



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

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DATE: April 22, 2026

03

TO: Board of Supervisors
Board of Directors, San Diego County Sanitation District

SUBJECT

EXTENSION OF PERFORMANCE COMPLETION DATE ON SECURED AGREEMENT TO COMPLETE SUBDIVISION IMPROVEMENTS AND RELATED CEQA FINDINGS (DISTRICT: 3)

OVERVIEW

This is a request for the Board of Supervisors and the Sanitation District Board of Directors to extend the time allowed for the property owner to complete infrastructure associated with a previously approved project by extending the end date of a subdivision improvement agreement.

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 the improvements. It is not uncommon for development projects to require extended time to complete the improvements. Construction schedules can be affected by local economic conditions, the developer's circumstances, permitting, site conditions, and other related factors.

DPW staff monitors the status of subdivision improvement agreements and 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.

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The request for a subdivision improvement agreement extension is for the following project: Tract No. 5365-4 (Map No. 15891), Harmony Grove Village Unit 4, located in the North County Metro area. This project has two (2) non-residential lots, and the overall area is 36.8 acres. On January 9, 2013 (02), the Board approved the Final Subdivision Map and Joint Improvement Agreement between the County, the San Diego County Sanitation District, Rincon Del Diablo Water District (collectively, Special Districts), and the subdivision owner, which includes street and drainage improvements. Other units of the Harmony Grove Village development are in various stages of completion; however, due to project phasing, construction for this unit has not yet started.

In this case, the property owner is considering options for a path forward for Unit 4, which may include not developing this property. DPW staff have determined an extension is still appropriate to preserve the County's legal rights under the agreement, and because of the County's continued interest in receiving the improvements, should the property ever be developed as originally envisioned. DPW staff also confirmed there will be no negative impacts associated with later delivery of the remaining improvements, and 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 agreement, should that become necessary to leverage in the future. For these reasons, staff believes there are no adverse consequences to granting the developers additional time to complete the improvements. Extending the agreement will also afford the property owner additional time to assess options for this parcel.

Today's request is for the Board and County of San Diego Sanitation District Board of Directors to approve the extension to April 22, 2028 of the performance completion dates in the subdivision improvement agreement for the development referenced by Tract No. 5365-4, for specified infrastructure improvements.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER
Acting as the Board of Supervisors:

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 agreement to complete subdivision improvements is not a "project" as defined in Section 15378 of the state CEQA Guidelines.
2. Extend the performance completion date for County improvements identified in the subdivision agreement to April 22, 2028 for the development referenced by Tract No. 5365-4.

Acting as the Board of Directors of the San Diego County Sanitation District:

1. Extend, to April 22, 2028, the performance completion date in the subdivision agreement for the development referenced by Tract No. 5365-4.

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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. The effort will not adversely affect equity or result in unintended consequences to public health, housing, food, access and affordability, or jobs.

SUSTAINABILITY IMPACT STATEMENT

The extension will allow time for stormwater infrastructure to be completed by the developer, which will have environmental and sustainability benefits. Plans for Tract No. 5365-4 include construction of water quality basins for stormwater infiltration and protection against hydromodification (alteration of natural flow), as well as bioswales. 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 costs and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

Staff reached out to the San Dieguito Community Planning Group regarding the extension request. Staff also provided information on the Improvement Agreements 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.

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Alternatively, the guarantor may provide funds to a new owner or the County to finance the completion of the required improvements.

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 time frame, 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 improvement agreement 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 appropriate, 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. Since an initial extension was already provided administratively, subsequent extensions require Board approval. The County CRO does not limit the number of times the Board may grant extensions.

This is a request to approve the extension of performance completion date to April 22, 2028, for one subdivision improvement agreement:

Tract No. 5365-4: (Map 15891) Harmony Grove Village Unit 4, located in the North County Metro Subregional Plan Area (District 3). The project has two non-residential lots, and the overall area is 36.8 acres. On January 9, 2013 (02), the Board approved the Final Subdivision Map and Joint Improvement Agreement (Agreement) between the County, the San Diego County Sanitation District (Sanitation District), Rincon Del Diablo Water District (Water District), and the subdivision owner. The Agreement includes street and drainage improvements. Other units of the Harmony Grove Village development are nearly complete; however, due to project phasing, construction for this unit (Unit 4) has not yet started. In this case, the property owner is considering options for a path forward for Unit 4, which may include not developing the parcel. Regardless, they have requested a two-year extension to address improvements should the property ever be developed as originally envisioned. Extending the agreement preserves the parties' legal rights under the agreement, and it will also afford the property owner additional time to assess options and to construct the required improvements if development proceeds.

The Agreement has been extended twice previously; the Board last approved an extension to the Agreement on November 17, 2021 (03). As stated in the Agreement, the Board may extend the completion dates for work and improvements or the performance of acts or obligations, except the improvement of sewer and/or water facilities, which must be

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approved by the Sanitation District and Water District, respectively. The developer will seek an extension on the remaining water facility 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 Water District. If the Water 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 an extension is appropriate to preserve the County's legal rights under the agreement, and because of the County's continued interest in receiving the improvements. DPW staff also confirmed the absence of negative impacts associated with later delivery of the remaining improvements.

Time extensions preserve the County's and the developer's rights under the improvement agreement for the extension period. Staff has determined that there is adequate improvement security (i.e., capacity through a bond or other financial instrument) to guarantee completion of remaining work for this agreement 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 agreement, 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 Municipal Separate Storm Sewer System (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 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 agreement for the development referenced by Tentative Map No. 5365-4 (Harmony Grove Village Unit 4).

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 a subdivision improvement agreement. CEQA review was completed in connection with the approval of the Tentative Map, which was conditioned on completion of

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improvements identified in the improvement agreement. 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 2026-2031 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)

N/A