



# STAFF REPORT

## CITY of YORBA LINDA

### PUBLIC WORKS DEPARTMENT

**DATE:** JULY 15, 2025

**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., PRINCIPAL CIVIL ENGINEER

**SUBJECT:** REPLACE SECURITY BONDS FOR PARCEL MAP 2005-135 YORBA VISTA DEVELOPMENT (SEPULVEDA BUILDERS, INC. AND GEORGE AND JOAN ADAMS)

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### **RECOMMENDATION**

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

- (1) Accept the replacement street improvement bonds for Parcel Map 2005-135 posted by four (4) Yorba Vista Homeowners (Yorba Vista HOA); and
- (2) Release the remaining securities deposited by Sepulveda Builders, Inc. and George and Joan Adams (Sepulveda) as outlined herein.

### **BACKGROUND**

The four (4) homeowners of Yorba Vista Development (Avisetti, Wu, Lee, and Zhou collectively referred to as "Homeowners") purchased Parcel Map 2005-135 from Sepulveda Builders and George and Joan Adams between 2018 to 2022. As part of the purchase, the Homeowners are obligated to replace the improvement securities for the development that was posted by the prior owner. The four lots of Parcel Map 2005-135 have been assigned addresses as follows:

- Lot 1: 4991 Yorba Vista (Owned by: Medha and Sri Harsha Avisetti)
- Lot 2: 4980 Yorba Vista (Owned by: Yi-Hsiang Wu, aka "Straight Forward, Inc")
- Lot 3: 4970 Yorba Vista (Owned by: Wing Kee Vikki Lee and Yi-Hsiang Wu)
- Lot 4: 4960 Yorba Vista (Owned by: Xue Wei Zhou)

In June 2007, improvement security bonds were required by Sepulveda Builders and George and Joan Adams with the subdivision improvement agreement for the improvements associated with Parcel Map 2005-135. Per Section 17.16.040 of the City's Municipal Code, the City Council may release a portion of the security, upon request by the developer, in conjunction with acceptance of the corresponding amount of completed work. A substantial number of improvements that were constructed by Sepulveda Builders and George and Joan Adams, were completed and original deposited securities were reduced over the

years. However, the original developer experienced financial difficulties in the 2010-2013 timeframe and has yet to address the City's punch list items for Parcel Map acceptance and all conditions of approval. Given the lapse of time during the dormant period of development, most of the improvements are in disrepair due to lack of use and normal wear. The new homeowners have obtained a designer to redesign the obligated improvements and have posted new bonds for the reconstruction of the private Yorba Vista cul-de-sac and other incidental work. Only when the street improvements are completed and accepted to the satisfaction of the City can the homeowners start the approval process for their homes.

### **DISCUSSION**

The original subdivision improvement agreement obligated Sepulveda Builders and George and Joan Adams to post a security and complete certain public and private improvements for Parcel Map 2005-135. Upon inspection of the improvements and review of the Engineer's cost estimate, the replacement bond amounts are sufficient to cover the remaining work.

However, the remaining work will be bonded at different amounts than the remaining securities by the original developer to ensure the completion of improvements and any additional repairs that may be needed. Homeowners are offering replacement bonds in the form of a cashier's check for Parcel Map 2005-135 in the amounts summarized below to complete street improvements that are identified in the subdivision agreement and accepted improvement plans.

#### **Release Sepulveda Builders/George and Joan Adams' Remaining Securities**

<b>Bond</b>	<b>No.</b>	<b>Original Amount</b>	<b>Current Amount</b>
Faithful Performance	586552S	\$70,213.00	\$70,213.00
Labor and Materials	586552S	\$70,213.00	\$70,213.00
Monumentation	586553S	\$2,500.00	\$2,500.00

#### **Accept Four Homeowners Replacement Bonds**

<b>Bond</b>	<b>Cashier Check No.</b>	<b>Amount</b>
Faithful Performance	839005655	\$188,000.00
Labor and Materials	839005655	\$188,000.00
Monumentation	839005655	\$2,500.00
<b>Total</b>		<b>\$378,500.00</b>

### **FISCAL IMPACT**

There is no fiscal impact resulting from releasing and accepting developer-provided securities and bonds as summarized herein. All design, permitting, and construction costs shall be borne by the new developer (Homeowners).

## **ALTERNATIVES**

Do not authorize the City Clerk to accept the replacement street improvement bonds for Parcel Map 2005-135 posted by the homeowners; and do not release the remaining securities deposited by Sepulveda Builders and George and Joan Adams. This alternative is not recommended as the proposed recommendation is allowable per the terms of the subdivision improvement agreement, and it is in the best interest of the City to have the new Homeowners reconstruct the improvements to an acceptable and usable condition.

## **ATTACHMENTS**

Attachment 1 – Vicinity Map

Attachment 2 – Original Subdivision Improvement Agreement

Attachment 3 – Replacement Bonds (Cashier's Check)

Attachment 4 – Grant Deeds

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