



STAFF REPORT

CITY of YORBA LINDA

PUBLIC WORKS DEPARTMENT

DATE: OCTOBER 18, 2022

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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

SUBJECT: REDUCTION OF SURETY BONDS FOR TRACT 18123 (SHEA HOMES "SAFFRON")

RECOMMENDATION

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

- (1) Release 75 percent of the Rough Grading Bond;
- (2) Release 75 percent of the Faithful Performance/ Labor and Materials Bond for On-site Storm Drain Improvement; and
- (3) Release 60 percent of the Faithful Performance/ Labor and Materials Bond for On-site Street Improvements.

BACKGROUND

Developer: SHEA HOMES

Number of Parcels: 23 numbered lots

Acreage: 12.10 Net Acres (13.10 Gross Acres)

Zoning: R-PD (1.77 du/ac)
Single Family Residential – Planned Development

The project site is located along Bastanchury Road and is bounded by Lakeview Avenue on the north, Casa Loma Avenue to the west, Eureka Avenue to the east, as illustrated in (Attachment 1).

On July 19, 2022, the City Council entered into a Subdivision Improvement Agreement with Shea Homes for Tract No. 18123. The developer posted bonds as required by Municipal Code Section 17.16.040 and the Subdivision Map Act to ensure completion of improvements. The bonds provide the security instrument to ensure the improvements meet the satisfaction of the City Engineer and conform with the Subdivision Improvement Agreement and accepted plans.

The developer (Shea Homes) has requested a bond reduction to reflect the percentage of work that has been completed.

DISCUSSION

Public Works performed a field inspection and has determined the portion of improvements substantially completed are in accordance with the accepted improvement plans. Table 1 below summarizes the original and remaining amounts of the bonds after requested release. The remaining amounts are sufficient to complete the improvements should the developer (Shea Homes) fail to perform per the Subdivision Improvement Agreement.

75 percent of the Rough Grade Bond will be released. Developer has rough graded all 23 lots, but the remaining 25 percent surety bond will ensure precise grade will be completed to the City's satisfaction after home sales.

75 percent of the On-site Storm Drain Improvement Bonds will be released. Developer has completed all subsurface storm drain improvements, but the remaining 25 percent surety bond will ensure Best Management Practice (BMP) bioretention systems are landscaped and function as intended through the warranty period.

60 percent of the On-site Street Improvement Bonds will be released. Developer has completed the majority of the street, asphalt pavement, gutter, driveways, sidewalk, and retaining walls. The remaining 40 percent will ensure the remainder of street improvements are completed to the City's satisfaction including punchlist items and warranty period.

The Off-site Street Improvement and Monument Bond amounts will remain the same. No bond reduction requests have been made.

Table 1: Surety Release Summary

Bond	Bond No.	Surety Amount	Amount Remaining
Rough Grading Bond	CMS345872	\$328,000.00	\$82,000
<u>On-site Storm Drain Improvements</u>			
Performance Bond	0235930	\$690,000.00	\$172,500
Labor & Materials Bond	0235930	\$690,000.00	\$172,500
<u>On-site Street Improvements</u>			
Performance Bond	0244640	\$491,000.00	\$196,400
Labor & Materials Bond	0244640	\$491,000.00	\$196,400

FISCAL IMPACT

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

ALTERNATIVES

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
