

POWER POINTS

**CITY COUNCIL
MEETING**

SEPTEMBER 20, 2022

City Council Meeting September 20, 2022



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City Council Meeting Closed Session September 20, 2022



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Pledge of Allegiance



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City Council Meeting September 20, 2022 Presentations



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**City Council Meeting
September 20, 2022
C4 – Approve Art Donation**



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Art Donation

- Bronze ram skull
 - Artist: Jack Zajac
 - Weight: 500-600lbs
 - Dimensions: 30" x 26" x 54"



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Bronze Ram Skull



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City Council Meeting September 20, 2022

**B1 – Nominations for the Veterans
Acknowledgement Monuments**



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Requirements

- Current or former La Quinta resident
- Honorable discharge from service
- Proof of military service (DD214)



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Honoring Those Who Served

- 315 names engraved on the Veterans Acknowledgement Monuments
- 17 Applications submitted
 - 5 Air Force
 - 5 Army
 - 3 Marine Corps
 - 4 Navy
- Nominations submitted in person and via City website
- Nominees vetted by City staff
- Submitted for Council approval

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2022 Nominees

Last Name	Middle Name	First Name	Suffix	Branch	Rank	Years of Service
Payne	J.	Cody		Air Force	SSG	2012-2018
McMullen	D.	Kevin		Air Force	SGT	1983-1988
Mauser		Harold	Jr.	Air Force	A2C	1961-1965
Thackrah		Robert		Air Force	TSGT	1975-1993
Huiras		Michael		Air Force	MAJ	1985-2012
Sambrano		Adam	Jr.	Army	SGT	2010-2011
Ghera	J.	Andrew		Army	SPC	2009-2013
Lid		Dennis		Army	MAJ	1959-1980
Mahoney	E.	James		Army	SGT	1950-1952
Fleury	A.	Peter		Army	MAJ	1963-1973

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2022 Nominees

Last Name	Middle Name	First Name	Suffix	Branch	Rank	Years of Service
Rivera		Aaron	Jr.	Marine	SSGT	2008-2020
Carranza	R.	Christian		Marine	CPL	2018-2022
Johnson		Matthew		Marine	E4	1985-1989
Ibarra		Alejandro		Navy	MM3	1993-2000
Mehula		Joseph		Navy	CAPT	1971-2000
Lane	E.	Arthur		Navy	IC2	1968-1972
Hauser		Richard		Navy	HM2	1951-1955

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Veteran Recognition Ceremony

- Nominees honored
- Past nominees acknowledged
- Name, rank, and dates of service engraved on Veterans Acknowledgment Monuments



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Veteran Recognition Ceremony

Date: November 11, 2022
Location: Civic Center Courtyard
Time: 9:00 AM – 10:30 AM



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City Council Meeting September 20, 2022

B2 – Terra Nova Amendment 4



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Background

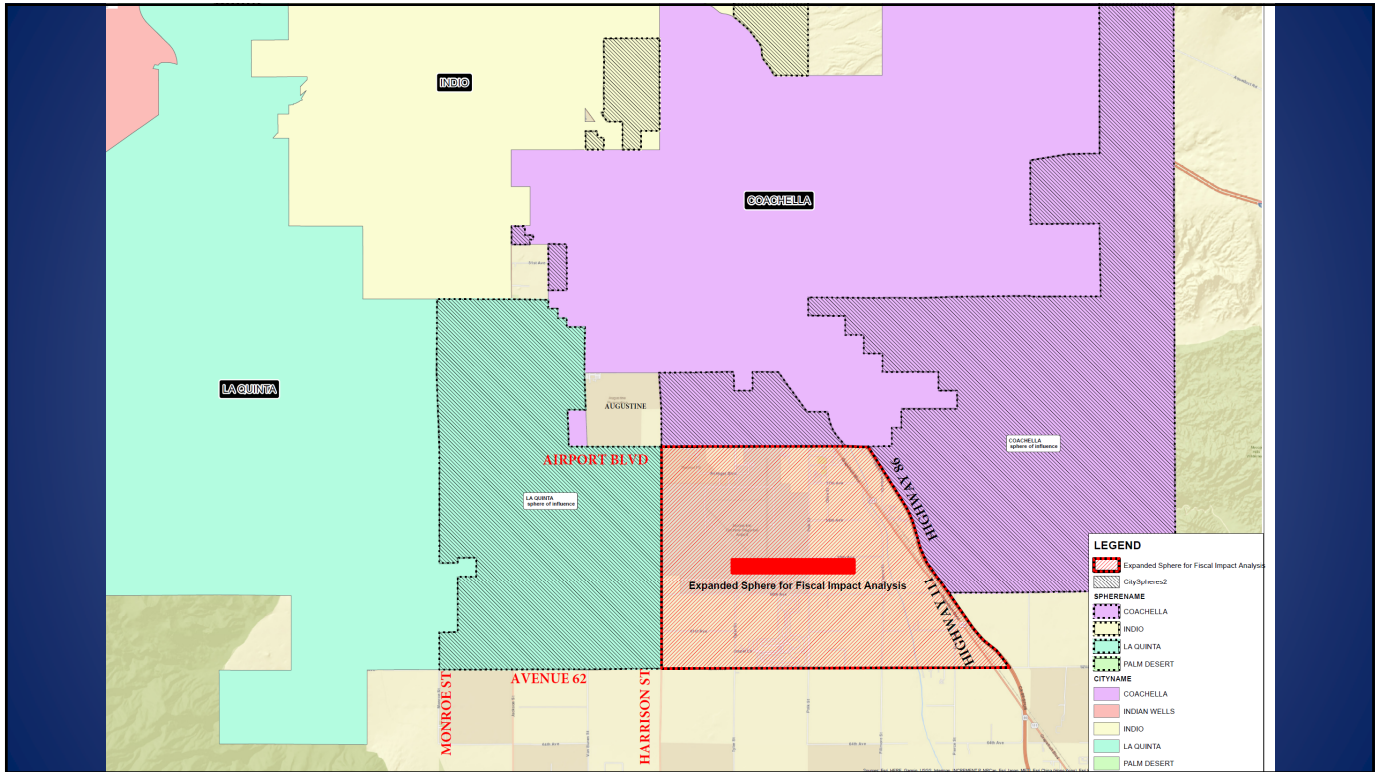
- Staff provided Council an update on LAFCO Sphere of Influence Review
- TerraNova drafted a proposal for economic feasibility associated with possible future annexations
- Terra Nova currently provides on-call planning services to the City

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Analysis

- Terra Nova's Scope of Work is in 3 parts:
 - 1) Fiscal Impact Analysis of existing SOI
 - 2) Preparation and processing of annexation application
 - 3) Fiscal Impact Analysis of lands east of existing SOI

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Analysis

- Fiscal Impact Analysis would include:
 - Build out land use scenarios, analysis of build out up to year 2050, and Council presentation
- Annexation application includes:
 - Community outreach, LAFCO application, presentations, and communication, CEQA preparation, and plan of services

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Analysis

- Steps 1 and 3 (Fiscal Impact Analysis) completed as first phase, then presented to Council (3 months)
- Step 2 (Annexation application) could take 18-24 months to complete

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Analysis

- Terra Nova currently has a two year contract - \$90,000 per year
- Amendment No. 4 proposes an increase of \$117,250
- Staff requesting budget adjustment of \$58,625 for next two fiscal years

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City Council Meeting September 20, 2022

PH1 – Housing Element Update
GPA2020-0001



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Summary

- Housing Element Update adopted by Council February 15, 2022
- Resubmitted to HCD February 28, 2022
- HCD provided additional comments April 29, 2022
- Additional amendments were made - HCD has found them sufficient for certification.

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Analysis

- Amendments were made to the following:
 - AFFH Site Inventory section to quantify that housing is distributed throughout the City.
 - Multiple policies and programs to quantify the City's targets for these programs in terms of the number of households assisted, units constructed, etc.
- None of the amendments change the policy direction of the Element.

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City Council Meeting September 20, 2022

D3 – 2022 CONSOLIDATED GENERAL ELECTION & MEASURE A UPDATE



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2022 GENERAL ELECTION

- Vote-by-Mail (VBM) Ballots – mailed Oct. 10 – Nov. 1
- VBM Drop Off locations – open Oct. 11 – Nov. 7
- 11-Day Vote Centers – open Oct. 29 – Nov. 8
- 4-Day Vote Centers – open Nov. 5 – Nov. 8
- Ballots must be received no later than close of the polls on Election Day or be postmarked on or before Election Day & received no later than 7 days after

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MEASURE A

Citizens-driven ballot initiative, officially opposed by Council in accordance with California Elections law, proposing to phase-out and permanently ban non-hosted short-term vacation rentals in non-exempt areas in the City of La Quinta, by December 2024.

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MEASURE A

“No” on Measure A will:

- Keep the STVR program in place, including the current **ban on the issuance of new STVR permits**, except for dwellings located in exempted areas;
- Allow for the gradual attrition of permits; and
- Allow the City to continue to manage, monitor, and enforce regulations and ensure compliance.

“Yes” on Measure A will:

- Result in the phasing-out of non-hosted STVR permits in non-exempt areas, by December 31, 2024; and
- Enforce a permanent ban on STVRs in non-exempt areas effective January 1, 2025.

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MEASURE A

Educational Information & Facts – City’s website

www.LaQuintaCA.gov/MeasureA

Frequently Asked Questions

Arguments In-Favor & Against

Rebuttals to Arguments In-Favor & Against

Impartial Analysis

Economic & Fiscal Impact Reports

10-Year City Budget Projections

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STVR Program

Within the residential Permit Ban areas, as of June 2022, active STVR permits have collectively declined 23.63% (from 1,037 to 792) since January 2021:

<u>Permit Ban Area</u>	<u>Permits</u>	<u>Density</u>	<u>% Change since Jan '21</u>
North La Quinta	110	4.3%	-19.71%
Mid La Quinta	97	9.5%	-30.71%
The Cove	245	5.2%	-16.10%
South La Quinta (PGA West)	340	11.2%	-27.35%
Totals	792	7.2%	-23.63%

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STVR Taxes, Fees, & Program Costs

- Despite declining STVR permits, TOT revenues increases in 2021 & 2022
- Permit Ban areas generate on average 80% of STVR TOT revenues = \$4.7M
- Exempt Areas generate on average 20% of STVR TOT revenues = \$1.2M
- Citation fine collections have decreased in 2022 as overall compliance has increased
- Permit/licensing fees are on schedule to cover STVR program operational costs in 2022

STVR Revenue Summary: 2019 - 2022 (per Calendar Year)

Revenue Type	2019	2020	2021	1st Half 2022
Transient Occupancy Tax Revenue (TOT)	\$ 3,793,699	\$ 4,513,085	\$ 5,921,344	\$ 4,280,687
*Citation Fine Collections:	\$ 63,450	\$ 327,112	\$ 447,950	\$ 84,600
STVR Permit Fee	\$ 200,542	\$ 307,781	\$ 758,780	\$ 416,600
STVR Permit Inspection Fee	\$ 25,025	\$ 9,425	\$ 1,950	\$ 650
STVR Permit Business License Fee <i>(estimated)</i>	\$ 52,000	\$ 55,000	\$ 50,000	\$ 25,000
Total STVR Permits/Licensing Fees :	\$ 277,567	\$ 372,206	\$ 810,730	\$ 442,250
Total Annual STVR Revenues:	\$4,134,716.43	\$5,212,402.40	\$7,180,023.53	\$4,807,537.00

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Exempt Area	Active Permits	Total Parcels	%	Developed Parcels
Homewood Suites (LQ Desert Villas)	0	32	0%	32
Legacy Villas	212	280	76%	280
Signature <small>(230 parcels total; 14 restricted)</small>	15	216	7%	38
SilverRock	0	0	n/a 744	0
LQ Resort - Tennis Villas	23	48	48%	48
LQ Resort - Spa Villas	7	98	7%	98
Embassy Suites (Casitas Las Rosas)	68	144	47%	144
Cordorniz	0	142	0%	142
Puerta Azul	31	127	24%	127
Polo Villas	11	18	61%	11
TOTALS:	367	1,105	33%	920

**Increase from 2022
33% = 367 units to
45% = 600 units
by 2031**

**Does Not Allow for Gradual
replenishment of STVR
Units in Exempt Areas**

Signature at PGA West:
2008 – approved for 264 units
2013 – revised to 130 SFDs & 100 Condos
2020 – architectural & design revisions to remaining 106 SFDs
2021 architectural & design revisions to 86 condo units
2022 – total 14 Condos & 24 SFDs built

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MEASURE A

Economic & Fiscal Impact Reports parameters:

- Rooms inventory availability
(reduction from 1,200 units to approx. 400, assuming a growth to 600 units by 2031, which is an increase from 33% to 45%)
- Visitor volume
- Visitor spending
- Employment generated by visitor spending in La Quinta
- Personal income generated by visitor spending, such as salaries and wages
- Tax revenues generated from visitor spending

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CITY RESERVES

Fund Balance Summary	Estimated as of 6/30/2023
Committed Reserves	\$ 36,000,000
Emergency-Natural Disaster	10,000,000
Emergency-Economic Downturn	11,000,000
Cash Flow Reserve	5,000,000
Capital Replacement Reserve	10,000,000
Assigned Reserves	59,350,341
Sales Tax (Measure G)	16,592,241
Public Safety Fire Service Trust	12,800,000
Capital Projects	17,404,100
Pension Trust Fund	10,519,000
Other Post Employment Benefits Trust Fund	2,035,000
Unassigned Reserves	30,182,572
Overall Total	125,532,913

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CITY RESERVES

- **Committed Reserves** – \$36M - Can only be used for specific purposes, such as natural disasters, economic downturns, cash flow required for normal operations, and capital replacement.

Committed Reserves 2017 policy targets are fully funded. Drastic changes in economic conditions, **aging additional assets, aging infrastructure, threat of a recession and/or natural disaster such as a major earthquake, and rising pension costs** a review of the City’s Reserve Policy is scheduled to occur in Fall of 2022, and policy targets are **anticipated to increase by \$10 to \$15 million following the 2022/23 Reserve Policy study.**

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CITY RESERVES

- **Assigned Reserves** –just under \$60M - Can only be used for designated purposes, such as public safety fire funds held by Riverside County, capital projects funds that have been previously appropriated through the annual Capital Improvement Program for specific ongoing projects, and employee pension benefits.
- **Unassigned Reserves** – \$30.18M - Can fund onetime expenditures or capital expenses; must maintain a minimum balance of \$8 million; these are funds that have not been restricted, committed, or assigned to specific purposes within the General Fund

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CITY RESERVES

It is imperative that governments understand the continued exposure to adverse economic and environmental events that would require the use of reserves in the future.

- \$2M used from Economic Disaster reserves to help local businesses during COVID-19
- \$14.9M used from Unassigned reserves to prevent delays for the Dune Palms Bridge project
- \$8M unexpected estimate for new pavement needed for the Highway 111 Corridor
- \$10-15M anticipated increase in reserves funding targets in 2022-23

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