



Legislation Details (With Text)

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Title: Substitution of Subdivision Agreement with Shea Homes Limited Partnership and Bonds for the Cameron Townhomes Project (Tract 19154)

Attachments: 1. Att#1 Subdivision Agreement (Shea), 2. Att#2 Bonds FP LM Mon (Shea)

Date	Ver.	Action By	Action	Result
9/6/2022	1	City Council/Public Financing Authority	approved	Pass

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Al Zelinka, City Manager

VIA: Sean Crumby, Director of Public Works

PREPARED BY: Steve Bogart, Senior Civil Engineer

Subject:

Substitution of Subdivision Agreement with Shea Homes Limited Partnership and Bonds for the Cameron Townhomes Project (Tract 19154)

Statement of Issue:

A replacement Subdivision Agreement and the associated bonds are submitted to the City Council for execution and acceptance for the Cameron Townhomes Project (Tract 19154), because the project has recently been acquired by a new developer, Shea Homes Limited Partnership.

Financial Impact:

No City funds required to implement the substitution of subdivision agreement and bonds.

Recommended Action:

A) Approve the Subdivision Agreement by and between the City of Huntington Beach and Shea Homes Limited Partnership for the Cameron Townhomes Project (Tract 19154), and authorize execution by the Mayor and City Clerk; and

B) Accept Faithful Performance Bond No. CMS0349976 for \$94,495.50, Labor and Material Bond No. CMS0349976 for \$47,229.75 and Monument Bond No. CMS0349977 for \$1,800.00, the sureties furnished for installation of the required public improvements, and instruct the City Clerk to file the bonds with the City Treasurer; and

C) Release the Faithful Performance/Labor and Material Bond No. 1001181018 and Monument Bond No. 1001181019 and instruct the City Treasurer to notify the surety company, American Contractors Indemnity Company of such Council action.

Alternative Action(s):

Deny the recommended actions, and direct staff accordingly. Absent this new agreement and bonds, the City would lack the desired sureties to achieve the developer's fulfillment of their project's required public improvements.

Analysis:

On October 12, 2021, the Planning Commission approved Tentative Tract Map No. 19154 to subdivide approximately 0.91 acre into 1 numbered lot for condominium purposes. The Planning Commission also approved Conditional Use Permit No. 21-006 as part of the proposed project. Subsequently, on June 7, 2022, the City Council approved Final Tract Map No. 19154 and the Subdivision Agreement between the City of Huntington Beach and S.G.V. Property Fund, LLC, and also accepted the project's required bonds as follows: Faithful Performance Bond No. 1001181018 for \$94,495.50, Labor and Material Bond No. 1001181018 for \$47,229.75, and Monument Bond No. 1001181019 for \$1,800.

In conformance with the project's Conditions of Approval and Code Requirements, the original project developer, S.G.V. Property Fund, LLC, has submitted project plans to the City and obtained grading and building plan approvals. However, during the latter part of this process the project was sold to a new developer, Shea Homes Limited Partnership. Prior to issuance of the project's grading and building permits, the City is requiring a new, replacement Subdivision Agreement to be executed with Shea Homes and new bonds to be submitted to ensure satisfactory completion of the project's required public improvements.

Shea Homes Limited Partnership has submitted for City Council approval a replacement Subdivision Agreement and bonds per the following parameters: Faithful Performance Bond No. CMS0349976 for \$94,495.50, Labor and Material Bond No. CMS0349976 for \$47,229.75 and Monument Bond No. CMS0349977 for \$1,800.00. The original bonds may be released by the City Treasurer's office since escrow has closed in the sale of the subject property and the previous developer, S.G.V. Property Fund, LLC, has no further interests in the property.

Public Works Commission Action: Not required.

Environmental Status:

The agreement is categorically exempt from the California Environmental Quality Act, pursuant to City Council Resolution No. 4501.

Strategic Plan Goal:

Economic Development & Housing

Attachment(s):

1. Subdivision Agreement
2. Bonds (Faithful Performance, Labor and Material, Monument)