



City of Huntington Beach

File #: 24-129

MEETING DATE: 3/19/2024

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Eric G. Parra, Interim City Manager

VIA: Chau Vu, Director of Public Works

PREPARED BY: Jacob Aube, Senior Civil Engineer

Subject:

Approve and Accept the Public Improvements, Release the Securities for, and Accept a Guarantee and Warranty Bond for Tract 18105

Statement of Issue:

Meritage Homes of California, the owner/developer of Tract 18105, has completed construction of all required public improvements and is now eligible to receive a release of securities and bonds, pursuant to the provisions of the Subdivision Map Act.

Financial Impact:

No funding is required for this action.

Recommended Action:

- A) Accept the improvements constructed and dedicated for public use with Tract 18105, and instruct the City Clerk to record the Notice of Acceptance of Public Improvements (Attachment 2) with the Orange County Recorder; and,
- B) Accept Guarantee and Warranty Bond No. 30190069 (Attachment 3); the security furnished for guarantee and warranty of public improvements, and instruct the City Clerk to file the bond with the City Treasurer; and,
- C) Instruct the City Clerk to notify the developer, Meritage Homes of California, of this action, and the City Treasurer to notify the Surety, Arch Insurance Company (Faithful Performance, Labor & Materials, Monument) and The Continental Insurance Company (Guarantee & Warranty), of this action.

Alternative Action(s):

Deny the recommended actions. Denying the recommended actions may violate the Subdivision Map Act whereby:

1. Section 66499.9 of the State of California Government Code requires the guarantee and warranty of the work for a period of one year following completion and acceptance of the improvement(s), against any defective work, labor, and materials furnished. Denying the acceptance of the Guarantee and Warranty Bond may place undue burden and costs upon the City for correcting any defective work, labor, and material provided by the subdivider.

Analysis:

On December 12, 2017, the Huntington Beach Planning Commission conditionally approved Conditional Use Permit No. 17-011 and Tentative Tract Map No. 18105, authorizing the construction of Tract 18105, which includes development of a 1.9-acre site to subdivide into 32 attached condominium townhomes, along with onsite/offsite utility upgrades and street improvements along Clay Avenue and Holly Lane.

On July 1, 2019, City Council approved execution of the Subdivision Agreement between the City and Meritage Homes of California (owner/developer), and also accepted the project's required surety bonds as follows: Faithful Performance Bond No. SU 1148545, Labor and Materials Bond No. SU 1148545, Monument Bond No. 1148546.

The developer has completed all required public improvements and is now requesting release of the aforementioned securities, pursuant to California Government Code Section 66499.7(a). The constructed improvements include curb, gutter, and sidewalk along Clay Avenue and Holly Lane and a new street light on Holly Lane.

The City Engineer has determined that the public improvements have been constructed in substantial compliance with the approved plans and specifications, and recommends acceptance of these improvements.

Project Data:

Developer: Meritage Homes of California
5 Peters Canyon, Suite 310, Irvine, CA 92606

Engineer: Pasco Laret Suiter & Associates
27127 Calle Arroyo, Suite 1904, San Juan Capistrano, CA 92675

Surveyor: Pasco Laret Suiter & Associates
27127 Calle Arroyo, Suite 1904, San Juan Capistrano, CA 92675

Surety: Arch Insurance Company (Faithful Performance, Labor & Materials, Monument)
2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833
The Continental Insurance Company (Guarantee & Warranty)
330 North Brand Boulevard, Suite 700, Glendale, CA 91203

Location: 19200 Holly Lane

Environmental Status:

This action is covered by the General Rule that the California Environmental Quality Act (CEQA) applies only to projects that have the potential for causing a significant effect on the environment (Section 15061.b.3 of the State CEQA Guidelines). It can be seen with certainty that there is no possibility that this activity will have a significant effect on the environment. Therefore, this activity is not subject to CEQA.

Strategic Plan Goal:

Non Applicable - Administrative Item

Attachment(s):

1. Location Map
2. Notice of Acceptance of Public Improvements
3. Guarantee and Warranty Bond No. 30190069
4. Final Tract Map 18105
5. PowerPoint Presentation