



STAFF REPORT

CITY of YORBA LINDA

PUBLIC WORKS DEPARTMENT

DATE: MAY 17, 2022

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JAMIE LAI, P.E., PUBLIC WORKS DIRECTOR / CITY ENGINEER
PREPARED BY: REGINA HU, P.E., SENIOR CIVIL ENGINEER

SUBJECT: ACCEPT PUBLIC IMPROVEMENTS AND RELEASE BONDS FOR TRACT 18061, WEDGEWOOD – SHEA HOMES

RECOMMENDATION

It is recommended that the City Council authorize the City Clerk to:

1. Accept the On-site Improvements of Tract 18061 and release Faithful Performance and Labor and Materials bonds to 90 percent of the original amount and retain 10 percent of the original amount for a one-year warranty period; and
2. Accept the Off-site Improvements of Tract 18061 and release Faithful Performance and Labor and Materials bonds to 90 percent of the original amount and retain 10 percent of the original amount for a one-year warranty period; and
3. Release 100 percent of the Monumentation Bond; and
4. Release Grading Bond to 90 percent of the original amount and retain 10 percent of the original amount for a one-year warranty period; and
5. Release, in one year (May 17, 2023), if no liens have been filed, the remaining 10 percent of the Faithful Performance, Labor and Materials, and Grading bonds for both On-site and Off-site Improvements.

BACKGROUND

Tract 18061 is a private 22-lot, 12.45 acres (gross) single-family residential subdivision known as “Wedgewood” that is located on Lakeview Avenue and is bounded by Via Madera on the north, the Yorba Linda Reservoir “Lakebed” to the east, and Timberlane Drive on the south (as shown on Attachment 1: Vicinity Map).

On August 21, 2018, the City Council approved Tract Map No. 18061 and entered into a Subdivision Improvement Agreement with Shea Homes. The off-site and on-site Faithful Performance and Labor & Materials Bonds, Grading, and Monumentation securities were required per the Subdivision Improvement Agreement. Per Section 17.16.040 of the City’s

municipal code, upon request by the Developer, the City may release the security in conjunction with the performance of work as it progresses.

On June 2, 2020, the City Council reduced a portion of securities bonds for substantial completion: on-site Faithful Performance and Labor & Materials bonds were reduced to 40 percent of the original amounts, and Grading Bond was reduced to 30 percent of the original amount for Tract 18061.

Municipal Code Section 17.16.040 and the Subdivision Map Act requires the posting of security to ensure completion of improvements in conformance with the subdivision improvement agreement, accepted precise grade plan, accepted improvement plans, project Resolution 5223, and to the satisfaction of the City Engineer. Shea Homes (Developer) has completed the improvements for acceptance and the proposed surety release amounts as summarized in Table 1 below.

DISCUSSION

Staff has performed inspections of the performance of improvements and has determined that this work has been completed in accordance with the accepted improvement plans, rough grade plan, improvement plan, and conditions of approval. The table below summarizes the current and requested release amounts of the sureties.

Table 1: Surety Release Summary

Surety	Surety Amount Remaining	Release Amount	Warranty Amount
<u>On-site Improvements</u>			
Faithful Performance Bond	*\$287,600.00	\$215,700.00	***\$71,900.00
Labor & Materials Bond	*\$287,600.00	\$215,700.00	***\$71,900.00
<u>Off-site Improvements</u>			
Faithful Performance Bond	\$957,000.00	\$861,300.00	***\$95,700.00
Labor & Materials Bond	\$957,000.00	\$861,300.00	***\$95,700.00
Monument Security Bond	\$15,400.00	\$15,400.00	N/A
Grading Bond	**\$35,100.00	\$23,400.00	***\$11,700.00

* Amount equates to 40% of original amount (\$719,000). 60% released on June 2, 2020.

** Amount equates to 30% of original amount (\$117,000). 70% released on June 2, 2020.

*** 10% Warranty retention to be released after one year per condition of approval, pending a final warranty inspection and if no liens have been filed (estimated May 17, 2023).

FISCAL IMPACT

There is no direct fiscal impact to the City caused by releasing the developer-provided sureties as listed above.

ALTERNATIVES

Do not accept the public improvements associated with Tract 18061 as complete, and do not release the project sureties. This alternative is not recommended as the work performed was found to be in substantial compliance with the terms of the subdivision improvement agreement, conditions of approval and the accepted improvement plans.

ATTACHMENTS

Attachment 1: Vicinity Map
