



Legislation Details (With Text)

File #:	19-431	Version:	1	
Type:	Consent Calendar	Status:	Passed	
File created:	4/2/2019	In control:	City Council/Public Financing Authority	
On agenda:	6/17/2019	Final action:	6/17/2019	
Title:	Accept Bond Reductions for Shea Homes' Parkside Estates Development Project			
Attachments:	1. Att#1 - Location Map, 2. Att#2 - Original Subdivision Bond, 3. Att#3 - Bond Reduction Letters, 4. Att#4 - Bond Reduction Riders			
Date	Ver.	Action By	Action	Result
6/17/2019	1	City Council/Public Financing Authority	approved	Pass

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: David Kiff, Interim City Manager

PREPARED BY: Travis Hopkins, Interim Assistant City Manager

Subject:

Accept Bond Reductions for Shea Homes' Parkside Estates Development Project

Statement of Issue:

Shea Homes Limited Partnership, A California Limited Partnership, has substantially completed the construction of much of the required public improvements for the Parkside Estates Development Project and is requesting a reduction of the project's sureties through City Council acceptance of the Coverage Riders.

Financial Impact:

No fiscal impact.

Recommended Action:

A) Authorize the Mayor to acknowledge and accept the Coverage Riders for the Faithful Performance and Labor and Material Bond Nos. 0195156, 0195157, 0195158, 0195159, 0195160, 0195161, 0195162, and 0195163, and instruct the City Clerk to file the riders with the City Treasurer; and,

B) Instruct the City Treasurer to notify the surety, Berkeley Insurance Company, of this action.

Alternative Action(s):

Deny the recommended action and provide direction to staff for the alternative action.

Analysis:

As part of the proposed subdivision and development of the Parkside Estates project (Attachment 1), Shea Homes was allowed to record Final Tract Map No. 15377 prior to the completion of construction of the required public improvements, by entering into a Subdivision Agreement and posting Faithful Performance and Labor and Material Bonds as sureties to guarantee the construction of those required public improvements (Attachment 2).

Shea Homes has now substantially completed the construction of approximately 95% of the required public improvements and is requesting reduction by approximately 90% of the original bond amount. This action is not the City's formal acceptance of these public improvements which will not occur until after all the improvements have been constructed in substantial compliance with the approved plans and specification and recommended for approval by the City Engineer. At a later date and if City Council then accepts the City Engineer's recommendations, the remaining 10% of the original sureties will be released and a Guarantee & Warranty bond taken in to begin a 12 month warranty period to assure acceptable long term performance of the public infrastructure.

Shea Homes is requesting the reduction of the project's sureties (Attachment 3) through City Council acceptance of the attached Coverage Riders (Attachment 4).

PROJECT DATA:

DEVELOPER: Shea Homes Limited Partnership, A California Limited Partnership, 2 Ada, Suite 200, CA 92618

ENGINEER: Hunsaker & Associates, Three Hughes, Irvine, CA 92618

SURETY: Berkley Insurance Company, 475 Steamboat Road, Floor 1, Greenwich, CT 06830

Environmental Status:

This action is a ministerial act, and is exempt from the requirements of the California Environmental Quality Act, pursuant to State CEQA Guidelines, California Administrative Code, Title 14, Chapter 3, Section 15268(b).

Strategic Plan Goal:

Enhance and maintain infrastructure

Attachment(s):

1. Parkside Estates Project Location Map
2. Original Faithful Performance and Labor and Materials Bond No. 0195156, 0195157, 0195158, 0195159, 0195160, 0195161, 0195162, and 0195163.
3. Letter from Shea Homes requesting the Bond Reduction Request with calculations
4. Coverage Riders for Faithful Performance and Labor and Materials Bond No. 0195156, 0195157, 0195158, 0195159, 0195160, 0195161, 0195162, and 0195163.