



Staff Report

File #: 24-0432

REQUEST FOR CITY COUNCIL ACTION

DATE: 06/05/2024

TO: Honorable Mayor and City Council Members

FROM: Planning and Development Department

SUBJECT:

RELEASE OF IMPROVEMENT SECURITY POSTED BY VALENCIA ESTATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY FOR TRACT MAP 32584 LOCATED ON CASPER CIRCLE, EAST OF GILBERT AVENUE (APPLICANT: VALENCIA ESTATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY)

EXECUTIVE SUMMARY:

This staff report asks the City Council to accept the public improvements and release the appropriate improvement securities associated with Tract Map 32584. The developer has completed the street improvements associated with the development and is requesting the release of the posted securities.

RECOMMENDED ACTION:

That the City Council:

- a. Accept the street improvements associated with Tract Map 32584.
- b. Retain twenty-five percent (25%) of the Faithful Performance Security for one year beyond accepting the 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 No. 731800S)
- c. Retain the Labor and Material Security for six months beyond accepting the improvements and automatically release the security unless claims are filed. (Bond No. 731800S)

BACKGROUND & HISTORY:

Tract Map 32584 subdivided 11.48 acres into nine single-family residential lots and four lettered lots for street and landscape maintenance purposes, totaling 3.77 acres. On September 20, 2006, the developer, Valencia Estates, LLC, entered into an improvement agreement with the City and posted a Faithful Performance Bond of \$587,000 and a Labor and Material Bond of \$294,000. The

improvement agreement and securities guaranteed the construction of missing public improvements needed to support the development of the property.

On January 19, 2011, the City Council approved reducing the Faithful Performance and Labor and Material Securities to \$70,000 and \$35,000, respectively. At that time, the developer had completed the majority of the improvements to City standards and specifications. The remaining balance of the securities was for completing the final street improvements.

ANALYSIS:

The improvements secured by these agreements have been completed and inspected to ensure conformity with City specifications.

Twenty-five percent (25%) of the Faithful Performance Security for the public improvements will be retained for one year to guarantee the repair or replacement of any improvements that fail within that period. Any written claims against the performance security must be made before the end of the one-year guarantee, which is set to expire on June 5, 2025. 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 following is a summary of the securities:

Security	Security No.	Faithful Performance	Security No.	Labor & Materials
Street Improvements DWG# 05-093S	731800S	\$70,000	731800S	\$35,000

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:

The release of public improvement and grading securities is not a project according to the California Environmental Quality Act. 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