



MANAGER'S MEMORANDUM

Prepared for: **Naperville City Council**
By: City Manager's office
6/6/2024

A. MANAGER'S MEMORANDUM

Source:

1. Allison Laff, AICP,
Deputy Director - TED

Subject:

Polo Club:
Restricted Price Units

Action:

FYI

**CITY OF NAPERVILLE
MEMORANDUM**

DATE: June 6, 2024
TO: Doug Krieger, City Manager
FROM: Allison Laff, AICP, Deputy Director - TED
SUBJECT: Polo Club: Restricted Price Units

Purpose:

The purpose of this memo is to provide an update regarding the restricted price units to be offered in the Polo Club Subdivision.

Discussion:

Naperville Polo Club consists of approximately 110 acres located at the northwest corner of 119th Street and Book Road. In 2023, the City Council approved Pulte Home Company's request for a residential development which includes 136 single-family attached dwellings (townhomes) and 261 single-family detached dwellings (397 total residential dwelling units).

During discussions regarding the Polo Club Subdivision, Pulte committed to restricting the initial sale of certain units within the subdivision at a price at or below \$440,000 (referred to as the "restricted price"). The Polo Club annexation agreement reflects Pulte's commitment and stipulates that the initial sale of 20% of the townhome units in The Townes series (i.e., 27 of the 136 dwelling units) and 20% of the single-family units in The Springs series (i.e., 30 of the 148 dwelling units) will comply with this restricted price (for a total of 57 units). The agreement further provides monetary penalties to Pulte should the provisions regarding the restricted sale not be met within the development.

On October 5, 2023, Russ Whitaker, attorney for Pulte, submitted a letter to the City indicating that, following construction, The Townes series would be sold to Moda Homes for operation as a townhome rental community. Staff provided this information, along with an analysis, to the City Council in November 2023 (attached).

On May 31, 2024, Russ Whitaker provided an update to the City (attached) indicating that the proposed sale of the townhome units to Moda Homes had been terminated. Pulte will proceed with construction of the townhome units and the sale of the restricted price units will be met as set forth in the Polo Club annexation agreement.

Recommendation:

Please include this response to the City Council request in the Manager's Memorandum.

**CITY OF NAPERVILLE
MEMORANDUM**

DATE: November 2, 2023

TO: Doug Krieger, City Manager

FROM: Allison Laff, AICP, Deputy Director - TED

SUBJECT: Polo Club: Changes to Restricted Price Units

Purpose:

The purpose of this memo is to provide an update regarding the restricted price units to be offered in the Polo Club Subdivision.

Discussion:

Naperville Polo Club consists of approximately 110 acres located at the northwest corner of 119th Street and Book Road. In 2023, the City Council approved Pulte Home Company's request for a residential development which includes 136 single-family attached dwellings (townhomes) and 261 single-family detached dwellings (397 total residential dwelling units).

During discussions regarding the Polo Club Subdivision, Pulte committed to restricting the initial sale of certain units within the subdivision at a price at or below \$440,000 (referred to as the "restricted price"). The Polo Club annexation agreement reflects Pulte's commitment and stipulates that the initial sale of 20% of the townhome units in The Townes series (i.e., 27 of the 136 dwelling units) and 20% of the single-family units in The Springs series (i.e., 30 of the 148 dwelling units) will comply with this restricted price (for a total of 57 units). The agreement further provides monetary penalties to Pulte should the provisions regarding the restricted sale not be met within the development.

On October 5, 2023, Russ Whitaker, attorney for Pulte, submitted a letter to the City (attached) indicating that, following construction, The Townes series will be sold to Moda Homes for operation as a townhome rental community. 100% of The Townes units will be sold to Moda Homes in compliance with the restricted price and the provisions of the approved annexation agreement. However, in the spirit of their original commitment, Pulte now intends to sell 57 units within The Springs series to individual 3rd party buyers at or below the restricted price.

Staff has reviewed the terms of the approved Polo Club annexation agreement and does not find that the above revisions require any amendment to the approved agreements or approved zoning for the subject property. This update is being provided for information only.

Recommendation:

Please include this response to the City Council request in the Manager's Memorandum.

October 5, 2023

VIA EMAIL

Allison Laff
Deputy Director- Planning & Development
City of Naperville
400 S. Eagle Street
Naperville, Illinois 60540
laffa@naperville.il.us

RE: Pulte Home Company, LLC
Naperville Polo Club

Dear Mrs. Laff,

Pulte is in the midst of land development activity associated with the development of Naperville Polo Club. Naperville Polo Club is governed by that certain Annexation Agreement, a copy of which is recorded in Will County as Document R2023-036296, and associated ordinances.

Under Section 19 of the Annexation Agreement Pulte is obligated to sell 57 dwelling units at or below the Restricted Price of \$440,000. More specifically, Pulte is to sell 27 dwelling units in The Townes and 30 dwelling units in The Springs at or below the Restricted Price.

Pulte was recently approached by Moda Homes regarding the acquisition of 100% of the dwelling units in The Townes. Moda Homes is a locally owned entity which owns and operates single-family rentals in the Chicagoland region. The parties have entered into an agreement pursuant to which Pulte would construct and sell 100% of the dwelling units in The Townes to Moda Homes. Upon acquisition of the completed dwelling units, Moda Homes would then operate The Townes section of Naperville Polo Club as a for-rent community. Pursuant to Pulte's agreement with Moda Homes, the Initial Sale of 100% of the dwelling Units in The Townes will transact below the Restricted Price. As such, Pulte will satisfy its obligation to sell 27 dwelling units in The Townes at or below the Restricted Price.

Pulte acknowledges that the format of the transaction with Moda Homes may be perceived as inconsistent with the City's objective of promoting more affordable housing at Naperville Polo Club. To this end, Pulte proactively and voluntarily seeks to address the concern head-on. As a good corporate citizen and long-term development partner with the City of Naperville, Pulte hereby commits to selling a total of 57 dwelling units in The Springs to individual 3rd party buyers at or below the Restricted Price. The 57 dwelling units is equal to the total number of



Restricted Price sales under the Annexation Agreement, thereby addressing any concern that the City or 3rd party homebuyers may be negatively affected by Pulte's agreement with Moda Homes.

With this commitment, Pulte will satisfy both the specific provisions of the Annexation Agreement and the spirit of the City's goal to deliver more affordable, for-sale dwelling units.

We appreciate your time and consideration. Please feel free to contact me with any questions.

Sincerely,

Russell G. Whitaker, III

Russell G. Whitaker, III

Attorney, Pulte Home Company, LLC

May 31, 2024

VIA EMAIL

Allison Laff
Deputy Director- Planning & Development
City of Naperville
400 S. Eagle Street
Naperville, Illinois 60540
laffa@naperville.il.us

RE: Pulte Home Company, LLC
Naperville Polo Club

Dear Mrs. Laff,

In a communication dated October 5, 2023, I advised the City of Pulte's potential block sale of all 136 townhome units in the Polo Club Subdivision to Moda Homes. While the sale to Moda Homes would technically satisfy the requirement for the sale of "Restricted Price Units" under the terms of the Annexation Agreement, Pulte advised the City of its intent to voluntarily modify the metric to fulfill the spirit and intent its agreement with the City.

Since our October 5th communication, the sale of townhome units to Moda Homes has been terminated. Pulte is now proceeding with the construction and sale of individual townhome units in the Polo Club Subdivision as originally contemplated.

Pulte intends to comply with the sale of the Restricted Price Units as set forth in the Annexation Agreement. Not less than 27 of the 136 townhome units and 30 of the of the 148 single-family homes in the Springs Series of the Polo Club Subdivision will be sold at or below the Restricted Price as defined in the Annexation Agreement.

We appreciate your time and consideration. Please feel free to contact me with any questions.

Sincerely,
Russell G. Whitaker, III
Russell G. Whitaker, III
Attorney, Pulte Home Company, LLC