



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

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DATE: October 1, 2025

01

TO: Board of Supervisors

SUBJECT

EXTENSION OF PERFORMANCE COMPLETION DATES ON VARIOUS SECURED AGREEMENTS TO COMPLETE SUBDIVISION IMPROVEMENTS AND RELATED CEQA FINDINGS (DISTRICT: 5)

OVERVIEW

Private property owners may use the County of San Diego's (County) land development process to subdivide their land within the existing legal boundaries of their property, creating new internal legal lots and boundaries which are recorded on subdivision maps. Subdivision developers, as conditions of their permits, are often required to construct specific improvements that benefit the public, such as roads and storm drainage systems. In many cases, these improvements are accepted by the County into the County-maintained system at the completion of the project to be owned, operated, and maintained by the Department of Public Works (DPW) in perpetuity.

The County Code of Regulatory Ordinances allows for and establishes the requirements for time extensions for the completion of these required improvements on private development subdivisions to provide the developer additional time to complete construction, while also preserving the County's rights to have the improvements constructed by the developer. It is not uncommon for development projects to require extended time to complete the improvements. Construction schedules can be affected by local economic conditions, developer circumstances, permitting, site conditions, and other related factors.

DPW monitors the status of subdivision improvement agreements and the associated work. If developers need additional time, they can submit an extension request and provide a current cost estimate of the remaining work. DPW staff reviews the estimate to confirm the total security is adequate based on construction progress and estimated costs for remaining work based on current pricing. If staff determine a time extension is appropriate, staff will bring the request forward for Board of Supervisors (Board) consideration. Extending the agreement ensures the County's legal rights regarding the improvements are continued.

This is a request for the Board to approve a two-year extension of performance completion date for the following subdivisions in District 5:

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1. Tract No. 5354-1 (Map No. 16418), Meadowood, located in the Fallbrook area. This project has 52 single-family residential lots, public and private active and passive recreational facilities, open space preserve areas, new public and private roadways to serve the project, and frontage improvements to SR-76, and the overall area is 205.26 acres. On September 15, 2020, the PDS Director approved the Final Subdivision Map and Joint Improvement Agreement between the County, Rainbow Municipal Water District, and subdivision owner, which includes street and drainage improvements, and water and sewer facilities. Construction of the housing units and the improvements supporting the development are 97% complete.
2. Tract No. 5354-2 (Map No. 16444), Meadowood, located in the Fallbrook area. This project has 233 single-family residential lots, one condominium lot, 10 future map lots, 31 HOA lots, 10 public roads and one private street lot, and the overall area is 137.38 acres. On April 6, 2021, the PDS Director approved the Final Subdivision Map and Joint Improvement Agreements between the County, Rainbow Municipal Water District, and subdivision owner, which includes street and drainage improvements, and water and sewer facilities. Construction of the housing units and improvements supporting the development are 97% complete

DPW staff have determined an extension is appropriate to preserve the County's legal rights under the agreements, and because of the County's continued interest in receiving the improvements. DPW staff have confirmed there will be no negative impacts associated with later delivery of the remaining improvements. Staff have also determined that there is adequate security for all improvements (i.e., capacity through a bond or other financial instrument) to guarantee completion of the remaining work for the agreements, should that become necessary to leverage in the future to ensure improvements are constructed. For these reasons, staff believes there are no adverse consequences to granting the developers additional time to complete the improvements.

Today's request is for the Board to approve the extension of the performance completion dates in the subdivision agreements for the developments referenced by Tract No. 5354-1 and Tract No. 5354-2 to October 1, 2027.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find in accordance with Section 15060(c)(3) of the California Environmental Quality Act (CEQA) Guidelines that extension of the performance completion date in the subdivision agreements to complete subdivision improvements is not a "project" as defined in Section 15378 of the state CEQA Guidelines.
2. Extend the performance completion dates for County improvements identified in the subdivision agreements to October 1, 2027 and for improvements for the Rainbow Municipal Water District to the dates, if any, approved by the District, for the developments referenced by Tract No. 5354-1 and Tract No 5354-2.

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EQUITY IMPACT STATEMENT

It is anticipated that the extension will allow time for infrastructure to be completed by the developer for the benefit of the unincorporated community where the project is located. This infrastructure includes roads and drainage systems that will support housing development.

SUSTAINABILITY IMPACT STATEMENT

The extension will allow time for stormwater infrastructure to be completed by the developer, which will have environmental sustainability benefits. Plans for Tract No. 5354-1 include construction of a basin for stormwater infiltration and protection against hydromodification (alteration of natural flow), as well as biofiltration modular wetland units. Plans for Tract No. 5354-2 include construction of basins for stormwater infiltration and protection against hydromodification, as well as biofiltration modular wetland units, inlet filters, dual vortex separators, and diversion structures. These measures are necessary to address stormwater quality.

FISCAL IMPACT

There is no fiscal impact associated with these recommendations. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

Staff reached out to the Fallbrook Community Planning Group regarding the extension request. Staff also provided information on the projects to labor union and environmental stakeholders. No concerns were received.

BACKGROUND

The Subdivision Map Act, California Government Code Section 66410 et seq., generally requires developers to have completed required improvements, such as public streets, drainage, and water and sewer facilities, at the time a final map is approved. An alternative, if improvements are not completed at the time the final map is approved, is for the County of San Diego (County) to enter into a secured subdivision improvement agreement with the developer for completion of the improvements. Security for the subdivision improvement agreements can include performance bonds, letters of credit, or a cash deposit.

Subdivision improvement agreements require developers to provide security (i.e., a bond or other financial instrument that provides assurance the improvements associated with a recorded map will be delivered). The security amount is 100% of the total estimate of the improvements, conditioned on the developer's completion of the improvements listed in the agreement. An additional amount of 50% secures payment for labor and materials in the event the developer does not complete the improvements as required. If a developer defaults without completing the improvements included in the subdivision improvement agreement, the guarantor who provided the security may potentially complete the required improvements as part of their obligation. Alternatively, the guarantor may provide funds to a new owner or the County to finance the completion of the required improvements.

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In accordance with Section 81.405 of the San Diego County Code of Regulatory Ordinances, improvements identified in the agreement are required to be completed within two years from the approval of the final map. If the improvements cannot be completed within that timeframe, developers may request additional time. It is not uncommon for development projects to take an extended time to complete. Construction schedules can be affected by the economy, the developer's circumstances, permitting, site conditions, and other factors. If developers need additional time and wish to extend the subdivision improvement agreement, as is the case for the two improvement agreements listed below, they can submit an extension request and provide a current cost estimate of the remaining work.

Staff reviews the estimate to confirm the total security is adequate based on construction progress and estimated costs for remaining work based on current pricing. If staff determine a time extension is warranted, they bring the request forward for consideration. Per County Code of Regulatory Ordinances (CRO) §81.405(c), the County Director of Public Works (DPW) and the Director of Planning & Development Services may grant the first extension for up to two additional years. All subsequent extensions require Board of Supervisors (Board) approval. The County CRO does not limit the number of times the Board may grant extensions.

The projects presented in this action contain enhancements to address stormwater quality, including basins for stormwater infiltration and hydromodification (protection against alteration of natural flow), biofiltration modular wetland units, inlet filters, dual vortex separators, and diversion structures, which reduce the overall impact of pollutants in stormwater. In the future, when building permits are sought, additional sustainability features, such as water efficient fixtures, use of Energy Star appliances, and solar energy, will be gained through the application of the building code. This is a request to approve the extension of performance completion date to October 1, 2027, for two improvement agreements:

1. **Tract No. 5354-1:** (Map 16418) Meadowood, located in the Fallbrook Plan Area (District 5). The project has 52 single-family residential lots, public and private active and passive recreational facilities, open space preserve areas, new public and private roadways to serve the project and frontage improvements to SR-76. On September 15, 2020, the PDS Director approved the Final Subdivision Map and Joint Improvement Agreement between the County, Rainbow Municipal Water District, and subdivision owner, which includes street and drainage improvements, and water and sewer facilities. Construction of the housing units and the improvements supporting the development are 97% complete. To address stormwater quality, plans for Tract No. 5354-1 include construction of a basin for stormwater infiltration and protection against hydromodification, as well as biofiltration modular wetland units. The DPW Director extended this Agreement once previously on September 21, 2022. The Board may extend the completion dates for all work or contractual obligations, except the improvement of sewer and water facilities, which must be approved by the Rainbow Municipal Water District. The developer will seek an extension on the remaining improvements from the Water District separately. The Agreement may subsequently be amended by the DPW Director to reflect any extended period to complete Water District improvements granted by the District. If the District does

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not approve an extension, the time periods specified in the Agreement shall continue to apply to the Water District improvements.

2. **Tract No. 5354-2:** (Map 16444) Meadowood, located in the Fallbrook Plan Area (District 5). The project has 233 single-family residential lots, one condominium lot, 10 future map lots, 31 HOA lots, 10 public roads, and one private street lot. On April 6, 2021, the PDS Director approved the Final Subdivision Map and Joint Improvement Agreements between the County, Rainbow Municipal Water District, and subdivision owner, which includes street and drainage improvements, and water and sewer facilities. Construction of the housing units and improvements supporting the development are 97% complete. To address stormwater quality, plans for Tract No. 5354-2 include construction of basins for stormwater infiltration and protection against hydromodification, as well as biofiltration modular wetland units, inlet filters, dual vortex separators, and diversion structures. The DPW Director approved an extension to the Joint Agreement on April 9, 2023. The Board may extend the completion dates for all work or contractual obligations, except the improvement of sewer and water facilities, which must be approved by the Rainbow Municipal Water District. The developer will seek an extension on the remaining improvements from the Water District separately. The Agreement may subsequently be amended by the DPW Director to reflect any extended period to complete Water District improvements granted by the District. If the District does not approve an extension, the time periods specified in the Agreement shall continue to apply to the Water District improvements.

County staff monitor the status of agreements and project factors to determine if a time extension is recommended. DPW staff have determined extension are appropriate to preserve the County's legal rights under the agreements, and because of the County's continued interest in receiving the improvements. DPW staff have confirmed there will be no negative impacts associated with later delivery of the remaining improvements.

Time extensions preserve the County's and the developer's rights under the improvement agreements for the extension period. Staff have determined that there is adequate improvement security (i.e., capacity through a bond or other financial instrument) to guarantee completion of remaining work for the agreements recommended for extension. In the event of a default by the developer, this security capacity could be used to finish the improvements required by the agreements, and ensure payment to the contractor, subcontractors, and the persons furnishing labor, materials, or equipment to them for the improvements.

Subsequent Development Approvals

Approval of a final map and related actions like the approval of a subdivision improvement agreement or amendment to an improvement agreement do not guarantee the buildability of a subdivision. Changes in State law, State regulations, regional permit requirements like the Regional MS4 Permit for stormwater compliance, and other laws and regulations that take effect after receiving initial subdivision approvals can have an adverse impact on the ability to complete

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a subdivision. It can sometimes be necessary for a developer to consider map modifications, reversions to acreage, and other changes to the subdivision to ensure it can be completed. This action is consistent with the initial subdivision approval and does not guarantee buildability at a later date.

Today's request is for the Board to approve the extension of the performance completion dates in the subdivision agreements for the developments referenced by Tentative Map No. 5354-1 (Meadowood) and Tentative Map No. 5354-2 (Meadowood).

ENVIRONMENTAL STATEMENT

Section 15060(c)(3) of the California Environmental Quality Act (CEQA) Guidelines provides that activities identified in Section 15378 of the CEQA Guidelines are not subject to CEQA review. Section 15378 indicates that administrative activities of governments, which will not result in a direct or indirect physical change in the environment, are exempt from CEQA review. The proposed action is administrative in nature as it involves the extension of the performance completion date in subdivision improvement agreements. CEQA review was completed in connection with the approval of the Tentative Maps, which was conditioned on completion of improvements identified in the improvement agreements. The proposed action does not change any improvement obligations imposed at the time of Tentative Map approval. Therefore, the proposed action is not subject to CEQA review pursuant to Section 15060(c)(3) of the CEQA Guidelines.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action to approve the two-year extension of the secured agreement for this project supports the Community and Sustainability Strategic Initiatives in the County of San Diego's 2025-30 Strategic Plan by providing private improvements and public infrastructure that strengthen the local economy and support future housing development while providing post-construction features to address stormwater quality.

Respectfully submitted,



DAHVIA LYNCH
Deputy Chief Administrative Officer

ATTACHMENT(S)

A. Subdivision Improvement Agreements to be Extended