



## Staff Report

**TO:** City Council  
**FROM:** Robert L. Vestal, Assistant Public Works Director  
**DATE:** December 6, 2022  
**SUBJECT:** Bond Exoneration

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**Description** Performance bond exonerations for street improvements associated with Tracts 33096-2, 27971-1, 27971-2, 27971-3, and 27971-5

### **Background and Analysis:**

The City requires all developers to provide construction security for public improvements consisting of, but not limited to, street improvements, sewer improvements, storm drain improvements, and survey monumentation. After the improvements are constructed, City staff verifies that no liens have been filed, that the improvements are completed in accordance with the project's conditions of approval, design standards, and City requirements, and that all punch list items have been addressed. Once verified, City Council may exonerate the construction security and accept a one-year maintenance security.

During the one-year maintenance period, the developer maintains all associated improvements. After the one-year term has elapsed, the developer may petition the City Council to accept the improvements into the publicly maintained system and exonerate the maintenance security.

The principals are requesting that the performance and payment bonds listed in table No. 1 be exonerated and that the City Council accept the corresponding maintenance bond for a period not less than one year.

City staff has verified that the improvements were constructed in accordance with the project's conditions of approval, design standards, and City requirements, and that all punch list items have been addressed.

**Table No. 1 – Summary of Bonds recommended to be exonerated.**

<b>Project</b>	<b>Performance Bond Number</b>	<b>Improvement</b>	<b>File Number</b>	<b>Maintenance Bond Number</b>	<b>Principal</b>
Tract Map No. 33096-2	5026143	Street	1708A	LICX124953	K. Hovnanian Four Seasons at Beaumont, LLC
Tract Map No. 27971-1	1001054051	Street	3140	0827481	RSI Communities-California LLC
Tract Map No. 27971-2	1001054052	Street	3141	0827482	RSI Communities-California LLC
Tract Map No. 27971-3	1001054053	Street	3139	0827483	RSI Communities-California LLC
Tract Map No. 27971-5	1001054054	Street	3138	0827484	RSI Communities-California LLC

Therefore, City staff recommends that City Council accept the maintenance bonds and authorize City staff to issue a bond exoneration letter for the performance and payment bonds.

**Fiscal Impact:**

The cost of preparing the staff report is estimated to be \$350. The developer maintains all associated improvements during the maintenance period. The City is not liable for public improvement maintenance until the public improvements are accepted into the publicly maintained system. Tract Map No. 27971 (all phases) are privately maintained and will not be accepted into the publicly maintained system.

**Recommended Action:**

Authorize City staff to issue a Bond Exoneration Letter for Performance and Payment Bonds and Accept Maintenance Bonds for (Project / Bond Number / Improvement / Maintenance Bond Number):

- Tract Map No. 33096-2/ 5026143 / Street / LICX124953
- Tract Map No. 27971-1 / 1001054051 / Street / 0827481
- Tract Map No. 27971-2 / 1001054052 / Street / 0827482
- Tract Map No. 27971-3 / 1001054053 / Street / 0827483
- Tract Map No. 27971-5 / 1001054054 / Street / 0827484

**Attachments:**

- A. PW2018-0159 - TR 33096-2 Bond Exoneration Packet
- B. PW2021-0754 - TR 27971-2 Bond Exoneration Packet
- C. PW2021-0758 - TR 27971-3 Bond Exoneration Packet
- D. PW2021-0759 - TR 27971-5 Bond Exoneration Packet
- E. PW2021-0753 - TR 27971-1 Bond Exoneration Packet