benchmark agency that may be smaller or larger but is well suited based upon location and similarity of organization.

The City currently uses a labor market comprised of the following nine survey cities and three utility districts. Utility districts are used only for salary comparison purposes for specific classifications that are or resemble those classifications utilized at utility districts. Industry best practice also requires a minimum number of valid matches before calculating a market variance. The City requires a minimum of 4 matches to calculate a total compensation market variance.

Municipalities:

- ~~City of Antioch~~
- City of Brentwood
- City of Concord
- City of Fremont
- City of Hayward
- ~~City of Manteca~~
- City of Pleasanton
- City of Redwood City
- City of San Leandro
- ~~City of Tracy~~
- ~~City of Union City~~
- City of San Mateo
- City of Walnut Creek

Special Districts:

- Dublin San Ramon Services District
- Oro Loma Sanitary District
- Union Sanitary District

Market Areas

There may be instances when a different combination or new agencies need to be surveyed due to an unexpected situation. For instance, if a recruitment results in a poor applicant pool, then an increase in salary range may be warranted. If the City's ability to retain employees becomes an issue, then the total compensation for that classification should be reviewed. It is important that special circumstances be dealt with in a flexible and appropriate manner. It is expected than an evaluation of the City's relevant labor market shall be conducted every 5 to 7 years to ensure that Livermore's survey cities continue to provide similarity and balance based upon the outlined factors.

Choosing Benchmark Jobs

It is unnecessarily burdensome and expensive to survey all the City's classifications. Benchmark classifications play an important role in compensation surveys because they allow pay levels to be determined from the information collected on one job to apply to other similar jobs. Benchmark positions have four characteristics:

- The job contents are well-known, relatively stable over time.
- The jobs are common across the number of different employers.
- The jobs represent the entire range of jobs being evaluated within an organization.
- The jobs are generally accepted in the labor market for the purposes of setting pay levels.

Because it is so important to determine and survey benchmark classifications, it is recommended that the City go through a benchmarking process and shall select each classification in consultation with the bargaining representatives.

Data Analysis

The City utilizes the mean and median in analyzing total compensation data. The mean is calculated by adding all the collected salaries and dividing by the total number of salaries in the set (the City's salary is not used in the equation). The median is calculated by arranging all salary data points from highest to lowest and using the number that falls in the center (the City's salary is not used in the equation).

When setting compensation, the City shall utilize the median salary data when analyzing total compensation as it is less affected by outliers (abnormally high or low values) than the mean.

The City utilizes median in analyzing total compensation data. Where the City falls significantly (5% or more below the market median for total compensation) under the median after a compensation survey for a classification(s), additional data, including but not limited to internal alignment with other like classes and City financial data may be analyzed.

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION ADOPTING THE REVISED CITY OF LIVERMORE COMPENSATION POLICY DATED JANUARY 22, 2024

This resolution is to adopt amendments to the City of Livermore ("City) Compensation Policy to reflect best practices.

The proposed City of Livermore Compensation Policy, attached hereto as Exhibit A, is intended to make the following amendments:

1. Revise the comparator labor market to include the following municipalities and special districts:

    Municipalities
        Brentwood
        Concord
        Fremont
        Hayward
        Pleasanton
        Redwood City
        San Leandro
        San Mateo
        Walnut Creek

    Special Districts
        Dublin San Ramon Services District
        Oro Loma Sanitary District
        Union Sanitary District

2. Revise the City's goal from allocating approximately 75% of the general fund budget for personnel and supplemental personnel expenses to:
    "The City's goal is to provide essential City services through in-house personnel by providing a competitive compensation package that will allow the City to attract and retain a highly talented and diverse pool of employees."

3. Making conforming changes to the sections for Background, Market Surveys, and Choosing Benchmark Jobs, and,

4. Adding a new section regarding Data Analysis.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore that it hereby approves the amended Compensation Policy dated January 22, 2024, attached hereto as Exhibit A, in accordance with California Code of Regulations, Title 2, Section 570.5.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Jason R. Alcala
Jason R. Alcala
City Attorney

Exhibit A – Compensation Policy

City of Livermore
Compensation Policy 1/ 22/ 24

Compensation Philosophy

The City of Livermore desires to provide its citizens with excellent customer service in the delivery of effective and efficient public services. The City Council recognizes that a highly skilled, experienced, and dedicated workforce is essential to meet those objectives. The City's compensation philosophy takes into consideration the following compensation guidelines.

The City's ability to compensate employees will consider the City's overall financial condition including competing service priorities, requirements for adequate reserves consistent with adopted budget policies, and multi-year general fund revenue and expenditure projections. The City's goal is to provide essential City services through in- house personnel by providing a competitive compensation package that will allow the City to attract and retain a highly talented and diverse pool of employees.

Background

Pay administration touches many areas of Human Resources administration, it is therefore important to cover it in a plan that is easily understood and in the proper context. Details covering various policies on salary adjustments, initial salary at appointment, performance evaluation criteria for salary adjustments, and the effects of reclassification on salary are found in the City's Personnel Rules and Regulations or applicable Memorandum of Understanding.

The City's Human Resources System is administered by the City Manager and operates on a merit basis. Employees are selected, retained, promoted, and paid based on their level of competency to perform required job duties. Each position, except employees on contract, in the City service has an assigned pay range with minimum and maximum pay rates. Basic qualifications are established for each position, and thereafter employees are selected in accordance with the City's Personnel Rules and Regulations.

Salary adjustments are currently based on three factors – General Wage Increases, Equity Adjustments and Merit Increases. General wage increases and equity adjustments are based on negotiated agreements between the City and bargaining units. Merit salary increases are based entirely on employee performance. All recommendations for merit increases shall include a written performance evaluation in accordance with the City's Personnel Rules and Regulations.

Employee salary ranges are contained in the City's adopted Salary Plan. The Salary Plan indicates the minimum and maximum rates of pay for each classification. Initially, each classification is rated according to its level of difficulty and responsibility, working conditions, supply and demand, market conditions and other objective factors. Review and adjustment recommendations to salary ranges are made to the City Council by the City Manager in accordance with the City's Personnel System Rules and current operating procedures.

Salary Structure Principles

The City utilizes a pay system for its classifications. All the City's regular classifications, except employees on contract, have pay ranges that span approximately 25% from the minimum to the maximum of the range. This range size and structure is typical within public agencies. In addition to the basic structure of the pay ranges, a major guiding principle for a salary structure is an acceptable differential between various classification levels.

Classification Level Differentials

While labor market data is a good indicator of market trends in pay, the concept of internal equity, e.g., how classifications are paid relative to each other within the City's salary plan, is an equally, if not more important factor, when establishing a pay plan.

Professional compensation practices provide some guidelines when reviewing internal equity between levels of classifications, i.e., how a classification in one level is paid relative to another level based on increasing duties and responsibilities and span of control. These guidelines can minimize compaction issues, i.e., supervisory or management positions that make less than their employees when overtime is taken into consideration. The guidelines presented below are listed in a range format with a minimally accepted differential up to a maximum targeted differential. Salary differentials that fall below the minimum are considered an internal salary compaction problem that will be addressed by the City Manager as soon as reasonably possible.

Salary differentials towards the maximum of the range are to be used under unusual circumstances and are outlined later in this section. The City's ability to pay is also a factor that needs to be considered in setting the appropriate classification level differentials. Salary differentials are measured by calculating the difference between the highest rate (top of the range) of one pay grade to the highest rate (top of the range) in the next pay grade to which the classification reports. The differential ranges that are best practices are outlined below, though there are sometimes exceptions, especially between upper management levels. The following represents optimal differentials between levels:

1. Entry to journey level of series = 7% - 10% is the target differential

   (Building Inspector I to Building Inspector II)

2. Journey to advanced journey/lead level of series = 5% - 10% is the target differential

   (Assistant Planner to Associate Planner)

3. Supervisory/Management = 10% or more differential over the highest level regularly supervised

   (Supervising Groundskeeper to Public Works Supervisor)

4. Senior Management = 7.5% or more differential over the highest level regularly supervised

   (Plan Check Engineer to Permit Center Manager)

5. Executive Management = 10% or more differential over the highest level regularly supervised

   (Department Head to Assistant City Manager and Assistant City Manager and Department Heads to City Manager)

For differences between levels in a class series (#1 and #2 above), the advanced levels may be up to 15% higher than the next lower level if the higher-level job requires more education, experience and/or certifications to be considered qualified for advancement to journey or advanced journey/lead level jobs.

For differences between subordinates and their supervisors (#3, #4, and #5 above), the range of acceptable differentials are greater to accommodate the variety of special circumstances that may occur and be accounted for. The special circumstances that would warrant a reasonable differential, based upon industry standards between two classes at the upper end of the differential ranges are below:

- To ensure equitable compensation for supervisors/managers over employees who earn high amounts of overtime.
- To compensate for supervisors/managers who must possess a different and higher level of technical proficiency than their subordinates.
- To keep pace with the market.

Internal Equity

Internally equitable pay must clearly define the relative value of each job among all jobs within an organization and the Classification Plan. This ordered set of jobs represents the job structure or hierarchy. The basic concept is simple: jobs that require higher qualifications, more responsibilities, and more complex duties are paid more than jobs that require lower qualifications, fewer responsibilities, and less complex job duties.

The City utilizes its current salary plan system as a means of effective internal equity. One level of equity maintenance is achieved by the systematic approach to job/classification studies that review certain jobs for proper alignment within the Classification Plan, and therefore, proper salary placement. This process is called job analysis and is very important to create and maintain an internally consistent job structure. Job analysis is almost a purely descriptive procedure. Effective job analysis (or job description) identifies and defines job content by describing the job duties and tasks as well as other pertinent factors such as skill and effort needed to perform the job adequately. The City currently uses a Position Classification Questionnaire (PCQ) in conducting job analyses.

This method utilizes the common allocation factors of decision-making, scope, and complexity, contact with others required by the job, supervision exercised and received, and the minimum qualifications that include the knowledge, skills, and abilities (KSAs).

Market Surveys

Market-competitive pay systems play a significant role in setting a salary that will attract and retain the most qualified employees. Conversely, paying more than is necessary may represent an undue financial burden for the City. Because money is a limited resource, the City must strike a balance between offering competitive salaries to attract and retain highly qualified employees and providing sufficient resources to enable them to be productive. To this end, the City must have a strategy that includes surveying the relevant labor market to determine the organization's place in the external market and determining the most adequate frequency and benchmarks for surveys. The City strives to conduct market surveys at the start of every labor negotiations cycle with bargaining unit groups.

Relevant Labor Market

Relevant labor markets represent the field of potentially qualified candidates for jobs and are defined based on occupational classification, geography, and service/function/industry provided.

The following factors should also be considered in determining the relevant labor market:

- The most effective number of survey agencies is between 8 and 12. Anything less than 8 survey agencies increases the chance that there will not be sufficient data collected when a job is difficult to match. More than 10 or 12 agencies, however, does not significantly affect and/or add value to the data results in most cases. This is particularly important when the cost of surveying more agencies only make the survey more costly and time consuming than necessary.

- Geography is important for determining the labor market. The potential candidate pools are shared by similar agencies that are close in proximity. If there is any potential of employees being recruited away from the City, it most likely will be by another agency within the Bay Area. It is very doubtful that there will be any loss of employees of any significant degree to either Fresno or Los Angeles for instance.

- Size of the organization is another important factor. A larger organization typically has more levels of management, supervision, and workers so to match a Supervisor classification with a much smaller organization would be very difficult and often leads to a lack of sufficient data on some jobs. While size is important, this factor should not trump an otherwise good market benchmark agency that may be smaller or larger but is well suited based upon location and similarity of organization.

The City currently uses a labor market comprised of the following nine survey cities and three utility districts. Utility districts are used only for salary comparison purposes for specific classifications that are or resemble those classifications utilized at utility districts. Industry best practice also requires a minimum number of valid matches before calculating a market variance. The City requires a minimum of 4 matches to calculate a total compensation market variance.

Municipalities:

- City of Brentwood
- City of Concord
- City of Fremont
- City of Hayward
- City of Pleasanton
- City of Redwood City
- City of San Leandro
- City of San Mateo
- City of Walnut Creek

Special Districts:

- Dublin San Ramon Services District
- Oro Loma Sanitary District
- Union Sanitary District

Market Areas

There may be instances when a different combination or new agencies need to be surveyed due to an unexpected situation. For instance, if a recruitment results in a poor applicant pool, then an increase in salary range may be warranted. If the City's ability to retain employees becomes an issue, then the total compensation for that classification should be reviewed. It is important that special circumstances be dealt with in a flexible and appropriate manner. It is expected than an evaluation of the City's relevant labor market shall be conducted every 5 to 7 years to ensure that Livermore's survey cities continue to provide similarity and balance based upon the outlined factors.

Choosing Benchmark Jobs

It is unnecessarily burdensome and expensive to survey all the City's classifications. Benchmark classifications play an important role in compensation surveys because they allow pay levels to be determined from the information collected on one job to apply to other similar jobs. Benchmark positions have four characteristics:

- The job contents are well-known, relatively stable over time.
- The jobs are common across the number of different employers.

- The jobs represent the entire range of jobs being evaluated within an organization.
- The jobs are generally accepted in the labor market for the purposes of setting pay levels.

Because it is so important to determine and survey benchmark classifications, it is recommended that the City go through a benchmarking process and shall select each classification in consultation with the bargaining representatives.

Data Analysis

The City utilizes the mean and median in analyzing total compensation data. The mean is calculated by adding all the collected salaries and dividing by the total number of salaries in the set (the City's salary is not used in the equation). The median is calculated by arranging all salary data points from highest to lowest and using the number that falls in the center (the City's salary is not used in the equation).

When setting compensation, the City shall utilize the median salary data when analyzing total compensation as it is less affected by outliers (abnormally high or low values) than the mean.

The City utilizes median in analyzing total compensation data. Where the City falls significantly (5% or more below the market median for total compensation) under the median after a compensation survey for a classification(s), additional data, including but not limited to internal alignment with other like classes and City financial data may be analyzed.

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 5.10**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Paul Spence, Assistant City Manager

SUBJECT: Resolution of continued local emergency in response to impacts from a series of severe storm events earlier this year.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution of continued local emergency in response to impacts from a series of severe storm events earlier this year.

SUMMARY

On January 10, 2023, the City Council adopted a resolution ratifying the Proclamation of the Director of Emergency Services Concerning the Existence of a Local Emergency (Resolution No. 2023-001) in response to impacts from a series of severe storm events.

On February 27, April 24, June 12, July 24, September 11, October 23, and December 11, 2023, the City Council adopted resolutions of continued local emergency. California Government Code section 8630 directs the City Council to review the need for continuing the local emergency at least once every 60 days.

DISCUSSION

On January 4, 2023, the Executive Department of the State of California issued Executive Order N-2-23 proclaiming a State of Emergency for the Atmospheric River that started on December 27, 2022. On January 10, 2023, the City Council ratified a proclamation by the Emergency Services Director of the existence of a local emergency due to conditions of extreme peril to the safety of persons and property that arose within the City of Livermore caused by a series of severe rainstorms and high wind commencing in December 2022 and continuing through January 2023.

Proclamation 23-01 was ratified, as required, by the City Council within seven days (Resolution No. 2023-001). Once ratified, California Government Code section 8630 directs the City Council to review the need for continuing the local emergency at least once every 60 days. On February 27, 2023, the City Council adopted a resolution of continued local emergency (Resolution No. 2023-06).

On March 1, 2023, the Executive Department of the State of California issued a proclamation of State of Emergency due to a severe winter storm event beginning in February 2023 bringing damaging winds and historic precipitation that caused federal and state highways and road closures, and continued to threaten critical infrastructures, power outages, etc.

On March 24, 2023, the Alameda County Director of Emergency Services proclaimed a state of emergency due to conditions of continuing peril that have been presented by winter storms that resumed on February 23, 2023, continuing through March 2023, causing extensive damage and local expenses throughout the County.

On February 27, April 24, June 12, July 24, and September 11, and October 23, and December 11, 2023, the City Council adopted resolutions of continued local emergency (Resolution Nos. 2023-026, and 2023-072, and 2023-111, and 2023-150, and 2023-159, and 2023-187, and 2023-223 respectively).

Staff recommends that the City Council continue the emergency proclamation to reflect the fact that emergency repairs have not been fully implemented and on-going work is required to recover from the damage. Continuing the emergency proclamation allows staff to seek reimbursement of the eligible costs of this work from federal and state agencies through the public assistance program.

Work includes removing sediment and debris from creeks and trails, repairing creek banks that have been washed away, repairing damaged trails, and pedestrian bridge abutments. While the repair projects are still under evaluation, staff estimates about 30 damaged sites totaling approximately $9,000,000.

FISCAL AND ADMINISTRATIVE IMPACTS

The continuance of a Local Emergency allows the City to access federal, state and county resources, including potential financial reimbursements.

COMMUNITY PILLAR

1: A Safe Community That Thrives

GOAL

1: Oversee the City's emergency preparedness, management, and response efforts

ATTACHMENTS

1. Resolution

Prepared by: Herbert Cole
Management Analyst

Approved by:



Marianna Marysheva
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION OF CONTINUED LOCAL EMERGENCY

(Severe Storm Events – December 2022 through March 2023)

On January 10, 2023, the City Council adopted a resolution, *Ratifying the Proclamation of the Director of Emergency Services Concerning the Existence of a Local Emergency* (Resolution No. 2023-001). The emergency services proclamation concerns conditions of extreme peril to the safety of persons and property which have arisen within the City of Livermore caused by a series of severe rainstorms and high winds commencing in December 2022, and continuing through January 2023. On February 27, 2023, the City Council adopted a resolution of continued local emergency (Resolution No. 2023-026).

On March 1, 2023, California Governor, Gavin Newsom, proclaimed a state of emergency due to the severe winter storms that struck in late February as the result of an atmospheric river system forecast to continue through mid-March. The Governor issued his proclamation in response to a series of atmospheric river systems that impacted the State since late December 2022, that forced closures and damaged highways and roads, and caused other impacts that local agencies did not have time to mitigate, and that the continuing storms were expected to exacerbate those conditions. The Governor adopted a subsequent proclamation on March 28, 2023, to apply his March 1st proclamation to Alameda County. The Governor's proclamation directed the California Office of Emergency Services to provide assistance to local governments for the protection of public health and the environment, allowed for the mobilization of the California National Guard, allowed for state-owned properties to be made available for staging debris, and modified the hours-of-service limits in the California Vehicle Code and California Code of Regulations for fuel transportation and relief efforts.

Given the declaration of emergency by the State of California and Alameda County, as well as the existing damage and impacts from the prior storms, and in anticipation of additional storms and wind, the need for continued debris removal, emergency response protective measures, and permanent repairs, continue to present conditions that are likely to be beyond the control of the services, personnel, equipment, and facilities of the City of Livermore.

On March 24, 2023, the Alameda County Director of Emergency Services proclaimed a state of emergency due to conditions of continuing peril that have been presented by winter storms that resumed on February 23, 2023, continuing through March 2023, causing extensive damage and local expenses throughout the Alameda County Operational Area.

Although efforts have been made to remedy the emergency conditions, City staff report that the emergency conditions identified by the proclamation still exist. City staff recommends continuing the declaration of emergency since it is required to be active in

order to remain eligible to apply for and receive funding for costs to respond to and repair damages caused by the storm events.

Once a proclamation of local emergency is adopted, California Government Code section 8630 directs the City Council to review the need for continuing the local emergency at least once every 60 days.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore that it has reviewed the January 4, 2023 proclamation of local emergency that the City Council ratified on January 10, 2023 (Resolution No. 2023-001) and continued on February 27, 2023 (Resolution No. 2023-026) and on April 24, 2023 (Resolution No. 2023-072), and on June 12, 2023 (Resolution No. 2023-111), and on July 24, 2023 (Resolution No. 2023-150), and on September 11, 2023 (Resolution No. 2023-159), and on October 23, 2023 (Resolution 2023-187), and on December 11, 2023 (Resolution No. 2023-223) as well as the subsequent proclamations of emergency in March by both the State of California and the County of Alameda due to the continuing systems of storms affecting the State and local areas, and hereby finds that conditions warrant continued maintenance of that proclamation of local emergency.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Jason R. Alcala
Jason R. Alcala
City Attorney

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 6.1**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Paul Spence, Assistant City Manager

SUBJECT: Public hearing, landowner election, declaration of results, and actions related to formation of Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) located on the east and west side of the Arroyo Seco Channel along Las Positas Road pursuant to the Mello-Roos Community Facilities Act of 1982.

RECOMMENDED ACTION

Staff recommends the City Council take the following actions in connection with the proposed formation of Community Facilities District No. 2023-2:

1. Conduct the public hearing and consider written and oral protests;
2. Adopt the resolution of formation of a Community Facilities District;
3. Adopt a resolution calling a special landowner election for a community facilities district, and direct the City Clerk to complete the landowner elections;
4. Adopt a resolution declaring the results of the special landowner election and, if the election is successful, direct recording of Notice of Special Tax Lien; and
5. **Introduce an ordinance** levying special taxes within the CFD.

SUMMARY

To meet the conditions of approval for Tentative Tract 8379, located on the east and west side of the Arroyo Seco Channel along Las Positas Road, the property owner, TH Arroyo Vista LLC has submitted a signed petition and consents to the formation of Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) (the "CFD").

A petition was filed by the property owner, TH Arroyo Vista LLC requesting the City Council undertake proceedings under the Mello-Roos Act and waive all applicable election notices and waiting periods to expedite the completion of the district formation. On December 11, 2023, the City Council adopted a Resolution of Intention to form the CFD, approving the Rate and Method of Apportionment of Special Tax ("RMA") for the CFD, calling a public hearing, and directing the City Engineer to prepare and file with the City Clerk a CFD Report describing the services that will be provided by the CFD and an estimate of the fair and reasonable costs to provide the services and incidental expenses associated with the CFD.

Following the public hearing, the City Council may establish the CFD and call for a special landowner election. The property owner will vote on: (1) the levy of the special taxes on taxable property in the CFD pursuant to the RMA; and (2) the appropriation limit for the CFD. The first-year assessment of the special tax for the property will reflect the costs of maintaining the improvements and an additional amount to reimburse the City for costs of forming the CFD.

The maximum annual operation and maintenance costs for the CFD is estimated at $193,606 for 2023. This cost will be spread over the 435 residential units within Vesting Tentative Tract 8379, consisting of Tract 8379 and Tract 8689. This maximum annual operation and maintenance cost establishes the Max Cap of the annual assessment for the CFD and will be adjusted annually on July 1, 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%).

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 infrastructure.

The Arroyo Vista residential development Tract 8379 and Tract 8689, located on the east and west side of the Arroyo Seco Channel along Las Positas Road, was conditioned to form a maintenance district to finance the maintenance and operation of the new Arroyo Seco Trail (between Las Positas Road and Arroyo Vista) and the public landscaping along Las Positas Road. In addition, the CFD will also have a contingency item that would collect funding for the future long-term repair and replacement costs of a pedestrian bridge connecting the two phases of the project over the Arroyo Seco Channel upon completion of construction of the bridge. Construction of the pedestrian bridge is a requirement of the original entitlement, but the Developer is planning on pursuing an in-lieu alternative to the bridge that would provide the City with funding for additional community benefits such as bike lanes, trails and pedestrian pathways. The in-lieu bridge alternative will require a Site Plan Design Review Modification which will be sent through Planning Commission and City Council for review. The owners of the project have elected to form Community Facilities District 2023-2 (Arroyo Vista Maintenance and Services) pursuant to the Mello-Roos Act of 1982.

The City Council received a petition from the property owner, TH Arroyo Vista LLC, requesting initiation of formation of a CFD to finance certain ongoing public maintenance and services and waiving the otherwise applicable election time periods and procedures. The City Council adopted a Resolution of Intention to form the CFD and set a public hearing for January 22, 2024, for consideration of the formation of the CFD, including the levy of special taxes according to the RMA and the proposed services to be financed by the special taxes. The RMA has been reviewed by the property owner and is attached to the Resolution of Formation. The boundary map was recorded in the Alameda County real property records, a notice of the public hearing has been published, and a Community Facilities District Report has been prepared and has been published on the City's website.

The areas to be maintained with the Arroyo Vista Maintenance and Services CFD funding include:

- Pedestrian Trail located along the west side of the Arroyo Seco Channel
- Landscape improvements along Las Positas Road Tract 8379 (West Side)

- Landscape improvements along Las Positas Road Tract 8689 (East Side)

The areas to be maintained with the Arroyo Vista Maintenance and Services Contingency CFD funding include:

- Future long-term repair, replacement and maintenance costs of the pedestrian bridge, or an in-lieu alternative to the bridge as described above.

Cost for administration of the CFD maintenance items, as well as Alameda County's collection of the special taxes, will also be funded by the CFD and are further defined in the description of services attached to the Resolution of Intention.

On January 9, 2024, a ballot was mailed to the property owner, referencing the RMA. Ballots are due to the City Clerk no later than 7:00 pm on January 22, 2024.

The City Council will conduct the public hearing. The public hearing provides an opportunity for public inquiry into the formation of the CFD (including the RMA and the proposed services). At the conclusion of the public hearing, the City Council is asked to consider and adopt the following resolutions:

1. A Resolution of Formation of Community Facilities District, and Authorizing and Directing Actions Related Thereto
2. A Resolution Calling a Special Landowner Election for a Community Facilities District, and Authorizing and Directing Actions Thereto

After calling the special election and receiving the sealed ballot, the City Clerk will open and tabulate the ballot and announce the results of the election. The number of votes allocated to the property owner is based on the number of acres; the Mello Roos Act specifies that each property owner in the CFD will be allocated one vote for each acre or portion of an acre of taxable property owned in the CFD. The City Clerk will then complete the election canvass.

Assuming two-thirds of the votes cast at the election are in favor of the ballot measure, the City Council will consider and is asked to adopt the following resolution and introduce the following ordinance:

- A Resolution Declaring Results of a Special Landowner Election and Directing Recording of a Notice of Special Tax Lien, and Authorizing and Directing Actions Related Thereto (the City Clerk's canvass will be attached to this Resolution) and

- An Ordinance Levying a Special Tax within City of Livermore Community Facilities District 2023-2 (Arroyo Vista Maintenance and Services) (the "Ordinance").

Following these actions, the City Clerk will record a Notice of Special Tax Lien against the parcels of the CFD within 15 days after the election. The Ordinance authorizes and levies the Special Tax in perpetuity within the CFD in accordance with the RMA. The Ordinance will go into effect 30 days from the date of final passage, which is anticipated for the City Council meeting on February 12, 2024.

FISCAL AND ADMINISTRATIVE IMPACTS

The City will administer the CFD on an annual basis and will budget for, and manage, the necessary

maintenance, operation, and administration. All related expenditures will be paid by the CFD. The estimated annual cost for maintaining all the items in the Description of Services for the CFD is approximately $193,606.

The FY 2024-25 Special Tax Requirement Maximum Cap is estimated at $193,606, an average of $445 per residential unit. The maximum cap will escalate on July 1, 2024, and annually each July 1 thereafter, based upon the prior calendar year's change in the Consumer Price Index (CPI)– All Urban Consumers (San Francisco-Oakland- San Jose, CA) plus one percent (CPI + 1%).

COMMUNITY PILLAR

1: A Safe Community That Thrives

GOAL

9: Facilitate new development consistent with the City's General Plan

ATTACHMENTS

1. Resolution of Formation
2. Exhibit A - Description of Services
3. Exhibit B - Rate and Method of Apportionment
4. Resolution Calling for Election
5. Exhibit A - Full Text of Ballot Measures
6. Exhibit B - Abbreviated Ballot Measures
7. Exhibit C - Official Ballot
8. Resolution Declaring Results
9. Exhibit A - Canvass and Statement of Result of Election
10. Ordinance

Prepared by: Farnoush Levers
Senior Civil Engineer

Approved by:

Marianna Marysheva
City Manager

Fiscal Review by:

Tina Olson
Administrative Services Director

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION OF FORMATION OF A COMMUNITY FACILITIES DISTRICT

Under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), this Council is authorized to establish a community facilities district and to act as its legislative body.

This Council adopted a resolution entitled "A Resolution of Intention to Establish a Community Facilities District" (the "Resolution of Intention"), stating its intention to form "City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services)" (the "CFD") pursuant to the Act in order to levy special taxes (the "Special Taxes") to finance all or a part of certain services (the "Services"), as described in the Resolution of Intention.

The Resolution of Intention, incorporating a map of the proposed boundaries of the CFD and stating the Services to be provided and the rate and method of apportionment of the Special Taxes to be levied within the CFD to pay for the Services (the "Rate and Method"), is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein.

On this date, this Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD.

At the hearing, all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the Services to be provided therein and the levy of such Special Taxes according to the Rate and Method were heard and a full and fair hearing was held.

At the hearing, evidence was presented to this Council on such matters before it, including a special report (the "Report") as to the Services to be provided through the CFD and the costs thereof, a copy of which is on file with the City Clerk, and this Council at the conclusion of said hearing is fully advised in the premises.

Written protests with respect to the formation of the CFD, the furnishing of specified types of Services and the Rate and Method have not been filed with the City Clerk by 50% or more of the registered voters residing within the territory of the CFD or property owners of one-half or more of the area of land within the CFD and not exempt from the proposed Special Taxes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore:

1. Recitals Correct. The foregoing recitals are true and correct.

2. **No Majority Protest**. The proposed CFD and the proposed Special Taxes to be levied within the CFD have not been precluded by majority protest pursuant to section 53324 or section 53339.6 of the Act.

3. **Prior Proceedings Valid.** All prior proceedings taken by this City Council in connection with the establishment of the CFD and the levy of the Special Taxes have been duly considered and are hereby found and determined to be valid and in conformity with the Act. To the extent the proceedings conflict with the City of Livermore Goals and Policies for Land Secured Financings, adopted by the City Council pursuant to Resolution No. 2009-005 on January 12, 2009, such variances are hereby waived.

4. Name of the CFD. The community facilities district designated "City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services)" of the City is hereby established pursuant to the Act.

5. Boundaries of CFD. The boundaries of the CFD, as set forth in the map of the CFD heretofore recorded in the Alameda County Recorder's Office on December 19, 2023, in Book 19 of Maps of Assessment and Community Facilities Districts at Page 47, as document number 2023147769, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD.

6. Description of Services. The Services proposed to be financed by the CFD and pursuant to the Act shall consist of those items shown in Exhibit A, attached hereto, and by this reference incorporated herein.

7. Special Tax.

a. Except to the extent that funds are otherwise available to the CFD to pay for the Services, the Special Taxes, sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this Council.

b. The proposed Rate and Method, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit B, attached hereto, and hereby incorporated herein.

8. Increased Demands. It is hereby found and determined that the Services are necessary to meet increased demands placed upon local agencies, including the City, as the result of development occurring in the CFD. The Services are in addition to those provided in the territory of the CFD as of the date hereof and will not supplant services already available within the territory of the CFD as of the date hereof.

9. Responsible Official. The City Manager (or their designee) of the City of Livermore, City Hall, 1052 South Livermore Avenue, Livermore, CA 94550, telephone number 925-960-4040, is the officer of the City who will be responsible for preparing annually a current roll of the levy of the Special Taxes obligations by assessor's parcel number and who will be responsible for estimating future levies of the Special Taxes.

10. **Tax Lien.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special Taxes shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the Special Taxes obligation is prepaid and permanently

satisfied and the lien canceled in accordance with law or until collection of the Special Taxes by the City ceases.

11. Appropriations Limit. In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at $10,000,000 and such appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing such annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act and the Constitution.

12. Election. Pursuant to the provisions of the Act, the proposition of the levy of the Special Taxes and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Council.

13. Effective Date. This resolution shall take effect upon its adoption.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on the January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Tara Mazzanti
Tara Mazzanti
Assistant City Attorney

Exhibit A – Description of Services
Exhibit B – Rate and Method of Apportionment

EXHIBIT A

CITY OF LIVERMORE
Community Facilities District No. 2023-2
(Arroyo Vista Maintenance and Services)

DESCRIPTION OF SERVICES

Special Taxes collected in the CFD will fund, in whole or in part, the services listed below. Services may be performed inside the CFD and outside the CFD if the City has concluded that such services would benefit properties in the CFD.

A. SERVICES TO BE FINANCED BY THE ANNUAL SERVICES SPECIAL TAX:

1. Trail Improvement Services
   Trail Improvement Services include the maintenance, operation and repair and replacement of the Arroyo Seco Trail between Las Positas Road and Arroyo Vista Road. Trail Improvement Services also include trash pickup, weed control, and flood and storm protection services. The costs of Trail Improvement Services include any associated electricity, water, and other utility costs. Trail Improvements include, but are not limited to, maintenance, operation, repair and replacement of storm drain system (including pipe, catch basins and manholes), permeable swale, rip rap, pavement restoration and rehabilitation, sidewalks, curbs and gutters, driveways to adjacent roadways, bollards, gates, signage and monuments.

2. Landscape Improvements along Las Positas Road (Tract 8379) Services
   Landscape Improvements along Las Positas Road (Tract 8379) Services include maintenance, operation and repair and replacement of the public landscaping and storm drain improvements that wrap around Tract 8379 along Las Positas Road. Landscape Improvements along Las Positas Road (Tract 8379) Services include, but are not limited to, landscaping and irrigation, maintenance, operation and repair and replacement of sidewalks, curb and gutter, fencing and public storm drain system (including pipe, catch basins and manholes). Landscape Improvements along Las Positas Road (Tract 8379) Services also include trash pickup and weed control. The costs of Landscape Improvements along Las Positas Road (Tract 8379) Services include any associated electricity, water and other utility costs.

3. Landscape Improvements along Las Positas Road (Tract 8689) Services
   Landscape Improvements along Las Positas Road (Tract 8689) Services include maintenance, operation and repair and replacement of the public landscaping and storm drain improvements along the southern entrance to Tract 8689 along Las Positas Road. Landscape Improvements along Las Positas Road (Tract 8689) Services include, but are not limited to, landscaping and irrigation, maintenance, operation and repair and replacement of sidewalks, curb and gutter, fencing and public storm drain system (including pipe, catch basins and manholes). Neighborhood Park Landscape Improvement Services also include cleaning and removal of graffiti, trash pickup and weed

control. The costs of Neighborhood Park Landscape Improvement Services include any associated electricity, water and other utility costs. The costs of removing graffiti include the acquisition, use and removal of cleaning chemicals and or paint used as part of the required graffiti removal process.

B. SERVICES TO BE FINANCED BY THE ANNUAL CONTINGENT BRIDGE REPAIR/REPLACEMENT SERVICES SPECIAL TAX:

The Annual Contingent Bridge Repair/Replacement Services Special Tax will pay for the following services:

1. Annual Contingent Bridge Repair/Replacement Services
   The Annual Contingent Bridge Repair/Replacement Services include all costs associated with the maintenance, repair and replacement of the private pedestrian bridge across the Arroyo Seco between Tract 8379 and Tract 8689, including the bridge itself, adjacent elevators, any structural components attached to the bridge, any infrastructure required to access the bridge, and any other infrastructure or improvements related to the bridge (collectively, the "Bridge Improvements"). Annual Contingent Bridge Repair/Replacement Services include, but are not limited to, preventative maintenance activities, demolition, reconstruction costs (including design, administrative and construction costs), and any required environmental studying, monitoring and reporting activities, in all cases related to the Bridge Improvements. The costs included in this paragraph are intended to constitute capital expenditures that increase the assets' useful life.

   Annual Contingent Bridge Repair/Replacement Special Taxes will be set aside in a reserve to fund replacement from time to time of the Bridge Improvements at the end of their useful lives.

   The Bridge Improvements are being constructed on property owned by Alameda County Flood Control and Water Conservation District, Zone 7 ("Zone 7"). The Annual Contingent Bridge Repair/Replacement Services are necessary to operate and maintain the Bridge Improvements in accordance with the aerial easement granted to the City by Zone 7.

   The City will ensure that, as long as the City is financing the Annual Contingent Bridge Repair/Replacement Services, the public will have access to the Bridge Improvements.

C. SERVICES TO BE FINANCED BY THE ANNUAL CONTINGENT BRIDGE OPERATION/MAINTENANCE SERVICES SPECIAL TAX:

The Annual Contingent Bridge Operation/Maintenance Services Special Tax will pay for the following services:

1. Annual Contingent Bridge Operation/Maintenance Services
   Annual Contingent Bridge Operation/Maintenance Services include routine maintenance and operation of the Bridge Improvements. Annual Contingent Bridge Operation/Maintenance Services include, but are not limited to, trimming of vegetation and debris removal, repair to bridge deck, bridge rails, stairways, lighting, signage, painting, elevator maintenance and inspection, graffiti removal and trash pickup. The costs of

Annual Contingent Bridge Operation/Maintenance Services include any associated electricity, water and other utility costs. The services include acquisition, use and disposal of hydraulic fluid required to lift the elevators and any required cleaning chemicals and petroleum-based lubricants for keeping the elevator equipment and motors clean and operational, and any graffiti removal cleaning chemicals and or paint used as part of the required graffiti removal process. The costs included in this paragraph are routine expenses incurred to ensure the functional and safe working condition of the assets.

The Bridge Improvements are being constructed on property owned by Zone 7. The Annual Contingent Bridge Operation/Maintenance Services are necessary to operate and maintain the Bridge Improvements in accordance with the aerial easement granted to the City by Zone 7.

The City will ensure that, as long as the City is financing the Annual Contingent Bridge Operation/Maintenance Services, the public will have access to the Bridge Improvements.

D. MISCELLANEOUS ITEMS RELATED TO THE SERVICES TO BE FINANCED BY THE ANNUAL SERVICES SPECIAL TAX, THE ANNUAL CONTINGENT BRIDGE REPAIR/REPLACEMENT SERVICES SPECIAL TAX AND THE ANNUAL CONTINGENT BRIDGE OPERATION/MAINTENANCE SERVICES SPECIAL TAX

1. Flood and Storm Protection Services.
   Flood and Storm Protection Services include the operation and maintenance of storm drainage systems.

2. Definitions
   a. "Services" has the meaning given that term in the Mello-Roos Community Facilities Act of 1982, as amended (the "Act").
   b. "Maintenance" has the meaning given that term in the Act, and includes, but is not limited to, servicing, repair and removal.

3. Special Taxes may be used to fund operating reserves and capital reserves.
   The Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax may be used to fund operating reserves and capital reserves. The Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax may be used to fund "costs" and "incidental expenses" related to the eligible services as those terms are defined in the Act.

4. Curing Delinquencies. The Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax may be levied to cure actual or estimated delinquencies in such special taxes for the current or previous fiscal years.

5. Performance of Services. The services financed by the Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax may be performed by the City, or the City may engage a third party (including any owner of property in the CFD or a property owners' association) by contract to perform the services.

6. Maintenance and Operation of Other Property.
   Maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the City or by another local agency pursuant to an agreement entered into under Section 53316.2.

7. Additional Services; No Supplanting.

   The services shall be in addition to those provided in the territory of the CFD before the CFD was created, and the additional services shall not supplant services already available within that territory when the CFD was created.

8. Administrative Expenses
   The CFD will also finance the expenses incurred by the CFD in administering the CFD, including, but not limited to, the levy and collection of the Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax, the fees and expenses of its legal counsel, costs related to annexing property into the CFD, charges levied by the County of Alameda in connection with the levy and collection of the Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax, costs related to property owner inquiries regarding the Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax, costs associated with appeals or requests for interpretation associated with the Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax and the Rate and Method, costs associated with foreclosure and collection of delinquent Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax and all other costs and expenses of the City and County in any way related to the establishment or administration of the CFD.

RATE AND METHOD OF APPORTIONMENT
FOR CITY OF LIVERMORE
COMMUNITY FACILITIES DISTRICT NO. 2023-2
(ARROYO VISTA MAINTENANCE AND SERVICES)

The Special Tax, as hereinafter defined, shall be levied and collected in City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) ("CFD No. 2023-2") each Fiscal Year commencing in Fiscal Year 2024-25, in an amount determined by the application of the procedures below. All Taxable Property, as hereinafter defined, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meaning:

"Accessory Dwelling Unit" or "ADU" means all Assessor's Parcels of Residential Property for which a building permit(s) has been issued for an "Accessory Dwelling Unit" as defined in California Government Code Section 65852.2(j)(1), as may be amended from time to time, which is accessory to a primary Unit. The ADU may be located on the same Assessor's Parcel as the primary Unit that is the primary Unit or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU Unit only.

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event the Assessor's Parcel Map or Assessor's Data shows no Acreage, the Acreage for any Assessor's Parcel shall be determined by the CFD Administrator based upon the applicable final map, parcel map, condominium plan, or other recorded County parcel map. If the preceding maps are not available, the Acreage of an Assessor's Parcel may be determined utilizing GIS.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 2023-2 including, but not limited to, the following: the costs of computing the Annual Special Tax Requirement and of preparing the Special Tax collection schedules; the costs of collecting the Special Tax, including any charges levied by the County Auditor's Office, Tax Collector's Office or Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements of the California Government Code (including the Act), including public inquiries regarding the Special Tax; the costs of the City or designee related to an appeal of the Special Tax; and the costs of commencing and pursuing to completion any action arising from any delinquent Special Tax in CFD No. 2023-2. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2023-2 for any other administrative purposes, including, but not limited to, attorney's fees.

"Annual Contingent Bridge Operation/Maintenance Services" means those items listed in "Exhibit A" to the Resolution of Formation that are described as being financed by the Annual Contingent Bridge Operation/Maintenance Services Special Tax.

"Annual Contingent Bridge Operation/Maintenance Services Costs" means the respective amounts determined by the CFD Administrator required to finance the Annual Contingent Bridge Operation/Maintenance Services for the applicable yearly period.

"Annual Contingent Bridge Operation/Maintenance Services Special Tax" means the amount levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement.

"Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement" means that amount with respect to CFD No. 2023-2 determined by the City Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Contingent Bridge Operation/Maintenance Services Costs, including any amount required to establish or replenish any reserve or replacement fund, and (3) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

"Annual Contingent Bridge Repair/Replacement Services" means those items listed in "Exhibit A" to the Resolution of Formation that are described as being financed by the Annual Contingent Bridge Repair/Replacement Services Special Tax.

"Annual Contingent Bridge Repair/Replacement Services Costs" means the respective amounts determined by the CFD Administrator required to finance the Annual Contingent Bridge Repair/Replacement Services for the applicable yearly period.

"Annual Contingent Bridge Repair/Replacement Services Special Tax" means the amount levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement.

"Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement" means that amount with respect to CFD No. 2023-2 determined by the City Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Contingent Bridge Repair/Replacement Services Costs, including any amount required to establish or replenish any reserve or replacement fund, and (3) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

"Annual Services" means those items listed in "Exhibit A" to the Resolution of Formation that are described as being financed by the Annual Services Special Tax.

"Annual Services Costs" means the respective amounts determined by the CFD Administrator required to finance the Annual Services authorized to be funded by CFD No. 2023-2 for the applicable yearly period.

"Annual Services Special Tax" means the amount levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Annual Services Special Tax Requirement.

"Annual Services Special Tax Requirement" means that amount with respect to CFD No. 2023-2 determined by the City Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs, including any amount required to establish or replenish any reserve or replacement fund, and (3) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

"Assessor's Data" means Assessor's Parcel Number, Units, Building Square Feet, Acreage, or other information contained in the records of the County Assessor for each Assessor's Parcel.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown in an Assessor's Parcel Map and/or Assessor's Data with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County Assessor for purposes of identification.

"Bedroom" means a habitable room intended to be used as sleeping quarters, but does not include a bathroom, living room, dining room, or kitchen.

"Building Square Feet" or "BSF" means all of the square footage within the perimeter of a structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Building Square Feet shall be made by reference to the Assessor's Data. If the Assessor's Data does not show Building Square Feet, building permit(s) issued for such structure, or other records of the City shall be used, as determined by the CFD Administrator.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2023-2" means the City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services).

"City" means the City of Livermore.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 2023-2.

"County" means the County of Alameda.

"County Assessor" means the County Assessor of the County.

"Developed Property" means, in any Fiscal Year, all Taxable Property in CFD No. 2023-2 for which a building permit for new construction was issued by the City on or before June 30 of the preceding Fiscal Year.

"Exempt Property" means all Assessors' Parcels within the boundary of CFD No. 2023-2 which are exempt from the Special Tax pursuant to Section E.

"Final Map Property" means, in any Fiscal Year, all Taxable Property in CFD No. 2023-2 for which a Final Subdivision Map was approved by the City Council on or before June 30 of the preceding Fiscal Year.

"Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.)* or recordation of a condominium plan pursuant to California Civil Code 4120, that creates individual lots for which residential building permits may be issued without further subdivision of such property.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"GIS" means a geographic information system.

"Initiative #1935" means initiative constitutional amendment 1935 which is eligible for the November 5, 2024, general election ballot and will be certified as qualified unless withdrawn by the proponent prior to June 27, 2024.

"Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax" means the maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax authorized to fund the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C, Table 2.

"Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax" means the maximum Annual Contingent Bridge Repair/Replacement Services Special Tax authorized to fund the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C, Table 3.

"Maximum Annual Services Special Tax" means the maximum Annual Services Special Tax authorized to fund the Annual Services Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C, Table 1.

"Open Space Property" means property within the boundaries of CFD No. 2023-2 which (i) has been designated with specific boundaries and Acreage on a final subdivision map as open space, (ii) is classified by the County Assessor as open space, (iii) has been irrevocably offered for dedication as open space to the federal government, the State, the County, the City, or any other public agency, or (iv) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

"Property Owner's Association" means any property owner's association. As used in this definition, a Property Owner's Association includes any home-owner's association, condominium owner's association, master or sub-association or non-residential owner's association.

"Property Owner's Association Property" means any property within the boundaries of CFD No. 2023-2 which is (a) owned by a Property Owner's Association or (b) designated with specific boundaries and acreage on a final subdivision map as property owner association property.

"Proportionately" means for Taxable Property that the ratio of the Annual Services Special Tax levy to the Maximum Annual Services Special Tax is equal for all Assessors' Parcels of Taxable Property levied within each property land use classification within CFD No. 2023-2, and means for Taxable Property that the ratio of the Annual Contingent Bridge Operation/Maintenance Services Special Tax levy to the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax is

equal for all Assessors' Parcels of Taxable Property levied within each property land use classification within CFD No. 2023-2, and means for Taxable Property that the ratio of the Annual Contingent Bridge Repair/Replacement Services Special Tax levy to the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax is equal for all Assessors' Parcels of Taxable Property levied within each property land use classification within CFD No. 2023-2.

"Public Property" means any property within the boundaries of CFD No. 2023-2 which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and Acreage on a final subdivision map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other public agency.

"Residential Lot" means an individual residential lot within a recorded Final Subdivision Map on which a Building Permit is permitted to be issued for construction of one or more Units.

"Resolution of Formation" means the resolution adopted by the City Council establishing CFD No. 2023-2.

"Single Family Residential Duet Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one Unit containing two Bedrooms, according to Assessor's Data or as otherwise known by the CFD Administrator.

"Single Family Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one Unit containing three or four Bedrooms, according to Assessor's Data or as otherwise known by the CFD Administrator.

"Special Tax" means, collectively, the Annual Contingent Bridge Repair/Replacement Services Special Tax, Annual Contingent Bridge Operation/Maintenance Services Special Tax and the Annual Services Special Tax.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2023-2 that are not exempt from the Special Tax pursuant to law or Section E below.

"Undeveloped Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2023-2 that are not classified as Developed Property, Final Map Property, Open Space Property, Property Owner's Association Property, or Public Property.

"Unit" means an individual residential dwelling unit. The number of Units assigned to each Assessor's Parcel may be determined by (i) referencing Assessor's Data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 2023-2 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act.

B. DETERMINATION OF TAXABLE PARCELS

Each Fiscal Year, the CFD Administrator shall determine the valid Assessor's Parcel Numbers for all Taxable Property within CFD No. 2023-2. If any Assessor's Parcel Numbers are no longer valid, the CFD Administrator shall determine the new Assessor's Parcel Number or Numbers in effect for the then-current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated, or otherwise reconfigured, the Maximum Annual Services Special Tax, Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax, and Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax shall be assigned to the new Assessor's Parcels Numbers pursuant to Section C. The CFD Administrator shall also determine: (i) which Parcels are Taxable Property; (ii) the number of Units, Acres, and/or Building Square Footage each Parcel contains; (iii) the property type, i.e., Single Family Residential Property, Single Family Residential Duet Property, etc.; and (iv) the Annual Services Special Tax Requirement, the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement, and the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement for the Fiscal Year.

C. MAXIMUM ANNUAL SPECIAL TAX RATES

1. Maximum Annual Services Special Taxes

The Maximum Annual Services Special Tax for each Assessor's Parcel of Taxable Property shall be assigned according to Table 1 below:

TABLE 1
MAXIMUM ANNUAL SERVICES SPECIAL TAX RATES
FISCAL YEAR 2023/24*

Land Use Category	Maximum Annual Services Special Tax Rate	Per
Single Family Residential Property	$292.24	Unit
Single Family Residential Duet Property	233.79	Unit
Final Map Property	277.73	Residential Lot
Undeveloped Property	4,143.94	Acre

*On July 1 of each Fiscal Year, commencing on July 1, 2024, the Maximum Annual Services Special Tax rates shall be increased by the February annual percentage change in the Consumer Price Index for all Urban Consumers ("CPI-U") for the San Francisco-Oakland-Hayward, CA, plus one percent (1.0%). If the percentage change in the CPI-U is negative, the Maximum Annual Services Special Tax rates shall not be decreased. In the event the index described above ceases to be published, it shall be replaced by another reasonably comparable index, as determined by the City.

2. Maximum Annual Contingent Bridge Operation/Maintenance Services Special Taxes

The Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for each Assessor's Parcel of Taxable Property shall be assigned according to Table 2 below:

TABLE 2
MAXIMUM ANNUAL CONTINGENT BRIDGE OPERATION/MAINTENANCE SERVICES SPECIAL TAX RATES
FISCAL YEAR 2023/24*

Land Use Category	Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax Rate	Per
Single Family Residential Property	$24.98	Unit
Single Family Residential Duet Property	19.99	Unit
Final Map Property	23.74	Residential Lot
Undeveloped Property	354.24	Acre

*On July 1 of each Fiscal Year, commencing on July 1, 2024, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax rates shall be increased by the February annual percentage change in the Consumer Price Index for all Urban Consumers ("CPI-U") for the San Francisco-Oakland-Hayward, CA, plus one percent (1.0%). If the percentage change in the CPI-U is negative, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax rates shall not be decreased. In the event the index described above ceases to be published, it shall be replaced by another reasonably comparable index, as determined by the City.

3. Maximum Annual Contingent Bridge Repair/Replacement Services Special Taxes

The Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for each Assessor's Parcel of Taxable Property shall be assigned according to Table 3 below:

TABLE 3
MAXIMUM ANNUAL CONTINGENT BRIDGE REPAIR/REPLACEMENT SERVICES SPECIAL TAX RATES
FISCAL YEAR 2023/24*

Land Use Category	Maximum Annual Contingent Bridge Repair/Replacement Special Tax Rate	Per
Single Family Residential Property	$151.10	Unit
Single Family Residential Duet Property	120.88	Unit
Final Map Property	143.60	Residential Lot
Undeveloped Property	2,142.64	Acre

*On July 1 of each Fiscal Year, commencing on July 1, 2024, the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax rates shall be increased by the February annual percentage change in the Consumer Price Index for all Urban Consumers ("CPI-U") for the San Francisco-Oakland-Hayward, CA, plus one percent (1.0%). If the percentage change in the CPI-U is negative, the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax rates shall not be decreased. In the event the index described above ceases to be published, it shall be replaced by another reasonably comparable index, as determined by the City.

4. Accessory Dwelling Units

The Maximum Annual Services Special Tax, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax, and the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for an Accessory Dwelling Unit shall be calculated as a percentage of the Maximum Annual Services Special Tax, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax, and the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for the primary Unit the ADU is accessory to, based on Building Square Footage. For example, if a primary Unit of Single Family Residential Property with 2,000 BSF has an ADU of 800 BSF, the Maximum Annual Services Special Tax, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax, and the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for the ADU shall be calculated by the following steps:

1. 800 BSF / 2,000 BSF = 0.40 or 40%
2. $292.24 Maximum Annual Services Special Tax per Unit x 40% = $116.90 Maximum Annual Services Special Tax for such ADU
3. $24.98 Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax per Unit x 40% = $9.99 Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for such ADU
4. $151.10 Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax per Unit x 40% = $60.44 Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for such ADU

5. Assignment of Assessor's Parcel(s) to Property Land Use Category

When an Assessor's Parcel changes from being classified as Undeveloped Property or Final Map Property to another land use category and is considered Developed Property, that assignment shall not change due to future changes in land use.

6. Assignment of Maximum Annual Services Special Tax to Newly Created Assessor's Parcel(s)

When an Assessor's Parcel changes or subdivides, the Maximum Annual Services Special Tax shall be assigned to each newly created Assessor's Parcel so that there is no net loss in the Maximum Annual Services Special Tax revenue to be generated as a result of changes in the planned development.

When an Assessor's Parcel changes or subdivides, and there are changes to the overall planned development within CFD No. 2023-2, the process for assigning the Maximum Annual Services Special Tax to each newly created Assessor's Parcel is as follows:

Step 1: Sum the expected Maximum Annual Services Special Tax assigned to each Assessor's Parcel that is being changed or subdivided.

Step 2: Identify the newly created Assessor's Parcel(s) of Taxable Property created by the change or subdivision and assign the Maximum Annual Services Special Tax to each newly

created Assessor's Parcel of Taxable Property according to the then-current Maximum Annual Services Special Tax Rates for each Land Use Category. Sum the Maximum Annual Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property.

Step 3: Divide the total expected Maximum Annual Services Special Tax in Step 1 by the total Maximum Annual Services Special Tax assigned in Step 2 to arrive at a fraction.

Step 4: Apportion the total Maximum Annual Services Special Tax from Step 1 to each newly created Assessor's Parcel of Taxable Property by multiplying each newly created Assessor's Parcel fraction, determined in Step 3, by the then-current Maximum Annual Services Special Tax Rates for each Land Use Category.

Step 5: The Maximum Annual Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property shall be the greater of the Maximum Annual Services Special Tax assigned in Step 2 or the Maximum Annual Services Special Tax calculated in Step 4.

When an Assessor's Parcel changes or subdivides, and there are no changes to the planned development within CFD No. 2023-2, the Maximum Annual Services Special Tax shall be assigned according to Table 1.

The planned development is provided in the table below:

Land Use Category	Planned Development
Single Family Residential Property	327 Units
Single Family Residential Duet Property	108 Units
Final Map Property	435 Residential Lots

Once created, if a newly created Assessor's Parcel(s) of Taxable Property further changes or subdivides, the above steps shall be repeated to determine the Maximum Annual Services Special Tax for the additional newly created Assessor's Parcel(s) of Taxable Property created from the change or subdivision.

7. <u>Assignment of Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax to Newly Created Assessor's Parcel(s)</u>

When an Assessor's Parcel changes or subdivides, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax shall be assigned to each newly created Assessor's Parcel so that there is no net loss in the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax revenue to be generated as a result of changes in the planned development.

When an Assessor's Parcel changes or subdivides, and there are changes to the overall planned development within CFD No. 2023-2, the process for assigning the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax to each newly created Assessor's Parcel is as follows:

Step 1: Sum the expected Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax assigned to each Assessor's Parcel that is being changed or subdivided.

Step 2: Identify the newly created Assessor's Parcel(s) of Taxable Property created by the change or subdivision and assign the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax to each newly created Assessor's Parcel of Taxable Property according to the then-current Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax Rates for each Land Use Category. Sum the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property.

Step 3: Divide the total expected Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax in Step 1 by the total Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax assigned in Step 2 to arrive at a fraction.

Step 4: Apportion the total Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax from Step 1 to each newly created Assessor's Parcel of Taxable Property by multiplying each newly created Assessor's Parcel fraction, determined in Step 3, by the then-current Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax Rates for each Land Use Category.

Step 5: The Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property shall be the greater of the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax assigned in Step 2 or the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax calculated in Step 4.

When an Assessor's Parcel changes or subdivides, and there are no changes to the planned development within CFD No. 2023-2, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax shall be assigned according to Table 2.

The planned development is provided in the table below:

Land Use Category	Planned Development
Single Family Residential Property	327 Units
Single Family Residential Duet Property	108 Units
Final Map Property	435 Residential Lots

Once created, if a newly created Assessor's Parcel(s) of Taxable Property further changes or subdivides, the above steps shall be repeated to determine the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for the additional newly created Assessor's Parcel(s) of Taxable Property created from the change or subdivision.

8. Assignment of Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax to Newly Created Assessor's Parcel(s)

When an Assessor's Parcel changes or subdivides, the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax shall be assigned to each newly created Assessor's Parcel so that there is no net loss in the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax revenue to be generated as a result of changes in the planned development.

When an Assessor's Parcel changes or subdivides, and there are changes to the overall planned development within CFD No. 2023-2, the process for assigning the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax to each newly created Assessor's Parcel is as follows:

Step 1: Sum the expected Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax assigned to each Assessor's Parcel that is being changed or subdivided.

Step 2: Identify the newly created Assessor's Parcel(s) of Taxable Property created by the change or subdivision and assign the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax to each newly created Assessor's Parcel of Taxable Property according to the then-current Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax Rates for each Land Use Category. Sum the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property.

Step 3: Divide the total expected Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax in Step 1 by the total Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax assigned in Step 2 to arrive at a fraction.

Step 4: Apportion the total Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax from Step 1 to each newly created Assessor's Parcel of Taxable Property by multiplying each newly created Assessor's Parcel fraction, determined in Step 3, by the then-current Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax Rates for each Land Use Category.

Step 5: The Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property shall be the greater of the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax assigned in Step 2 or the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax calculated in Step 4.

When an Assessor's Parcel changes or subdivides, and there are no changes to the planned development within CFD No. 2023-2, the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax shall be assigned according to Table 3.

The planned development is provided in the table below:

Land Use Category	Planned Development
Single Family Residential Property	327 Units
Single Family Residential Duet Property	108 Units
Final Map Property	435 Residential Lots

Once created, if a newly created Assessor's Parcel(s) of Taxable Property further changes or subdivides, the above steps shall be repeated to determine the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for the additional newly created Assessor's Parcel(s) of Taxable Property created from the change or subdivision.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

All Taxable Property shall be subject to the Special Tax defined as follows. The Special Tax shall be levied each Fiscal Year by the CFD Administrator.

1. The Annual Services Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-2 by the method shown below.

   First: Determine the Annual Services Special Tax Requirement.

   Second: Levy the Annual Services Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Annual Services Special Tax for Developed Property.

   Third: If additional monies are needed to satisfy the Annual Services Special Tax Requirement after the second step has been completed, the Annual Services Special Tax shall be levied on each Assessor's Parcel of Final Map Property, Proportionately, up to the applicable Maximum Annual Services Special Tax for Final Map Property.

   Fourth: If additional monies are needed to satisfy the Annual Services Special Tax Requirement after the third step has been completed, the Annual Services Special Tax shall be levied on each Assessor's Parcel of Undeveloped Property, Proportionately, up to the applicable Maximum Annual Services Special Tax for Undeveloped Property.

2. The Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-2 in accordance with this Section D.2. The City will only levy the Annual Contingent Bridge Operation/Maintenance Services Special Tax to finance the Annual Contingent Bridge Operation/Maintenance Services Costs in the event (a) the City has determined that the Bridge Improvements (as defined in "Exhibit A" to the Resolution of Formation) have been constructed and completed and (b) the City determines in its discretion that the property owner(s) of Taxable Property failed to provide the Annual Contingent Bridge Operation/Maintenance Services to reasonable City standards, or the property owner(s) of Taxable Property requested the City to provide the Annual Contingent Bridge Operation/Maintenance Services by submitting a written request to the City's Public Works and Engineering Department and the City Manager has accepted this request. In the

event of a request by the property owner(s) of Taxable Property for the City to provide the Annual Contingent Bridge Operation/Maintenance Services (which the City is under no obligation to accept), such request must be received from the property owner(s) of Taxable Property by May 1 of any Fiscal Year; if the City approves the request to provide the Annual Contingent Bridge Operation/Maintenance Services, the Maximum Contingent Services Special Tax shall be levied beginning in the immediately succeeding Fiscal Year. In the event the property owner(s) fail to provide the Annual Contingent Bridge Operation/Maintenance Services to reasonable City standards, the City will notify the property owner(s) of such failure. Should the deficiency not be corrected within ninety (90) days of the City providing notice, the City will assume responsibility for providing the Annual Contingent Bridge Operation/Maintenance Services on the date specified by the City and may levy the Annual Contingent Bridge Operation/Maintenance Services Special Tax beginning in the immediately succeeding Fiscal Year. The Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-2 by the method shown below.

First: Determine the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement.

Second: Levy the Annual Contingent Bridge Operation/Maintenance Services Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for Developed Property.

Third: If additional monies are needed to satisfy the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement after the second step has been completed, the Annual Contingent Bridge Operation/Maintenance Services Special Tax shall be levied on each Assessor's Parcel of Final Map Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for Final Map Property.

Fourth: If additional monies are needed to satisfy the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement after the third step has been completed, the Annual Contingent Bridge Operation/Maintenance Services Special Tax shall be levied on each Assessor's Parcel of Undeveloped Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for Undeveloped Property.

3. The Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-2 in accordance with this Section D.3. The City will only levy the Annual Contingent Bridge Repair/Replacement Services Special Tax to finance the Annual Contingent Bridge Repair/Replacement Services Costs in the event the City has determined that the Bridge Improvements (as defined in "Exhibit A" to the Resolution of Formation) have been constructed and completed. The Maximum Contingent Bridge Repair/Replacement Services Special Tax shall be levied beginning in the Fiscal Year immediately succeeding completion of construction of the Bridge Improvements. The Annual Contingent

Bridge Repair/Replacement Services Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-2 by the method shown below.

First: Determine the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement.

Second: Levy the Annual Contingent Bridge Repair/Replacement Services Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for Developed Property.

Third: If additional monies are needed to satisfy the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement after the second step has been completed, the Annual Contingent Bridge Repair/Replacement Services Special Tax shall be levied on each Assessor's Parcel of Final Map Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for Final Map Property.

Fourth: If additional monies are needed to satisfy the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement after the third step has been completed, the Annual Contingent Bridge Repair/Replacement Services Special Tax shall be levied on each Assessor's Parcel of Undeveloped Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for Undeveloped Property.

Under no circumstances will the Special Taxes on any Assessor's Parcel of Developed Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2023-2.

E. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Open Space Property, Property Owner's Association Property, Undeveloped Property, Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement, or Public Property, except as otherwise provided in Sections 53317.3, 53317.5 and 533401 of the Act.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property.

F. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Tax. In addition, during the term of the appeal process, all Special Tax levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then an adjustment shall be made to credit the Special Tax in future years.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. INTERPRETATIONS OF RATE AND METHOD OF APPORTIONMENT

The City reserves the right to make administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

H. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 2023-2, and may collect delinquent Special Taxes through available methods.

The Special Tax shall be levied commencing in Fiscal Year 2024-25 to the extent necessary to satisfy the Annual Special Tax Requirement and shall be levied each Fiscal Year thereafter for as long as required to satisfy the Annual Special Tax Requirement. However, should Initiative #1935 be included as an initiative measure at election and subsequently be approved by voters, the duration of the Special Tax is 500 years.

I. PREPAYMENT OF SPECIAL TAX

The Special Tax may not be prepaid.

J. REPEAL OF SPECIAL TAX

If the levy of the Special Tax is repealed by initiative or any other action participated in by the owners of Assessor's Parcels in CFD No. 2023-2, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the authorized services for which the Special Tax was levied. The obligations to provide the authorized services previously funded by the repealed Special Tax shall become the joint obligations of the property owners of Assessor's Parcels within CFD No. 2023-2.

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION CALLING SPECIAL LANDOWNER ELECTION FOR A COMMUNITY FACILITIES DISTRICT

Under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), this Council is authorized to establish a community facilities district and to act as its legislative body.

This Council has adopted a resolution entitled "A Resolution of Formation of a Community Facilities District" (the "Resolution of Formation"), ordering the formation of the "City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services)" (the "CFD"), defining the public services (the "Services") to be provided by the CFD, authorizing the levy of special taxes on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Act.

Pursuant to the provisions of the Resolution of Formation, the propositions of the levy of the special taxes and the establishment of the appropriations limit shall be submitted to the qualified electors of the CFD as required by the provisions of the Act.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore:

1. Issues Submitted. Pursuant to the Act, the issues of the levy of the special taxes and the establishment of an annual appropriations limit shall be submitted to the qualified electors (as described below) of the CFD at an election called therefor as provided below.

2. Qualified Electors. This Council hereby finds that fewer than twelve (12) persons have been registered to vote within the territory of the CFD for each of the ninety (90) days preceding the close of the public hearings heretofore conducted and concluded by this Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Council finds that, for these proceedings, the qualified electors are the landowners within the CFD and that the vote shall be by such landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in the CFD as of the close of the public hearing not exempt from the special taxes.

3. Conduct of Election. This Council hereby calls a special election to consider the issues described in section 1, above, which election shall be held on January 22, 2024, and the results thereof canvassed at the meeting of this Council on January 22, 2024. The City Clerk is hereby designated as the official to conduct the election and to receive all ballots until the close of business on the election date. It is hereby acknowledged that the City Clerk has on file the Resolution of Formation, a map of the boundaries of the CFD, and a sufficient description to allow the City Clerk to determine the electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections

Code. This Council hereby finds that Sections 53326 and 53327 of the Act shall govern for purposes of determining the date of the election.

Pursuant to Section 53326(d) of the Act, if all the qualified voters have voted, the election may be closed with the concurrence of the City Clerk.

4. Ballot. The City Council hereby approves the full form of the ballot measure, attached hereto as Exhibit A, and the abbreviated versions, attached hereto as Exhibit B. The City Clerk is hereby authorized and directed to cause a ballot, in substantially the form of Exhibit C, attached hereto, to be delivered to each of the qualified electors of the CFD. Each ballot shall indicate the number of votes to be voted by the respective landowner to which the ballot pertains. Each ballot shall be accompanied by a Voter Information Pamphlet (which shall include the Resolution of Formation and this Resolution as appendices) and all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot shall be enclosed with the ballot, have the return postage prepaid, and contain the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot.

5. Waivers. This Council hereby further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election are for the protection of the qualified electors of the CFD. There is on file with the City Clerk a written waiver executed by all of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD and waiving any requirement for notice, analysis, and arguments in connection with the election. Accordingly, this Council finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments and have thereby been fully protected in these proceedings. This Council also finds and determines that the City Clerk has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measure are hereby waived, as provided in Section 53327 of the Act.

6. Accountability. Pursuant to Section 50075.1 of the California Government Code, the following accountability provisions shall apply to the special taxes: (a) the Services and the incidental costs thereof, all as described in the Resolution of Formation, shall constitute the specific single purpose; (b) the proceeds shall be applied only to the specific purposes identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be caused to be prepared an annual report if required by Section 50075.3 of the California Government Code.

7. Effective Date. This Resolution shall take effect upon its adoption.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Tara Mazzanti
Tara Mazzanti
Assistant City Attorney

Exhibit A – Full Text of Ballot Measures
Exhibit B – Abbreviated Ballot Measures
Exhibit C – Official Ballot

EXHIBIT A

CITY OF LIVERMORE
Community Facilities District No. 2023-2
(Arroyo Vista Maintenance and Services)

FULL TEXT OF BALLOT MEASURE

Upon approval of this ballot measure by at least two-thirds of the qualified electors voting on the proposition, the City of Livermore (the "City") shall be authorized as follows with respect to City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) (the "CFD"):

SPECIAL TAX LEVY

Except to the extent that funds are otherwise available to the CFD to pay for the authorized services described below (the "Services"), the City will be authorized to levy special taxes (the "Special Taxes") on taxable property in the CFD according to the rate and method of apportionment of special tax (the "Rate and Method").

The proposed Rate and Method, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Attachment 1 attached hereto and hereby incorporated herein. The Special Taxes are intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by this Council.

The City expects to levy the Special Taxes in perpetuity, although the Rate and Method provides for the possibility of a shorter period.

AUTHORIZED SERVICES

Special Taxes collected in the CFD will fund, in whole or in part, the Services listed below. Services may be performed inside the CFD and outside the CFD if the City has concluded that such services would benefit properties in the CFD.

A. SERVICES TO BE FINANCED BY THE ANNUAL SERVICES SPECIAL TAX:

1. Trail Improvement Services

   Trail Improvement Services include the maintenance, operation and repair and replacement of the Arroyo Seco Trail between Las Positas Road and Arroyo Vista Road. Trail Improvement Services also include trash pickup, weed control, and flood and storm protection services. The costs of Trail Improvement Services include any associated electricity, water, and other utility costs. Trail Improvements include, but are not limited to, maintenance, operation, repair and replacement of storm drain system (including pipe, catch basins and manholes), permeable swale, rip rap, pavement restoration and

rehabilitation, sidewalks, curbs and gutters, driveways to adjacent roadways, bollards, gates, signage and monuments.

2. Landscape Improvements along Las Positas Road (Tract 8379) Services
   Landscape Improvements along Las Positas Road (Tract 8379) Services include maintenance, operation and repair and replacement of the public landscaping and storm drain improvements that wrap around Tract 8379 along Las Positas Road. Landscape Improvements along Las Positas Road (Tract 8379) Services include, but are not limited to, landscaping and irrigation, maintenance, operation and repair and replacement of sidewalks, curb and gutter, fencing and public storm drain system (including pipe, catch basins and manholes). Landscape Improvements along Las Positas Road (Tract 8379) Services also include trash pickup and weed control. The costs of Landscape Improvements along Las Positas Road (Tract 8379) Services include any associated electricity, water and other utility costs.

3. Landscape Improvements along Las Positas Road (Tract 8689) Services
   Landscape Improvements along Las Positas Road (Tract 8689) Services include maintenance, operation and repair and replacement of the public landscaping and storm drain improvements along the southern entrance to Tract 8689 along Las Positas Road. Landscape Improvements along Las Positas Road (Tract 8689) Services include, but are not limited to, landscaping and irrigation, maintenance, operation and repair and replacement of sidewalks, curb and gutter, fencing and public storm drain system (including pipe, catch basins and manholes). Neighborhood Park Landscape Improvement Services also include cleaning and removal of graffiti, trash pickup and weed control. The costs of Neighborhood Park Landscape Improvement Services include any associated electricity, water and other utility costs. The costs of removing graffiti include the acquisition, use and removal of cleaning chemicals and or paint used as part of the required graffiti removal process.

B. SERVICES TO BE FINANCED BY THE ANNUAL CONTINGENT BRIDGE REPAIR/REPLACEMENT SERVICES SPECIAL TAX:

The Annual Contingent Bridge Repair/Replacement Services Special Tax will pay for the following services:

1. Annual Contingent Bridge Repair/Replacement Services
   The Annual Contingent Bridge Repair/Replacement Services include all costs associated with the maintenance, repair and replacement of the private pedestrian bridge across the Arroyo Seco between Tract 8379 and Tract 8689, including the bridge itself, adjacent elevators, any structural components attached to the bridge, any infrastructure required to access the bridge, and any other infrastructure or improvements related to the bridge (collectively, the “Bridge Improvements”). Annual Contingent Bridge Repair/Replacement Services include, but are not limited to, preventative maintenance activities, demolition, reconstruction costs (including design,

administrative and construction costs), and any required environmental studying, monitoring and reporting activities, in all cases related to the Bridge Improvements. The costs included in this paragraph are intended to constitute capital expenditures that increase the assets' useful life.

Annual Contingent Bridge Repair/Replacement Special Taxes will be set aside in a reserve to fund replacement from time to time of the Bridge Improvements at the end of their useful lives.

The Bridge Improvements are being constructed on property owned by Alameda County Flood Control and Water Conservation District, Zone 7 ("Zone 7"). The Annual Contingent Bridge Repair/Replacement Services are necessary to operate and maintain the Bridge Improvements in accordance with the aerial easement granted to the City by Zone 7.

The City will ensure that, as long as the City is financing the Annual Contingent Bridge Repair/Replacement Services, the public will have access to the Bridge Improvements.

C. SERVICES TO BE FINANCED BY THE ANNUAL CONTINGENT BRIDGE OPERATION/MAINTENANCE SERVICES SPECIAL TAX:

The Annual Contingent Bridge Operation/Maintenance Services Special Tax will pay for the following services:

1. Annual Contingent Bridge Operation/Maintenance Services

   Annual Contingent Bridge Operation/Maintenance Services include routine maintenance and operation of the Bridge Improvements. Annual Contingent Bridge Operation/Maintenance Services include, but are not limited to, trimming of vegetation and debris removal, repair to bridge deck, bridge rails, stairways, lighting, signage, painting, elevator maintenance and inspection, graffiti removal and trash pickup. The costs of Annual Contingent Bridge Operation/Maintenance Services include any associated electricity, water and other utility costs. The services include acquisition, use and disposal of hydraulic fluid required to lift the elevators and any required cleaning chemicals and petroleum-based lubricants for keeping the elevator equipment and motors clean and operational, and any graffiti removal cleaning chemicals and or paint used as part of the required graffiti removal process. The costs included in this paragraph are routine expenses incurred to ensure the functional and safe working condition of the assets.

   The Bridge Improvements are being constructed on property owned by Zone 7. The Annual Contingent Bridge Operation/Maintenance Services are necessary to operate and maintain the Bridge Improvements in accordance with the aerial easement granted to the City by Zone 7.

   The City will ensure that, as long as the City is financing the Annual Contingent Bridge Operation/Maintenance Services, the public will have access to the Bridge Improvements.

D. MISCELLANEOUS ITEMS RELATED TO THE SERVICES TO BE FINANCED BY THE ANNUAL SERVICES SPECIAL TAX, THE ANNUAL CONTINGENT BRIDGE REPAIR/REPLACEMENT SERVICES SPECIAL TAX AND THE ANNUAL CONTINGENT BRIDGE OPERATION/MAINTENANCE SERVICES SPECIAL TAX

1. Flood and Storm Protection Services.
   Flood and Storm Protection Services include the operation and maintenance of storm drainage systems.

2. Definitions
   a. "Services" has the meaning given that term in the Mello-Roos Community Facilities Act of 1982, as amended (the "Act").
   b. "Maintenance" has the meaning given that term in the Act, and includes, but is not limited to, servicing, repair and removal.

3. Special Taxes may be used to fund operating reserves and capital reserves.
   The Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax may be used to fund operating reserves and capital reserves. The Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax may be used to fund "costs" and "incidental expenses" related to the eligible services as those terms are defined in the Act.

4. Curing Delinquencies. The Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax may be levied to cure actual or estimated delinquencies in such special taxes for the current or previous fiscal years.

5. Performance of Services. The services financed by the Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax may be performed by the City, or the City may engage a third party (including any owner of property in the CFD or a property owners' association) by contract to perform the services.

6. Maintenance and Operation of Other Property.
   Maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the City or by another local agency pursuant to an agreement entered into under Section 53316.2.

7. Additional Services; No Supplanting.

   The services shall be in addition to those provided in the territory of the CFD before the CFD was created, and the additional services shall not supplant services already available within that territory when the CFD was created.

8. Administrative Expenses

   The CFD will also finance the expenses incurred by the CFD in administering the CFD, including, but not limited to, the levy and collection of the Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax, the fees and expenses of its legal counsel, costs related to annexing property into the CFD, charges levied by the County of Alameda in connection with the levy and collection of the Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax, costs related to property owner inquiries regarding the Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax, costs associated with appeals or requests for interpretation associated with the Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax and the Rate and Method, costs associated with foreclosure and collection of delinquent Annual Services Special Tax, the Annual Contingent Bridge Repair/Replacement Services Special Tax and the Annual Contingent Bridge Operation/Maintenance Services Special Tax and all other costs and expenses of the City and County in any way related to the establishment or administration of the CFD.

ACCOUNTABILITY REQUIREMENTS

Pursuant to Section 50075.1 of the California Government Code, the following accountability provisions shall apply to the Special Taxes: (a) the Services and the incidental costs thereof, all as described above, shall constitute the specific single purpose; (b) the proceeds shall be applied only to the specific purposes identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be caused to be prepared an annual report if required by Section 50075.3 of the California Government Code.

APPROPRIATIONS LIMIT

The annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is established at $10,000,000.

Attachment 1

Rate and Method

RATE AND METHOD OF APPORTIONMENT
FOR CITY OF LIVERMORE
COMMUNITY FACILITIES DISTRICT NO. 2023-2
(ARROYO VISTA MAINTENANCE AND SERVICES)

The Special Tax, as hereinafter defined, shall be levied and collected in City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) ("CFD No. 2023-2") each Fiscal Year commencing in Fiscal Year 2024-25, in an amount determined by the application of the procedures below. All Taxable Property, as hereinafter defined, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meaning:

"Accessory Dwelling Unit" or "ADU" means all Assessor's Parcels of Residential Property for which a building permit(s) has been issued for an "Accessory Dwelling Unit" as defined in California Government Code Section 65852.2(j)(1), as may be amended from time to time, which is accessory to a primary Unit. The ADU may be located on the same Assessor's Parcel as the primary Unit that is the primary Unit or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU Unit only.

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event the Assessor's Parcel Map or Assessor's Data shows no Acreage, the Acreage for any Assessor's Parcel shall be determined by the CFD Administrator based upon the applicable final map, parcel map, condominium plan, or other recorded County parcel map. If the preceding maps are not available, the Acreage of an Assessor's Parcel may be determined utilizing GIS.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 2023-2 including, but not limited to, the following: the costs of computing the Annual Special Tax Requirement and of preparing the Special Tax collection schedules; the costs of collecting the Special Tax, including any charges levied by the County Auditor's Office, Tax Collector's Office or Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements of the California Government Code (including the Act), including public inquiries regarding the Special Tax; the costs of the City or designee related to an appeal of the Special Tax; and the costs of commencing and pursuing to completion any action arising from any delinquent Special Tax in CFD No. 2023-2. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2023-2 for any other administrative purposes, including, but not limited to, attorney's fees.

"Annual Contingent Bridge Operation/Maintenance Services" means those items listed in "Exhibit A" to the Resolution of Formation that are described as being financed by the Annual Contingent Bridge Operation/Maintenance Services Special Tax.

"Annual Contingent Bridge Operation/Maintenance Services Costs" means the respective amounts determined by the CFD Administrator required to finance the Annual Contingent Bridge Operation/Maintenance Services for the applicable yearly period.

"Annual Contingent Bridge Operation/Maintenance Services Special Tax" means the amount levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement.

"Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement" means that amount with respect to CFD No. 2023-2 determined by the City Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Contingent Bridge Operation/Maintenance Services Costs, including any amount required to establish or replenish any reserve or replacement fund, and (3) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

"Annual Contingent Bridge Repair/Replacement Services" means those items listed in "Exhibit A" to the Resolution of Formation that are described as being financed by the Annual Contingent Bridge Repair/Replacement Services Special Tax.

"Annual Contingent Bridge Repair/Replacement Services Costs" means the respective amounts determined by the CFD Administrator required to finance the Annual Contingent Bridge Repair/Replacement Services for the applicable yearly period.

"Annual Contingent Bridge Repair/Replacement Services Special Tax" means the amount levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement.

"Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement" means that amount with respect to CFD No. 2023-2 determined by the City Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Contingent Bridge Repair/Replacement Services Costs, including any amount required to establish or replenish any reserve or replacement fund, and (3) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

"Annual Services" means those items listed in "Exhibit A" to the Resolution of Formation that are described as being financed by the Annual Services Special Tax.

"Annual Services Costs" means the respective amounts determined by the CFD Administrator required to finance the Annual Services authorized to be funded by CFD No. 2023-2 for the applicable yearly period.

"Annual Services Special Tax" means the amount levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Annual Services Special Tax Requirement.

"Annual Services Special Tax Requirement" means that amount with respect to CFD No. 2023-2 determined by the City Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs, including any amount required to establish or replenish any reserve or replacement fund, and (3) any reasonably anticipated delinquent Special Tax based on the delinquency rate for any Special Tax levied in the previous Fiscal Year.

"Assessor's Data" means Assessor's Parcel Number, Units, Building Square Feet, Acreage, or other information contained in the records of the County Assessor for each Assessor's Parcel.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown in an Assessor's Parcel Map and/or Assessor's Data with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County Assessor for purposes of identification.

"Bedroom" means a habitable room intended to be used as sleeping quarters, but does not include a bathroom, living room, dining room, or kitchen.

"Building Square Feet" or "BSF" means all of the square footage within the perimeter of a structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Building Square Feet shall be made by reference to the Assessor's Data. If the Assessor's Data does not show Building Square Feet, building permit(s) issued for such structure, or other records of the City shall be used, as determined by the CFD Administrator.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2023-2" means the City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services).

"City" means the City of Livermore.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 2023-2.

"County" means the County of Alameda.

"County Assessor" means the County Assessor of the County.

"Developed Property" means, in any Fiscal Year, all Taxable Property in CFD No. 2023-2 for which a building permit for new construction was issued by the City on or before June 30 of the preceding Fiscal Year.

"Exempt Property" means all Assessors' Parcels within the boundary of CFD No. 2023-2 which are exempt from the Special Tax pursuant to Section E.

"Final Map Property" means, in any Fiscal Year, all Taxable Property in CFD No. 2023-2 for which a Final Subdivision Map was approved by the City Council on or before June 30 of the preceding Fiscal Year.

"Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.)* or recordation of a condominium plan pursuant to California Civil Code 4120, that creates individual lots for which residential building permits may be issued without further subdivision of such property.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"GIS" means a geographic information system.

"Initiative #1935" means initiative constitutional amendment 1935 which is eligible for the November 5, 2024, general election ballot and will be certified as qualified unless withdrawn by the proponent prior to June 27, 2024.

"Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax" means the maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax authorized to fund the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C, Table 2.

"Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax" means the maximum Annual Contingent Bridge Repair/Replacement Services Special Tax authorized to fund the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C, Table 3.

"Maximum Annual Services Special Tax" means the maximum Annual Services Special Tax authorized to fund the Annual Services Special Tax Requirement in any Fiscal Year that may apply to Taxable Property as described in Section C, Table 1.

"Open Space Property" means property within the boundaries of CFD No. 2023-2 which (i) has been designated with specific boundaries and Acreage on a final subdivision map as open space, (ii) is classified by the County Assessor as open space, (iii) has been irrevocably offered for dedication as open space to the federal government, the State, the County, the City, or any other public agency, or (iv) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

"Property Owner's Association" means any property owner's association. As used in this definition, a Property Owner's Association includes any home-owner's association, condominium owner's association, master or sub-association or non-residential owner's association.

"Property Owner's Association Property" means any property within the boundaries of CFD No. 2023-2 which is (a) owned by a Property Owner's Association or (b) designated with specific boundaries and acreage on a final subdivision map as property owner association property.

"Proportionately" means for Taxable Property that the ratio of the Annual Services Special Tax levy to the Maximum Annual Services Special Tax is equal for all Assessors' Parcels of Taxable Property levied within each property land use classification within CFD No. 2023-2, and means for Taxable Property that the ratio of the Annual Contingent Bridge Operation/Maintenance Services Special Tax levy to the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax is

equal for all Assessors' Parcels of Taxable Property levied within each property land use classification within CFD No. 2023-2, and means for Taxable Property that the ratio of the Annual Contingent Bridge Repair/Replacement Services Special Tax levy to the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax is equal for all Assessors' Parcels of Taxable Property levied within each property land use classification within CFD No. 2023-2.

"Public Property" means any property within the boundaries of CFD No. 2023-2 which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and Acreage on a final subdivision map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other public agency.

"Residential Lot" means an individual residential lot within a recorded Final Subdivision Map on which a Building Permit is permitted to be issued for construction of one or more Units.

"Resolution of Formation" means the resolution adopted by the City Council establishing CFD No. 2023-2.

"Single Family Residential Duet Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one Unit containing two Bedrooms, according to Assessor's Data or as otherwise known by the CFD Administrator.

"Single Family Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one Unit containing three or four Bedrooms, according to Assessor's Data or as otherwise known by the CFD Administrator.

"Special Tax" means, collectively, the Annual Contingent Bridge Repair/Replacement Services Special Tax, Annual Contingent Bridge Operation/Maintenance Services Special Tax and the Annual Services Special Tax.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2023-2 that are not exempt from the Special Tax pursuant to law or Section E below.

"Undeveloped Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2023-2 that are not classified as Developed Property, Final Map Property, Open Space Property, Property Owner's Association Property, or Public Property.

"Unit" means an individual residential dwelling unit. The number of Units assigned to each Assessor's Parcel may be determined by (i) referencing Assessor's Data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 2023-2 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act.

B. DETERMINATION OF TAXABLE PARCELS

Each Fiscal Year, the CFD Administrator shall determine the valid Assessor's Parcel Numbers for all Taxable Property within CFD No. 2023-2. If any Assessor's Parcel Numbers are no longer valid, the CFD Administrator shall determine the new Assessor's Parcel Number or Numbers in effect for the then-current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated, or otherwise reconfigured, the Maximum Annual Services Special Tax, Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax, and Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax shall be assigned to the new Assessor's Parcels Numbers pursuant to Section C. The CFD Administrator shall also determine: (i) which Parcels are Taxable Property; (ii) the number of Units, Acres, and/or Building Square Footage each Parcel contains; (iii) the property type, i.e., Single Family Residential Property, Single Family Residential Duet Property, etc.; and (iv) the Annual Services Special Tax Requirement, the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement, and the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement for the Fiscal Year.

C. MAXIMUM ANNUAL SPECIAL TAX RATES

1. Maximum Annual Services Special Taxes

The Maximum Annual Services Special Tax for each Assessor's Parcel of Taxable Property shall be assigned according to Table 1 below:

TABLE 1
MAXIMUM ANNUAL SERVICES SPECIAL TAX RATES
FISCAL YEAR 2023/24*

Land Use Category	Maximum Annual Services Special Tax Rate	Per
Single Family Residential Property	$292.24	Unit
Single Family Residential Duet Property	233.79	Unit
Final Map Property	277.73	Residential Lot
Undeveloped Property	4,143.94	Acre

*On July 1 of each Fiscal Year, commencing on July 1, 2024, the Maximum Annual Services Special Tax rates shall be increased by the February annual percentage change in the Consumer Price Index for all Urban Consumers ("CPI-U") for the San Francisco-Oakland-Hayward, CA, plus one percent (1.0%). If the percentage change in the CPI-U is negative, the Maximum Annual Services Special Tax rates shall not be decreased. In the event the index described above ceases to be published, it shall be replaced by another reasonably comparable index, as determined by the City.

2. Maximum Annual Contingent Bridge Operation/Maintenance Services Special Taxes

The Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for each Assessor's Parcel of Taxable Property shall be assigned according to Table 2 below:

TABLE 2
MAXIMUM ANNUAL CONTINGENT BRIDGE OPERATION/MAINTENANCE SERVICES SPECIAL TAX RATES
FISCAL YEAR 2023/24*

Land Use Category	Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax Rate	Per
Single Family Residential Property	$24.98	Unit
Single Family Residential Duet Property	19.99	Unit
Final Map Property	23.74	Residential Lot
Undeveloped Property	354.24	Acre

*On July 1 of each Fiscal Year, commencing on July 1, 2024, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax rates shall be increased by the February annual percentage change in the Consumer Price Index for all Urban Consumers ("CPI-U") for the San Francisco-Oakland-Hayward, CA, plus one percent (1.0%). If the percentage change in the CPI-U is negative, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax rates shall not be decreased. In the event the index described above ceases to be published, it shall be replaced by another reasonably comparable index, as determined by the City.

3. Maximum Annual Contingent Bridge Repair/Replacement Services Special Taxes

The Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for each Assessor's Parcel of Taxable Property shall be assigned according to Table 3 below:

TABLE 3
MAXIMUM ANNUAL CONTINGENT BRIDGE REPAIR/REPLACEMENT SERVICES SPECIAL TAX RATES
FISCAL YEAR 2023/24*

Land Use Category	Maximum Annual Contingent Bridge Repair/Replacement Special Tax Rate	Per
Single Family Residential Property	$151.10	Unit
Single Family Residential Duet Property	120.88	Unit
Final Map Property	143.60	Residential Lot
Undeveloped Property	2,142.64	Acre

*On July 1 of each Fiscal Year, commencing on July 1, 2024, the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax rates shall be increased by the February annual percentage change in the Consumer Price Index for all Urban Consumers ("CPI-U") for the San Francisco-Oakland-Hayward, CA, plus one percent (1.0%). If the percentage change in the CPI-U is negative, the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax rates shall not be decreased. In the event the index described above ceases to be published, it shall be replaced by another reasonably comparable index, as determined by the City.

4. Accessory Dwelling Units

The Maximum Annual Services Special Tax, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax, and the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for an Accessory Dwelling Unit shall be calculated as a percentage of the Maximum Annual Services Special Tax, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax, and the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for the primary Unit the ADU is accessory to, based on Building Square Footage. For example, if a primary Unit of Single Family Residential Property with 2,000 BSF has an ADU of 800 BSF, the Maximum Annual Services Special Tax, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax, and the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for the ADU shall be calculated by the following steps:

1. 800 BSF / 2,000 BSF = 0.40 or 40%
2. $292.24 Maximum Annual Services Special Tax per Unit x 40% = $116.90 Maximum Annual Services Special Tax for such ADU
3. $24.98 Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax per Unit x 40% = $9.99 Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for such ADU
4. $151.10 Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax per Unit x 40% = $60.44 Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for such ADU

5. Assignment of Assessor's Parcel(s) to Property Land Use Category

When an Assessor's Parcel changes from being classified as Undeveloped Property or Final Map Property to another land use category and is considered Developed Property, that assignment shall not change due to future changes in land use.

6. Assignment of Maximum Annual Services Special Tax to Newly Created Assessor's Parcel(s)

When an Assessor's Parcel changes or subdivides, the Maximum Annual Services Special Tax shall be assigned to each newly created Assessor's Parcel so that there is no net loss in the Maximum Annual Services Special Tax revenue to be generated as a result of changes in the planned development.

When an Assessor's Parcel changes or subdivides, and there are changes to the overall planned development within CFD No. 2023-2, the process for assigning the Maximum Annual Services Special Tax to each newly created Assessor's Parcel is as follows:

Step 1: Sum the expected Maximum Annual Services Special Tax assigned to each Assessor's Parcel that is being changed or subdivided.

Step 2: Identify the newly created Assessor's Parcel(s) of Taxable Property created by the change or subdivision and assign the Maximum Annual Services Special Tax to each newly

created Assessor's Parcel of Taxable Property according to the then-current Maximum Annual Services Special Tax Rates for each Land Use Category. Sum the Maximum Annual Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property.

Step 3: Divide the total expected Maximum Annual Services Special Tax in Step 1 by the total Maximum Annual Services Special Tax assigned in Step 2 to arrive at a fraction.

Step 4: Apportion the total Maximum Annual Services Special Tax from Step 1 to each newly created Assessor's Parcel of Taxable Property by multiplying each newly created Assessor's Parcel fraction, determined in Step 3, by the then-current Maximum Annual Services Special Tax Rates for each Land Use Category.

Step 5: The Maximum Annual Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property shall be the greater of the Maximum Annual Services Special Tax assigned in Step 2 or the Maximum Annual Services Special Tax calculated in Step 4.

When an Assessor's Parcel changes or subdivides, and there are no changes to the planned development within CFD No. 2023-2, the Maximum Annual Services Special Tax shall be assigned according to Table 1.

The planned development is provided in the table below:

Land Use Category	Planned Development
Single Family Residential Property	327 Units
Single Family Residential Duet Property	108 Units
Final Map Property	435 Residential Lots

Once created, if a newly created Assessor's Parcel(s) of Taxable Property further changes or subdivides, the above steps shall be repeated to determine the Maximum Annual Services Special Tax for the additional newly created Assessor's Parcel(s) of Taxable Property created from the change or subdivision.

7. <u>Assignment of Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax to Newly Created Assessor's Parcel(s)</u>

When an Assessor's Parcel changes or subdivides, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax shall be assigned to each newly created Assessor's Parcel so that there is no net loss in the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax revenue to be generated as a result of changes in the planned development.

When an Assessor's Parcel changes or subdivides, and there are changes to the overall planned development within CFD No. 2023-2, the process for assigning the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax to each newly created Assessor's Parcel is as follows:

Step 1: Sum the expected Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax assigned to each Assessor's Parcel that is being changed or subdivided.

Step 2: Identify the newly created Assessor's Parcel(s) of Taxable Property created by the change or subdivision and assign the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax to each newly created Assessor's Parcel of Taxable Property according to the then-current Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax Rates for each Land Use Category. Sum the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property.

Step 3: Divide the total expected Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax in Step 1 by the total Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax assigned in Step 2 to arrive at a fraction.

Step 4: Apportion the total Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax from Step 1 to each newly created Assessor's Parcel of Taxable Property by multiplying each newly created Assessor's Parcel fraction, determined in Step 3, by the then-current Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax Rates for each Land Use Category.

Step 5: The Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property shall be the greater of the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax assigned in Step 2 or the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax calculated in Step 4.

When an Assessor's Parcel changes or subdivides, and there are no changes to the planned development within CFD No. 2023-2, the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax shall be assigned according to Table 2.

The planned development is provided in the table below:

Land Use Category	Planned Development
Single Family Residential Property	327 Units
Single Family Residential Duet Property	108 Units
Final Map Property	435 Residential Lots

Once created, if a newly created Assessor's Parcel(s) of Taxable Property further changes or subdivides, the above steps shall be repeated to determine the Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for the additional newly created Assessor's Parcel(s) of Taxable Property created from the change or subdivision.

8. Assignment of Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax to Newly Created Assessor's Parcel(s)

When an Assessor's Parcel changes or subdivides, the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax shall be assigned to each newly created Assessor's Parcel so that there is no net loss in the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax revenue to be generated as a result of changes in the planned development.

When an Assessor's Parcel changes or subdivides, and there are changes to the overall planned development within CFD No. 2023-2, the process for assigning the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax to each newly created Assessor's Parcel is as follows:

Step 1: Sum the expected Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax assigned to each Assessor's Parcel that is being changed or subdivided.

Step 2: Identify the newly created Assessor's Parcel(s) of Taxable Property created by the change or subdivision and assign the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax to each newly created Assessor's Parcel of Taxable Property according to the then-current Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax Rates for each Land Use Category. Sum the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property.

Step 3: Divide the total expected Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax in Step 1 by the total Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax assigned in Step 2 to arrive at a fraction.

Step 4: Apportion the total Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax from Step 1 to each newly created Assessor's Parcel of Taxable Property by multiplying each newly created Assessor's Parcel fraction, determined in Step 3, by the then-current Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax Rates for each Land Use Category.

Step 5: The Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax assigned to each newly created Assessor's Parcel of Taxable Property shall be the greater of the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax assigned in Step 2 or the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax calculated in Step 4.

When an Assessor's Parcel changes or subdivides, and there are no changes to the planned development within CFD No. 2023-2, the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax shall be assigned according to Table 3.

The planned development is provided in the table below:

Land Use Category	Planned Development
Single Family Residential Property	327 Units
Single Family Residential Duet Property	108 Units
Final Map Property	435 Residential Lots

Once created, if a newly created Assessor's Parcel(s) of Taxable Property further changes or subdivides, the above steps shall be repeated to determine the Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for the additional newly created Assessor's Parcel(s) of Taxable Property created from the change or subdivision.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

All Taxable Property shall be subject to the Special Tax defined as follows. The Special Tax shall be levied each Fiscal Year by the CFD Administrator.

1. The Annual Services Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-2 by the method shown below.

   First: Determine the Annual Services Special Tax Requirement.

   Second: Levy the Annual Services Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Annual Services Special Tax for Developed Property.

   Third: If additional monies are needed to satisfy the Annual Services Special Tax Requirement after the second step has been completed, the Annual Services Special Tax shall be levied on each Assessor's Parcel of Final Map Property, Proportionately, up to the applicable Maximum Annual Services Special Tax for Final Map Property.

   Fourth: If additional monies are needed to satisfy the Annual Services Special Tax Requirement after the third step has been completed, the Annual Services Special Tax shall be levied on each Assessor's Parcel of Undeveloped Property, Proportionately, up to the applicable Maximum Annual Services Special Tax for Undeveloped Property.

2. The Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-2 in accordance with this Section D.2. The City will only levy the Annual Contingent Bridge Operation/Maintenance Services Special Tax to finance the Annual Contingent Bridge Operation/Maintenance Services Costs in the event (a) the City has determined that the Bridge Improvements (as defined in "Exhibit A" to the Resolution of Formation) have been constructed and completed and (b) the City determines in its discretion that the property owner(s) of Taxable Property failed to provide the Annual Contingent Bridge Operation/Maintenance Services to reasonable City standards, or the property owner(s) of Taxable Property requested the City to provide the Annual Contingent Bridge Operation/Maintenance Services by submitting a written request to the City's Public Works and Engineering Department and the City Manager has accepted this request. In the

event of a request by the property owner(s) of Taxable Property for the City to provide the Annual Contingent Bridge Operation/Maintenance Services (which the City is under no obligation to accept), such request must be received from the property owner(s) of Taxable Property by May 1 of any Fiscal Year; if the City approves the request to provide the Annual Contingent Bridge Operation/Maintenance Services, the Maximum Contingent Services Special Tax shall be levied beginning in the immediately succeeding Fiscal Year. In the event the property owner(s) fail to provide the Annual Contingent Bridge Operation/Maintenance Services to reasonable City standards, the City will notify the property owner(s) of such failure. Should the deficiency not be corrected within ninety (90) days of the City providing notice, the City will assume responsibility for providing the Annual Contingent Bridge Operation/Maintenance Services on the date specified by the City and may levy the Annual Contingent Bridge Operation/Maintenance Services Special Tax beginning in the immediately succeeding Fiscal Year. The Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-2 by the method shown below.

First: Determine the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement.

Second: Levy the Annual Contingent Bridge Operation/Maintenance Services Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for Developed Property.

Third: If additional monies are needed to satisfy the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement after the second step has been completed, the Annual Contingent Bridge Operation/Maintenance Services Special Tax shall be levied on each Assessor's Parcel of Final Map Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for Final Map Property.

Fourth: If additional monies are needed to satisfy the Annual Contingent Bridge Operation/Maintenance Services Special Tax Requirement after the third step has been completed, the Annual Contingent Bridge Operation/Maintenance Services Special Tax shall be levied on each Assessor's Parcel of Undeveloped Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Operation/Maintenance Services Special Tax for Undeveloped Property.

3. The Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-2 in accordance with this Section D.3. The City will only levy the Annual Contingent Bridge Repair/Replacement Services Special Tax to finance the Annual Contingent Bridge Repair/Replacement Services Costs in the event the City has determined that the Bridge Improvements (as defined in "Exhibit A" to the Resolution of Formation) have been constructed and completed. The Maximum Contingent Bridge Repair/Replacement Services Special Tax shall be levied beginning in the Fiscal Year immediately succeeding completion of construction of the Bridge Improvements. The Annual Contingent

Bridge Repair/Replacement Services Special Tax Requirement shall be apportioned to each Parcel within CFD No. 2023-2 by the method shown below.

First: Determine the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement.

Second: Levy the Annual Contingent Bridge Repair/Replacement Services Special Tax on each Parcel of Developed Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for Developed Property.

Third: If additional monies are needed to satisfy the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement after the second step has been completed, the Annual Contingent Bridge Repair/Replacement Services Special Tax shall be levied on each Assessor's Parcel of Final Map Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for Final Map Property.

Fourth: If additional monies are needed to satisfy the Annual Contingent Bridge Repair/Replacement Services Special Tax Requirement after the third step has been completed, the Annual Contingent Bridge Repair/Replacement Services Special Tax shall be levied on each Assessor's Parcel of Undeveloped Property, Proportionately, up to the applicable Maximum Annual Contingent Bridge Repair/Replacement Services Special Tax for Undeveloped Property.

Under no circumstances will the Special Taxes on any Assessor's Parcel of Developed Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2023-2.

E. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Open Space Property, Property Owner's Association Property, Undeveloped Property, Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement, or Public Property, except as otherwise provided in Sections 53317.3, 53317.5 and 533401 of the Act.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property.

F. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Tax. In addition, during the term of the appeal process, all Special Tax levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then an adjustment shall be made to credit the Special Tax in future years.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. INTERPRETATIONS OF RATE AND METHOD OF APPORTIONMENT

The City reserves the right to make administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

H. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 2023-2, and may collect delinquent Special Taxes through available methods.

The Special Tax shall be levied commencing in Fiscal Year 2024-25 to the extent necessary to satisfy the Annual Special Tax Requirement and shall be levied each Fiscal Year thereafter for as long as required to satisfy the Annual Special Tax Requirement. However, should Initiative #1935 be included as an initiative measure at election and subsequently be approved by voters, the duration of the Special Tax is 500 years.

I. PREPAYMENT OF SPECIAL TAX

The Special Tax may not be prepaid.

J. REPEAL OF SPECIAL TAX

If the levy of the Special Tax is repealed by initiative or any other action participated in by the owners of Assessor's Parcels in CFD No. 2023-2, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the authorized services for which the Special Tax was levied. The obligations to provide the authorized services previously funded by the repealed Special Tax shall become the joint obligations of the property owners of Assessor's Parcels within CFD No. 2023-2.

EXHIBIT B

CITY OF LIVERMORE
Community Facilities District No. 2023-2
(Arroyo Vista Maintenance and Services)

ABBREVIATED BALLOT MEASURES

BALLOT MEASURE NO. 1: Shall the City of Livermore's measure to authorize the annual levy of special taxes within City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) ("CFD") to finance municipal services described in the City Council resolution entitled "A Resolution of Formation of a Community Facilities District" for the CFD" ("Resolution of Formation") adopted January 22, 2024 and administrative expenses, commencing in fiscal year 2024-25, at rates (in FY 2023-24 dollars, with annual escalation beginning July 1, 2024) ranging from $233.79 to $292.24/unit for Developed Property, $277.73/Final Map Property lot and $4,143.94/acre Undeveloped Property (Annual Services Special Tax); $19.99 to $24.98/unit for Developed Property, $23.74/Final Map Property lot and $354.24/acre Undeveloped Property (Annual Contingent Bridge Operation/Maintenance Services Special Tax); and $120.88 to $151.10/unit for Developed Property, $143.60/Final Map Property lot and $2,142.64/acre Undeveloped Property (Annual Contingent Bridge Repair/Replacement Services Special Tax), for a perpetual duration (or shorter period specified in the Resolution of Formation), be adopted? Financial Implications: Special taxes, if levied at maximum rate (in FY 2023-24 dollars) with full build out of property initially in the CFD, would raise $193,606.45 in fiscal year 2024-25 with annual escalation thereafter.

BALLOT MEASURE NO. 2: Shall the City of Livermore's measure to authorize an annual appropriations limit of $10,000,000 for City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services be adopted?

EXHIBIT C

CITY OF LIVERMORE
Community Facilities District No. 2023-2
(Arroyo Vista Maintenance and Services)

OFFICIAL BALLOT
SPECIAL TAX ELECTION

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Livermore no later than the hour of 7:00 p.m. on Monday, January 22, 2024, either by mail or in person. The City Clerk's office is located at 1052 South Livermore Avenue, Livermore, California.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Livermore and obtain another.

BALLOT MEASURE NO. 1: Shall the City of Livermore's measure to authorize the annual levy of special taxes within City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) ("CFD") to finance municipal services described in the City Council resolution entitled "A Resolution of Formation of a Community Facilities District" for the CFD" ("Resolution of Formation") adopted January 22, 2024 and administrative expenses, commencing in fiscal year 2024-25, at rates ranging from $233.79 to $292.24/unit for Developed Property, $277.73/Final Map Property lot and $4,143.94/acre Undeveloped Property (Annual Services Special Tax); $19.99 to $24.98/unit for Developed Property, $23.74/Final Map Property lot and $354.24/acre Undeveloped Property (Annual Contingent Bridge Operation/Maintenance Services Special Tax); and $120.88 to $151.10/unit for Developed Property, $143.60/Final Map Property lot and $2,142.64/acre Undeveloped Property (Annual Contingent Bridge Repair/Replacement Services Special Tax), for a perpetual duration (or shorter period specified in the Resolution of Formation), be adopted? Financial Implications: Special taxes, if levied at maximum rate with full build out of property initially in the CFD, would raise $193,606.45 in fiscal year 2024-25 with annual escalation thereafter.

YES: _____

NO: _____

[Ballot continued on following page]

BALLOT MEASURE NO. 2: Shall the City of Livermore's measure to authorize an annual appropriations limit of $10,000,000 for City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services be adopted?

YES: _____

NO: _____

The undersigned is the landowner or the authorized representative of the landowner and is legally authorized and entitled to cast this ballot on behalf of the landowner, and certifies that the landowner has received and reviewed the Voter Information Pamphlet and reviewed all the proceedings leading up to this election. The undersigned acknowledges that this election is being undertaken at the request and for the benefit of the landowner. The undersigned knowingly and voluntarily waives any and all rights it may have with respect to the election proceedings as of the date hereof or as a result of the passage of The Taxpayer Protection and Government Accountability Act, which is a constitutional initiative that is eligible for the November 2024 Statewide ballot.

Assessor's Parcel Number(s): 099-1325-022-02, 099-1325-023-00, 099-1325-027-02, 099-1325-029-02, 099-1325-030-04, 099-1325-089-00, 099-1325-090-00, 099-1325-091-00
Acres: 29.154
Number of Votes: 30

Property Owner:

TH Arroyo Vista LLC,
a California limited liability company

By: _____
Name: _____
Its: Authorized Agent

Declaration

I hereby affirmatively represent and certify that I have taken all necessary steps, and that I am duly authorized, to sign and submit this Ballot on behalf of the owner(s) of the Property (Assessor's Parcel Numbers 099-1325-022-02, 099-1325-023-00, 099-1325-027-02, 099-1325-029-02, 099-1325-030-04, 099-1325-089-00, 099-1325-090-00, 099-1325-091-00) to form the Community Facilities District for the Property, and that the City may rely upon my representation to accept this Ballot on behalf of the owner(s) of the Property.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: _____

Name: _____

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

A RESOLUTION DECLARING RESULTS OF SPECIAL LANDOWNER ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN

Under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), the Council is authorized to establish a community facilities district and to act as its legislative body.

This Council has adopted a resolution entitled "A Resolution of Formation of a Community Facilities District" (the "Resolution of Formation"), ordering the formation of the "City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services)" (the "CFD"), authorizing the levy of special taxes on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Act.

Under the provisions of the Resolution of Formation and pursuant to a resolution entitled "A Resolution Calling Special Landowner Election for a Community Facilities District" (the "Election Resolution") heretofore adopted by this Council, the propositions of the levy of the special taxes and the establishment of the appropriations limit were submitted to the qualified electors of the CFD as required by the provisions of the Act.

Pursuant to the terms of the Election Resolution, which are by this reference incorporated herein, the special election has been held and the City Clerk has on file a Canvass and Statement of Result of Election, (the "Canvass") a copy of which is attached hereto as Exhibit A.

This Council has been informed of the Canvass, finds it appropriate and wishes to complete its proceedings for the CFD.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livermore:

1. Recitals. The foregoing recitals are all true and correct.

2. Issues Presented. The issues presented at the special election were the levy of the special taxes within the CFD and the approval of an annual appropriations limit of not to exceed $10,000,000, all pursuant to the Resolution of Formation.

3. Canvass and Issues Approved. The Council hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for the CFD. Pursuant to the Canvass, the issues presented at the special election were approved by the qualified electors of the CFD by more than two-thirds of the votes cast at the special election.

4. Proceedings Approved. Pursuant to the voter approval, the CFD is hereby declared to be fully formed with the authority to levy the special taxes and to have the established appropriations limit, all as heretofore provided in these proceedings and in the Act. It is hereby found that all prior proceedings and actions taken by this Council with respect to the CFD were valid and in conformity with the Act.

5. Notice of Special Tax Lien. The City Clerk is hereby directed to complete, execute and cause to be recorded in the office of the County Recorder of the County of Alameda a notice of special tax lien in the form required by the Act, such recording to occur no later than fifteen (15) days following adoption of this resolution by the Council.

6. Effective Date. This Resolution shall take effect upon its adoption.

On motion of Council Member _____, seconded by Council Member _____, the foregoing resolution was passed and adopted on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Tara Mazzanti
Tara Mazzanti
City Attorney

Exhibit A – Canvass and Statement of Result of Election

EXHIBIT A

CANVASS AND STATEMENT OF RESULT OF ELECTION

CITY OF LIVERMORE
Community Facilities District No. 2023-2
(Arroyo Vista Maintenance and Services)

I hereby certify that on January 22, 2024, I canvassed the returns of the election held on January 22, 2024, in the City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) and the total number of ballots cast in such District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

BALLOT MEASURE NO. 1: Shall the City of Livermore's measure to authorize the annual levy of special taxes within City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) ("CFD") to finance municipal services described in the City Council resolution entitled "A Resolution of Formation of a Community Facilities District" for the CFD" ("Resolution of Formation") adopted January 22, 2024 and administrative expenses, commencing in fiscal year 2024-25, at rates ranging from $233.79 to $292.24/unit for Developed Property, $277.73/Final Map Property lot and $4,143.94/acre Undeveloped Property (Annual Services Special Tax); $19.99 to $24.98/unit for Developed Property, $23.74/Final Map Property lot and $354.24/acre Undeveloped Property (Annual Contingent Bridge Operation/Maintenance Services Special Tax); and $120.88 to $151.10/unit for Developed Property, $143.60/Final Map Property lot and $2,142.64/acre Undeveloped Property (Annual Contingent Bridge Repair/Replacement Services Special Tax), for a perpetual duration (or shorter period specified in the Resolution of Formation), be adopted? Financial Implications: Special taxes, if levied at maximum rate with full build out of property initially in the CFD, would raise $193,606.45 in fiscal year 2024-25 with annual escalation thereafter.

Qualified

	Landowner Votes	Votes Cast	YES	NO
City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) Special Tax Election, January 22, 2024	30	_____	_____	_____

BALLOT MEASURE NO. 2: Shall the City of Livermore's measure to authorize an annual appropriations limit of $10,000,000 for City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services be adopted?

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) Special Tax Election, January 22, 2024	30	_____	_____	_____

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND on January 22, 2024.

By: _____
Deputy City Manager/City Clerk
City of Livermore

IN THE CITY COUNCIL OF THE CITY OF LIVERMORE, CALIFORNIA

AN ORDINANCE LEVYING A SPECIAL TAX WITHIN CITY OF LIVERMORE COMMUNITY FACILITIES DISTRICT NO. 2023-2 (ARROYO VISTA MAINTENANCE AND SERVICES)

Under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Livermore (the "City") is authorized to establish a community facilities district and to act as its legislative body.

On December 11, 2023, this City Council (the "Council") adopted a resolution entitled "A Resolution of Intention to Establish a Community Facilities District" (the "Resolution of Intention"), and has conducted proceedings (the "Proceedings") to establish "City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services)" (the "CFD") pursuant to the Act to finance certain municipal services (the "Services") as provided in the Act.

Pursuant to notice as specified in the Act, and as part of the Proceedings, the Council has held a public hearing under the Act relative to the determination to proceed with the formation of the CFD and a rate and method of apportionment of the special tax (the "Special Tax") to be levied within the CFD to finance the Services, and at such hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the levy of the Special Tax were heard, substantial evidence was presented and considered by this Council and a full and fair hearing was held.

Upon the conclusion of the hearing, this Council adopted its "A Resolution of Formation of a Community Facilities District" (the "Resolution of Formation"), pursuant to which it completed the Proceedings for the establishment of the CFD, the authorization of the levy of the Special Tax within the CFD, and the calling of an election within the CFD on the propositions of levying the Special Tax and establishing an appropriations limit within the CFD.

On January 22, 2024, a special election was held among the landowner voters within the CFD at which such voters approved such propositions by the two-thirds vote required by the Act, which approval has been confirmed by resolution of this Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LIVERMORE DOES ORDAIN AS FOLLOWS:

Section 1. *Authorization and Levy of the Special Tax*. By the passage of this Ordinance, the Council hereby authorizes and levies the Special Tax within the CFD pursuant to the Act, at the rate and in accordance with the rate and method of apportionment of Special Tax set forth in the Resolution of Formation, as it may be amended and supplemented from time to time, which rate and method is by this reference incorporated herein. The Special Tax is hereby levied commencing in fiscal year 2024-25 and in each fiscal year thereafter to pay for the Services for the CFD, as contemplated by the Resolution of Formation and the Proceedings, and all costs of administering the CFD.

Section 2. *Direction to Determine Special Tax*. The City Manager or designee, or an employee or consultant of the City, is hereby authorized and directed each fiscal year to determine the specific Special Tax to be levied for the next ensuing fiscal year for each parcel of real property within the CFD, in the manner and as provided in the Resolution of Formation.

Section 3. *Exemptions; Maximum Special Tax*. Exemptions from the levy of the Special Tax shall be as provided in the Resolution of Formation and the applicable provisions of the Act. In no event shall the Special Tax be levied on any parcel within the CFD in excess of the maximum Special Tax specified in the Resolution of Formation.

Section 4. *Use of Special Tax.* All of the collections of the Special Tax shall be used as provided in the Act and in the Resolution of Formation, including, but not limited to, the payment of costs of the Services, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the Special Tax.

Section 5. *Collection of Special Tax.* The Special Tax shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that the Council may provide for other appropriate methods of collection by resolution(s) of the Council. The City Manager of the City (or a designee) is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Alameda in order to effect proper billing and collection of the Special Tax, so that the Special Tax shall be included on the secured property tax roll of the County of Alameda for fiscal year 2024-25 and for each fiscal year thereafter until no longer required to pay for the Services or until otherwise terminated by the City.

Section 6. *Severability*. If, for any reason, any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this Ordinance and the application of the Special Tax to the remaining parcels within the CFD shall not be affected.

Section 7. *Publication*. The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published within fifteen (15) days of its passage at least once in a newspaper of general circulation circulated in the City or pursuant to such other procedure identified by the City Clerk.

Section 8. *Effective Date*. This Ordinance shall take effect 30 days from the date of final passage.

The foregoing ordinance was introduced at the meeting of the City Council of the City of Livermore held on January 22, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

The ordinance was adopted at the regular meeting of the City Council held on February 12, 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

_____
Mayor, City of Livermore

ATTEST:

_____
Deborah L. Elam
Acting City Clerk

APPROVED AS TO FORM:

/s/ Tara Mazzanti
Tara Mazzanti, Assistant City Attorney

LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 10.1**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Marianna Marysheva, City Manager

SUBJECT: Supplemental materials received prior to the meeting.

RECOMMENDED ACTION

SUMMARY

These materials were posted online and made available to the public at the same time that they were distributed to the City Council.

3.1	Library Board of Trustees annual update presented by Chair Richard Hunt. Material: PowerPoint Presentation
3.2	Citywide Strategic Plan Annual Update presented by Stephanie Egidio, Assistant to the City Manager. Material: PowerPoint Presentation
6.1	Public hearing, landowner election, declaration of results, and actions related to formation of Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services) located on the east and west side of the Arroyo Seco Channel along Las Positas Road pursuant to the Mello-Roos Community Facilities Act of 1982. Material: PowerPoint Presentation
8.0	Council Committee Reports and Matters Initiated by City Manager, City Attorney, Staff, and Council Members Material: Council Reports

DISCUSSION

ATTACHMENTS

1. Supplemental Materials

Prepared by: Helena Graves
Deputy City Clerk

Approved by:

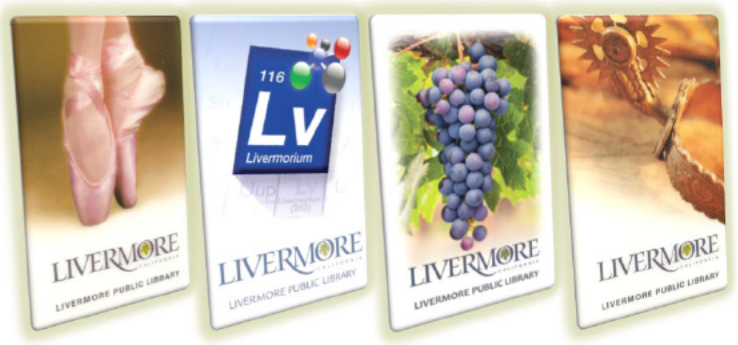


Marianna Marysheva
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director



Library Board of Trustees Annual Update to the City Council

January 22, 2024

Presented by Richard Hunt, Board Chair

CITY OF LIVERMORE CALIFORNIA

1

Introduction and Background

- **"The Library Board of Trustees is an advisory group which recommends policy to City Council. The Board helps set goals and objectives for Library services and programs."**
- Monthly meetings are open to the public. Topics include: strategic planning/action plans, Library/patron policies, new programs and services, statistics, etc.
- The Library Board of Trustees often acts as a sounding board for staff ideas; they also provide suggestions and endorse ideas in support of the Library's strategic objectives

CITY OF LIVERMORE CALIFORNIA

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Current Board Members



Mariana Guzzardo	Lainie Pascall	Richard Hunt	Nancy Olavarrieta	Michelle Ornat
Board Member	**Vice Chair**	**Chair**	**Board Member**	**Board Member**
Current Term: 6/1/2022 – 6/1/2025	Current Term: 6/1/2022 – 6/1/2025	Current Term: 6/1/2021 – 6/1/2024	Current Term: 6/1/2023 – 6/1/2026	Current Term: 6/1/2023 – 6/1/2026

CITY OF LIVERMORE CALIFORNIA

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Looking Back
2023 Goals

- **Access** – Support the Library's efforts to develop additional methods for providing equitable access to its resources, spaces, and information
- **Engagement** – Support the Library's efforts to develop more programming and services where residents naturally gather
- **Learning and Literacy** – Support the Library's efforts to bolster learning and literacy in all its forms, for all community members
- **Annual Events** – Provide the Library ideas to enhance and broaden the reach of annual events (Black History Month, Hispanic Heritage Month, Livermore Reads Together, Summer Reading Program, etc.)
- **Policy Review** – Provide the Library ideas to strengthen policies to ensure they are fair, diverse, equitable, and inclusive

CITY OF LIVERMORE CALIFORNIA

4

Access

The Library Board of Trustees supported Library efforts to provide equitable access to resources, programs, and services. These efforts included the launch of mobile hotspots through the Library of Things and unique Storytime programs (ASL, Sensory, Storytimes in the Park, etc.)









CITY OF LIVERMORE CALIFORNIA

5

Engagement

The Library has continued to foster new partnerships with community groups and organizations, while also working with our long-term allies to support education, lifelong learning, and access to unique programming and resources.

Livermore Area Recreation & Park District

East Bay Regional Park District
Healthy Parks Healthy People

Lawrence Livermore National Laboratory

Livermore Filam Organization

quest SCIENCE CENTER

TVS Tri-Valley Stargazers

Department of Veterans Affairs

LA FAMILIA

FRIENDS OF THE LIVERMORE LIBRARY

LIVERMORE SCHOOL DISTRICT

CITY OF LIVERMORE CALIFORNIA

6

Learning and Literacy



Some of the key successes were the three-part Media Literacy Lecture series aimed to empower community members with the digital literacy tools and techniques needed to navigate the complex digital media environment, the expansion of direct Literacy staffing, the establishment of the Vineyard Village Conversation group, and the Adult New Reader Project – *Local Authors*.

The Library continued to focus on promoting Literacy in all its forms.

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Annual Events



The Livermore Public Library continues to expand its offering of annual events. Regular events include:

- Summer Reading Program
- Winter Reading Program
- Livermore Reads Together
- Opportunities Expo (Part 2)
- Black History Month Events
- Creative Writing Workshop
  - Korean Cultural Festival
  - Día Del Niño Family Festival
  - Latinx/Hispanic Heritage Month Events

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Diverse, Equitable, and Inclusive Programming and Resources



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Additional Strategic Programming & Resources









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Policy Review

LIVERMORE PUBLIC LIBRARY

REGISTRATION FOR BORROWER'S PRIVILEGES

Livermore Public Library maintains records of pertinent information on borrowers of library materials. This information is confidential and is for the use of the Library only in the day to day transaction of Library business.

At registration, borrowers are issued a library card as part of their account creation. A form of proof of the account must be presented when materials are checked out. This

Livermore Public Library
Patron Conduct Policy

I. Purpose

The purpose of this policy is to guide the public and staff in the principles of conduct that sh be observed at the Livermore Public Library (Library). The Library is committed to providi safe and comfortable space that is welcoming to all people in the community. The Library s to maintain an atmosphere that is conducive to a variety of uses, including education, resear study, and participation in the Library's classes and events. While the Library welcomes all people, it is each patron's responsibility to act within the guidelines of this policy to protect individuals' rights to use the Library.

This policy applies to the use of all Library facilities. This policy does not pertain to the ren café space at the Civic Center Library or the plaza outside the Civic Center Library.

II. Policy

The following conduct is expected of patrons using a Library facility.

During 2023, the Library Board of Trustees provided feedback and ideas to strengthen existing policies to ensure they were fair, diverse, equitable, and inclusive.

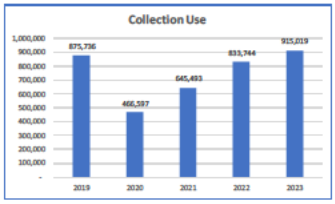


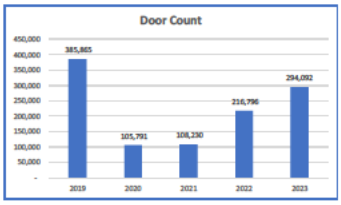
CITY OF LIVERMORE CALIFORNIA

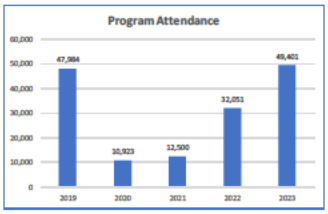
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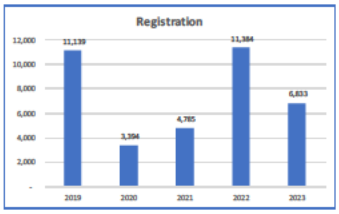
Library Services Update
2023 - By the Numbers

5-YEAR COMPARISON (2019 - 2023)









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Library Services Update
2023 - By the Numbers (cont'd)

2023

YEAR IN REVIEW



NEW CARDS
6,833

CHECK OUTS
915,019



LIBRARY PROGRAMS
1,178

PROGRAM ATTENDANCE
49,401

QUESTIONS ANSWERED
64,066

VOLUNTEER HOURS
10,476



WEBSITE VISITS
179,839

VISITORS
294,092



DATA FROM JAN-DEC 2023

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Library Services Update (cont'd)

Library staff continues to leverage the lessons learned during the COVID-19 pandemic by offering a combination of in-person, online, asynchronous, and hybrid programs to ensure availability and reach to all community members.



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Looking Forward
2024 Goals



Engagement – The Library Board of Trustees will support the Library's efforts to develop more programming and services where residents naturally gather

Strategic Plan Support – The Library Board of Trustees will continue to review and consider the objectives set forth by both the City of Livermore and Livermore Public Library strategic plans, and will propose ways that the Board can support efforts to reach these objectives

Annual Events – The Library Board of Trustees will provide suggestions and feedback that the Library can use to strengthen its current annual events and to identify opportunities for potential new events

Board Support and Advocacy – The Library Board of Trustees will work with the Library to identify additional ways that Board members can support the Library and advocate on its behalf

Policy Review – The Library Board of Trustees will continue to provide the Library ideas to strengthen policies to ensure they are fair, diverse, equitable, and inclusive

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Thank You!

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2023-28 Citywide Strategic Plan Annual Update

January 22, 2024

Presented by Stephanie Egidio, Assistant to the City Manager

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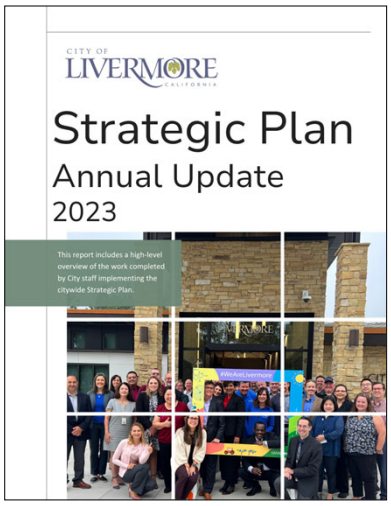
Strategic Plan



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Report Organization



Community Pillar

↓

Goal Category

↓

Updates

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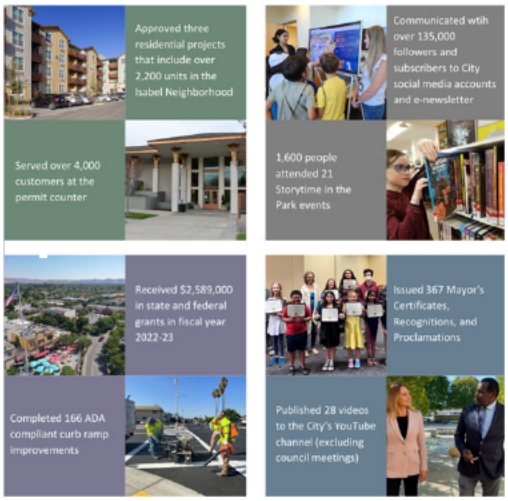
Year at a Glance



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Year at a Glance



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Thank You



View the Strategic Plan and Annual Update online:

www.LivermoreCA.gov/StrategicPlan

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Community Facilities District No. 2023-2 Arroyo Vista Maintenance and Services

January 22, 2024

Presented by

***Farnoush Levers**, Senior Civil Engineer*

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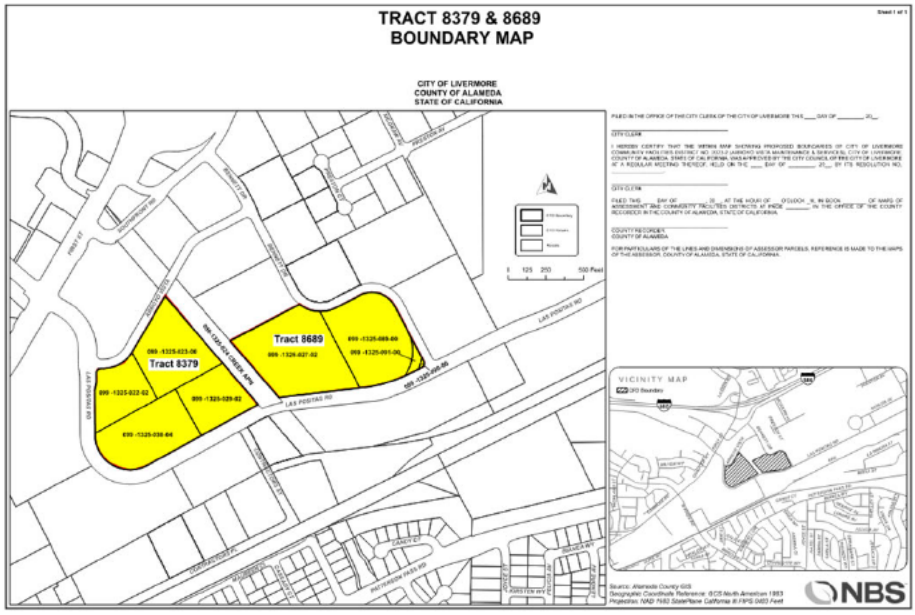
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Community Facilities District No. 2023-2 Arroyo Vista Maintenance and Services

- Community Facilities Districts (CFD) provide a funding mechanism for infrastructure or maintenance.
- Property owners within the district are assessed annually to provide this funding.

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Community Facilities District No. 2023-2 Arroyo Vista Maintenance and Services

The amenities to be maintained with the annual CFD funding include:

- Multi-use Trail located along the west side of the Arroyo Seco Channel
- Landscape improvements along Las Positas Road at both Tract 8379 (West Side) and Tract 8689 (East Side)

The CFD includes an optional contingency item for future long-term repair, replacement and maintenance costs of the pedestrian bridge

- Developer is planning on pursuing an in-lieu alternative to the bridge that would provide the City with funding for additional community benefits such as bike lanes, trails and pedestrian pathways. The alternative will require a SPDRM and future PC & CC approval.

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Staff recommends that City Council:

1. Adopt a Resolution of Formation of a Community Facilities District; and

2. Adopt a Resolution Calling Special Landowner Election for a Community Facilities District

3. Break to conduct Special Landowner Election for a Community Facilities District

4. Adopt a Resolution Declaring Results of Special Landowner Election and Directing Recording of Notice of Special Tax Lien

5. Introduce Ordinance Levying Special Tax within City of Livermore Community Facilities District No. 2023-2 (Arroyo Vista Maintenance and Services)

LIVERMORE CALIFORNIA

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Council Member	Date of Meeting or Event	Committee or Organization	Meeting or Event Type (ex. board meeting or ribbon cutting)	Summary of Meeting or Event
Mayor Marchand	1/9/2024	Livermore Downtown Inc.	Board meeting	Conducted the swearing in ceremony for the new Board of Directors.
Mayor Marchand	1/10/2024	Livermore Chamber of Commerce	Business Alliance	Provided an update on City activities and heard a presentation from Yolanda Fintschenko, Executive Director of the Daybreak Labs.
Mayor Marchand	1/10/2024	Rotary Foundation	Meeting	Attended and spoke at the Rotary grant presentation program for Livermore Valley Education Foundation (LVEF), teachers and Goodness Village.
Mayor Marchand	1/10/2024	City of Livermore	New business ribbon cutting.	Presented a Mayor's Welcome Certificate of ThermaSteel.
Mayor Marchand	1/10/2024	Alameda County Mayors' Conference	Presentation	Toured the Gillig bus facility, provided a presentation on the remarkable things that are going on in Livermore. Also heard a presentation on the East Bay Parks 30 X 30 initiative.
Mayor Marchand	1/11/2024	Local Agency Formation of Alameda County (LAFCO)	Commission meeting	Regular business meeting and provided a performance evaluation for the Executive Director.
Mayor Marchand	1/16/2024	U.S. Conference of Mayors in Washington D.C.	Conference/meetings	Met with Col. Ivan Bolden about potential partnership programs with the military.
Mayor Marchand	1/16/2024	U.S. Conference of Mayors in Washington D.C.	Meeting with Townsend Public Affairs	Debrief from today's meeting and preparation for the next two days on Capitol Hill.
Mayor Marchand	1/17/2024	U.S. Conference of Mayors in Washington D.C.	Meeting of the Mayors Water Council	Presentations and discussions centered around the new Lead and Copper Rule and PFOS/PFAS.
Mayor Marchand	1/17/2024	U.S. Conference of Mayors in Washington D.C.	Meeting	Met with newly appointed Senator Laphonza Butler and talked about issues that are important to the Tri-Valley, Valley Link, Mental Health, Homelessness, Housing and others.
Mayor Marchand	1/17/2024	U.S. Conference of Mayors in Washington D.C.	Meeting	Met with Representative John Garamendi and talked about issues that are important to the Tri-Valley; Valley Link, Mental Health, Homelessness, Housing and others. He understands the importance of connecting the mega-region.
Mayor Marchand	1/17/2024	U.S. Conference of Mayors in Washington D.C.	Meeting	Met with Senator Alex Padilla and talked about issues that are important to the Tri-Valley; Valley Link, Mental Health, Homelessness, Housing and others.
Mayor Marchand	1/18/2024	U.S. Conference of Mayors in Washington D.C.	program presentations	Attended a program on Entrepreneurship, Small Business, and a presentation by Energy Secretary Granholm.
Mayor Marchand	1/18/2024	U.S. Conference of Mayors in Washington D.C.	Meetings	Met with Congressional Representatives Swalwell and DeSaulnier talked about issues that are important to the Tri-Valley; Valley Link, Mental Health, Homelessness, Housing and others.
Mayor Marchand	1/18/2024	U.S. Conference of Mayors in Washington D.C.	Program presentations	Presentation on the relationships between Urban Design, the Arts and Mental Health.
Mayor Marchand	1/19/2024	U.S. Conference of Mayors in Washington D.C.	Program presentations	Leadership in the arts, Hate speech and City legislative efforts.
Mayor Marchand	1/20/2024	Bay East Association of Realtor	Inauguration	Attended the Inaugural Reception for Incoming President Barbara Clemons.
Mayor Marchand	1/22/2024	Pleasanton Community of Character Collaborative	Program	Presented Certificates of Recognition to Suzanne Beck for "Dress a Girl Around the World" and to Tri-Valley Reach.

Council Member	Date of Meeting or Event	Committee or Organization	Meeting or Event Type (ex. board meeting or ribbon cutting)
Vice Mayor Carling	1/10/2024	Alameda County Mayors' Conference	
Vice Mayor Carling	1/11/2024	StopWaste	Board meeting
Vice Mayor Carling	1/16/2024	Valley Dance Theatre	Ribbon cutting at Valley Dance Theatre
Vice Mayor Carling	1/18/2024	Alameda County Affordable Housing Summit	
Vice Mayor Carling	1/19/2024	Altamont Landfill Open Space Committee	Board meeting

Council Member	Date of Meeting or Event	Committee or Organization	Meeting or Event Type (ex. board meeting or ribbon cutting)	Summary of Meeting or Event
Council Member Barrientos	1/22/2024	City Council	24th MLK Jr Fellowship Breakfast	Legacy Awards given to several ladies for their leadership and work for the people.
Council Member Barrientos	1/17/2024	Ava Community Energy	Board of Directors General Meeting	Discussed buying energy and CEO contract.

Council Member	Date of Meeting or Event	Committee or Organization	Meeting or Event Type (ex. board meeting or ribbon cutting)
Council Member Branning	1/10/2024	Alameda County Mayors Conference	GILLIG tour and Mayors' meeting
Council Member Branning	1/19/2024	League of California Cities (CalCities)	Housing and Economic Development Policy Committee
Council Member Branning	1/18/2024	Tri-Valley Conservancy	Advisory Council Social

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CITY COUNCIL STAFF REPORT **ITEM NO. 10.2**

DATE: January 22, 2024

TO: Honorable Mayor and City Council

FROM: Marianna Marysheva, City Manager

SUBJECT: Supplemental materials received at the meeting.

RECOMMENDED ACTION

SUMMARY

DISCUSSION

ATTACHMENTS

1. Items Received at the Meeting

Prepared by: Helena Graves
Deputy City Clerk

Approved by:

Marianna Marysheva
City Manager

Fiscal Review by:

Tina Olson
Administrative Services Director

Received at the Livermore City Council meeting of:
January 22, 2024
Item 4.0

January 22,2024

Livermore City Council Members
Council Chambers
1016 South Livermore Ave.
Livermore, CA 94550

Dear Council Members:

The City Council voted to give the fixed base operator (FBO) two years to start selling unleaded aviation fuel at the airport. This is too long.
The Council can use Airport Enterprise funds to purchase a new 8,500 gallon tank for unleaded fuel. The current balance of Airport Enterprise funds is between 7 to 8 MILLION dollars. That is more than enough to purchase, and install a new tank for unleaded aviation fuel; estimates range between $300,000 and $400,000.
Why hasn't a new tank been purchased? The city manager said the FBO asked the city NOT to buy a tank . WHY? This is not an acceptable answer. We are not asking for a ban on leaded aviation fuel; only to offer unleaded fuel as an option.

At least 10 California airports now sell unleaded aviation fuel including Hayward ,Oxnard, Reid-Hillview ,San Carlos, San Martin, Santa Monica, Long Beach, and Watsonville. The council can direct the FBO to sell UL 94, GAMI 100 or both. GAMI 100 will be available by the end of this year. Councilmember Carling stated that Livermore needs to focus on getting a second tank certified, and to start selling unleaded aviation fuel as soon as possible. He said Livermore should not be distracted by future fuel possibilities. We agree. UL 94 can be offered now, and GAMI 100 in less than a year.

Recent testing by Tri-Valley Air Quality Climate Alliance shows the highest lead air pollution occurs when pilots of piston engine aircraft are communicating with the tower before take-off. Residents within a 1.5 mile radius of the airport are affected. This includes housing in Somerset, Sage, Montage and the Isabel Neighborhood Specific Plan.

We removed the lead from car fuel, now we need to remove the lead in fuel for piston-engine aircraft. For the health and safety of all Tri-Valley residents, make the purchase of a new tank an **urgent** priority. Under matters for consideration, please consider shortening the FBO timeline to install unleaded aviation fuel tanks to less than a year.

Best,
Donna Cabanne Donna Cabanne
40 year Livermore resident, member of Sierra Club, Center for Biological Diversity, Lead-Free Livermore.



FY 2022-23 Annual Comprehensive Financial Report

January 22, 2024

Presented by Tina Olson, Administrative Services Director

CITY OF LIVERMORE CALIFORNIA

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FY 2022-23 Annual Comprehensive Financial Report

What is it?

Identifies:

- **City's assets** (cash, investments, & capital assets) by fund
- **City's liabilities** (pension, retiree medical, outstanding debt, vacation accruals, & claims payable) by fund
- **Ending fund balances** by fund

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FY 2022-23 Annual Comprehensive Financial Report

What's Audited?

- Reviews City's internal controls to help ensure systems and processes will prevent fraud and theft
- Verifies cash, investments, capital assets, and liabilities with outside entities (banks, bond trustee, CalPERS, & etc)

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FY 2022-23 Annual Comprehensive Financial Report

Audit Reports

- ACFR – all funds
- Alameda County Transportation Commission (Measures B, BB, and F)
- Compliance with Proposition 111 appropriations limit
- Memorandum of Internal Control
- Required Communications

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FY 2022-23 Annual Comprehensive Financial Report

Audit Results

- Auditors gave the City an unmodified clean opinion – 42nd year!
  - Staff corrected recording of low-income housing loans

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Questions?

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