



**STAFF REPORT**  
**5/13/2020**

**TO:** Honorable Mayor and City Council Members

**FROM:** Luis Lopez, Development Services Director

**SUBJECT:** Partial Assignment of Phasing Plan Agreement between Pathfinder Coachella Lots, LLC and Pulte Home Company, LLC (Valencia Community).

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**STAFF RECOMMENDATION:**

Staff recommends that the City Council approve the attached Partial Assignment of Phasing Plan Agreement, allowing Pulte Home Company, LLC to assume the duties and responsibilities of the current landowner, pursuant to the executed Phasing Plan Agreement between City of Coachella and Pathfinder Coachella dated July 5, 2012.

**EXECUTIVE SUMMARY:**

The existing 50 vacant lots inside the Valencia Community, located at the southeast corner of Van Buren Street and Avenue 50, are in escrow to be sold to Pulte Homes, one of the largest National home builders. The City processed an Administrative Architectural Review for three new “production home” models and the buyer is in the final plan check stages and hoping to start construction as soon as possible on the model complex and 1<sup>st</sup> phase of homes. The proposed partial assignment agreement will allow Pulte Homes to phase in certain common-area improvements as originally outlined in the 2012 Agreement between the City and the current landowner.

**BACKGROUND:**

In early 2012 the City Council authorized staff to execute a Phasing Plan Agreement with the owners of the then 22 vacant unfinished homes (inventory homes) and the 50 vacant lots (topic of this assignment). The Phasing Agreement (attached herein) was intended to allow the phasing of unfinished off-site improvements (common-area landscaping, sidewalks, retention basins, etc.) and the pro-rata payment of fair-share contributions towards the traffic signal and landscaped center median along Avenue 50.

In the months following the 2012 agreement, the owner successfully reactivated building permits for the 22 inventory homes, completed final inspection of the inventory homes, and sold the homes to new buyers. Additionally, the landowner installed landscaping in the main-entry retention basin with a desert-friendly plant palette. The pertinent deal points in the attached Phasing Plan

Agreement which relate to the 50 vacant lots intended for future single-family residential construction are the topic of this staff report.

**DISCUSSION/ANALYSIS:**

Attached for City Council's review and authorization is a Partial Assignment of Phasing Plan Agreement between Pathfinder Coachella Lots, LLC (owner of 50 vacant lots) and Pulte Home Company, LLC (buyer of 50 vacant lots). This assignment will replace the original obligee (Pathfinder Lots) with the new buyer (Pulte Homes) who will assume all duties and obligations to the City (obligor) under the 2012 Agreement. Additionally, Pulte Homes will gain the rights and benefits conveyed by the City in the 2012 Agreement, as they build out the community.

Staff and the City Attorney have reviewed the attached Partial Assignment document and find no issues with the intended replacement of the party of interest in this case. The new buyer is a reputable home builder and they are ready and willing to assume the responsibilities of completing necessary common-area improvements and paying all normal building permit fees. In fact, the properties have been in escrow and are awaiting final plan check approval of the construction drawings for production homes in order to close escrow.

The Valencia community became a distressed subdivision during the great recession of 2008 and the owner has struggled to find a willing builder to buy the vacant lots and finish construction on the vacant lots. Pulte Homes has developed thousands of homes in the Coachella Valley (Sun City Palm Desert by Del Webb, Sun City Shadow Hills) and they are motivated to build and sell homes in Coachella. Staff is in support of this Assignment to allow the buyer to consummate the land sale and finish the community in a timely manner.

**ALTERNATIVES:**

1. Approve execution of the attached Partial Assignment of Phasing Plan Agreement.
2. Take no action.
3. Continue this item and provide staff with direction.

**FISCAL IMPACT:**

None resulting from the Assignment

**RECOMMENDED ALTERNATIVE(S):**

Staff recommends Alternative #1 above.

Attachments: Partial Assignment of Phasing Plan Agreement  
2012 Phasing Plan Agreement