

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



**ITEM: 3.29
(ID # 26118)**

MEETING DATE:

Tuesday, December 10, 2024

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 the County of Riverside, the Riverside Unified School District, the Community Facilities District No. 41 of Riverside Unified School District Improvement Area No. 1, R-Hearthstone Lot Option Pool 03, L.P., and Lennar Homes of California, LLC associated with Tract No. 38025-1. Not a Project under CEQA pursuant to Section 15378 (b)(5) of the State CEQA Guidelines. District 1. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find the First Assignment and Assumption of the Joint Community Facilities Agreement not a project pursuant to State CEQA Guidelines Section 15378 (b)(5);
2. Approve the First Assignment and Assumption of the Joint Community Facilities Agreement between the County of Riverside, the Riverside Unified School District, the Community Facilities District No. 41 of Riverside Unified School District Improvement Area No. 1, R-Hearthstone Lot Option Pool 03, L.P., and Lennar Homes of California, LLC associated with Tract No.38025-1; and
3. Authorize the Chairman of the Board of Supervisors to execute the same.

ACTION:Policy


Dennis Acuna, Director of Transportation 10/17/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel 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: December 10, 2024
xc: TLMA-Transp.

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

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 No. 41 funded 100%. No General Fund will be used on this project.			Budget Adjustment: No	
			For Fiscal Year: 24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Lennar Homes of California, LLC (Assignee) acquired Tract No. 38025-1 (Assigned Property) from R-Hearthstone Lot Option Pool 03, L.P. (Assignor). The Assigned Property consists of two hundred sixty-six (266) multi-family residential units within the community commonly known as Highgrove located on Spring Street and Garfield Avenue east of Interstate 215.

The boundaries of the Assigned Property are the same as the boundaries of the Community Facilities District No. 41 of Riverside Unified School District Improvement Area No. 1 (CFD No. 41).

On August 1, 2023 (Agenda Item 3.65), the County of Riverside (County), the Riverside Unified School District (RUSD), and R-Hearthstone Lot Option Pool 03, L.P. entered into a Joint Community Facilities Agreement (JCFA Agreement) relating to CFD No. 41. The CFD No. 41 will provide the means of financing the construction and acquisition of certain public improvements 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 the CFD No. 41.

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.

Impact on Residents and Businesses

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

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 CFD No. 41. The assessments that will be charged to the 266 new homes through the CFD No. 41 will be disclosed to the potential buyers.

ATTACHMENTS:

Vicinity Map

Assignment Agreement



Jason Farin, Principal Management Analyst 12/3/2024



Aaron Gettis, Chief of Deputy County Counsel 11/5/2024

**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 10, 2024 (the "Effective Date"), by and among the County of Riverside (the "County"), the Riverside Unified School District (the "School District"), the Community Facilities District No. 41 of Riverside Unified School District Improvement Area No. 1 (the "CFD No. 41"), R-Hearthstone Lot Option Pool 03, L.P. (the "Assignor"), and Lennar Homes of California, LLC (the "Assignee"), (together, the "Parties") with reference to the following facts.

RECITALS

A. The County and the School District have made and entered into that certain Joint Community Facilities Agreement dated as of August 1, 2023 (Contract Number 23-04-001) with the Assignor, in connection with the CFD No. 41 ("Joint Community 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. The Assignor and the Assignee desire to effect an assignment as authorized by Section 6.3 of the Joint Community Facilities Agreement upon the terms and conditions set forth in this First Assignment with respect to all of the rights and obligations of the Assignor as Developer under the Joint Community Facilities Agreement of the County Facilities described in Exhibit "B" of the Joint Community Facilities Agreement, including but not limited to the rights under Article III of the Joint Community Facilities Agreement to receive payment of the County Facilities as described in Exhibit "A" of this First Assignment after the Assignee completes all of the requirements under the Joint Community 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. The Assignor hereby assigns, and the Assignee agrees to assume, all of the rights and obligations of the Assignor under the Joint Community Facilities Agreement from and after the Effective Date. The School District, the CFD No. 41, and the County consent to that assignment from the Assignor to the Assignee of all of the rights and obligations under the Joint Community Facilities Agreement from and after the Effective Date.

2. As part of the assignment and assumption pursuant to Section 1 of this First Assignment, the Assignor assigns to the Assignee, and irrevocably instructs the CFD No. 41 to pay to the Assignee, all of the County Facilities Purchase Price in accordance with the Joint Community Facilities Agreement. The Assignee's wire instructions for payment are attached hereto as Exhibit "B".

3. The County, the School District, the CFD No. 41 and the Assignor represent and warrant as of the Effective Date (1) that the Joint Community Facilities Agreement is in full force and effect, (2) that there have been no amendments or modifications to the Joint Community

JCFA First Assignment and Assumption of Agreement
Improvement Area No. 1
R-Hearthstone Lot Option Pool 03, L.P. and Lennar Homes of California, LLC
Tract No. 38025-1 Street Improvements (MS4415)

Facilities Agreement and (3) to their knowledge, there are no uncured defaults under the Joint Community Facilities Agreement.

4. Except as expressly amended by this First Assignment, the Joint Community 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 Joint Community 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:

R-Hearthstone Lot Option Pool 03, L.P.
a Delaware limited partnership

By: R-Hearthstone PBLOVJ GP, LLC
a Delaware limited liability company,
its General Partner

By: _____


Steven C. Porath
Authorized Representative

ASSIGNEE:

Lennar Homes of California, LLC
a California limited liability corporation

By: _____

Geoffrey Smith
Vice President

[Signatures continued on next page]

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

ASSIGNOR:


R-Hearthstone Lot Option Pool 03, L.P.
a Delaware limited partnership

By: R-Hearthstone PBLOVJ GP, LLC
a Delaware limited liability company,
its General Partner

By: _____
Steven C. Porath
Authorized Representative

ASSIGNEE:

Lennar Homes of California, LLC
a California limited liability corporation

By: 
Geoffrey Smith
Vice President

[Signatures continued on next page]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 Los Angeles

On July 9, 2024 before me, Karen S. Hornback, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Steven C. Porath
Name(s) of Signer(s)

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.

Signature Karen S. Hornback
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

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)

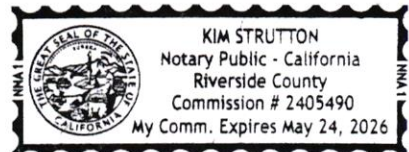
On July 5, 2024 before me, Kim Strutton, Notary Public
(insert name and title of the officer)

personally appeared Geoffrey Smith,
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.

Signature  (Seal)



RIVERSIDE UNIFIED SCHOOL DISTRICT

COUNTY OF RIVERSIDE


By: 
Name: ERIN E. POWER
Title: ASST. SUPT. BUSINESS SVCS


By: 
CHUCK WASHINGTON
Chairman, County Board of Supervisors

ATTEST:

APPROVED AS TO FROM:

Minh C. Tran
County Counsel

By: 
Clerk of the Board of Education

By: 
Michael Thomas
Deputy County Counsel

COMMUNITY FACILITIES DISTRICT No. 41

ATTEST:
Kimberly Rector
Clerk of the Board

By: 
Name:
CFD No. 41 Administrator

By: 
Deputy

ATTEST:

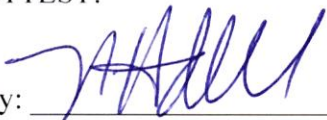
By: 
Name:
CFD No. 41 Clerk

EXHIBIT “A”

COUNTY FACILITIES

**Community Facilities District No. 41
of Riverside Unified School District, Improvement Area No. 1**

Facility Description:	Estimated Costs ⁽¹⁾
<p>1. Garfield Avenue TR 38025-1 (MS4415) - Offsite Street Improvements. Facility Improvements From Station 10+00.00 To Station 22+83.75</p> <p>Approximately 1,284 linear feet of partial width street improvements including, but not limited to aggregate base, asphalt concrete pavement, curb and gutter, sidewalk, removal of existing ac berm, sawcut and join existing pavement, and curb ramp, roadway excavation, site preparation and erosion control. The total cost also includes but is not limited to designing and preparing plan, specifications and estimates, plan check & inspection, construction management, and bid preparation.</p>	<p>\$363,600</p>
<p>2. Spring Street TR 38025-1 (MS4415) - Offsite Street Improvements. Facility Improvements From Station 6+47.71 To Station 20+00.00</p> <p>Approximately 1,353 linear feet of partial width street improvements including, but not limited to aggregate base, asphalt concrete pavement, curb and gutter, type D curb, cross gutters, sidewalk, sawcut and join existing pavement, grinding and overlay existing pavement, curb ramp, roadway excavation, site preparation and erosion control. The total cost also includes but is not limited to designing and preparing plan, specifications and estimates, plan check & inspection, construction management, and bid preparation.</p>	<p>\$384,000</p>
<p>2. Highgrove Town Center Avenue TR 38025-1 (MS4415) - Offsite Street Improvements Facility. Improvements From Station 10+00.00 To Station 22+82.67</p> <p>Approximately 1,283 linear feet of partial width street improvements including, but not limited to aggregate base, asphalt concrete pavement, curb and gutter, cross gutters, sidewalk, curb ramps, roadway excavation, site preparation and erosion control. The total cost also includes but is not limited to designing and preparing plan, specifications and estimates, plan check & inspection, construction management, and bid preparation.</p>	<p>\$532,800</p>

TOTAL STREET IMPROVEMENTS \$1,280,400.00

⁽¹⁾ Estimated costs include Direct costs, 10% contingency, and Indirect Costs estimated at 20%.

EXHIBIT "B"

WIRE INSTRUCTIONS

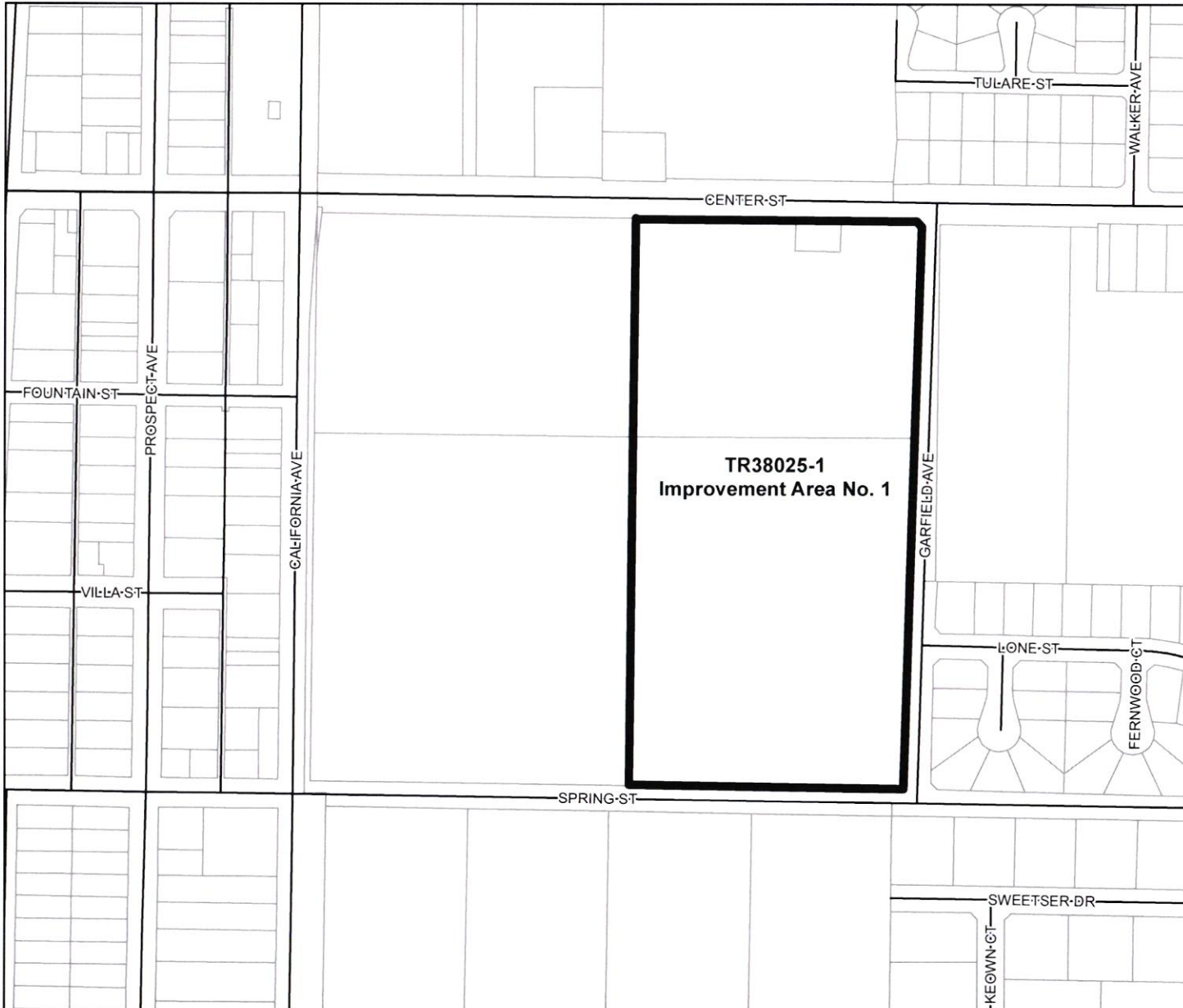
For the Account of:

Bank:

Fed Routing Number:

Account Number:

**RIVERSIDE UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT No. 41
IMPROVEMENT AREA No. 1
Tract Map No. 38025-1**





SAN BERNARDINO COUNTY

VICINITY MAP

PROPOSED CFID BOUNDARY

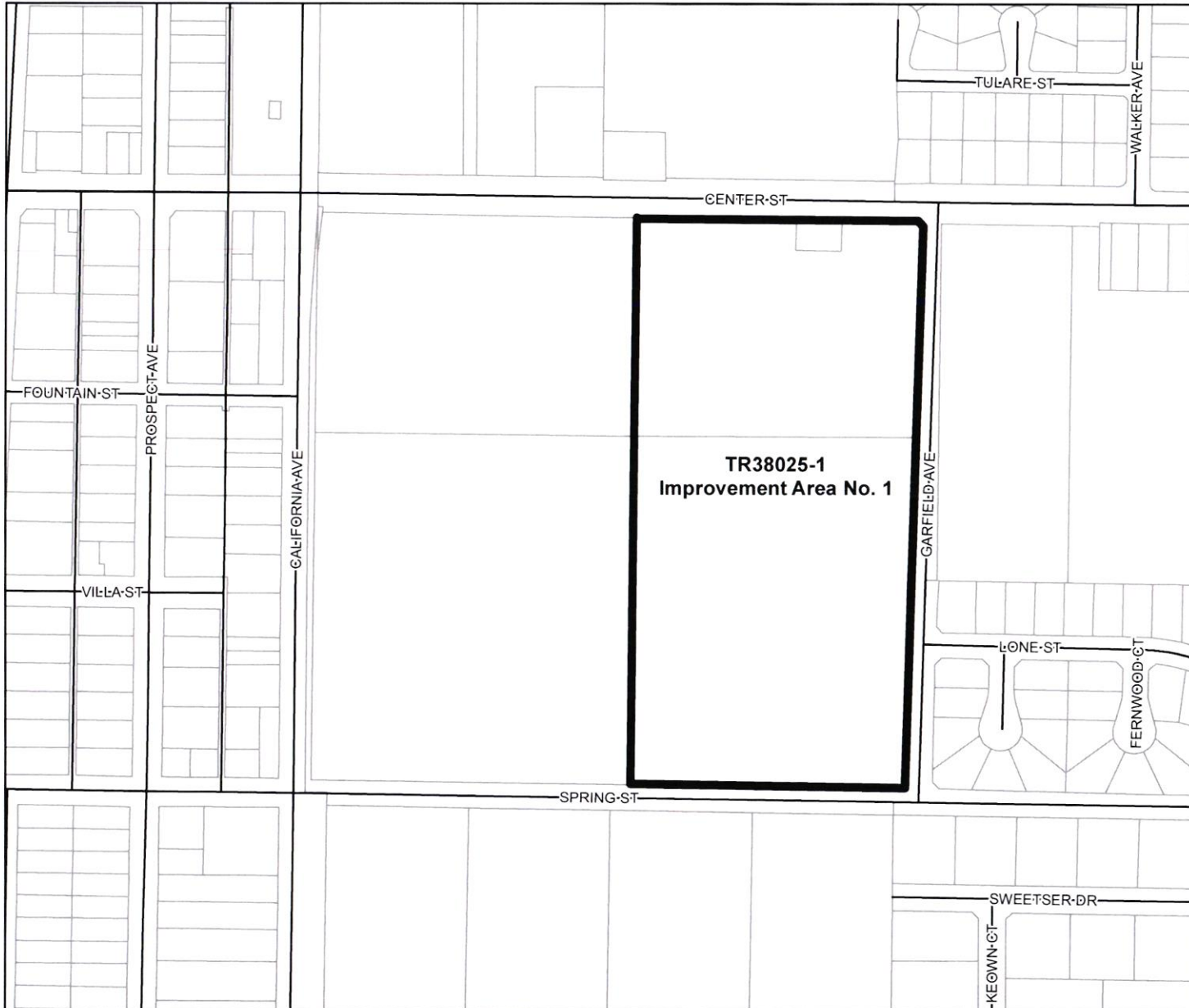
0 190 380 570

 Feet


Disclaimer: Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

**RIVERSIDE UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT No. 41
IMPROVEMENT AREA No. 1
Tract Map No. 38025-1**




SAN BERNARDINO COUNTY

VICINITY MAP



 PROPOSED CFID BOUNDARY

N



0 190 380 570

Feet

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