

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



**ITEM:** 3.57  
(ID # 24361)

**MEETING DATE:**  
Tuesday, April 30, 2024

**FROM :** TLMA-TRANSPORTATION:

**SUBJECT:** TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION:  
Approval and execution of the Newport Road Community Facilities District No. 03-1 Transportation Uniform Mitigation Fee Program Improvement Credit Agreement between KB Home Coastal Inc. and the County of Riverside associated with Tract No. 30266-1. Not a project under CEQA pursuant to Section 15378 (b)(5) of the State CEQA Guidelines. District 3. [\$0]

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

1. Find the Newport Road Community Facilities District No. 03-1 Transportation Uniform Mitigation Fee Program Improvement Credit Agreement is not a project pursuant to State CEQA Guidelines Section 15378(b)(5);
2. Approve and execute the Newport Road Community Facilities District No. 03-1 Transportation Uniform Mitigation Fee Program Improvement Credit Agreement between KB Home Coastal Inc. and the County of Riverside associated with Tract No. 30266-1; and
3. Authorize the Chairman of the Board of Supervisors to execute the same.

**ACTION:**Policy

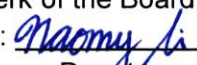
  
Patricia Romo, Director of Transportation 3/7/2024

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Spiegel, seconded by Supervisor Gutierrez 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: April 30, 2024  
xc: Trans.

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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<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:</b> Developer funded 100%. No General Funds will be used on this project.			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 23/24	

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

**BACKGROUND:**

**Summary**

KB Home Coastal Inc. (Developer) owns Tract No. 30266-1 consisting of fifty-eight (58) multi-family residential units (Tract). The Tract is located within the boundaries of the Newport Road Community Facilities District No. 03-1 (Newport Road CFD), which is administered by the County of Riverside (County).

The Newport Road CFD is a funding mechanism that provided a means to finance, in part, the Newport Road/Domenigoni Parkway Extension Improvements from Menifee Road to State Route 79. The construction of the Newport Road/Domenigoni Parkway extension was physically complete and open to traffic at the end of 2007.

In addition, the Newport Road/Domenigoni Parkway Extension Improvements have been identified in the Transportation Uniform Mitigation Fee (TUMF) Regional System of Highways and Arterials (RSHA) and are among those facilities whose construction is to be partly financed by the collection of TUMF. County Ordinance No. 824 established the TUMF Program that requires a developer to pay TUMF, which covers a developer's fair share of the estimated costs to construct transportation improvements needed to mitigate the traffic impacts generated by a developer's project.

The Developer and the County now desire to enter into this Newport Road CFD Transportation Uniform Mitigation Fee Program Improvement Credit Agreement (TUMF Agreement) to provide a means by which Developer's participation in the Newport Road CFD is offset against Developer's obligation to pay applicable TUMF for the Tract. Each residential unit constructed within the Tract will be eligible to receive a TUMF credit in an amount set forth in this TUMF Agreement.

The TUMF Agreement is not a "project" under the California Environmental Quality Act (CEQA). Pursuant to Section 15378 of the State CEQA Guidelines, the TUMF Agreement does not have the potential to result in a direct physical change in the environment and it is not reasonably foreseeable that the TUMF Agreement will result in an indirect physical change in the environment. The TUMF Agreement does not authorize any development, construction, maintenance, operation, or any other activity that would have the potential to result in any significant effect on the environment. The Newport Road/Domenigoni Parkway Extension Improvements were already completed. Any further development, if it occurs at all, will be the

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result of subsequent actions subject to CEQA review prior to construction. The TUMF Agreement merely establishes a means to offset Developer's prior payment of the Newport Road CFD against Developer's obligation to pay TUMF for the Property. As a result, the TUMF Agreement is also 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." Therefore, it is reasonably foreseeable that the TUMF Agreement will not result in any direct or indirect physical change in the environment.

**Impact on Residents and Businesses**

The Developer is responsible for disclosing the CFD special assessment to potential buyers of the residential homes as part of their purchase transaction.

**Additional Fiscal Information**

N/A

**ATTACHMENTS:**

Vicinity Map

TUMF Agreement



Jason Farin, Principal Management Analyst 4/23/2024



Aaron Gettis, Chief of Deputy County Counsel 3/27/2024

**COMMUNITY FACILITIES DISTRICT NO. 03-1  
(NEWPORT ROAD CFD)  
IMPROVEMENT CREDIT AGREEMENT  
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM**

This IMPROVEMENT CREDIT AGREEMENT (this "Agreement") is entered into this 30 day of April, 2024, by and between the County of Riverside, a political subdivision of the State of California (the "County") and KB Home Coastal Inc., a California corporation with its principal place of business at 36310 Inland Valley Drive Wildomar, CA 92591 (the "Developer"). The County and the Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

**RECITALS**

WHEREAS, the Developer owns Tract No. 30266-1, for which a Final Map was recorded on October 27, 2008, as Instrument No. 2008-0572133 (the "Tract") and is located within Riverside County, California, as shown by Exhibit "A," attached hereto and incorporated herein by this reference;

WHEREAS, the Tract consists of 58 multi-family residential units;

WHEREAS, the Tract was conditioned by the County to participate in some form of funding mechanism, such as a Community Facilities District, that would provide a means of financing the construction of public facilities, which include the full-width arterial improvements of Newport Road from Menifee Road to State Route 79, including associated appurtenances and rights-of-way (the "Newport Road Improvements");

WHEREAS, the public facilities improvements described above had been determined by the Board of Supervisors to be necessary to mitigate the transportation and circulation needs, which the development of the Property will contribute in part;

WHEREAS, the Riverside County Board of Supervisors (the "Board"), on April 15, 2003, adopted Resolution No. 2003-173 establishing Community Facilities District No. 03-1 Newport Road of the County of Riverside ("Newport Road CFD") and authorizing the levy of a special tax to pay for the construction or financing of the Newport Road Improvements and Resolution No. 2003-174 determining the need to incur bonded indebtedness in an aggregate principal amount not to exceed \$24,000,000 to finance the Newport Road Improvements and Resolution No. 2003-175 calling for a special election held on April 15, 2003, for the qualified electors of the Newport Road CFD to consider propositions dealing with the levy of the special tax and the incurrence of bonded indebtedness;

WHEREAS, the Board of Supervisors, on April 15, 2003, canvassed the results of the special election and determined that the qualified electors voted and approved the propositions by more than two-thirds of the votes cast and caused a Notice of Special Tax Lien for the Newport Road CFD to be recorded within fifteen days of the special election certification;

WHEREAS, the County, by the adoption of Ordinance No. 824, as amended from time to time, established the Transportation Uniform Mitigation Fee Program which requires a developer to pay the fee (the "TUMF") which is set by said Ordinance and which is to be paid as a condition of receiving certification allowing for the occupancy of a residential or commercial structure; the TUMF is intended to represent a new structure's fair share of the estimated costs to construct those transportation improvements needed to mitigate the traffic impacts and burdens placed on the Regional System of Highways and Arterials ("RSHA") generated by a residential or commercial development and determined necessary to protect the safety, health and welfare of persons traveling to and from such residential or commercial development using the RSHA;

WHEREAS, the Newport Road Improvements have been identified as part of the RSHA and to be among those facilities whose construction is to be financed, in part, by the collection of the TUMF;

WHEREAS, the Newport Road Improvements have been constructed by the Riverside County Transportation Department in part from funding that includes the proceeds of special taxes levied or the proceeds of special tax bonds issued by the Newport Road CFD;

WHEREAS, the County and Western Riverside Council of Governments (WRCOG) entered into a Memorandum of Understanding (MOU) on October 28, 2014, which provides the mechanism by which developers can be eligible to receive TUMF credits to offset their TUMF fees by participating in the Newport Road CFD;

WHEREAS, the Parties now desire to enter into this Agreement to provide a means by which Developer's participation in the Newport Road CFD is offset against Developer's obligation to pay the applicable TUMF for the Tract in accordance with the TUMF Administrative Plan and MOU; and

WHEREAS, the Tract is located within the boundaries of the Newport Road CFD, as shown on the Boundary Map of the Newport Road CFD recorded as Instrument No. 2003-217558 on March 28, 2003, or within territory that has been annexed to Newport Road CFD.

**NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, Developer and County hereby agree as follows:**

### **TERMS**

1.0 Incorporation of Recitals: The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Construction of Improvements: The County has constructed the Newport Road Improvements using, in part, proceeds from the issuance of the special tax bonds by the Newport Road CFD.

3.0 TUMF Credits

3.1 TUMF Credits: By issuance of the special tax bonds by CFD No. 03-1 (the "Bonds"), the Developer is entitled to credit against TUMF fees in an amount equal to the following (the "TUMF Bond Credit"):

- a) \$1,775 for each Dwelling (Home/Unit)
- b) \$2.10 per square foot for Commercial

3.2 TUMF Excess Payment: The Developer, in order to receive a certificate of occupancy for residential or commercial improvements constructed within the Newport Road CFD, shall pay to the County the sum by which the amount of the TUMF then applicable to the Property exceeds the TUMF Bond Credit for such Property.

4.0 Miscellaneous

4.1 Assignment: The Developer may assign all or a portion of its rights pursuant to this Agreement to a purchaser of one or more lots within the Tract (an "Assignment"). The Developer and such purchaser and assignee (the "Assignee") shall provide to the County such reasonable proof as it may require that the Assignee is the purchaser of said lots within the Tract. Any assignment pursuant to this Section shall not be effective unless and until the Developer and Assignee have executed an assignment agreement with the County in a form reasonably acceptable to County, whereby the Developer and the Assignee agree, except as may be otherwise specifically provided therein, to the following: (i) the Assignee shall receive all or a portion of the Developer's rights pursuant to this Agreement, including the TUMF credit amount for each residential dwelling unit developed on a lot within the Tract or for each multifamily dwelling unit developed on a parcel or commercial development on a plot plan within the Tract purchased by the Assignee pursuant to this Agreement and (ii) the Assignee shall be bound by all applicable provisions of this Agreement.

4.2 Relationship between the Parties: All Parties hereby mutually agree that this Agreement shall not operate to create the relationship of partnership, joint venture, or agency between the County and the Developer.

4.3 Indemnification: Developer agrees to protect, indemnify, defend and hold the Community Facilities District, the County, its elected officials, directors, officers, employees, agents and representatives, individually or any combination thereof (the "Indemnified Parties"), harmless from and against any and all claims, including, but not limited to, third-party claims, and against any and all losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs which the Indemnified Parties may suffer or which may be sought against or recovered or obtained from the Indemnified Parties, as a result of, or by reason of, or arising out of, or in consequence of any acts, omissions, negligence, willful misconduct of Developer, its employees, contractors, or agents in connection with (a) the approval or performance of this Agreement, (b) the awarding of credit pursuant to or on account of this Agreement, and/or (c) the untruth or inaccuracy of any representation or warranty made by said Developer in this Agreement. If said Developer fails to do so, the Indemnified Parties

shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorney's fees or court costs, to and recover the same from said Developer. The provisions of this Section shall survive the termination discharge or other termination of this Agreement.

4.4 Warranty as to Property Ownership; Authority to Enter Agreement: The Developer hereby warrants that it owns fee title to the Property and that it has the legal capacity to enter into this Agreement. All Parties warrant that the individual(s) who have signed this Agreement on behalf of such Party has the legal power, right, and authority to enter into this Agreement and such individual signing this Agreement has been duly authorized to do so, on behalf of said Party.

4.5 Other Agreements: Nothing contained herein shall be construed as affecting the County's or the Developer's respective duty to perform its respective obligations under other agreements, land use regulations or subdivision requirements relating to the development of the Property, which obligations are and shall remain independent of the Developer's rights and obligations, and the County's rights and obligations, under this Agreement.

4.6 Notices: All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To County: County of Riverside  
Transportation Department  
Attention: Alvin Medina  
4080 Lemon Street, 8<sup>th</sup> Floor  
Riverside, CA 92501  
Phone No. (951) 955-1667

To Developer: KB Home Coastal Inc  
Attention: Scott Hansen  
36310 Inland Valley Drive  
Wildomar, CA 92591  
Phone No. (951) 691-5300

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

4.7 Cooperation; Further Acts: All Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

4.8 Interpretation; References; Captions: It is agreed that the Parties and their agents, including legal counsel, have participated in the preparation of this Agreement, the

language of this Agreement shall be construed simply, according to its fair meaning, and that any ambiguity shall not be construed against any of the Parties as the Party responsible for drafting this Agreement. Any term referencing time, days, or period for performance shall be deemed calendar days and not business days. All references to the Developer include all its officers, personnel, employees, agents and representatives, except as otherwise specified in this Agreement. All references to the County include its elected officials, directors, officers, employees, agents and representatives, except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

4.9 Amendments: This Agreement may only be amended by an instrument in writing executed and delivered by the County and the Developer.

4.10 Waivers: No waiver of, or consent with respect to, any provision of this Agreement by a Party hereto shall in any event be effective unless the same shall be in writing and signed by such Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

4.11 Binding Effect: Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

4.12 Third Party Beneficiaries: There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

4.13 Invalidity; Severability: The provisions of this Agreement are specifically made severable. If any clause, provision, right and/or remedy provided for herein is unlawful or unenforceable, the remainder of this Agreement shall remain in effect and be enforced as if such clause, provision, right and/or remedy was not contained herein.

4.14 Consent to Jurisdiction and Venue: This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, the Developer expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

4.15 Attorneys' Fees: If any action is instituted to interpret or enforce any of the provisions of this Agreement, each Party shall be responsible for their own attorney's fees.



4.16 Counterparts: This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

4.16 Time is of the Essence: Time is of the essence with respect to the Developer's performance of its obligations under this Agreement.

4.17 Merger Clause: This Agreement contains the entire agreement between the Parties with respect to matters specifically addressed herein and supersedes any prior oral or written statements, negotiations, or understandings concerning such matters which are hereby merged into this Agreement.

**[Signatures of Parties on Following Pages]**


IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

**COUNTY OF RIVERSIDE**

**DEVELOPER**

RECOMMENDED FOR APPROVAL:

KB Home Coastal Inc., a California corporation

By:   
Patricia Romo  
Interim Director of Transportation

By:   
Scott Hansen  
Vice President

APPROVED AS TO FORM:

By:   
Stephanie Nelson  
Deputy County Counsel

APPROVAL BY THE COUNTY BOARD OF SUPERVISORS:

By:   
CHUCK WASHINGTON  
Chairman, County Board of Supervisors

ATTEST:  
Kimberly Rector  
Clerk of the Board

By:   
Deputy

# 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 February 20, 2024 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)

**EXHIBIT "A"**

**FINAL MAP AND VICINITY MAP**

[ATTACHED BEHIND THIS PAGE]

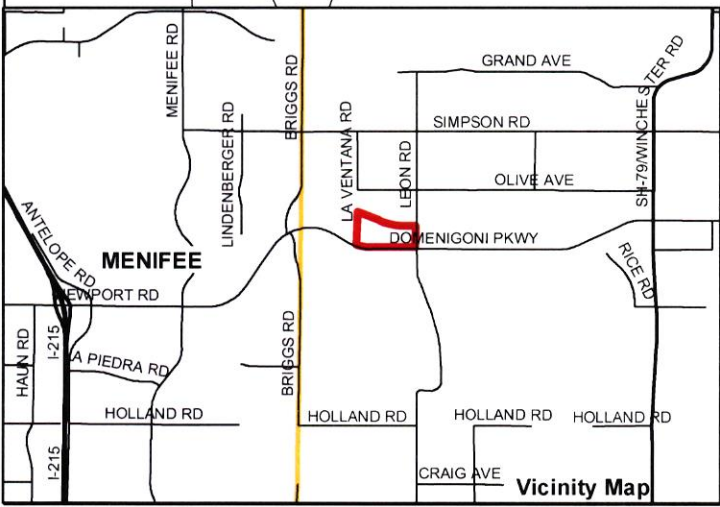
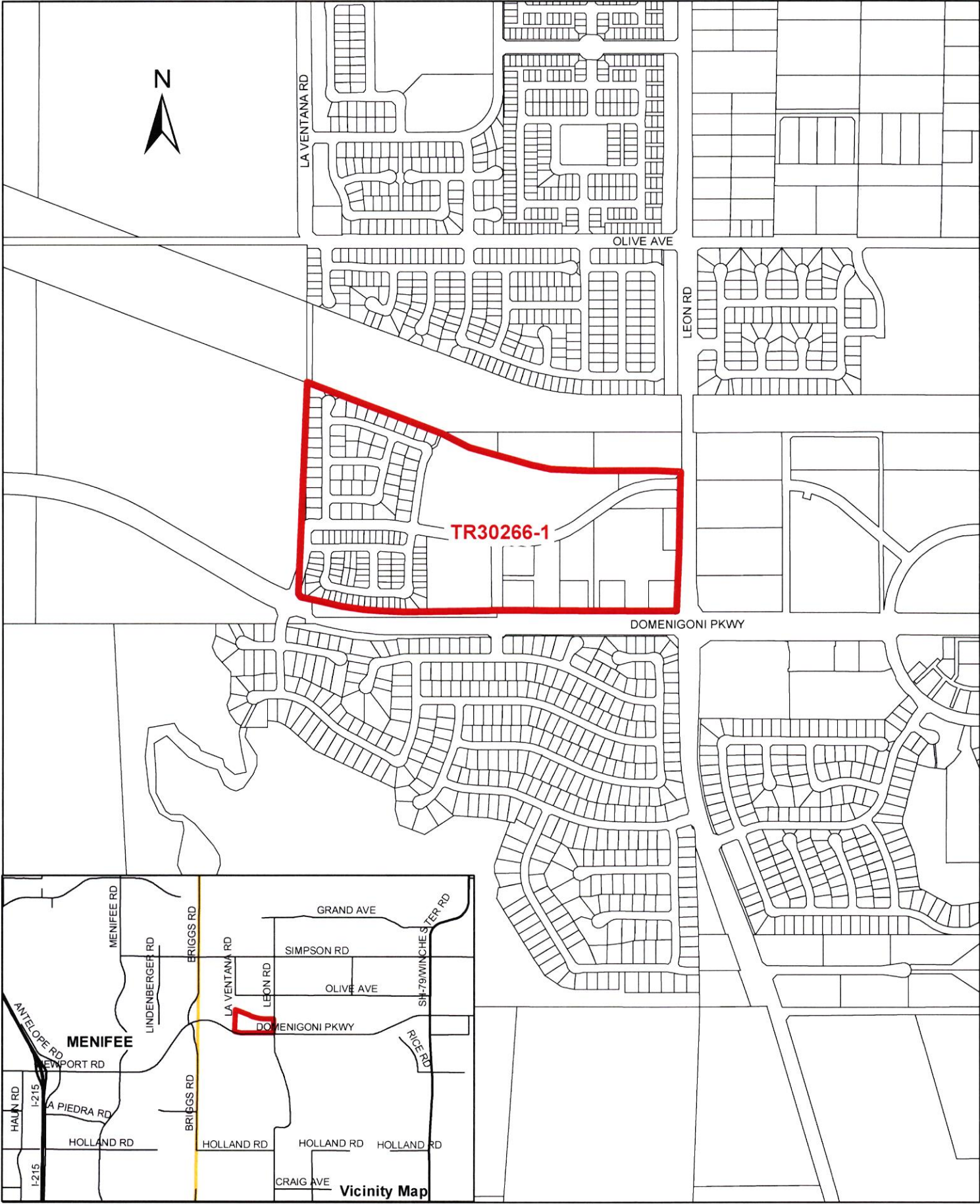




0 420 840 1,680 Feet  
1 inch = 833 feet  
Orthophotos Flown 2016  
Printed by CSegarra on 1/24/2024

# Vicinity Map Tract No. 30266-1

The County of Riverside assumes no warranty or legal responsibility for the information contained on this map. Data and information represented on this map is subject to updates, modifications 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.



Vicinity Map

0 420 840 1,680 Feet  
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# Vicinity Map

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