



City of Huntington Beach

File #: 21-384

MEETING DATE: 5/17/2021

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Sean Crumby, Director of Public Works

Subject:

Approve and accept the Public Improvements, release the Securities for Tract 17661 and accept Guarantee & Warranty Bond

Statement of Issue:

Bonanni Development & JB Construction, the developer of Tract 17661, 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 17661, 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. 4422016W (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) Release the Faithful Performance Bond No. 4422016, Labor and Material Bond No. 4422016 and Monument Bond No. 4422017; and,

D) Instruct the City Clerk to notify Bonanni Development and JB Construction, the developer of Tract 17661, and the City Treasurer to notify SureTec Insurance Company, of these actions.

Alternative Action(s):

Deny the recommended actions.

Denying the recommended action may violate the Subdivision Map Act whereby:

1. Section 66499.7 of the Government Code requires that the securities given for the faithful performance of constructing the public improvements shall be released upon acceptance of the work.
2. Section 66499.9 of the Government Code, requires the Guarantee and Warranty of the work for a period of one year following completion and acceptance of the improvement, against any defective work, labor, and materials furnished. Denying the acceptance of the Guarantee and Warranty bond may place undue burden and cost upon the City for correcting any defective work, labor, and materials provided by the developer.

Analysis:

On October 11, 2016, the Planning Commission approved Tentative Tract Map 17661 to consolidate three existing parcels into one lot for condominium purposes, and Conditional Use Permit No. 13-026 to develop an existing 0.636 acre site with 11 for-sale townhome units. On November 19, 2018, City Council approved Final Tract Map No. 17661 and the Subdivision Agreement between the City of Huntington Beach and Bonanni Development & JB Construction, and also accepted the project's required bonds as follows: Faithful Performance Bond No. 4422016, Labor and Materials Bond No. 4422016, and Monument Bond No. 4422017.

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 Garfield Avenue, the domestic water system within the private street and the on-site storm drain system.

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.

Bonanni Development & JB Construction has provided Guarantee and Warranty Bond No. 4422016W as security for the one-year warranty period, and is now requesting acceptance of this bond.

Following is a list of the project data:

DEVELOPER: Bonanni Development & JB Construction, 5500 Bolsa Avenue, Suite 120, Huntington Beach, CA 92649

ENGINEER: Emerald Engineering, 18600 Main Street, #160, Huntington Beach, CA 92648

LOCATION: 7262 Garfield Avenue (south side of Garfield Avenue, east of Gothard Street)

NO. OF ACRES: 0.636 acres

SURETY: SureTec Insurance Company, 3131 Camino Del Rio N, Suite 1450, San Diego, CA 92108

Public Works Commission Action: Not required.

Environmental Status:

This recommended 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:

Economic Development & Housing

Attachment(s):

1. Location Map
2. Notice of Acceptance of Public Improvements
3. Guarantee and Warranty Bond No. 4422016W