

PC 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 AND MAKE A FINDING OF
EXEMPTION UNDER THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT (PLANNING
APPLICATION NO. PA25-0016)”**

Section 1. Procedural Findings. The Planning Commission 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 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 The Second Amendment rescinded the First Amendment to the Development Agreement and reinstated the original term of the Development Agreement for the Winchester Property located within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. 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 which rescinds the First Amendment to the Development Agreement and reinstates the original term of the

Development Agreement for the Winchester Property located within portions of Planning Area 12 of the Harveston Specific Plan.

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

E. The Application was processed including, but not limited to a public notice, in the time and manner prescribed by State and local law, including the California Environmental Quality Act.

F. The Planning Commission, at a regular meeting, considered the Application and environmental review on May 21, 2025, at a duly noticed public hearing as prescribed by law, at which time the City staff and interested persons had an opportunity to and did testify either in support or in opposition to this matter.

G. All legal preconditions to the adoption of this Resolution have occurred.

Section 2. Further Findings. The Planning Commission, in recommending approval of the Application hereby finds, determines, and declares that:

A. The City has reviewed the potential impacts of the Third Amendment to the Development Agreement 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 to the Development Agreement is consistent with the City's General Plan including the goals and objectives thereof and each element thereof.

Section 3. Environmental Findings. The Planning Commission hereby makes the following environmental findings and determinations in connection with the approval of the Development Agreement Amendment Application:

The proposed Ordinance, which approves a Third Amendment to the Development Agreement, 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 proposed Ordinance may have a significant effect on the environment. The adoption of the proposed 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. Recommendation. The Planning Commission of the City of Temecula recommends 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)" in substantially the same form attached hereto as Exhibit A, and incorporated herein by this reference.

Section 5. **PASSED, APPROVED AND ADOPTED** by the City of Temecula Planning Commission this 21st day of May, 2025.



Lanae Turley-Trejo, Chair

ATTEST:



Matt Peters
Secretary

[SEAL]

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

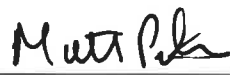
I, Matt Peters, Secretary of the Temecula Planning Commission, do hereby certify that the forgoing PC Resolution No. 2025-19 was duly and regularly adopted by the Planning Commission of the City of Temecula at a regular meeting thereof held on the 21st day of May, 2025, by the following vote:

AYES: 4 PLANNING COMMISSIONERS: Hagel, Solis, Watson, Watts

NOES: 0 PLANNING COMMISSIONERS: None

ABSTAIN: 0 PLANNING COMMISSIONERS: None

ABSENT: 1 PLANNING COMMISSIONERS: Turley-Trejo



Matt Peters
Secretary

**RECORDING REQUESTED
BY AND WHEN RECORDED
MAIL TO:**

City of Temecula
41000 Main Street
Temecula, CA 92590
Attn: Randi Johl, JD, MMC
City Clerk

Exempt from recording fees pursuant to Govt. Code Section 27383
(Space above for recorder's use)

**THIRD 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**

This Third Amendment to Development Agreement is made and entered into as of _____, 2025, by and between the CITY OF TEMECULA, a California municipal corporation ("City"); HARVESTON-SAB SOUTH LLC, a California limited liability company, a successor in interest to HARVESTON-SAB LLC, a California limited liability company ("Harveston") successor in interest to Winchester Hills I LLC, a California limited liability company; and MERITAGE HOMES OF CALIFORNIA, INC., a California corporation ("Meritage") pursuant to the authority of Section 65864 through 65869.5 of the California Government Code and Article XI, Section 2 of the California Constitution. Pursuant to said authority and in consideration of the mutual covenants set forth in this Second Amendment, the parties hereto agree as follows:

1. Recitals. This Third Amendment is made with respect to the following purposes and facts which the parties agree to be true and correct:

A. On August 28, 2001, the City Council of the City of Temecula approved that certain 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. 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 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.

C. The real property which is subject to the Development Agreement and the First Amendment and Second 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 which was specifically described in Exhibit A to the First Amendment ("Winchester Property").

D. The Lennar Property has been developed consistent with the Development Agreement, so the term of the Development Agreement as it pertains to the Lennar Property has expired.

E. Winchester Hills I LLC's interest in the Winchester Property and in the Development Agreement (as amended by the First Amendment) was transferred to Harveston in 2012. The northerly portion of the Winchester Property acquired by Harveston was transferred to Harveston North in 2015 and the southerly portion was transferred to Harveston South in 2016. Harveston South has requested to repeal the First Amendment which extended the term of the Development Agreement and to reinstate the original term of the Development Agreement for the remaining portion of the Winchester Property.

F. Meritage, a "Merchant Builder" under the Development Agreement owns the portion of the Winchester Property specifically described and depicted on Exhibit "A" hereto. Harveston South does not currently own any portion of the Winchester Property but is a party to this Third Amendment to confirm its personal rights under the Development Agreement, including but not limited to its rights to fee credits pursuant to Section 4.8 of the Development Agreement. The property listed in this paragraph and described in the Exhibit is referred to herein as the "Last Winchester Property."

G. Harveston South warrants and represents to the City that the Meritage entity is the only person that owns the Last Winchester Property and that no other persons are required to consent to or approve this Third Amendment.

H. The Planning Commission of the City of Temecula held a duly noticed public hearing on _____, 2025 and by Resolution No. 25-_____ recommended to the City Council that this Third Amendment be approved.

I. On _____, 2025, the City Council of the City of Temecula held a duly noticed public hearing on the proposed Third Amendment and the CEQA documentation at which time all persons had the opportunity to testify in support of or opposition to the proposed Third Amendment.

J. On _____, 2025 the City Council of the City of Temecula adopted Ordinance No. 25-_____ approving this Third Amendment.

2. Repeal of First Amendment. The First Amendment is hereby repealed and is of no further force and effect as to the Last Winchester Property.

3. Authority to Enter Into Third Amendment. The entities in Recital F above each warrant and represent to the City that its approval of this Third Amendment will not violate any agreements they may have with other persons. The person or persons executing this Third Amendment on behalf of said entities each further warrant and represent to the City that this Third Amendment has been duly approved by each and that all applicable notices, approvals and procedures were complied with and that he or she is duly authorized by his/her principal to execute this Third Amendment on behalf of that entity and has been duly authorized to do so.

4. Other Terms Remain. Except as specifically set forth herein, all other terms and conditions of the Development Agreement shall remain in full force and effect as to the Last Winchester Property.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as provided herein.

**CITY OF TEMECULA,
a municipal corporation**

Brenden Kalfus
Mayor

Attest:

Randi Johl, JD, MMC
City Clerk

Approved As to Form:

Peter M. Thorson
City Attorney

HARVESTON-SAB SOUTH LLC,
a California limited liability company



Stephen A. Bieri
President

MERITAGE HOMES OF CALIFORNIA, INC.,
a California corporation



Name: Nicholas Emsiek
Title: Division President

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 Orange)

On October 29, 2024, before me, Andrew Salazar, Notary Public,
(insert name and title of the officer)

Notary Public, personally appeared Nicholas Emsien,
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.

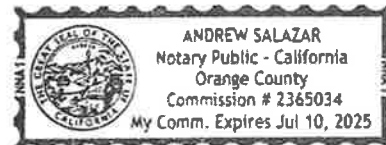
I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



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 San Diego)

On October 30, 2024, before me, Katherine Hogan,
(insert name and title of the officer)

Notary Public, personally appeared Stephen A. Bieri,
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)



EXHIBIT "A"

Meritage Property

LEGAL DESCRIPTION

Real property in the City of Temecula, County of Riverside, State of California, described as follows:

PARCEL I: (APN: 916-400-051, 916-400-052 AND 916-400-053)

PARCELS 15, 16 AND 17, AS SHOWN ON THE MAP ENTITLED "PARCEL MAP NO. 36336", FILED AUGUST 20, 2015, IN BOOK 239 OF PARCEL MAPS, AT PAGES 33 THROUGH 39, INCLUSIVE, RIVERSIDE COUNTY RECORDS.

PARCEL II: (APN: 916-400-067, 916-400-063, AND A PORTION OF 916-400-066)

PARCEL B AS SHOWN ON LOT LINE ADJUSTMENT NO. LD21-0023, AS EVIDENCED BY DOCUMENT RECORDED JUNE 10, 2021 AS INSTRUMENT NO. 2021-0351963 OF OFFICIAL RECORDS.

EXHIBIT "A"

Meritage Property

DEPICTION

