

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



ITEM: 3.21  
(ID # 23501)

MEETING DATE:

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

Tuesday, January 30, 2024

**SUBJECT:** OFFICE OF ECONOMIC DEVELOPMENT: Approval and execution of the First Assignment and Assumption of the Joint Community Facilities Agreement between Riverside Unified School District, the County of Riverside, Community Facilities District No. 19 of Riverside Unified School District, the City of Riverside, ERP Holding Co., Inc., and KB HOME Coastal Inc. associated with Community Facilities District No. 19 of Riverside Unified School District, District 1. [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve and authorize the Chairman to execute the First Assignment and Assumption of the Joint Community Facilities Agreement between Riverside Unified School District, the County of Riverside, Community Facilities District No. 19 of Riverside Unified School District, the City of Riverside, ERP Holding Co., Inc. ("Assignor"), and KB HOME Coastal Inc. ("Assignee") associated with Community Facilities District No. 19 of the Riverside Unified School District for sewer collection facilities;
2. Approve and authorize the Chairman to execute the First Assignment and Assumption of the Joint Community Facilities Agreement between Riverside Unified School District, the County of Riverside, Community Facilities District No. 19 of Riverside Unified School District, ERP Holding Co., Inc. ("Assignor"), and KB HOME Coastal Inc. ("Assignee") associated with Community Facilities District No. 19 of the Riverside Unified School District for park facilities; and
3. Direct the Clerk of the Board to return three (3) signed copies of each of the two (2) agreements to the Office of Economic Development for distribution.

**ACTION:**


  
Suzanne Holland, Director of Office of Economic Development 12/14/2023

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Jeffries 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: January 30, 2024  
xc: OED

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment: N/A</b>	
			<b>For Fiscal Year: 23/24</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

KB HOME Coastal Inc. (Assignee) acquired Tract Nos. 30809, 30809-1, 30909-1, 30909-2, and 30909 (Assigned Property) from ERP Holding Co., Inc. (Assignor). The Assigned Property consists of 644 single-family residential units within the community commonly known as Highgrove, located primarily along Spring St. east of Swayzee Ct. and west of Silverspot Rd. The boundaries of the Assigned Property are the same as the boundaries of the Community Facilities District No. 19 of the Riverside Unified School District (CFD No. 19).

On July 31, 2007, the County of Riverside (County), Riverside Unified School District (School District), and the City of Riverside (City) entered into a Joint Community Facilities Agreement (JCFA Agreement – Sewer Facilities) relating to CFD No. 19. CFD No. 19 will provide the means of financing the construction and acquisition of sewer collection facilities (City Facilities) to be constructed by ERP Holding Co., Inc. associated with the Assigned Property. Upon completion of the construction and acceptance by the City, each City Facility will be owned and maintained by the City. The County, through the Riverside County Office of Economic Development, will be responsible for the ongoing maintenance of the park facilities.

On September 4, 2007, County and School District entered into a Joint Community Facilities Agreement (JCFA Agreement – Park Facilities) relating to CFD No. 19. CFD No. 19 will provide the means of financing the construction and acquisition of park facilities to be constructed by ERP Holding Co., Inc. associated with the Assigned Property. Upon completion of the construction and acceptance by the County, each park 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 obligations of the Assignor under the JCFA Agreements relating to CFD No. 19.

**Impact on Residents and Businesses**

Construction of the City Facility will bring sanitary sewer services to this development and provide the facilities funds to support construction on the development. Construction of the park facilities will provide recreational amenities for the future home buyers. Park maintenance and operations will be provided by the County through a special assessment placed on the future homes and administered by Community Facilities District (CFD) 20-1M Springbrook, managed by the Riverside County Office of Economic Development.

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STATE OF CALIFORNIA

**Additional Fiscal Information**

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

**ATTACHMENTS:**

JCFA Assignment Agreement (Sewer Collection Facilities)

JCFA Assignment Agreement (Park Facilities)

  
\_\_\_\_\_  
Aaron Gettis, Deputy County Counsel                      1/24/2024

**FIRST ASSIGNMENT AND ASSUMPTION OF  
JOINT COMMUNITY FACILITIES AGREEMENT  
(Park Facilities—CSA 126)**

THIS FIRST ASSIGNMENT AND ASSUMPTION OF JOINT COMMUNITY FACILITIES AGREEMENT (“First Assignment”) is made and entered into as of January 30, 2024 (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 (Park Facilities—CSA 126) 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 Property Owner under the Facilities Agreement, including, but not limited to, the rights under the Facilities Agreement to receive payment of the Purchase Price of each Park Facility after Assignee completes all of the requirements under the Facilities Agreement for payment of the 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. School 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, the Purchase Price for each Park Facility in accordance with the Facilities Agreement.

3. School District, CFD 19, and County 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 multiple counterparts, each of which shall be an original, but all of which shall constitute one in the same agreement. The parties may also deliver executed copies of this First Assignment and all other documents to be executed in connection with this First Assignment (other than documents to be recorded in the Official Records) to each other by electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

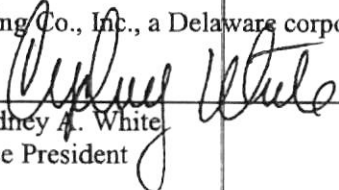
**[Signatures on following page]**

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 following page]

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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 following page]**

**RIVERSIDE UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of the Board of Education

**COMMUNITY FACILITIES DISTRICT NO. 19**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: CFD No. 19 Administrator

ATTEST:

By: \_\_\_\_\_  
CFD 19 Clerk

**COUNTY OF RIVERSIDE**

By:  \_\_\_\_\_  
Chairman, Board of Supervisors  
**CHUCK WASHINGTON**

APPROVED AS TO FORM:  
County Counsel

By:  \_\_\_\_\_  
Deputy County Counsel

ATTEST:  
Kimberly Rector, Clerk of the Board

By:  \_\_\_\_\_  
Deputy



**FIRST ASSIGNMENT AND ASSUMPTION OF  
JOINT COMMUNITY FACILITIES AGREEMENT  
(Sewer Collection Facilities—CSA 152-C)**

THIS FIRST ASSIGNMENT AND ASSUMPTION OF JOINT COMMUNITY FACILITIES AGREEMENT ("First Assignment") is made and entered into as of January 30, 2024 (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"), the City of Riverside ("City"), ERP Holding Co., Inc. ("Assignor"), and KB HOME Coastal Inc. ("Assignee"), (together, the "Parties") with reference to the following facts.

**RECITALS**

A. School District, City and County have made and entered into that certain Joint Community Facilities Agreement (Sewer Collection Facilities—CSA 152-C) dated as of July 31, 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 Property Owner under the Facilities Agreement, including, but not limited to, the rights under the Facilities Agreement to receive payment of the Purchase Price of each Sewer Collection Facility after Assignee completes all of the requirements under the Facilities Agreement for payment of the 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. School District, CFD 19, City 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, the Purchase Price for each Sewer Collection Facility in accordance with the Facilities Agreement.

3. School District, CFD 19, County, and City 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 multiple counterparts, each of which shall be an original, but all of which shall constitute one in the same agreement. The parties may also deliver executed copies of this First Assignment and all other documents to be executed in connection with this First Assignment (other than documents to be recorded in the Official Records) to each other by electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

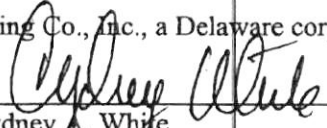
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By:

  
Cydney A. White  
Vice President

ASSIGNEE:

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By:

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Scott Hansen  
Vice President

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Vice President

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KB HOME Coastal Inc., a California corporation

By:

\_\_\_\_\_  
Scott Hansen  
Vice President

[Signatures continued on following page]

**RIVERSIDE UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of the Board of Education

**COMMUNITY FACILITIES DISTRICT NO. 19**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: CFD No. 19 Administrator

ATTEST:

By: \_\_\_\_\_  
CFD 19 Clerk

**CITY OF RIVERSIDE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Deputy City Attorney

ATTEST:

By: \_\_\_\_\_

**COUNTY OF RIVERSIDE**

By:  \_\_\_\_\_  
Chairman, Board of Supervisors  
**CHUCK WASHINGTON**

APPROVED AS TO FORM:

County Counsel

By:  \_\_\_\_\_  
Deputy County Counsel

ATTEST:

Kimberly Rector, Clerk of the Board

By:  \_\_\_\_\_  
Deputy