



Legislation Details (With Text)

**File #:** 24-134  
**Type:** Consent Calendar                      **Status:** Passed  
**File created:** 2/6/2024                      **In control:** City Council/Public Financing Authority  
**On agenda:** 3/19/2024                      **Final action:** 3/19/2024  
**Title:** Approve and Accept the Public Improvements, Release the Securities for, and Accept a Guarantee and Warranty Bond for Tract 18106

**Attachments:** , , , ,

Date	Ver.	Action By	Action	Result
3/19/2024	1	City Council/Public Financing Authority	approved	Pass

**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 18106**

**Statement of Issue:**

Meritage Homes of California, the owner/developer of Tract 18106, 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 18106, 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. 30190068 (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 action. 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. 17-010 and Tentative Tract Map No. 18106, authorizing the construction of Tract 18106, which includes development of a 1.3-acre site to subdivide into 21 attached condominium townhomes, along with onsite/offsite utility upgrades and street improvements along Gothard Street.

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 1148547, Labor and Materials Bond No. SU 1148547, and Monument Bond No. SU 1148548.

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 Gothard Street and a new street light on Gothard Street.

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: 19100 Gothard Street

**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. 30190068
4. Final Tract Map 18106
5. PowerPoint Presentation