

ORDINANCE NO. 2025-11

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEMECULA APPROVING THE THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF TEMECULA AND LENNAR HOMES, INC., A CALIFORNIA CORPORATION AND WINCHESTER HILLS I LLC, A CALIFORNIA LIMITED LIABILITY COMPANY AND MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (PLANNING APPLICATION NO. PA25-0016)

THE CITY COUNCIL OF THE CITY OF TEMECULA DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Procedural Findings. The City Council of the City of Temecula does hereby find, determine and declare that:

A. The City of Temecula (“City”), a general law City in the State of California, Lennar Homes, Inc., a California Corporation and Winchester Hills I LLC, a California limited liability company (“Winchester”), entered into an agreement entitled “Development Agreement By And Between The City Of Temecula And Lennar Homes, Inc., A California Corporation And Winchester Hills I LLC, A California Limited Liability Company” by the adoption of Ordinance No. 01-08 (the “Development Agreement”). The Development Agreement was recorded on January 16, 2002 as Document No. 2002-026470 in the Official Records of the County of Riverside.

B. On October 23, 2007, the City Council of the City of Temecula approved that certain agreement entitled “First Amendment to Development Agreement By And Between The City Of Temecula And Lennar Homes, Inc., A California Corporation And Winchester Hills I LLC, A California Limited Liability Company” by the adoption of Ordinance No. 07-14 (“First Amendment”). The First Amendment was recorded on October 2, 2015 as Document No. 2015-0437479 in the Official Records of the County of Riverside. The First Amendment extended the term of the Development Agreement.

C. On January 10, 2023, the City Council of the City of Temecula approved that certain agreement entitled “Second Amendment to Development Agreement By And Between The City Of Temecula And Lennar Homes, Inc., A California Corporation And Winchester Hills I LLC, A California Limited Liability Company” by the adoption of Ordinance No. 2022-14 (“Second Amendment”). The Second Amendment was recorded on January 11, 2023 as Document No. 2023-0007919 in the Official Records of the County of Riverside. The Second Amendment rescinded the First Amendment to the Development Agreement and reinstated the original term of the Development Agreement for the Winchester Property located within portions of Planning Area 12 of the Harveston Specific Plan.

D. The real property which is subject to the Development Agreement and the First Amendment is comprised of two components. The first is the Lennar Property described in the

Development Agreement (“Lennar Property”). The second is the Winchester Hills I LLC Property (“Winchester Property”).

E. The Lennar Property has been developed consistent with the Development Agreement and the term of the Development Agreement as it pertains to the Lennar property has expired.

F. On January 7, 2025 the applicant, Winchester Hills I LLC, a California Limited Liability Company, filed Planning Application No. PA25-0016, a proposed Third Amendment to the Development Agreement. Winchester Hills I LLC seeks to repeal the First Amendment and reinstate the original term of the Development Agreement for the Winchester Property.

G. This application was filed in a manner in accord with the City of Temecula General Plan and Development Code.

H. Government Code Section 65864 authorizes the City to enter into binding development agreements with persons having legal or equitable interest in real property for the development of such property in order to, among other matters: ensure high quality development in accordance with comprehensive plans; provide certainty in the approval of development projects so as to avoid the waste of resources and the escalation in the cost of housing and other development to the consumer; provide assurance to the applicants for development projects that they may proceed with their projects in accordance with existing policies, rules and regulations and subject to Conditions of Approval, in order to strengthen the public planning process and encourage private participation in comprehensive planning and reduce the private and public economic costs of development and provide for economic assistance to Owner for the entitlements authorizing development related improvements.

I. On May 21, 2025, the Planning Commission of the City of Temecula held a duly noticed public hearing on the proposed Third Amendment to the Development Agreement (“Third Amendment”) as prescribed by law at which time all persons interested in the proposed Third Amendment had the opportunity and did address the Planning Commission on this matter.

J. Following consideration of the entire record of information received at the public hearing, the Planning Commission adopted Resolution No. 2025-19, “A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF TEMECULA RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE ENTITLED AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEMECULA APPROVING THE THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF TEMECULA AND LENNAR HOMES, INC., A CALIFORNIA CORPORATION AND WINCHESTER HILLS I LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (PLANNING APPLICATION NO. PA25-0016).”

K. On July 8, 2025, the City Council considered the Application at a duly noticed public hearing which time the City staff presented its report, and all interested persons had an opportunity to and did testify either in support or in opposition to the Project.

L. All legal preconditions to the adoption of this Ordinance have occurred.

Section 2. Legislative Findings. The City Council in approving the Third Amendment to the Development Agreement hereby makes the following findings:

A. The City has reviewed the potential impacts of the Third Amendment and the various potential benefits to the City of the Third Amendment and has concluded that the Third Amendment is in the best interests of the City.

B. The Third Amendment is consistent with the City's General Plan including the goals and objectives thereof and each element thereof.

Section 3. CEQA. This Ordinance, which approves the Third Amendment, is exempt from CEQA review pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the adoption of the Ordinance may have a significant effect on the environment. The adoption of the Ordinance will repeal the First Amendment which extended the term of the Development Agreement. As the term of the Development Agreement is being shortened by the adoption of the Ordinance, this is covered by the common sense exemption under CEQA.

Section 4. Approval of Third Amendment to Development Agreement. The City Council of the City of Temecula hereby approves that certain Third Amendment and authorizes the Mayor to execute the Third Amendment in substantially the form attached hereto as Exhibit "A".

Section 5. Authority of the City Manager. The City Manager (or his designee), is hereby authorized, on behalf of the City, to take all actions necessary and appropriate to carry out and implement the Third Amendment and to administer the City's obligations, responsibilities and duties to be performed under the Third Amendment.

Section 6. Severability. If any portion, provision, section, paragraph, sentence, or word of this Ordinance is rendered or declared to be invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining portions, provisions, sections, paragraphs, sentences, and words of this Ordinance shall remain in full force and effect and shall be interpreted by the court so as to give effect to such remaining portions of the Ordinance.

Section 7. Effective Date. This Ordinance shall take effect thirty (30) days after its adoption.

Section 8. Notice of Adoption. The City Clerk shall certify to the adoption of this Ordinance and cause it to be published in the manner required by law.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Temecula
this 22nd day of July, 2025.

Brenden Kalfus, Mayor

ATTEST:

Randi Johl, City Clerk

[SEAL]

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF TEMECULA)

I, Randi Johl, City Clerk of the City of Temecula, do hereby certify that the foregoing Ordinance No. 2025-11 was duly introduced and placed upon its first reading at a meeting of the City Council of the City of Temecula on the 8th day of July, 2025, and that thereafter, said Ordinance was duly adopted by the City Council of the City of Temecula at a meeting thereof held on the 22nd day of July, 2025 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Randi Johl, City Clerk