



Staff Report

File #: 23-0877

REQUEST FOR CITY COUNCIL ACTION

DATE: 11/01/2023
TO: Honorable Mayor and City Council Members
FROM: Planning and Development Department

SUBJECT:
RELEASE OF THE GRADING AND PUBLIC IMPROVEMENT SECURITIES POSTED BY THE NEW HOME COMPANY SOUTHERN CALIFORNIA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY FOR LOTS 15, 36-45, AND Q, OF TRACT MAP 37030 LOCATED SOUTH OF EAGLE GLEN PARKWAY AND WEST OF INTERSTATE 15 (APPLICANT: THE NEW HOME COMPANY SOUTHERN CALIFORNIA LLC)

EXECUTIVE SUMMARY:

This staff report asks the City Council to consider accepting the public improvements and the release of the public improvement and grading securities for The New Home Company for Lots 15, 36-45, and Q of Tract Map 37030. The New Home Company has completed the required precise grading and public improvement associated with the development and is requesting the release of the posted securities.

RECOMMENDED ACTION:

That the City Council:

- a. Accept the public improvements associated with Lots 15, 36-45, and Q of Tract Map 37030.
- b. Retain twenty-five percent (25%) of the Faithful Performance Security for one year from the date of acceptance of improvements as security for repair and replacement of any improvements that fail to meet City standards at the end of the one-year period. (Bond#PB02497500923, Bond#PB02497500925, Bond#PB02497500926, Bond#PB02497500927, and Bond#PB02497500928)
- c. Retain the Labor and Material Security for six months from the acceptance of improvements date and automatically release the security unless any claims are filed. (Bond#PB02497500923, Bond#PB02497500925, Bond#PB02497500926, Bond#PB02497500927, and Bond#PB02497500928)

- d. Release Grading and Erosion Control Securities. (Bond#PB02497500929, R12489, Bond#PB02497500930, and R12492)

BACKGROUND & HISTORY:

Tract Map 37030 subdivided approximately 54 acres into 45 lots for condominium purposes and is the first phase of development in the Arantine Hills Specific Plan, approved by the City Council on October 4, 2017. The project is located south of Eagle Glen Parkway and west of Interstate 15. The map facilitates the construction of 393 residential units comprised of 100 single-family detached condominiums, 96 detached units in clusters of six, 96 paired units in clusters of eight, 101 townhomes, open space areas, trails, and an active park and recreational facility.

The master developer, Arantine Hills Holdings, LP., entered into Public Improvement Agreements with the City and posted bonds for the development of Tract Map 37030 on October 18, 2017. The master developer on February 21, 2018, also entered into a Grading Agreement with the City and posted bonds and erosion control cash deposit for precise grading associated with the Bedford 8-pack model complex.

The New Home Company acquired lots 15 and 36-45 and Q of Tract Map 37030 from the master developer and on March 6, 2019, the City Council accepted replacement securities from the new owners. The New Home Company also entered into grading agreements and posted grading and erosion control security for the precise grading of production units.

ANALYSIS:

All improvements referenced in the posted securities have been constructed in accordance with City standards and staff is recommending that the City Council accept the improvements.

Twenty-five percent (25%) of the Faithful Performance Security for the public improvements will be retained for a period of one year to guarantee the repair or replacement of any improvements that fail prior to the end of the one-year period. Any written claims against the performance security must be made prior to the one-year guarantee period, which is set to expire on August 2, 2024. City staff will release the Faithful Performance Security one year after acceptance of the improvements by the City Council, pursuant to California Government Code Section 66499.9 (c).

It is necessary to retain the Labor and Material Security for a period of six months, in accordance with the State Subdivision Map Act.

The site was precisely graded in accordance with all City standards and the approved grading plans. Therefore, it is appropriate to release the grading and erosion control securities posted for the property.

The following is a summary of the securities:

Security	Security No.	Faithful Performance	Security No.	Labor & Materials
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Horvath Street Improvement Bond (Lot Q)	PB02497500923	\$457,600	PB02497500923	\$228,700
8 Unit Cluster Alley Improvement Bond (Lots 40-41)	PB02497500925	\$203,600	PB02497500925	\$101,800
8 Unit Cluster Alley Improvement Bond (Lots 38-39, 42-43)	PB02497500926	\$407,000	PB02497500926	\$203,500
8 Unit Cluster Alley Improvement Bond (Lots 36,37,44,45)	PB02497500927	\$406,000	PB02497500927	\$203,000
8 Unit Model Alley improvement Bond (Lot 15)	PB02497500928	\$99,800	PB02497500928	\$49,900
Bedford (8 pack model) Portion of Lot 15. DWG# 17-021P grading erosion control	PB02497500930 R12492	\$25,200 \$2,500	NA	NA
Bedford (8 pack Production) Lots 14, 36-45 and Portion of Lot 15. DWG# 18-031P grading erosion control	PB02497500929 R12489	\$268,100 \$25,100	NA	NA

FINANCIAL IMPACT:

All applicable fees have been paid by the developer. It is the City’s responsibility to begin the maintenance of the public improvements one (1) year after the date of acceptance.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is

covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is to accept public improvements and release securities posted for a previously approved project. There is no possibility that this action will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: JESSICA KANG, ASSOCIATE ENGINEER

REVIEWED BY: JOANNE COLETTA, PLANNING AND DEVELOPMENT DIRECTOR

Attachments:

1. Exhibit 1 - Location Map