



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA

Regular Special

Meeting Date: December 9, 2025

Title: Resolution 2025-51 of the City Council of the City of Needles, California Approving an Exclusive Negotiation Agreement (ENA) between the City of Needles and Palm Communities, A California Corporation in Reference to Assessors Parcel Numbers (APN's) 0186-095-03-0000 and 0186-095-04-0000

Background: A key goal of the City Council is to expand workforce housing opportunities that support Needles' local employees and working families. A stated goal of the City of Needles City Council is to encourage additional economic investment into the community in the form of retail, tourism, manufacturing, distribution, and housing. Further, the City Council has communicated a need for new construction housing options that support local employees and working families who are part of the City's workforce. The City has taken steps to eliminate blight and increase available units, as evidenced by the renovation of the Sage and River Valley motels into micro-apartments. While these projects have helped advance Council goals, there remains a need for new, modern housing designed to serve local workers and their families.

To support this objective, City staff has met with numerous housing developers to encourage the construction of new units. Notably, City staff has been working with Palm Communities to bring a workforce-oriented development into the community. Before the City Council today is the first step in that process. The item before you is an Exclusive Negotiation Agreement (ENA) between the City of Needles and Palm Communities, a California Corporation (Palm Communities), regarding approximately 2.04 acres of land located along Broadway (Route 66) bounded by G Street, H Street, and Front Street.

By way of background, Palm Communities has been a developer of workforce (family) and senior housing for over thirty (30) years. During that time, they have successfully developed more than 3,000 units of multi-family workforce and senior housing across approximately 40 different projects throughout Southern California, including Riverside, Hemet, San Jacinto, Palm Desert, Indio, Moreno Valley, San Diego, Los Angeles, Hesperia, and Long Beach. In addition to development, Palm Communities is known for its long-term ownership and proactive property management model, maintaining its communities to high standards through on-site management. This approach has resulted in well-kept, durable communities that remain in strong condition over time. Palm Communities is actively working on additional developments in Palm Desert, Hemet, Jurupa Valley, and Elk Grove.

Entering an ENA is a standard first step in determining whether a project is feasible and mutually beneficial. The action today provides an Exclusive Negotiation Agreement between the City and Palm Communities. This agreement establishes a period between now and April 30, 2026, during which the City of Needles will negotiate solely with Palm Communities regarding the two subject parcels. During this time, Palm Communities will provide a deposit for the City to procure a land appraisal to determine fair market value, and both parties will work toward a potential transaction and development that would bring new multi-family workforce housing to the community.

Fiscal Impact: Approval of an Exclusive Negotiation Agreement has no direct cost to the City of Needles beyond staff and legal time put forward.

Environmental Impact: The approval of an Exclusive Negotiation Agreement (ENA) itself is exempt from the California Environmental Quality Act (CEQA). If a development were to move forward on the subject property, it would need to comply with CEQA at a later date.

Recommended Action: Adopt City Council Resolution 2025-51, Authorizing the City Manager to enter into an Exclusive Negotiation Agreement (ENA) between the City of Needles and Palm Communities, A California Corporation in Reference to Assessors Parcel Numbers (APN's) 0186-095-03-0000 and 0186-095-04-0000.

Submitted By: Patrick Martinez, City Manager

City Manager Approval: Patrick J. Martinez Date: 12/4/2025

Other Department Approval (when required): _____ Date: _____