

MINUTES
PLANNING COMMISSION MEETING

A regular meeting held at the La Quinta City Hall
78-495 Calle Tampico, La Quinta, CA

October 13, 2009

7:03 P.M.

I. CALL TO ORDER

- A. This meeting of the Planning Commission was called to order at 7:03 p.m. by Chairman Ed Alderson who asked Commissioner Weber to lead the flag salute.
- B. Present: Commissioners Katie Barrows, Paul Quill, Mark Weber, Robert Wilkinson, and Chairman Ed Alderson.

Staff present: Planning Director Les Johnson, Assistant City Attorney Michael Houston, Planning Manager David Sawyer, Principal Planner Wallace Nesbit, and Executive Secretary Carolyn Walker.

II. PUBLIC COMMENT: None

III. CONFIRMATION OF THE AGENDA: Confirmed

IV. CONSENT CALENDAR:

Chairman Alderson asked if there were any changes to the minutes of September 22, 2009. There being no comments or corrections it was moved and seconded by Chairman Alderson and Commissioner Wilkinson to approve the minutes as submitted. Unanimously approved.

V. PUBLIC HEARINGS:

- A. Street Name Change 2009-019; a request by East of Madison, LLC for consideration of a recommendation to change a street name from Fremont Way to Happy Place Lane, located in the Madison Club; north of Baffin Avenue and west of Pike Place.

Chairman Alderson opened the public hearing and asked for the staff report.

Planning Director Les Johnson said staff had received notification that the applicant was not going to proceed with the name change. Because the request for withdrawal occurred after publication of the hearing notice, the item had to be presented at the Commission meeting. No vote or further action was needed. (A copy of the requesting memo is on file in the Planning Department.)

- B. 2008 La Quinta Housing Element; A request by staff for consideration of a recommendation for adoption of the proposed draft of the 2008 La Quinta Housing Element update document for the City of La Quinta.

Chairman Alderson opened the public hearing and asked for the staff report.

Principal Planner Wally Nesbit presented the staff report, which included a request to open the public hearing portion of the meeting and continue this item to the next regularly scheduled Planning Commission meeting of October 27, 2009. (A copy of the staff report is on file in the Planning Department.)

Chairman Alderson asked if there were any questions of staff.

Commissioner Weber referred to an item on Page 6 of the staff report, which states:

"If the City fails to identify a sufficient number of sites to accommodate its RHNA allocation, State law would require the City to zone enough sites to accommodate the remaining RHNA allocation that can allow at least 16 units per site, be developed at a density of at least 20 units per acres, permit multi-family development by right."

He asked if the allocation could not be accommodated, would State Law then allow developers to bypass some portion of the permitting process. Staff responded that was correct. Staff also explained "by right" means is that it is a permitted use "by right" in a zoning district. It means a requirement for a conditional use permit or specific plan or other use-related requirement can not be attached. Additional permits can be required for the development of the property, but use conditions can not be added.

Commissioner Weber commented that was one way the State could make sure of compliance. Staff said the State could also require heavier density if the City did not make an effort to find a sufficient number of sites.

Commissioner Weber asked about the appropriateness of La Quinta's allocation numbers and if any other municipalities had asked for "pushbacks" of inappropriate numbers for their jurisdictions. Staff responded, initially, they had some significant questions about the number, and thought it was very high. They then gave details of what had been done to accommodate affordable housing even though this was a very high assignment of RHNA; however the City decided not to contest it.

Planning Director Johnson said the State appeal process was fairly arduous and it was extremely difficult to lower those numbers. He then gave the example of the City of Irvine and their unsuccessful appeal. La Quinta carefully considered the options and did the best job possible to make it fit versus contesting the numbers. He then explained the difficult process, low success rate, what happens if cities do get their numbers shifted, and how it affects other jurisdictions. He added that the City just did not see the benefit of having to go through that challenge.

Commissioner Quill asked if all the cities in the Coachella Valley were getting the same type of allocation, or was the City of La Quinta getting overburdened. Staff responded it did seem disproportionate.

Commissioner Quill asked if more was being put on the City of La Quinta versus the City of Indian Wells. Staff did not comment specifically on that particular city, but said looking at all the cities and their per capita situation, La Quinta was one of two cities that received a fairly high allocation.

Commissioner Quill asked if the City was being penalized for doing a good job. Staff said no.

Staff then went on to explain that the numbers were based upon future growth projections. Staff presented the City's land use situation when they met with the SCAG staff. In addition they identified the inventory of vacant, underdeveloped, and under-utilized

land in the community. SCAG took that into consideration amongst all the other information they received from other jurisdictions in allocating the numbers. Staff explained their efforts in trying to fit all this within the City's jurisdiction, including the potential of up-zoning. There are still outstanding matters to address, with the State, to get to the point of certification. However, staff has taken a very difficult task and tried to make it work within the fabric of our community without much of a difference from what had been planned for with the City's last General Plan update.

Commissioner Weber asked if the 60-day review period had technically expired on October 12, 2009. Staff replied, it had, and they had received review comments.

Commissioner Weber asked about the procedures for the review and comment periods. Staff responded there were generally at least two, but the review periods could go on indefinitely. Staff was hoping to address the State's remaining concerns in the next submittal, and obtain a quick response in order to bring this forward. If there was not an additional 60-day time period, these could be turned around and be addressed in the next couple of weeks.

Commissioner Weber asked if there was the possibility of municipalities being able to shift their allocation to others by buying them out. Planning Director Johnson said it was possible but would be extremely difficult to do.

Commissioner Weber said he had heard rumors of that happening and was troubled by it. Staff responded their understanding was that the process was so difficult it was virtually impossible.

Commissioner Quill asked about other cities being under-allocated and if it was a political process. Chairman Alderson also asked if per capita income was part of the equation. Planning Director Johnson responded it was not.

Principal Planner Nesbit said there were many factors involved in the allocation, including numbers generated by the Department of Finance. The planning period started in 2006 and when the City experienced quite a bit of growth in the proceeding years they were using those numbers. He went on to explain about the trend-line analysis and the

assumption those numbers would continue. He explained the ramification of those formulas and said he couldn't speak to the matter of politics. However, there wasn't supposed to be any political influence and he doubted there was. His explanation of why the numbers went up so much was the growth that occurred.

Commissioner Quill stated it appeared this was not a system that was subjective, but objective. Planning Director Johnson said it was supposed to be an objective process. He went on to confirm staff's previous comments.

Commissioner Weber asked if there was going to be a square footage requirement on the second units and guest houses and were casitas anticipated as being part of that. He then asked about the definition of a guest house. Staff responded by saying a second unit guest house had additional amenities associated with it to allow occupants to live independently of the main house. A casita would be dependent upon the main house and the equivalent of a detached bedroom. The numbers staff used (500 units) were based upon the potential that is there. The City's Municipal Code supported those opportunities and hired help is residing on those sites. The City views that as a positive and, working with our consultant on this, it appears to be a realistic number to aim for in the future.

Commissioner Weber asked if any other municipality had gone through the process of including these units and were they challenged. He asked if the City could actually use those numbers, or was this in a consulting stage. Planning Director Johnson said the City's Municipal Code actually encouraged those uses and there was nothing preventative in that area. It had been through the State Housing and Community Development (HCD) review and staff was not aware of any challenges.

Principal Planner Nesbit said State law did specifically allow the use of second units as a potential housing accommodation and staff has not received any comments about using them. The State has challenged the capacity numbers, which included these, but has not said anything about the concept of using second units.

Commissioner Weber asked for clarification on the definition of second units versus casitas and whether they were attached or detached from

the main residence. Staff responded, according to the consultant, a guest house or second unit were interchangeable but staff would double-check on that. Staff also commented that the consultant would be available at the next meeting to answer questions.

Commissioner Barrows had some questions regarding the analysis of vacancy and under-utilized land and asked if the City could satisfy the RHNA allocation by including those parcels. Staff said yes.

Commissioner Barrows said as the City further expands, or grows, vacant land tends to be used for other purposes; to which staff agreed. She then said she was curious as to what extent we could predict how much of a turnover there would be in existing buildings that might become moderate density or public units. She referred to the Vista Dunes project and its success. Staff responded that was what the City hoped to do with the last remaining mobile park site. There were also some limited opportunities identified on Highway 111, with mixed-use allowance. Part of the re-zoning program the City was putting forth would allow residential in selected commercial zones. This was not specifically a re-zoning in terms of actually up-zoning or re-zoning property but a change in the Municipal Code allowing more sites to accommodate more housing. Staff then explained the possibilities of using storefronts or other non-residential permitted uses in that zone. These sites could be developed as market rate or other residential-type uses that are not affordable. The Housing Element is periodically updated, as well as the land inventory, in an on-going process. A lot of this re-zoning would be looked at in more detail during the General Plan update and staff may be able to identify additional sites.

Commissioner Barrows acknowledged that the City could satisfy all of their requirements with vacant land and the difficulty in predicting what might happen in locations with existing buildings and their conversion. She said she would like to see more above-second-story or above-retail provisions occurring.

Commissioner Quill had a question about the Housing Element, Section 7.1 - Constructed and Approved Housing Units, Paragraph 4, which included numbers for what was considered moderate, as well as the rental rates for many multi-family units. He commented that affordability had definitely improved over the last two-and-a-half years

and gave an example of rental rates in the La Quinta Cove. He said the rates were very affordable, even though they were market rates. He commented on staff saying the only market rate housing available was only for the above-moderate folks, but then the report gave numbers of \$1200 to \$1590 as being affordable-moderate housing. He said he owns homes in the Cove and has had to drop his rental rates to fill them; since there was so much available single-family product in the affordable range.

Planning Director Johnson said the numbers at the income levels change on an annual basis. The information in the Housing Element draft was based on one time frame, and there has likely been a downward adjustment since this was drafted. There will be annual adjustments throughout the life of the Element. A lot of that was based on historical trends. The current market was providing opportunities for housing today that wasn't there 18-24 months ago. How long that would last and what would transpire over the next year to five years no one knows. But the City had to take a conservative position and continues to focus in on the issue of adding more affordable housing for very-low and low-income residents in the community regardless of the current economic situation. The Council recently established a Housing Authority to try to expand and diversify affordable housing stock as well as the ability to provide those opportunities not only today, but many years into the future.

Commissioner Quill asked if market rate housing could be considered, if it is affordable and in the price ranges for low to moderate. He asked if it could be included in the equation, even though it was market rate, or did it have to be subsidized government-type housing. Staff responded there was nothing that required it to be subsidized. There is the ability to provide that housing because of the current economy. The City may or may not be able to get credit for that with our housing element, but the interest is to give those folks a chance and opportunity to obtain affordable housing. There is continued interest with RDA to secure properties for new construction and possibly securing existing available projects to make sure that not only today, but in future years, we can provide opportunities for those in need.

Commissioner Wilkinson commented on the report being prepared based on the peak of the housing market and the determination of

averages based on a previous high and now the market is off over 40% in value. He asked if the report would be more accurate if the peaks and valleys were leveled out and the numbers were figured on a straight-line graph. He asked how the cities could get the State to consider that. Staff said there could be some advantage to that but conditions are always changing. They explained the fluctuations and said they believed this was a reasonable approach to try and address the allocation that had been given to us. The General Plan update process would clear up any incorrect zoning.

Commissioner Wilkinson asked how long had parcels U1 and U2 been in the City. Staff responded they were added in late 2007. Staff then commented on an affordable housing group's acquisition of property in northern La Quinta and its future potential.

Commissioner Wilkinson commented on the numbers of total residents in 2006 versus 2007 and said he suspected there were fewer people in the City today than in prior years, based on vacancies and people moving out-of-the-area for work. Staff responded those numbers were obtained from the State Department of Finance as the City had no way to validate or confirm those numbers as it was a fairly arduous task to track them.

Commissioner Wilkinson commented on nearby cities being able to avoid providing these high numbers and asked if, realistically not statistically, the need was really that high. Staff responded, probably not with the economic downturn, since the affordability line had dropped. There's much more opportunity today than there was two or three years ago, but we are not the only Valley City struggling with a disproportionate number. There are other cities that have had difficulty. He gave the examples of Palm Desert, and Rancho Mirage as well as what they were going through. He commented on SB 375 and the whole effort to combine affordable housing/transportation and linking those and future land use all together. The City will be re-visiting this issue during consideration of the sustainable community strategy (SB 375) with an even better and more realistic approach.

Commissioner Wilkinson asked if Parcel 2 met the State's criteria for an affordable housing location since it was not close to shopping, schools, and public transportation. Staff said they would like to have it within certain distances of those amenities, but that particular site

could be more conducive to a moderate housing opportunity. The City is not bound to particular sites, but identified them because we have to identify sites to the State. As staff goes through the General Plan update process the issue will be the ability to accommodate those units and we may find there are other properties that might be more conducive. Staff identified those sites based upon current General Plan Land Use designations and the obligation to accommodate those allocated units.

Commissioner Wilkinson commented that the criteria appears to be modified based on the total need, not the distance to shopping, schools, transportation, work centers, etc. He asked if all of that was factored into the equation for any kind of affordable housing. Staff responded there was an interest in doing that and added that was a key for sites the RDA may be interested in for future development. Staff then explained the reasoning for choosing various sites.

Commissioner Wilkinson asked if the City was not creating an area of conflict when the marketplace comes back. He asked if there would be a conflict with commerce in terms of people building, developing, and taking over projects (from the banks) and the City building housing that is competing with their potential marketplace. Staff said the City would not want to compete with them. The City would love to see the private side of things come in and develop affordable housing without having to be subsidized by the RDA. The RDA has a certain obligation and responsibility for a number of units, but there are more units identified in the Housing Element than the RDA is obligated to address. We certainly would support that, but the bottom line is historically we haven't seen that. Developers' interests are typically associated with some type of a subsidy that helps pencil out a project to make it profitable.

Commissioner Wilkinson asked what the solution was for that balance. Staff responded there may not be just one answer for that question.

Commissioner Wilkinson said the City had an obligation to provide affordable housing, things are less expensive now than they used to be, but people are making less than they used to. He did not know if that equation had balanced out or not. Staff said they had recently amended the Municipal Code per State mandate to offer additional incentives for affordable housing. There are now means for relief of

certain code provisions that might generate a greater interest in the private side pursuing affordable housing projects.

Chairman Alderson asked if there had been any presence from any Andalusia residents during the community outreach meeting. Principal Planner Nesbit said the community outreach occurred before the City was into the land inventory process, so there was no input from Andalusia about this site being selected. The community outreach was more of a general community outreach input process to get the community's opinion about housing issues and what they felt the City needed.

There being no further questions of the staff, and with the applicant being the City, Chairman Alderson asked if there was any public comment.

Ms. Kay Wolff, 77-227 Calle Ensenada, La Quinta introduced herself and said she spent some time going over the Housing Element. She said she was very impressed with the comprehensiveness of the document and congratulated the City for their efforts. She also commented on the age of the data which was based on the 2000 census through 2007. The whole picture of income and housing has changed in the past 18-24 months. It struck her that there was no mention of the part the foreclosures would play in adjusting the amount of available homes in certain income brackets. The high unemployment rate and the number of under-employed people would raise the number of people who would fall into very-low and low-income brackets. She said she would favor putting in a disclaimer saying the actual situation has changed a lot. She commented that the need for affordable housing was a lot higher now and she recently spoke with John Mealy about the high number of applicants for the Wolff Waters project. She commented on the large numbers of people needing affordable housing; especially senior citizens and how she thought low income housing was great. She urged the City to maintain their usual positive attitude towards meeting this need in the community. People that are poor and lower income work, shop, and go to restaurants and we should do the best we can and continue to demand high quality, well-managed facilities for them to live in.

Chairman Alderson commented on Ms. Wolff's point about foreclosures. He asked if the newly established Housing Authority

would be dealing with foreclosures. Planning Director Johnson said yes. He said part of the reason for forming the Housing Authority was not only to maintain the existing homes in the Cove but to pursue the potential of securing bank-owned homes. He went on to explain the Authority is finding that though the number of foreclosed homes is dwindling, the opposite is happening on the high-end homes. A number of homes, in need of a lot of repair are still on the market and those are the ones the City is hoping to obtain and overhaul to include energy efficient improvements. The improvements would include water efficient landscaping and would help the neighborhood by turning a blighted situation to a positive one.

Chairman Alderson asked if the homes in the Cove, and throughout the community, were going to be put into the housing inventory, and were they reflected in what was currently being presented. Staff said no. Those potential units had not been identified in the Housing Element but would help draw down the City's allocation.

Commissioner Wilkinson said it was good to hear the City was pursuing some of the foreclosures. He commented on the benefits of scattered affordable housing in typical neighborhoods versus an island of affordable housing. When affordable housing is disbursed throughout the community it removes the stigma of "the projects".

There being no further public comment, Chairman Alderson left the public participation portion of the meeting open.

Chairman Alderson asked if the Power Point graph, presented at this meeting, could be included in the upcoming packet. Staff said it would be included.

There was no further discussion and it was moved and seconded by Commissioners Barrows/Wilkinson to continue the 2008 La Quinta Housing Element Update to the next regularly scheduled Planning Commission meeting of October 27, 2009. Unanimously approved.

VI. BUSINESS ITEMS: None

VII. CORRESPONDENCE AND WRITTEN MATERIAL:

A. Chairman Alderson distributed a Fresh & Easy mailer he received.

VIII. COMMISSIONER ITEMS:

- A. Report on City Council Meeting of October 6, 2009, from Chairman Alderson, with comments on the following items:
- Noise complaints from the Cove.
 - The local police and the SAFE Team.
 - A presentation made by Kathy Strong of the Living Desert.
 - Encouraged everyone to attend the upcoming Veterans' Day ceremony.
 - Council Member Evans' concerns on SilverRock. Staff provided information on finances and future options were discussed.
 - Residents of PGA West asked for a continuance of the public hearing items. Council continued them to the meeting of November 17, 2009.
- B. Chairman Alderson noted Commissioner Barrows is unable to attend the City Council Meeting of October 20, 2009 and he offered to attend in her place. Commissioner Barrows said she would be happy to take one of his upcoming turns.
- C. Chairman Alderson noted the Commission's Quarterly Attendance Report had been included in the packet and complimented the Commissioners on their attendance.

IX: DIRECTOR ITEMS:

- A. 2009/2010 Work Program Report

Planning Director Johnson referred to the memo included in the Commissioners' packet, and briefly went over the items listed in the memo. Included were some of the key items facing the Commission in the upcoming year such as:

- The General Plan Update
- Zoning Code Amendments.
- Parking Ordinance Update.
- Communication Towers Ordinance Update.
- Miscellaneous Projects, including the 2010 Census.

- B. Update on Discussion Items selected by ALRC for inclusion at the Joint PC/ALRC/CC Meeting of October 27, 2009.

Discussion following regarding the topics, selected by the Architecture and Landscaping Review Committee Members to be presented at the Joint Meeting including, but not limited to:

- Final landscape Plans and the review of those plans.
- Establishing provisions that encouraged the use of native plant and tree species in landscaping plans.
- Establishing provisions that encouraged solar control, increasing shade requirements for parking lots and requirement of installation of conduit and upgrades for the future installation of solar panels on new commercial buildings.

Staff advised the Commissioners their portion of the Joint Meeting would take place from 5:00 p.m. to 6:30 p.m. and the items previously submitted by the Planning Commission and ALRC would be included in the Staff Report.

X. ADJOURNMENT:

There being no further business, it was moved and seconded by Commissioners Barrows/Wilkinson to adjourn this regular meeting of the Planning Commission to the next regular meeting to be held on October 27, 2009. This regular meeting was adjourned at 8:41 p.m. on October 13, 2009.

Respectfully submitted,

Carolyn Walker, Executive Secretary
City of La Quinta, California