

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

**September 26, 2023**

**FROM**

**MARK WARDLAW, Director, Land Use Services Department**

**SUBJECT**

Assignment of Improvement Agreements and Replacement and Release of Bond Securities

**RECOMMENDATION(S)**

1. Approve assignment, consent to assignment and first amendment to the road and drainage and water improvement agreements, with HMZ Holdings LLC and accept replacement performance bond securities in the amounts of \$205,109 and \$133,404, and labor and materials bond securities in the amounts of \$102,554 and \$66,702, for the construction of the required improvements for Tract No. 18938, which consists of seven residential lots, located north of Merrill Avenue and west of Live Oak Avenue in the Fontana area.
2. Release the existing performance bond securities pledged by Indemnity Company of California for road and drainage and water improvements, in the amounts of \$205,109 and \$133,404 and labor and materials bond securities in the amounts of \$102,554 and \$66,702, for Tract No. 18938.

(Presenter: Mark Wardlaw, Director, 387-4431)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Ensure Development of a Well-Planned, Balanced, and Sustainable County.**

**FINANCIAL IMPACT**

The approval of the assignment and substitution of bond securities for the existing securities will not result in the use of any additional Discretionary General Funding (Net County Cost). The substituted securities for this development, listed below, are adequate for the construction of the required improvements, which will be constructed at no direct cost to the County.

<b>Improvement</b>	<b>Performance Amount</b>	<b>Labor &amp; Material Amount</b>
Road and Drainage	\$205,109 (Surety)	\$102,554 (Surety)
Water	\$133,404 (Surety)	\$66,702 (Surety)

**BACKGROUND INFORMATION**

On July 26, 2016 (Item No. 26), the Board of Supervisors (Board) entered into an agreement for construction and maintenance of road and drainage improvements, and water improvements (collectively the Agreements), as well as accepted performance bond securities for the Agreements in the amount of \$205,109 and \$133,404, respectively, to guarantee the required construction and maintenance of the improvements for Tract No. 18938 with the Secured Income Group Inc. (Original Subdivider). The Board also accepted the labor and materials bond securities for the Agreements in the amounts of \$102,554 and \$66,702, respectively, to secure

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of Bond Securities  
September 26, 2023**

the payment to the contractor, subcontractors, and persons furnishing labor, materials, or equipment for the construction of the required improvements for Tract No. 18938.

Section 14 of the Agreements require the Original Subdivider to immediately notify the County of any transfer of the property and to condition the transfer of said property on the condition that the subsequent owner assume the obligation of the Agreements in a form approved by the County. The Original Subdivider has agreed to transfer its interest in the property to HMZ Holdings LLC (New Subdivider) upon the assumption of the obligations contained in the Agreements. The Land Use Services Department has no objection to this request and recommends that the Board approve the assignment and amend the Agreements to include the New Subdivider as the responsible party to the Agreements.

This item also seeks the approval of replacement bond securities for the performance, and labor and materials in the amount listed in the Financial Impact section. Upon acceptance of the new bond securities, this item will authorize the release of the existing bond securities pledged by the Original Subdivider and Indemnity Company of California. Pursuant to the California Subdivision Map Act and the County Development Code, the new securities will ensure the construction and warranty of the required improvements for the project, as well as payment to the contractor, the subcontractors, and persons furnishing labor, materials, or equipment for said improvements. The bond securities will remain in effect until released by the Board or Chief Executive Officer.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Jason M. Searles, Supervising Deputy County Counsel, 387-5478) on June 26, 2023; Finance (Penelope Chang, Administrative Analyst, 387-5423) on August 28, 2023; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on September 8, 2023.

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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. Seconded: Jesse Armendarez

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: September 26, 2023



cc: Owner w/ bond  
PW-Surveyor-Division Chief w/ bond  
LUSD-Land Development w/ bond  
File - Tract No. 18938 w/ bond

JLL 10/5/2023