

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Ron Coons, Interim Public Works Director *RC*
Al Gali, Assistant Engineer *ALG*

DATE: January 11, 2016 (CC Meeting of 1/20/16)

SUBJECT: Consider the Release of Cash Bond for Shea Homes, LP for Tract 5425 and the Resolution Amending the Fiscal Year 2015/2016 Operating and Capital Improvement Budget to Refund the Cash Bond

DISCUSSION

Tract 5425 is a 15-acre, 99-unit residential development project located south of Los Angeles Avenue (SR-118) and east of Fremont Street. The developer of Tract 5425 is Shea Homes, LP (Shea).

Shea was conditioned to obtain a Caltrans Encroachment Permit (Caltrans EP) and construct improvements on Los Angeles Avenue (SR-118) fronting their residential development. On May 7, 2010, Shea paid a cash bond of \$273,130.78 for the required street improvements.

In 2012, Shea requested and received an early grading agreement, which allowed at-risk grading and construction of certain improvements within the boundaries of Tract 5425. Surface and underground infrastructure and home construction proceeded as scheduled. Shea was able to sell residential dwelling units, but was not able to transfer ownership of any units without completing the following:

- 1) Recordation of the final map;
- 2) Formation of the landscape maintenance district; and
- 3) Obtain a Caltrans EP to construct improvements on Los Angeles Avenue (SR-118).

In 2013, Shea and the City agreed to an amendment of Shea's Subdivision Improvement Agreement (SIA) to modify the conditions. Per the amendment, the City would postpone the deadline of a obtaining a Caltrans EP and would continue to issue building permits

until the 30th unit. It was also agreed that the City will hold the cash deposit of \$273,130.78 until Shea received its Caltrans EP and submitted a bond for the related improvements. Shea received its Caltrans EP in February 2014 and submitted Bond No. K0885094A in July 2014. The submitted bond covers the Los Angeles Avenue improvements and will be released at a later date at the completion of all required improvements. Shea met its obligations and the City can release the \$273,130.78 cash bond. The release must be approved by City Council. A summary of the cash bond release is summarized in the table below.

SURETY TYPE	CHECK NUMBER	ORIGINAL BOND AMT.	PRIOR AUTHORIZED ACTION	AUTHORIZED ACTION OF 1/20/2016
Cash Bond	72539941	\$273,130.78	None	Release

FISCAL IMPACT

In 2010, the \$273,130.78 cash bond was recorded as revenue into the Los Angeles Avenue Area of Contribution – (Fund 2501). A resolution amending the budget is required to appropriate \$273,130.78 for the refund of the cash bond deposit.

	Current FY 15/16 Budget (\$)	Proposed Change (\$)	Proposed FY 15/16 Budget (\$)
Fund 2501 - LA AOC			
Cash Bond Release	0.00	273,130.78	273,130.78
Total	0.00	273,130.78	273,130.78

STAFF RECOMMENDATION (ROLL CALL VOTE)

1. Adopt Resolution No. 2016-_____ amending the Fiscal Year 2015/16 Budget to appropriate \$273,130.78 from LA AOC Fund (2501).
2. Authorize the City Manager or his designee to release the cash bond deposit in the amount of \$273,130.78 to Shea Homes, LP.

Attachment

RESOLUTION NO. 2016-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, AMENDING THE FISCAL YEAR 2015/16 BUDGET TO APPROPRIATE FUNDS FROM LOS ANGELES AVENUE AREA OF CONTRIBUTION FUND (2501), TO REFUND CASH BOND TO SHEA HOMES, LP FOR CONSTRUCTION IMPROVMENTS ON LOS ANGELES AVENUE

WHEREAS, in May 7, 2010, Shea Homes, LP paid a \$273,310.78 cash deposit for the improvements on Los Angeles Avenue fronting their residential project Tract 5425. This was recorded as an Area of Contribution Fee in the Los Angeles Avenue Area of Contribution Fund (2501); and

WHEREAS, on November 13, 2013, the First Amendment to the Subdivision Improvement Agreement was signed, in which Shea agreed to build the said improvements and the City will hold the \$273,130.78 in cash deposit that Shea deposited with the City for their portion of the Los Angeles Avenue improvements. The City shall refund the \$273,130.78 after Shea provides the approved Caltrans Encroachment Permit (Caltrans EP) and submits a surety for their portion of the improvements; and

WHEREAS, the Caltrans EP was received in February 2014, and the surety was received on July 2014 and therefore both requirements have been met; and

WHEREAS, on June 17, 2015, the City Council adopted the Operating and Capital Improvements Projects budget for Fiscal Year 2015/16; and

WHEREAS, a staff report has been presented to the City Council recommending the release of the cash bond for Shea and requesting an appropriation of \$273,130.78 from Los Angeles Avenue Area of Contribution Fund (2501); and

WHEREAS, Exhibit "A", attached hereto and made a part hereof, describes said budget amendment and its resultant impact to the budget line item.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That a budget amendment in the aggregate increase of \$273,130.78 as more particularly described in Exhibit "A", is hereby approved.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 20th day of January, 2016.

Janice S. Parvin, Mayor

ATTEST:

Maureen Benson, City Clerk

Attachment: Exhibit 'A': Appropriation and Budget Detail

EXHIBIT "A"

**BUDGET AMENDMENT FOR
LA AOC FUND (2501)
TO APPROPRIATE FUNDING FOR THE REFUND OF CASH BOND
TO SHEA HOMES, LP TRACT 5425
FY 2015-2016**

FUND ALLOCATION FROM:

Fund	Account Number	Amount
LA AOC	2501-5500	\$ 273,130.78
Total		\$ 273,130.78

DISTRIBUTION OF APPROPRIATION TO EXPENSE ACCOUNTS:

Account Number	Current Budget	Revision	Amended Budget
2501.8410.0000.9851		\$ 273,130.78	\$ 273,130.78
Total	\$ -	\$ 273,130.78	\$ 273,130.78

Finance Approval: *JL*