



REPORT TO CITY COUNCIL

To: Honorable Mayor or Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Shannon Buckley, Assistant City Manager

Date: March 14, 2023

Subject: **Approval of Assignment of Funding Agreement and Joint Community Facilities Agreement for Community Facilities District No. 2019-2 of the City of Lake Elsinore (Nichols Ranch)**

Recommendation

Approve the forms of the assignment agreements relating to the Funding Agreement and Joint Community Facilities Agreement for Community Facilities District No. 2019-2 of the City of Lake Elsinore (Nichols Ranch) and authorize the City Manager to execute the agreement.

Background

The City Council originally approved the agreements for the prior owner and developer. The assignment of the agreements is due to the property selling to Meritage Homes of California, Inc. The Developer and Meritage now desire to assign the Funding Agreement and the Joint Community Facilities Agreement to Meritage as the current owner of the property in the District.

Discussion

The City of Lake Elsinore (the "City") formed the Community Facilities District No. 2019-2 of the City of Lake Elsinore (Nichols Ranch) (the "District") in 2019 pursuant to the Mello-Roos Community Facilities District Act of 1982. The District is approximately 58 acres planned for 168 residential lots within the City. Such property is located to the east of Interstate 15 and is bordered by Nichols Road to the south. Nichols Rd. Partners, LLC (the "Prior Owner"), the previous owner of the property in the District, has sold the property in the District to Meritage Homes of California, Inc. ("Meritage").

In connection with the formation of the District, the City entered into a Funding Agreement with the Prior Owner relating to the manner in which the District will fund certain City facilities. The City, Elsinore Valley Municipal Water District (the "Water District") and the Prior Owner also

entered into a Joint Community Facilities Agreement pursuant to which the District may also finance facilities of the Water District. The Developer and Meritage now desire to assign the Funding Agreement and the Joint Community Facilities Agreement to Meritage, as the current owner of the property in the District.

Fiscal Impact

None

Attachments

Attachment 1 - Assignment and Assumption Agreement (Funding Agreement)

Attachment 2 - Assignment and Assumption Agreement (JCFA)