

POWER POINTS

CITY COUNCIL

MEETING

MARCH 19, 2024

City Council Regular Meeting March 19, 2024



1

City Council Regular Meeting March 19, 2024 CLOSED SESSION IN PROGRESS



2

Pledge of Allegiance



3/20/2024

3



3/20/2024

4

City Council Meeting March 19, 2024

B1 – Triton Technology Solutions Agreement for Audio & Visual Upgrades & Annual Maintenance



5

Meeting Rooms AV Upgrades

- Chamber – audio upgrade FY 24/25
- Study Session room – AV upgrade FY 25/26
- Caucus room – AV upgrade FY 25/26
- Wellness Center Meeting room – AV upgrade FY 25/26
- Annual Maintenance for all facilities

6



7

**City Council Meeting
March 19, 2024**

**S1 - Discuss Annexation Process Related to the
Southern Sphere of Influence Area**



8

Background

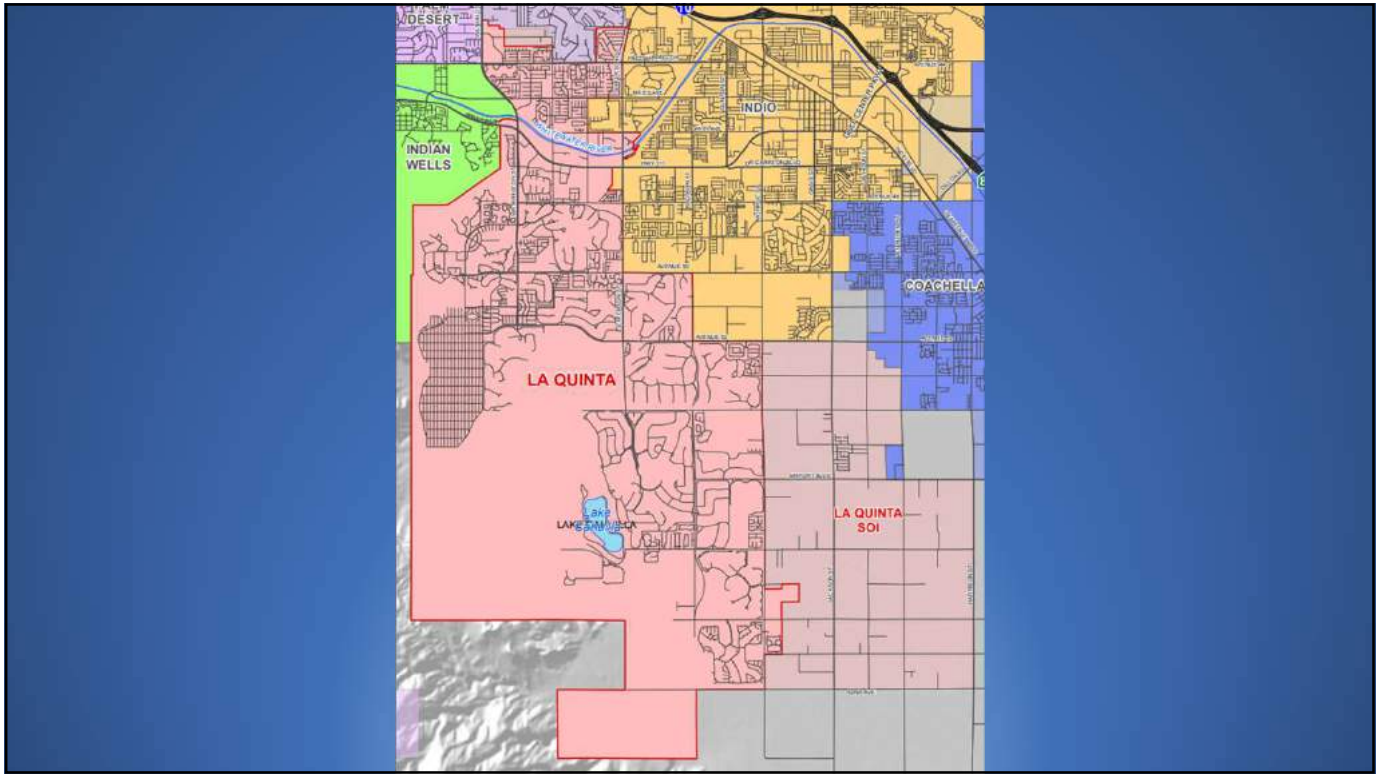
- On August 2, 2022, Council reviewed the status of the City's Sphere of Influence (SOI), and directed Staff to:
 - Prepare a Fiscal Impact Analysis to consider the financial costs and revenues associated with the annexation of the existing SOI
 - Consider potential additional lands for an extension of the SOI
- On April 4, 2023, Council reviewed the Fiscal Impact Analysis and directed staff to continue the study of the SOI area.

9

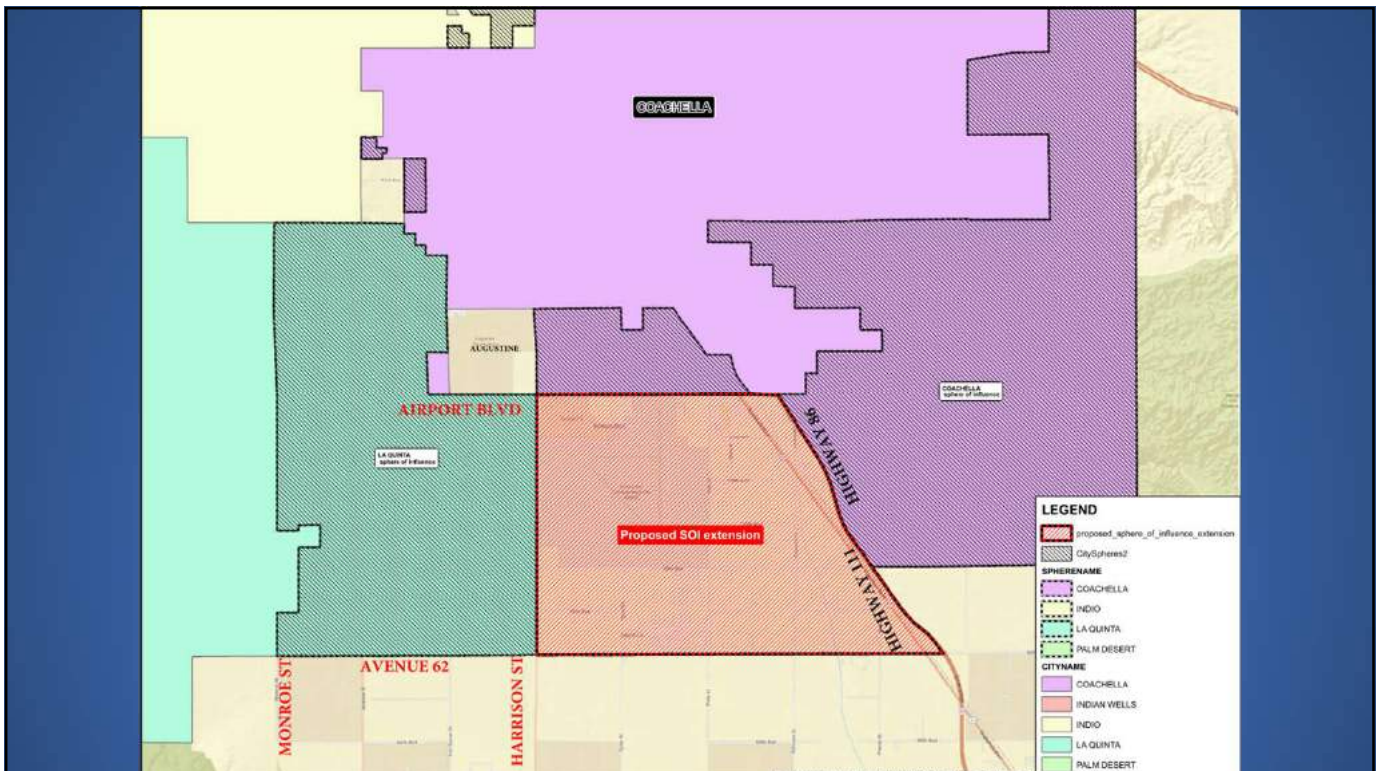
Southern SOI

- The Southern SOI is
 - 7,665 acres
 - East of Monroe, south of Avenue 52, north of Avenue 62, and west of Van Buren and Harrison
 - Part of the Vista Santa Rosa Community of Interest
 - Included in General Plan and Zoning maps
 - Mostly designated low density residential
 - Mostly vacant or agriculture

10



11



12

Public Outreach

- Post card mailed to property owners, tribal governments, and registered voters within the Southern SOI boundaries
- An update to the Vista Santa Rosa dedicated page on the City's website
- An announcement at the Vista Santa Rosa Community Council
- An email to La Quinta-based HOA's located adjacent to the Southern SOI

13



14

Proposition 13 - 1978



Property Tax allocation 1% of assessed value (AV) "ad valorem"



Base AV is purchase price



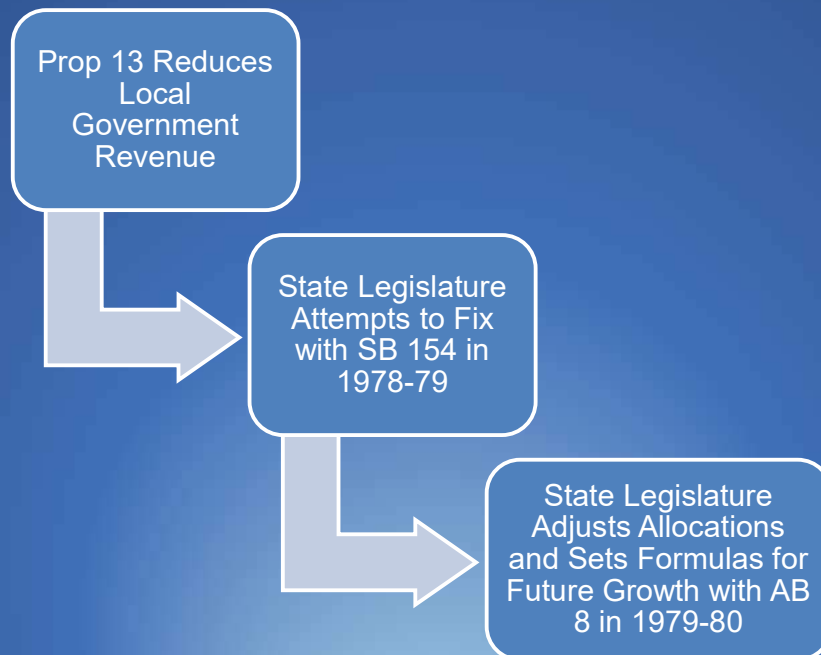
AV increases capped at 2% per year, or CPI whichever is lower



AV resets when property is sold

15

AB8 Factors



16

Tax Equity Allocations “No-Low”

The AB8 distribution factors were based on the amounts that agencies would have received before Prop 13 passed

Agencies that had no or low property taxes, or that did not exist in 1978, therefore would have a low or no allocation under AB8

The state tried to correct this with a Tax Equity Allocation that essentially guarantees about 7% (or 7 cents of every dollar)

17

Sample Tax Rate Area



Agency	Phone	Net Rate	Net Tax
General Purpose			
01-0000-GP-GENERAL PURPOSE	See Phone List	1.6000000000 %	\$31,832.00
Fund Type Total		1.6000000000 %	\$31,832.00
Debt			
Taxing Authority			
66-4824-CV-WATER DISTRICT STATE WTR PROJ	See Phone List	0.1000000000 %	\$3,183.20
60-3691-CO-DESBERT COMMUNITY COLLEGE	See Phone List	0.0000000000 %	\$1,257.26
60-1834-CO-COACHEILA VALLEY UNIFIED SCHOOL	See Phone List	0.1257000000 %	\$4,006.26
Fund Type Total		0.2257000000 %	\$6,446.72
Special Assessment			
Taxing Authority			
60-2375-FC-LAQUINTA WASTE DISPOSAL	See Phone List	N/A	\$406.08
68-8812-FC-AD-COACHEILA VALLEY RCP-PK 90-1	See Phone List	N/A	\$0.00
68-4094-FC-COACHEILA VALLEY MFRUJATO S RIFA	See Phone List	N/A	\$14.38
68-4334-FC-CWID SEWER SERVICE CHARGE SDS	See Phone List	N/A	\$345.88
68-1880-FC-CSA-162-LAQUINTA STORMWATER	See Phone List	N/A	\$0.00
68-2375-FC-LAQUINTA LLD	See Phone List	N/A	\$35.00
Fund Type Total			\$882.92
Total		1.27787 %	\$41,558.18

18

Redevelopment

- Community Redevelopment Act of 1945
- Designed to create improvements to undeveloped/blighted areas
- Tax Increment Financing made possible with Prop 18 in 1952
- Allowed for tax increment revenue from the AV growth to be distributed to the RDAs
- Most RDAs issued bonds to finance the development
- Up until 1994, RDAs could negotiate pass-through payments for other agencies to receive their share of the incremental revenue



19

Redevelopment Dissolution



In 2011, the state passed AB1X26 which froze RDA authority and called for RDA dissolution



The law was challenged but the state law prevailed and all RDAs became Successor Agencies in 2012



The SAs are responsible for winding down RDAs, including paying all obligations



The official document that lists these obligations for all former RDAs is known as a ROPS- Recognized Obligation Payment Schedule

20

Recognized Obligation Payment Schedules (ROPS)

County

- Multiple Outstanding Bonds
- Maturity Dates for Desert Communities Project Areas are 2037, 2040, and 2041

La Quinta

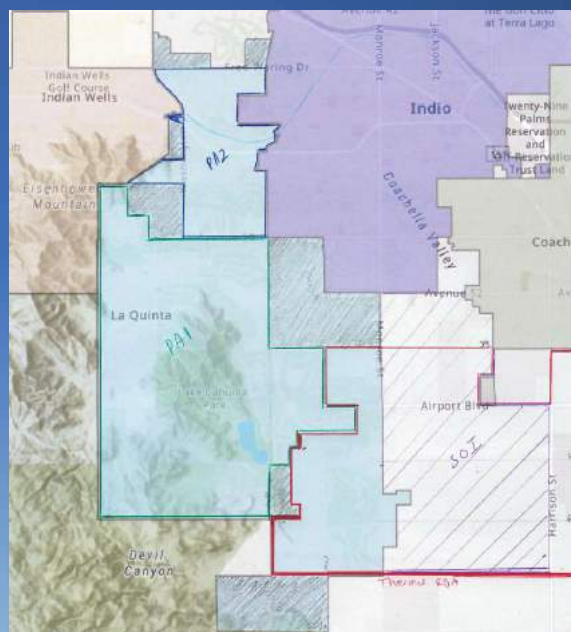
- Two Outstanding Bonds
- Maturity Dates 2034 and 2039
- Distribution from RPTTF for fiscal 2022/23 was \$20,124,588 consisting of debt service for the bonds and repayment to the City for an RDA loan.

A	B	C	D	E	F	G	H	I
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation
383	2014 Non Housing Refunding Bond Series A, D, E	Refunding Bonds Issued After 6/27/12	10/01/2014	10/01/2037	Bond holders/ BNY	Debt Service - principal and interest	1-1986, DCPA, I-215	68,377,722
388	2015 Tax Allocation Refunding Bonds Series A,D,E	Refunding Bonds Issued After 6/27/12	10/01/2016	10/01/2037	Bond holders/ BNY	Debt Service - principal and interest	1-1986, DCPA, I-215	56,604,350
410	2016 Tax Allocation Refunding Bond Series A, D, E	Refunding Bonds Issued After 6/27/12	10/01/2016	10/01/2037	Bond holders/ BNY	Debt Service - principal and interest	0186, DCPA, I-215	93,188,575
493	2017 Non Hsg Series D & E	Refunding Bonds Issued After 6/27/12	05/10/2017	10/01/2040	Bond holders/ BNY	Refunding of 2010 Nhsq Bonds Series D & E	DCPA and I-215 Corridor	96,552,669
506	2020 Non Hsg Series D & E	Refunding Bonds Issued After 6/27/12	03/12/2020	07/01/2041	Bond holders/ BNY	Full refunding of 2011 Non Hsg Series D and partial refunding of 2011 Non Hsg Series E	Desert Communities and I-215 Corridor Proj Area	98,027,319

21

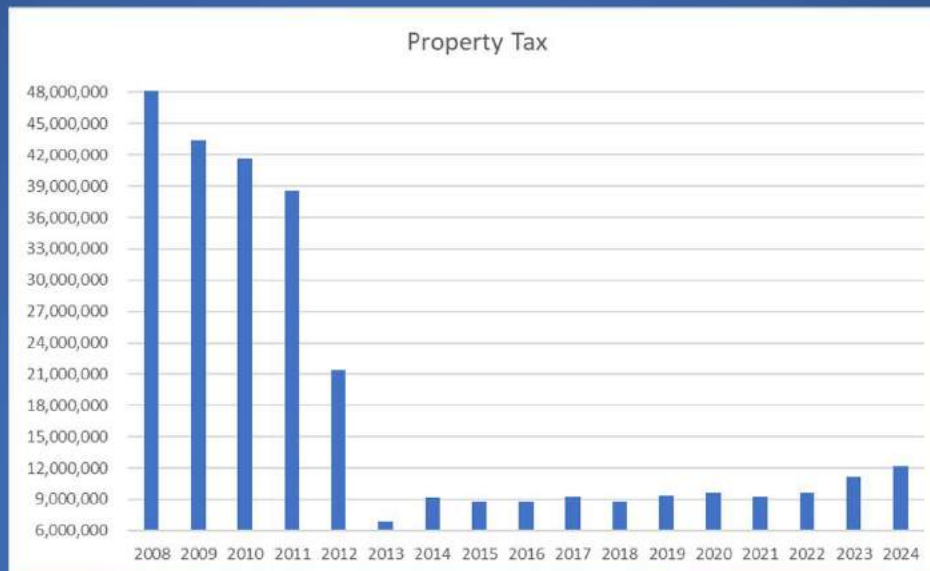
Map of La Quinta showing three redevelopment areas

- La Quinta RDA Project Area 1: Generally south of Hwy 111. Contains 14 Tax Rate Areas (TRAs). Outlined in green.
- La Quinta RDA Projects Area 2: Generally north of Hwy 111. Contains 15 TRAs. Outlined in blue.
- Riverside County RDA Thermal & Airport Sub Area (part of Desert Communities Project Area). Contains 22 TRAs. Outlined in red.
- Remaining areas not associated with a former RDA contain 27 TRAs and are shaded.



22

La Quinta Property Tax History – Including Some Redevelopment Years



23

Total Assessed Valuations as Compared to RPTTF Receipts

<u>Fiscal Year</u>	<u>Taxable Assessed Value</u>	<u>% Change</u>	<u>RPTTF</u>	<u>% Change</u>
2019	13,351,737,881	3.76%	\$ 2,252,301	12.88%
2020	13,980,319,465	4.71%	\$ 2,559,255	13.63%
2021	14,359,765,558	2.71%	\$ 1,884,545	-26.36%
2022	15,163,622,940	5.60%	\$ 2,128,498	12.94%
2023	16,667,089,894	9.91%	\$ 2,736,932	28.59%
2024	18,200,952,648	9.20%	\$ 3,200,000	16.92%

Drop in RPTTF in 2021 is attributed to Sandoval v. Chula Vista, in which the courts gave further direction regarding how to calculate the pass-through amounts and distribute residuals; this lowered the City's share but increased shares for services such as fire and library. *2024 is estimated

24

Final Thoughts

- Property Tax is Shared by Counties, School Districts, Cities, and other Special Districts
- Redevelopment dissolution complicates tax distribution/allocation
- Increases in assessed valuations = incremental revenue that will increase RPTTF distributions

25

Helpful Websites

- Property tax bills: <https://ca-riverside-ffc.publicaccessnow.com/Home.aspx>
- County-wide and City-specific property tax reports: <https://ca-riverside-aco.publicaccessnow.com/Home.aspx>
- Redevelopment reports: <https://auditorcontroller.org/property-tax/redevelopment/reports>
- County ROPS: <https://rivco.org/successor-agency>

26



27

Existing Infrastructure

- Within Riverside Supervisorial District 4
- Pavement Condition Index for Dist. 4 is 76
- Very minimal Curb and Gutter
- Existing utilities:
 - Overhead electrical (IID)
 - Sewer (CVWD)
 - Water (CVWD) – many have wells
 - Gas (SoCal Gas) – most have propane

28

Field Assessment

Conducted informal field assessment:

1. Roads are in fair condition
2. Average PCI rating in SOI is 76
3. Only a small section of curb and gutter in Vista Santa Rosa neighborhood (mix of rolled curb/curb and gutter)
4. No traffic signals

29



30

Pavement Condition

Street	From	To	PCI Rating	Street	From	To	PCI Rating
Avenue 52	Monroe St	Jackson St	73	Jackson St	62nd Ave	60th Ave	76
Avenue 52	Jackson St	Calhoun St	71	Jackson St	60th Ave	58th Ave	76
Avenue 53	Monroe St	Jackson St	70	Jackson St	58th Ave	Airport Blvd	83
Avenue 53	Jackson St	Calhoun St	69	Jackson St	Airport Blvd	54th Ave	68
Avenue 53	Calhoun St	Van Buren St	78	Jackson St	54th Ave	52nd Ave	76
Avenue 54	Monroe St	Jackson St	41	Monroe St	62nd Ave	61st Ave	87
Avenue 54	Jackson St	Van Buren St	77	Monroe St	2972' S 58th Ave	572' N 58th Ave	78
Avenue 55	Calhoun St	1312' E Calhoun St	66	Monroe St	572' N 58th Ave	2788' N 58th Ave	80
Avenue 55	1312' E Calhoun St	Van Buren St	46	Monroe St	2788' N 58th Ave	500' S Airport Blvd	79
Airport Blvd	Monroe St	Jackson St	91	Monroe St	500' S Airport Blvd	Airport Blvd	82
Airport Blvd	Jackson St	1320' W Van Buren St	91	Monroe St	Airport Blvd	2220' N Airport Blvd	76
Airport Blvd	1320' W Van Buren St	Van Buren St	89	Monroe St	2220' N Airport Blvd	54th Ave	83
58th Ave	Monroe St	Jackson St	83	Monroe St	54th Ave	53rd Ave	85
58th Ave	Jackson St	Van Buren St	80	Monroe St	53rd Ave	1000' N 53rd Ave	88
60th Ave	3726' W Jackson St	Jackson St	38	Monroe St	1000' N 53rd Ave	52nd Ave	75
60th Ave	Jackson St	Van Buren St	78	Van Buren St	54th Ave	55th Ave	83
61st Ave	Monroe St	Jackson St	80	Van Buren St	648' N 53rd Ave	1250' N 54th Ave	91
61st Ave	Jackson St	3983' E Jackson St	72	Van Buren St	1250' N 54th Ave	54th Ave	90
62nd Ave	Monroe St	Jackson St	74	Van Buren St	58th Ave	Airport Blvd	80
62nd Ave	Jackson St	Van Buren St	66	Van Buren St	60th Ave	58th Ave	77
Calhoun St	Airport Blvd	55th Ave	24				
Calhoun St	55th Ave	54th Ave	88				
Calhoun St	54th Ave	630' S 52nd Ave	94				
Calhoun St	630' S 52nd Ave	52nd Ave	94				

The average PCI Rating in SOI is 76

31

Steps for Infrastructure

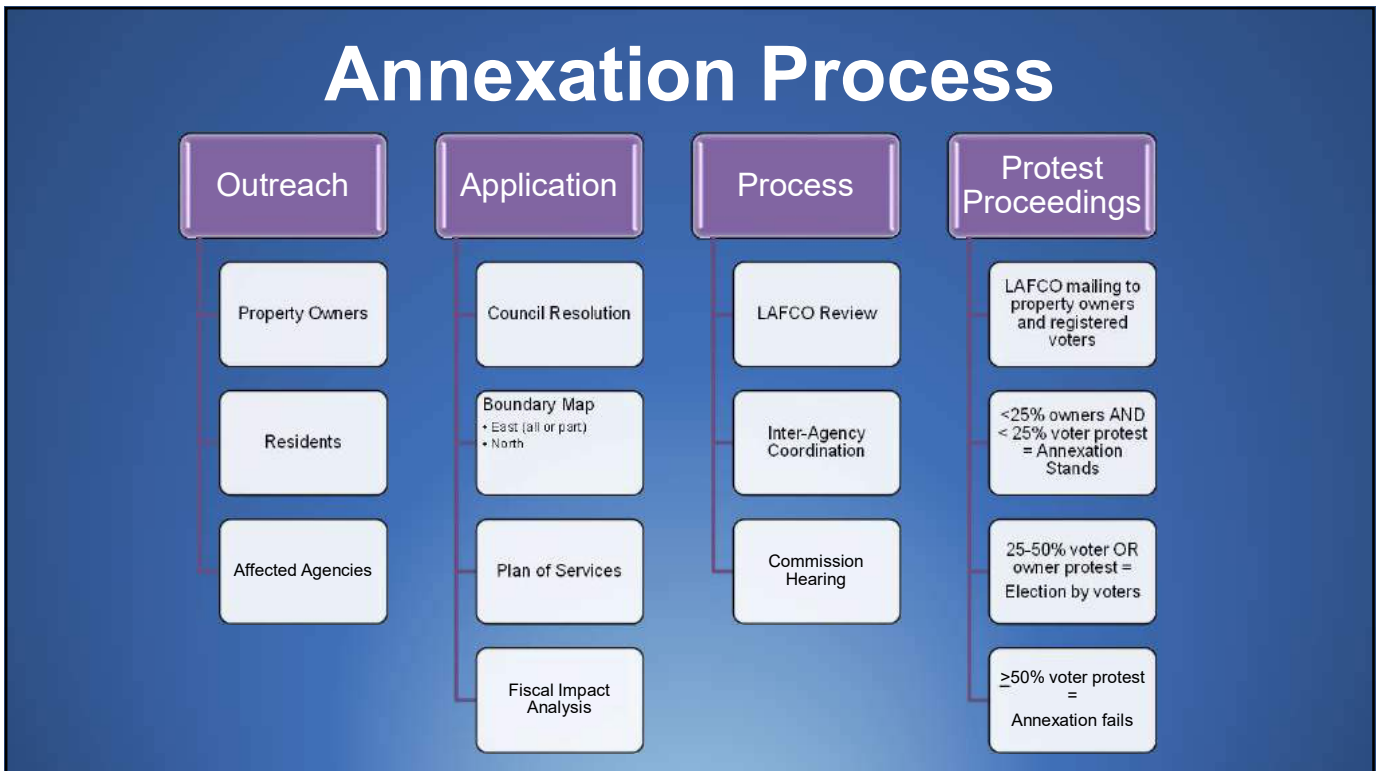
SOI Area incorporated into City's Capital Improvement Program:

1. Assessment as part of Transportation Needs Analysis
2. Included in Pavement Management Plan update
3. Incorporated into Development Impact Fee Study
4. Project development as part of CIP process
5. *Future Road Widening – occur with residential or commercial development*

32



33



34



35



36

City Council Meeting March 19, 2024

PH1 – Large Lot Qualified & Certified
51555 Madison St

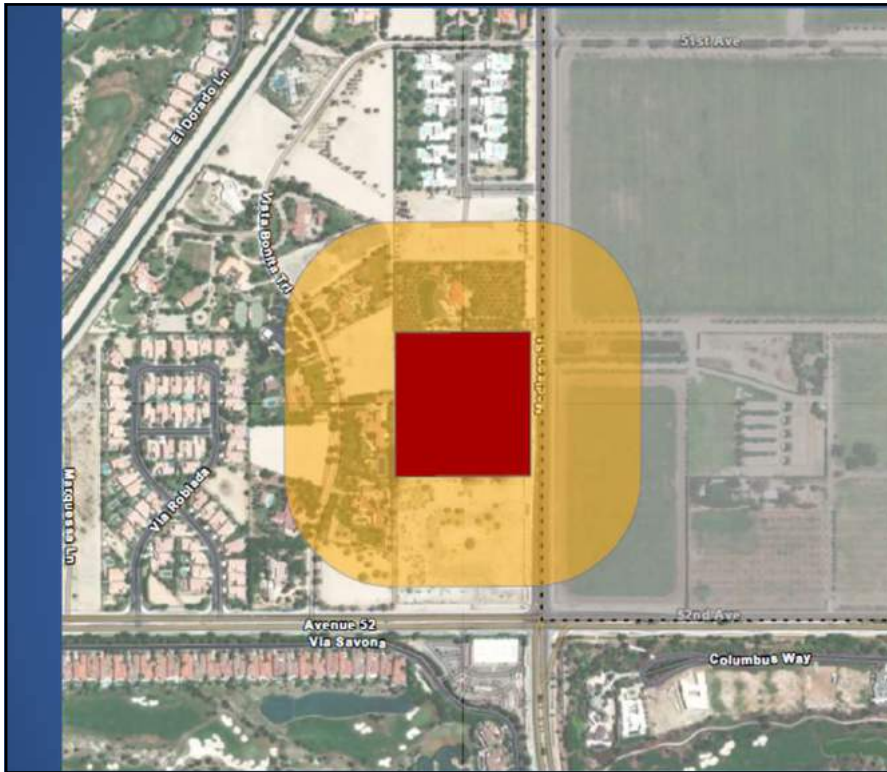


37

Large Lot Qualified & Certified

- May 20, 2021 – Section 3.25.055 STVR Ban
- Jan. 4, 2024 – Section 3.25.057 – provides properties may apply for & be approved as LLQC, if certain criteria are met, to be exempted from the STVR Ban
- 51555 Madison St property – seeks exemption & has met all criteria

38



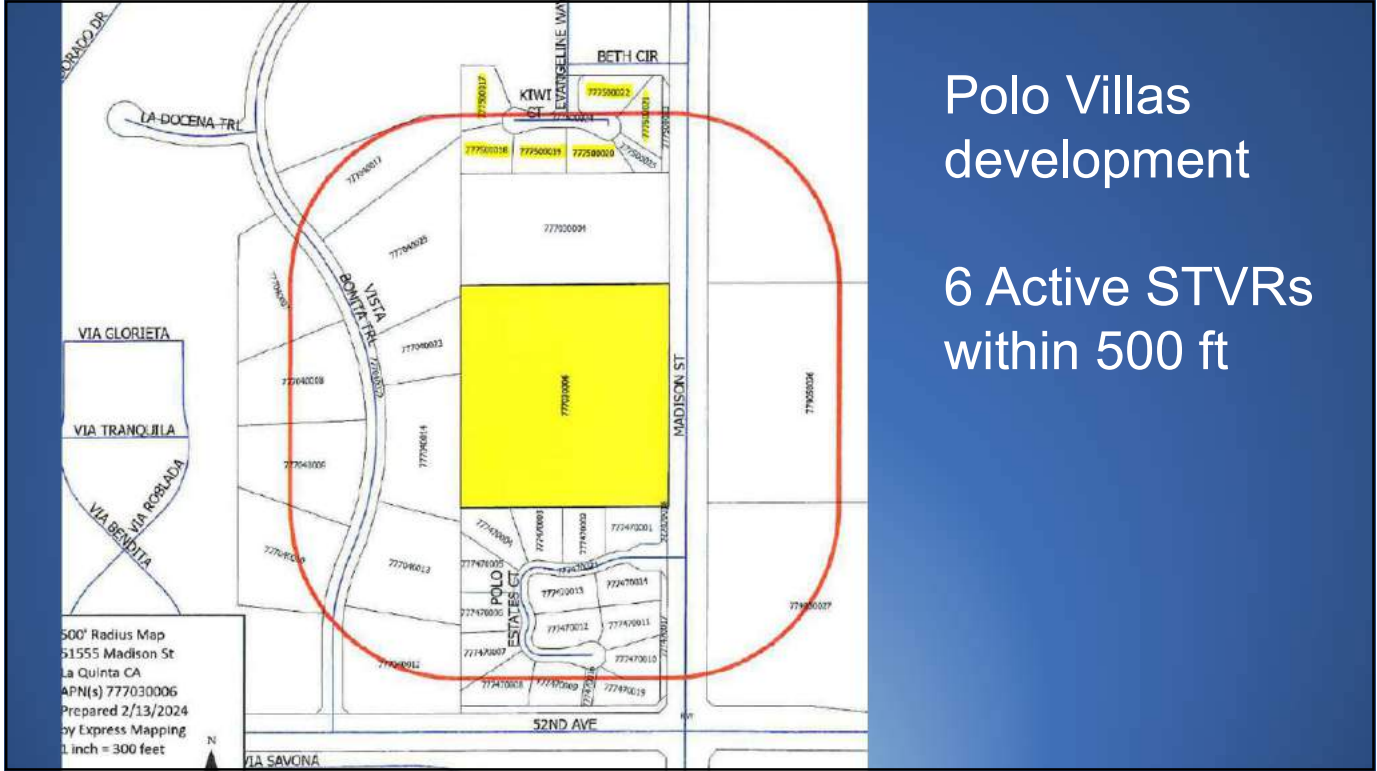
Located in mid La Quinta – north of Avenue 52, on the west side of Madison Street

39



9.25 Acre lot
No HOA
5,553 sq ft Living Area
3 Dwellings
7 Bedrooms
Site Plan
Parking Plan – 4 spaces required
Land Use Covenant

40



41



42

City Council Meeting March 19, 2024

PH2 – Large Lot Qualified & Certified 51251 Avenida Obregon

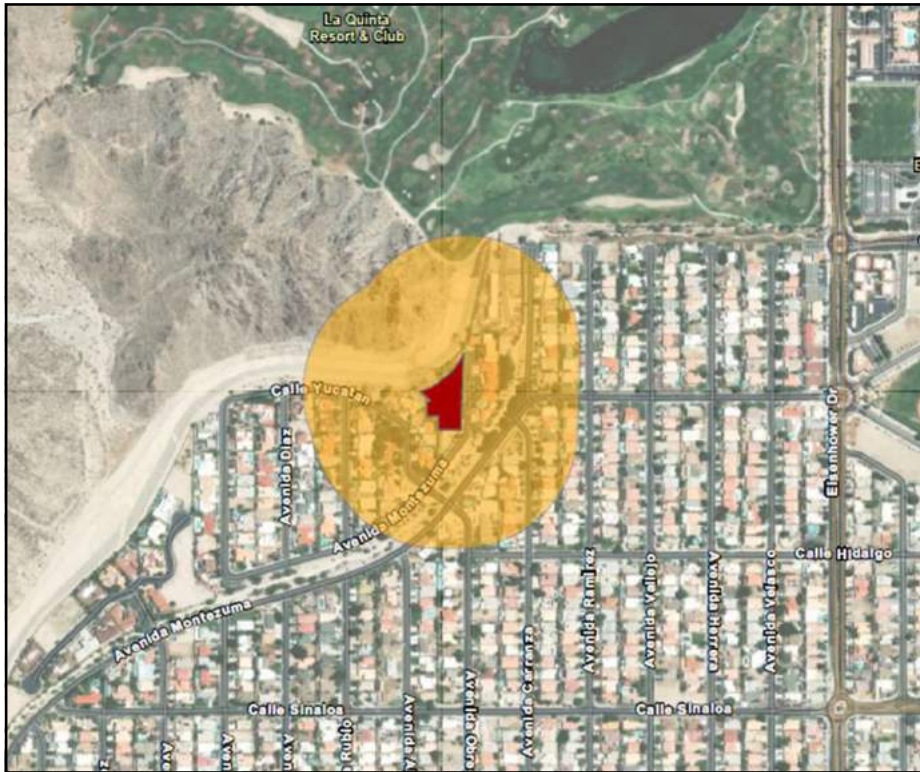


43

Large Lot Qualified & Certified

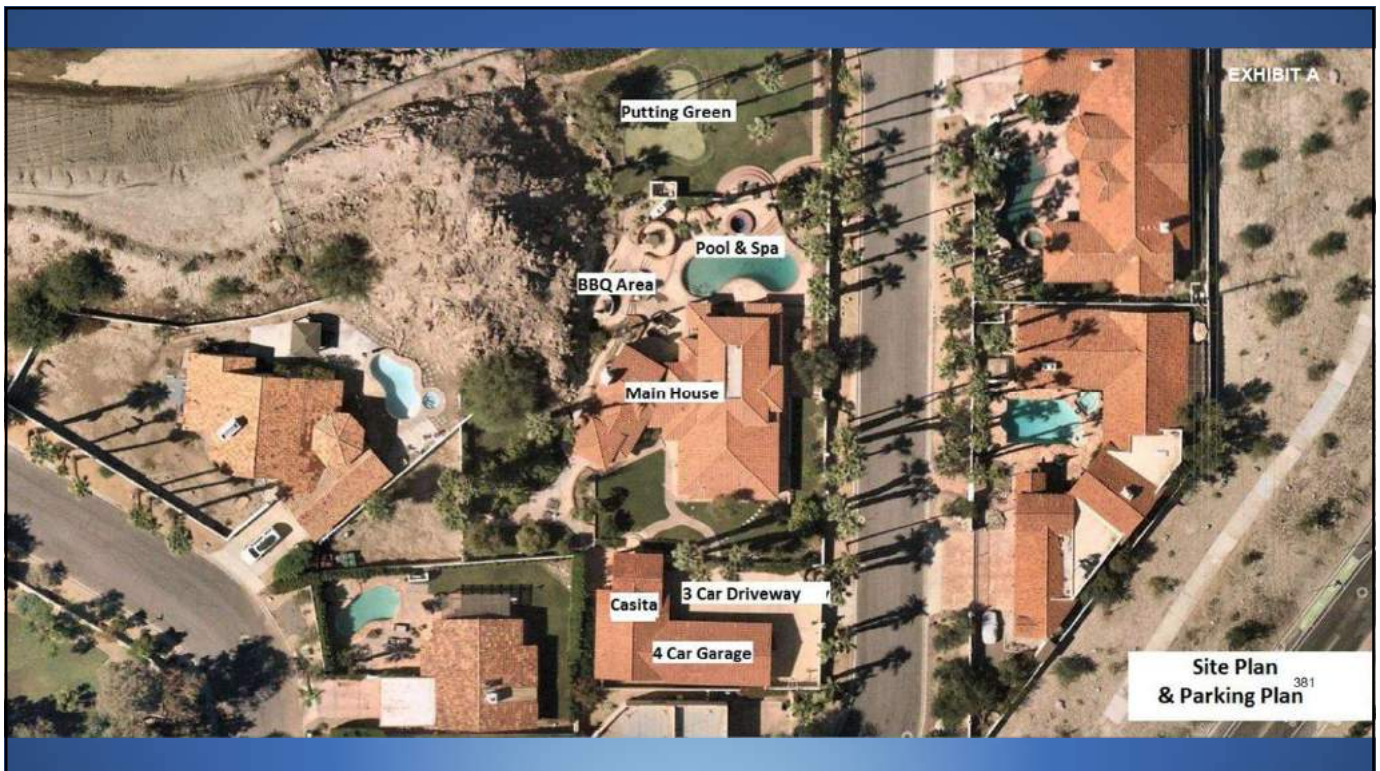
- May 20, 2021 – Section 3.25.055 STVR Ban
- Jan. 4, 2024 – Section 3.25.057 – provides properties may apply for & be approved as LLQC, if certain criteria are met, to be exempted from the STVR Ban
- 51251 Avenida Obregon property – seeks exemption & has met all criteria

44



Located in the
Cove
0.75 Acre Lot
No HOA
4,141 sq ft Living
Area
2 Dwellings
4 Bedrooms
Site Plan
Parking Plan – 7
spaces; 4 required
Land Use Covenant

45



46



47



48