

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.60
(ID # 21529)

MEETING DATE:
Tuesday, December 12, 2023

FROM : TLMA-TRANSPORTATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION:
Approval and execution of the First Assignment and Assumption of the Joint Community Facilities Agreement between ERP Holding Co., Inc., KB Home Coastal Inc., Riverside Unified School District, Community Facilities District No. 19 of Riverside Unified School District, and the County of Riverside associated with Tract Nos. 30908, 30908-1, 30909, 30909-1, and 30909-2. Not a Project under CEQA per State CEQA Guidelines Section 15378. District 1. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute the First Assignment and Assumption of the Joint Community Facilities Agreement between ERP Holding Co., Inc., KB Home Coastal Inc., Riverside Unified School District, Community Facilities District No. 19 of Riverside Unified School District, and the County of Riverside associated with Tract Nos. 30908, 30908-1, 30909, 30909-1, and 30909-2; and
2. Authorize the Chairman of the Board of Supervisors to execute the same.

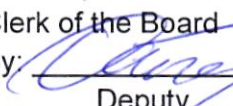
ACTION:Policy


Mark Lancaster, Director of Transportation 10/26/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: December 12, 2023
xc: TLMA-Transp.

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: CFD 19 funded 100%. No General Fund will be used on this project.			Budget Adjustment: No	
			For Fiscal Year: 23/24	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

KB Home Coastal Inc. (Assignee) acquired Tract Nos. 30908, 30908-1, 30909, 30909-1, and 30909-2 (Assigned Property) from ERP Holding Co., Inc. (Assignor). The Assigned Property consists of six hundred fifty (650) single-family residential homes within the community commonly known as Springbrook located on Spring Street and Center Street east of Interstate 215.

The boundaries of the Assigned Property are the same as the boundaries of the Community Facilities District No. 19 of Riverside Unified School District.

On September 4, 2007 (Agenda Item 3.36), the County of Riverside (County), Riverside Unified School District (RUSD), and ERP Holding Co., Inc. entered into a Joint Community Facilities Agreement (JCFA Agreement) relating to CFD No. 19 of Riverside Unified School District (CFD 19). CFD No. 19 will provide the means of financing the construction and acquisition of Spring Street road and storm drain improvements (County Facility) to be constructed by ERP Holding Co., Inc. associated with the Assigned Property. Upon completion of the construction and acceptance of the County, each County Facility will be owned and maintained by the County.

Assignor now desires to assign to Assignee, and Assignee agrees to assume, all of the rights and obligation of the Assignor under the JCFA Agreement relating to CFD No. 19.

This First Assignment and Assumption of the JCFA (First Assignment) is not a "project" pursuant to Section 15378(b)(5) of the State CEQA Guidelines, which states that a "project" does not include "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment." This First Assignment merely transfers all rights and obligations from the Assignor to the Assignee and does not modify any of the terms of the JCFA Agreement for the Assigned Property. This transfer of rights and obligations will not, in and of itself, result in a significant environmental effect and does not authorize to any extent whatsoever actual physical development. Any future development, if it occurs at all, will be the result of subsequent actions subject to further CEQA review. Therefore, the First Assignment is not a project under CEQA.

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Impact on Residents and Businesses

Construction of the County Facility will substantially help mitigate potential traffic issues in this development and provide the facilities funds to support construction on the development.


Additional Fiscal Information

The County Facility constructed under the JCFA Agreement will be funded by the proceeds from the sale of bonds issued by RUSD CFD 19. The assessments that will be charged to the 650 new homes through the CFD No. 19 will be disclosed to the potential buyers.

ATTACHMENTS:

Vicinity Map

Assignment Agreement



Jason Farin, Principal Management Analyst 12/5/2023

**FIRST ASSIGNMENT AND ASSUMPTION OF
JOINT COMMUNITY FACILITIES AGREEMENT**

THIS FIRST ASSIGNMENT AND ASSUMPTION OF JOINT COMMUNITY FACILITIES AGREEMENT ("First Assignment") is made and entered into as of December 12, 2023 (the "Effective Date"), by and among the Riverside Unified School District ("School District"), the County of Riverside ("County"), Community Facilities District No. 19 of Riverside Unified School District ("CFD 19"), ERP Holding Co., Inc. ("Assignor"), and KB Home Coastal Inc. ("Assignee"), (together, the "Parties") with reference to the following facts.

RECITALS

A. School District and County have made and entered into that certain Joint Community Facilities Agreement dated as of September 4, 2007, with Assignor, in connection with CFD 19 ("Facilities Agreement") as required by section 53316.2 of Mello-Roos Community Facilities Act of 1982, as amended, commencing with California Government Code section 53311 et seq.

B. Assignor and Assignee desire to effect an assignment as authorized by Section 6.3 of the Facilities Agreement upon the terms and conditions set forth in this First Assignment with respect to all of the rights and obligations of Assignor as Developer under the Facilities Agreement of the County Facilities described in Exhibit "B" of the Facilities Agreement, including but not limited to the rights under Article III of the Facilities Agreement to receive payment of the County Facilities as described in Exhibit "A" of this First Assignment after Assignee completes all of the requirements under the Facilities Agreement for payment of the County Facilities Purchase Price.

NOW, THEREFORE, in consideration of the above Recitals, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Assignor hereby assigns, and Assignee agrees to assume, all of the rights and obligations of Assignor under the Facilities Agreement from and after the Effective Date. District, CFD 19, and County consent to that assignment from Assignor to Assignee of all of the rights and obligations under the Facilities Agreement from and after the Effective Date.

2. As part of the assignment and assumption pursuant to Section 1 of this First Assignment, Assignor assigns to Assignee, and irrevocably instructs CFD 19 to pay to Assignee, all of the County Facilities Purchase Price in accordance with the Facilities Agreement. Assignee's wire instructions for payment are attached hereto as Exhibit "B".

3. School District, CFD 19, County, and Assignor represent and warrant as of the Effective Date (1) that the Facilities Agreement is in full force and effect, (2) that there have been no amendments or modifications to the Facilities Agreement and (3) to their knowledge, there are no uncured defaults under the Facilities Agreement.

4. Except as expressly amended by this First Assignment, the Facilities Agreement shall remain in full force and effect in accordance with its original terms.

5. Unless otherwise defined in this First Assignment, all capitalized terms used herein shall have the same meanings as assigned to them in the Facilities Agreement.

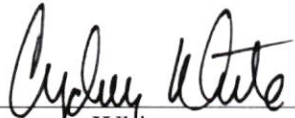
6. This First Assignment may be executed in two (2) or more counterparts, each of which shall be an original, but all of which shall constitute one in the same agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this First Assignment as of the date first above written.

ASSIGNOR:


ERP Holding Co., Inc.,
a Delaware corporation

By: 

Cydney A. White
Vice President

ASSIGNEE:

KB Home Coastal Inc.,
a California corporation

By: 

Scott Hansen
Vice President

[Signatures continued on next page]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Illinois)SS

County of Cook)SS

On August 1, 2023 before me, Shelanda D. Haskell, Notary Public, personally appeared Cydney White, Vice President of ERP Holding Co., Inc., a Delaware corporation, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Shelanda D. Haskell, Notary Public



(SEAL)

OFFICIAL SEAL
OF THE
GOVERNMENT OF
INDIA

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.


State of California }

County of Riverside }

On April 28, 2023 before me, Judith Mireles, Notary Public, personally appeared Scott Hansen, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Judith Mireles, Notary Public




(SEAL)



RIVERSIDE UNIFIED SCHOOL DISTRICT


COUNTY OF RIVERSIDE


By: 
Name: Angelo Farooq
Title: President of the Board

By: 
KEVIN JEFFRIES
Chairman, County Board of Supervisors

ATTEST:

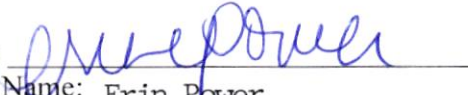
APPROVED AS TO FROM:
County Counsel


By: 
Thomas R. Hunt II
Clerk of the Board of Education

By: 
Michael Thomas
Deputy County Counsel

COMMUNITY FACILITIES DISTRICT No. 19

ATTEST:
Kimberly Rector
Clerk of the Board

By: 
Name: Erin Power
~~CFO No. 19 Administration~~
Assistant Superintendent,
Business Services

By: 
Deputy

ATTEST:

By: 
~~CFO No. 19~~ Clerk of the Board of Education

360 DEC 12 2023

EXHIBIT "A"

DESCRIPTION OF COUNTY FACILITIES

Community Facilities District No. 19 of Riverside Unified School District

1. Street Facilities (Spring Street; Street and Storm Drain Improvement Plans Offsite-Springbrook sheets 1-18 of 22; stations 29+75.39 to 73+17.35

Approximately 4,342 linear feet of partial width street improvements including, but not limited to aggregate base, asphalt, fog seal, curbs and gutters, cross gutters, sidewalk, handicap ramps, sawcut existing asphalt, removal of existing asphalt, grinding existing asphalt, street signage, utilities crossings and culvert crossings. The total cost also includes but is not limited to site supervision, civil & soils engineering, consulting, plan check & inspection, bonding & bond exoneration, bid book preparation, grading, site preparation and erosion control.

2. Storm Drain Facilities (Lateral D-1; Street and Storm Drain Improvement Plans Offsite-Springbrook sheets 19 & 22 of 22; stations 10+00.00 to 34+99.52)

Approximately 2,500 linear feet of storm drain improvements including, but not limited to reinforced concrete pipe, reinforced concrete box, manholes, junction structures, transition structures, catch basins, filters, headwalls, rip-rap, removal of existing storm drain improvements, saw cut existing asphalt, remove existing asphalt, replace existing asphalt, utilities crossings and culvert crossings. The total cost also includes but is not limited to site supervision, civil & soils engineering, consulting, plan check & inspection, bonding & bond exoneration, bid book preparation, grading, site preparation and erosion control.

EXHIBIT "B"

WIRE INSTRUCTIONS

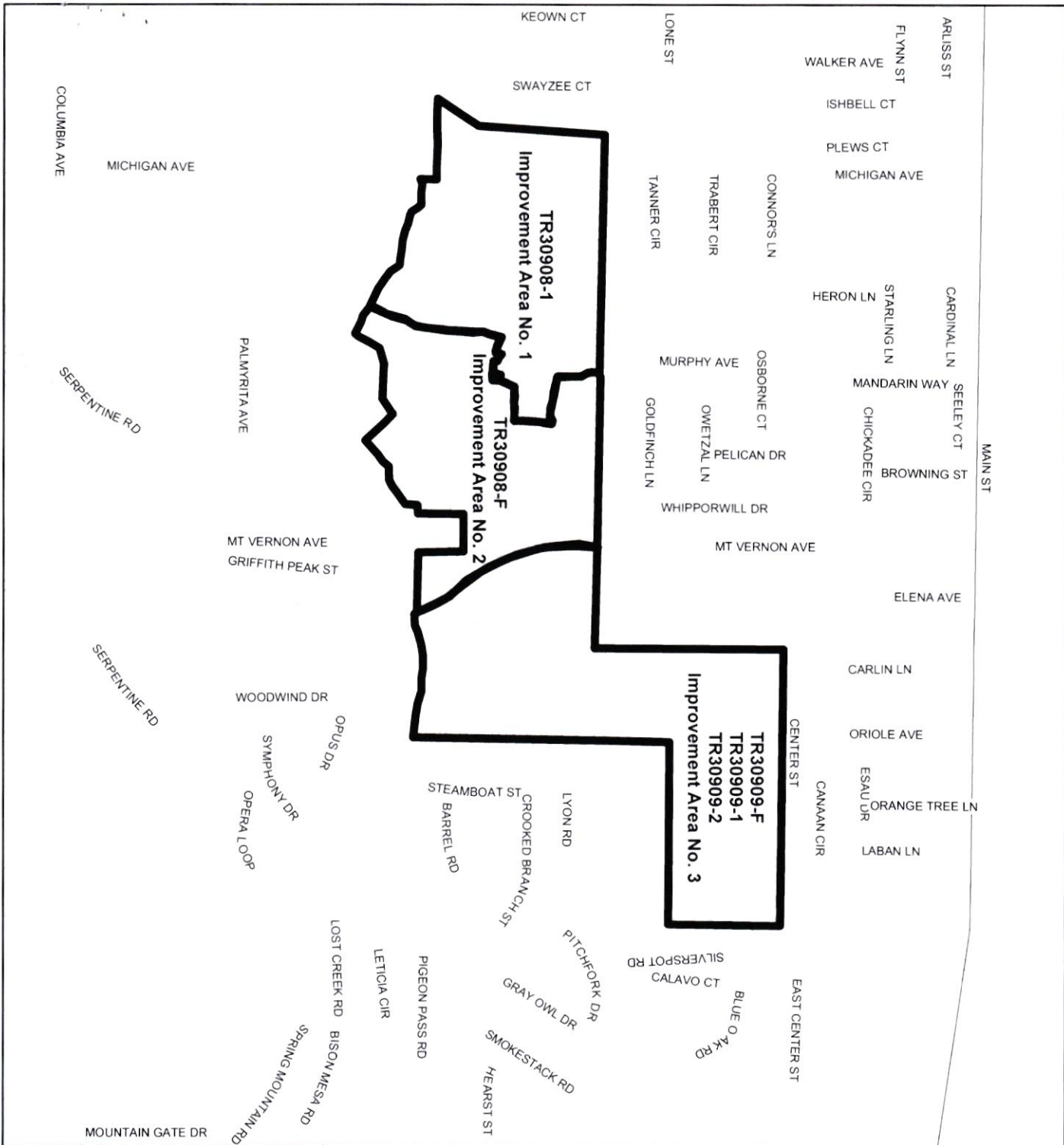
For the Account of: _____

Bank: _____

Fed Routing Number: _____

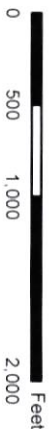
Account Number: _____

RIVERSIDE UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT No. 19 IMPROVEMENT AREA Nos. 1, 2, and 3 Tract Map Nos. 30908-F, 30908-1, 30909-F, 30909-1, and 30909-2



VICINITY MAP

 PROPOSED CFD BOUNDARY



The County of Riverside assumes no warranty or legal responsibility for the use of this map. Data and information represented on this map is subject to change and may not be complete or appropriate for all purposes. County GIS and other sources should be queried for the most current information. Do not copy or resell this map.