

Agenda Report

June 23, 2025

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE AMENDING CERTAIN CHAPTERS OF TITLE 16, SUBDIVISIONS, OF THE PASADENA MUNICIPAL CODE TO DELEGATE THE AUTHORITY FOR ACCEPTING AND APPROVING SUBDIVISION AGREEMENTS AND ASSOCIATED FAITHFUL PERFORMANCE GUARANTEES FROM THE CITY COUNCIL TO THE CITY MANAGER

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and within the meaning of State CEQA Guidelines Section 15378(b); and
2. Direct the City Attorney to draft an ordinance amending certain chapters of Title 16 – *Subdivisions*, of the Pasadena Municipal Code within 60 days consistent with the provisions set forth herein.

BACKGROUND:

In conformance with the provisions of the Subdivision Map Act of the state of California (Government Code Section 66410 et seq.), the City's subdivision regulations are adopted in by Title 16 of the Pasadena Municipal Code (PMC). The subdivision process within the City of Pasadena is divided into two phases: the tentative map phase and the final map phase. This process applies to both tract maps (subdivisions creating five or more parcels) and parcel maps (subdivisions creating four or fewer parcels).

Tentative and vesting tentative maps are administered in accordance with PMC Chapters 16.20 and 16.22 respectively. Applications are filed as entitlement cases with the Planning and Community Development Department. Conditions of approval are established by various City departments during the review period. These conditions may include, but are not limited to, improvements in the public right-of-way per PMC Chapters 16.12 and 16.16, as well as any required easement dedications. Easements may be

required under Specific Plans or for access and/or utility purposes. Case recommendations are presented to a Hearing Officer—an advisory agency—at a public hearing for consideration, in accordance with PMC Chapter 16.18. If the tentative map application is approved by the Hearing Officer, the project proceeds to the final map phase. An approval letter is issued, including all conditions of approval from the various departments.

Final maps are administered in accordance with PMC Chapter 16.28 by the Department of Public Works. These maps are reviewed either by the City's survey consultant or by the Los Angeles County Department of Public Works for technical accuracy and conformance with state laws, prior to final examination by the City Engineer. In accordance with PMC Section 16.28.340, all final tract maps and final parcel maps that include offers of dedication must be presented to the City Council (formerly referred to in the PMC as the board of directors or the legislative body of the city) for approval and acceptance of dedications. Parcel maps that do not include dedications do not require City Council approval, pursuant to both the PMC and Government Code Section 66463(a).

The City Council is required to approve a final map if the conditions of approval are met and must deny a final map if the conditions are not met. The Subdivision Map Act permits the delay of public improvements at the agency's discretion, provided a contract is approved and a security is accepted to ensure such conditions are completed. It is common practice for most subdividers to file the final map during active construction on private property. Many subdividers seek final map approval from the City Council before fulfilling the conditions of approval (public improvements), often for funding or scheduling reasons. For practical purposes, improvements in the public right-of-way—conditioned during the entitlement process—typically begin after most on-site construction is complete, to avoid damage to newly completed public infrastructure.

In accordance with PMC Section 16.16.090 – *Agreement in Lieu of Improvement*, if any improvements are not completed to the City's satisfaction before the final map is filed, the subdivider must enter into an agreement (Subdivision Agreement) with the City prior to City Council approval. Furthermore, PMC Section 16.36.040 – *Faithful Performance Guarantee* – stipulates that to ensure the agreed-upon work will be satisfactorily completed, the subdivider must deposit a faithful performance guarantee with the City, subject to approval by the City Council. This guarantee may take the form of cash, an assignment of savings certificates, or other negotiable securities in a form approved by the City Attorney, in an amount recommended by the City Engineer. The amount of the guarantee covers the total of all quantified construction work, calculated using current market unit costs, plus contingencies for complications and unforeseeable circumstances. A sample letter of credit with a checklist of acceptance is shown as Attachment A.

On average, approximately 10 final subdivision maps are filed for City Council approval each year. If all conditions of approval are met without the need of a subdivision agreement and a guarantee, the approval of a final map is ministerial as a consent item.

In an effort to streamline and expedite the process, it is recommended that PMC Sections 16.16.090 and 16.36.040 be amended to delegate the authority for accepting and approving the Subdivision Agreement and the faithful performance guarantee from the City Council to the City Manager prior to the final map being brought to the Council for approval. The City Manager may approve such Subdivision Agreement and faithful performance guarantee in accordance with the following standards:

- The City Manager may approve Subdivision Agreements that require the subdivider to complete all conditioned public improvements at the subdivider's expense, with the agreement being in a form approved by the City Attorney.
- The City Manager shall require the performance of the Agreement be guaranteed by an assignment of savings certificates or equivalent negotiable security (such as letters of credit), as may be approved as to form by the City Attorney, in an amount recommended by the City Engineer that is sufficient to ensure the completion of the works secured by the contract and as may be legally required.
- The City Manager can approve all contracts for all condition improvements regardless of value. The contract is a binding mechanism to require the subdivider make public improvements that are required as a condition of approval, and to recognize that the City may draw funds from the guarantee if the subdivider fails to construct or pay for the public improvements. In the event the subdivider defaults and the City draws on the security to construct the necessary improvements, such work will be procured under a separate construction services contract as prescribed in PMC 4.08 – Purchasing.

Any appeals, approval of final maps and acceptance of any dedications will remain under the authority of the City Council.

COUNCIL POLICY CONSIDERATION:

The approval of subdivision maps is consistent with the City's General Plan goals and policies including but are not limited to:

- Policy 1.1 (Basic growth policy to accommodate growth that is consistent with community values and that complements the scale and character of Pasadena's unique residential neighborhoods, business districts, and open spaces)
- Policy 1.7 (Coordination of Capital Facilities, Infrastructure, Land Use, and Economic Development to ensure high levels of service to existing and new development. Targeted growth areas shall have highest priority for capital improvements that induce and support development)
- Policy 1.8 (No developments on unimproved streets will be approved until adequate infrastructure improvements are in place or will be made)
- Policy 1.9 (Require new development to provide public services and facilities through equitable fees and exactions)
- Policy 21.1 (Adequate and Affordable Housing to provide a variety of housing types (i.e. small subdivisions, row housing, and condominiums), styles, densities, and affordability levels that are accessible to and meet preferences for different

neighborhood types (e.g., mixed use pedestrian environments and traditional suburban neighborhoods), physical abilities and income levels, pursuant to the Housing Element)

- Policy 21.2 (Equitable Distribution of Affordable Housing to provide for the equitable distribution of affordable housing throughout the City, as defined by Housing Element goals and policies, capitalizing on opportunities for new development allowed by the densities permitted)

The transfer of responsibilities to the City Manager will streamline and expedite the processing of the final maps and further advances these goals and policies.

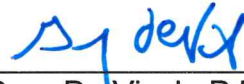
ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not “projects” as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of “project” organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. The actions proposed herein, authorizing the City Manager to approve contracts for bond and deposits related to subdivisions, is an administrative that will not result in direct or indirect physical changes in the environment, and therefore is not a “project” as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

There are two types of flat processing fees of subdivision final maps included in the City's General Fee Schedule. The lower fee is for the processing of final parcel map without any dedication and does not require council action. The higher fee is for the processing of final tract map or parcel map with dedication(s), which requires the approval by the City Council. There is no proposed change to the General Fee Schedule and therefore no fiscal impact as a result of this action.

Respectfully submitted,




Greg De Vinck, P.E.
Director of Public Works

Prepared by:



Brent Maue, P.E.
Acting City Engineer

Approved by:



MIGUEL MARQUEZ
City Manager

Attachment: (1)

Attachment A: Sample Letter of Credit with checklist