

**Palm Desert City Council, Successor Agency to the Palm Desert Redevelopment Agency,  
and Housing Authority**  
**Regular Meeting Minutes**

August 24, 2023, 3:30 p.m.

Present: Councilmember Jan Harnik, Councilmember Gina Nestande, Mayor Pro Tem Karina Quintanilla, Councilmember Evan Trubee, and Mayor Kathleen Kelly

**1. CALL TO ORDER - CLOSED SESSION - 3:30 P.M.**

A Regular Meeting of the Palm Desert City Council was called to order by Mayor Kelly on Thursday, August 24, 2023, at 3:30 p.m. in the Council Chamber, City Hall, located at 73-510 Fred Waring Drive, Palm Desert, California.

**2. PUBLIC COMMENT FOR CLOSED SESSION ITEMS ONLY**

**3. RECESS TO CLOSED SESSION**

Mayor Kelly adjourned to Closed Session at 3:30 p.m.

**4. CLOSED SESSION AGENDA**

The following items will be considered in closed session.

**4.a Closed Session Meeting Minutes: July 13, 2023**

**4.b Conference with Real Property Negotiations pursuant to Government Code Section 54956.8**

**4.b.1 PROPERTY DESCRIPTION: 73710 FRED WARING DRIVE, SUITE 135**

**4.b.2 PROPERTY DESCRIPTION: 45656 MOUNTAIN VIEW AVENUE**

**4.b.3 PROPERTY DESCRIPTION: DESERT WILLOW LOT PAD A (APN 620-400-025)**

**5. ROLL CALL - REGULAR MEETING - 4:00 P.M.**

**6. PLEDGE OF ALLEGIANCE**

Councilmember Harnik led the Pledge of Allegiance.

**7. INSPIRATION**

Mayor Pro Tem Quintanilla provided words of inspiration.

**8. REPORT OF CLOSED SESSION**

Assistant City Attorney Shah stated that no reportable actions were taken.

**9. AWARDS, PRESENTATIONS, AND APPOINTMENTS**

Mr. Ceja thanked Barbara Blythe for her 18 years of service to the City of Palm Desert, and announced that her name would be added to the City's plaque in the Administrative Services lobby which recognizes employees for their enduring excellence. Mayor Kelly presented Ms. Blythe with a proclamation announcing September 8, 2023, as Barbara Blythe Day.

**9.a PROCLAMATION - DR. VINES DAY**

Mayor Kelly presented a proclamation to Dr. Diane Vines in honor of National Health Clinic Month, and celebrated August 24, 2023, as Dr. Diane Vines Day.

**10. CITY MANAGER COMMENTS**

City Manager Hileman introduced Sgt. Porras who provided an update to the City Council on police services and thanked the City Council for their partnership.

Digital Strategies Analyst Penta, Public Works Director Alvarez, and Community Services Manager Muir narrated a PowerPoint presentation summarizing the City's response and efforts before, during, and after the recent weather event associated with Tropical Storm Hilary.

Economic Development Deputy Director Lawrence narrated a PowerPoint presentation regarding the City's 50th celebration in November 2023.

**11. MAYOR/COUNCILMEMBER REPORTS AND REQUESTS FOR ACTION**

Councilmembers reported their attendance at various meetings and events, and thanked City staff for all of their efforts during the storm. Councilmember Harnik reported the opening of the Community Art Gallery; urged residents to participate in the LifeStream blood drive. Councilmember Trubee noted that all fourteen self-help homes on Merle Street closed escrow and provided an update on the library. Mayor Kelly echoed the sentiments of the Councilmembers regarding the excellent response by City staff; praised the decisions of City Council members in the 1970's and 1980's to begin a \$60 million investment in flood control; and encouraged the City Council to be as prescient and mindful when faced with making similar decisions for future generations.

**12. NON-AGENDA PUBLIC COMMENTS**

Lisa Ford, Palm Desert resident, shared information on an open house for Alzheimer's Coachella Valley which will include a ribbon cutting for their new building.

Donald Ziegler, Palm Desert resident, urged the City Council to consider local backup power capabilities and other heat mitigation measures in the event of extreme climate conditions.

Brian Kim, Palm Desert High School senior, introduced his Artificial Intelligence (AI) fitness project, a fundraising project for Los Angeles Children's Hospital. Mayor Kelly referred the project to City Manager Hileman for additional follow-up.

Alex spoke of the impacts of greenhouse gasses on the desert.

**13. CONSENT CALENDAR**

City Clerk Mejia announced an urgency item relative to the recent weather event, stating the matter arose after the posting of the agenda and needed to be considered urgently.

MOTION by Councilmember Harnik, second by Councilmember Trubee to add the urgency item to the agenda as Item 13.p, unanimously approved (5-0).

City Clerk Mejia clarified that if Item 13.j were approved, the expenditure would come from Mayor Pro Tem Quintanilla's individual budget.

**Motion by:** Councilmember Harnik  
**Seconded by:** Councilmember Trubee

**Motion Carried (5 to 0)**

**13.a APPROVAL OF CITY COUNCIL, SUCCESSOR AGENCY, AND HOUSING AUTHORITY MINUTES**

Approve the Minutes of July 13, 2023.

**13.b APPROVAL OF WARRANTS**

Approve the warrants issued for the period 4/17/2023 to 8/11/2023.

**13.c RECEIVE AND FILE APPLICATIONS FOR ALCOHOLIC BEVERAGE LICENSES**

Receive and file the applications for Alcoholic Beverage Licenses for the following businesses:

1. MR BS SUBS, LLC. 74600 HIGHWAY 111 Ste F
2. LA PRO Visions, Inc; LA PROVENCE PATISSERIE 72785 Hwy 111 Ste B1
3. CEC Entertainment; Chuck E Cheese's 72513 Hwy 111 Ste H
4. Palm Desert Harmony, Inc.; Pokehana 73405 Hwy 111 Ste 104

**13.d ACCEPT RESIGNATIONS FROM THE CIVIC ENGAGEMENT COMMITTEE, CULTURAL ARTS COMMITTEE, AND PARKS AND RECREATION COMMITTEE**

With regret, accept the resignations of Anyse Smith from the Civic Engagement Committee; Debra Norby (Alternate) from the Cultural Arts Committee; and James Henderson from the Parks and Recreation Committee.

**13.e HOUSING AUTHORITY: RESOLUTION NO. HA-118 AUTHORIZING EXECUTION AND DELIVERY OF A HOUSING AND LOAN AGREEMENT WITH A0358 MONTEREY, L.P., APPROVING A LOAN IN THE AMOUNT OF \$7,235,000 FOR CONSTRUCTION OF 176 AFFORDABLE HOUSING UNITS AND RELATED ACTIONS**

1. Approve Resolution No. HA-118 authorizing the execution and delivery of a Loan Agreement, Deed of Trust, Secured Promissory Note and Housing Agreement, in substantial form, between the Palm Desert Housing Authority and A0358 Monterey, L.P., a California Limited Partnership, and approving a loan in the amount of Seven Million Two Hundred Thirty-Five Thousand Dollars (\$7,235,000.00) from the Authority's Low and Moderate Income Housing Asset Fund to fund the construction of One-Hundred Thirty Nine (139) of the One-Hundred Seventy Four (174) affordable housing units comprising the proposed apartment project.
2. Authorize the Chairman and/or Executive Director, in consultation with legal counsel, to execute as appropriate and deliver, for and in the name of the Authority, the Loan Agreement, Deed of Trust, Secured Promissory Note and Housing Agreement presented to the Authority Board at this meeting, as the same may be modified by the Executive Director in consultation with legal counsel to the Authority, provided such modifications are materially consistent with the purpose of the Resolution.
3. Authorize the Chairman, the Executive Director, or their respective designees, in consultation with legal counsel to the Authority, to execute and deliver, for and in the name of the Authority, all other necessary or proper documents and instruments, and to do all things which they may deem necessary or proper to effectuate the purposes of the Resolution.

**13.f APPROVE SECOND AMENDMENT TO THE EL PASEO PARKING & BUSINESS IMPROVEMENT DISTRICT CONTRACT NO. C43370 WITH FG CREATIVE**

1. Authorize Amendment No. 2 to El Paseo Parking and Business Improvement District (EPPBID) Contract No. C43370 with FG Creative in the amount of \$250,000 for Fiscal Year (FY) 2023/24.
2. Authorize the City Attorney to make non-substantive changes to the contract.
3. Authorize the City Manager to execute the agreement on behalf of the City.

**13.g APPROVE A HOUSING AGREEMENT BY AND BETWEEN THE CITY OF PALM DESERT AND A0358 MONTEREY, LP, FOR THE CROSSINGS AT PALM DESERT APARTMENTS PROJECT**

1. Approve the attached Housing Agreement by and between the City of Palm Desert and A0358 Monterey, a California Limited Partnership, (“Owner”), in accordance with the conditions of approval of the development, of 176 units known as The Crossings at Palm Desert Apartments, a multifamily rental housing project located at the southeast corner of Dick Kelly Drive, Palm Desert, California (the “Project”).
2. Authorize the City Manager or his designee, to finalize the Housing Agreement, and the documents described in the Agreement or otherwise deemed necessary or proper to effectuate the Housing Agreement and conditions of approval, with such changes thereto as the City Manager or his designee, in consultation with the City’s legal counsel, may deem appropriate or necessary and consistent with the purposes of the Housing Agreement and conditions of approval, with such approval to be conclusively evidenced by the execution and delivery thereof.
3. Authorize the Mayor and/or City Manager or their designee, to execute and deliver, for and in the name of the City, the Housing Agreement and other documents, as described in Recommendation No. 2, and authorize the City Clerk to record the Housing Agreement.

**13.h APPOINT AMY LAWRENCE TO THE COACHELLA VALLEY ECONOMIC PARTNERSHIP’S BOARD OF DIRECTORS**

Appoint Amy Lawrence to the Coachella Valley Economic Partnership’s Board of Directors.

**13.i APPROVE OUT-OF-STATE TRAVEL FOR PUBLIC AFFAIRS MANAGER FOR STRATEGIC MARKETING PLANNING IN AUSTIN, TX**

Authorize out-of-state travel for the Public Affairs Manager to travel to Austin, TX, for an in-depth strategic planning session with the City’s creative agency, Idea Peddler.

**13.j REQUEST FOR MAYOR PRO TEM QUINTANILLA TO PARTICIPATE IN THE 2024 LEADERSHIP COACHELLA VALLEY PROGRAM**

Approve an expenditure in the amount of \$1,200 for Mayor Pro Tem Quintanilla to participate in the 2024 Leadership Coachella Valley program.

**13.k CITY COUNCIL AND HOUSING AUTHORITY: APPROVE DOWN PAYMENT ASSISTANCE LOAN FROM THE LOW-AND MODERATE- INCOME HOUSING ASSET FUND TO CONTINUE AN AFFORDABLE HOUSING COST FOR THE HOMEOWNERS AT 75-476 WILDFLOWER LANE**

1. Approve the issuance of a silent down-payment assistance loan by the Palm Desert Housing Authority pursuant to the Desert Rose Sales Program and standard documents, in the amount of \$30,000 to continue an affordable housing cost for the homeowners at 75-476 Wildflower Lane pursuant to California Health and Safety Code Section 50052.5 as a qualified low- or moderate-income household from the Low- and Moderate-Income Housing Asset Fund.
2. Authorize the release of the City's Deed of Trust recorded December 7, 2012, securing the promissory note for the existing silent down payment BEGIN loan.
3. Authorize waiving the interest on the homeowner's existing City Loan from the original date the City's Deed of Trust recorded on December 7, 2012, through the date of release.
4. Approve the Palm Desert Housing Authority's Housing Asset Fund down payment assistance loan term to be forgivable 30 years from the original City Loan recording of December 7, 2012, so long as all terms of the loan are met by the homeowners.
5. Authorize Director of Finance to transfer \$30,000 from the Homebuyer Down Payment Assistance Account No. 8734699-4400100 and reimburse the City in BEGIN Fund.
6. Authorize the City Manager/Executive Director, or designee, to execute, release, and finalize any documents necessary to effectuate the actions taken herewith.

**13.l RELEASE GRADING BOND AND REDUCE THE FAITHFUL PERFORMANCE AND LABOR AND MATERIALS BONDS FOR TR 37993, MONTAGE**

1. Reduce the Faithful Performance and Labor and Materials Bonds for TR 37993.
2. Release the Grading Bond in the full amount of \$186,906.

**13.m AWARD CONTRACT NO. C46140 TO DESERT AIR CONDITIONING, INC., FOR HEATING, VENTILATION, AND AIR CONDITIONING PREVENTATIVE MAINTENANCE IN THE ANNUAL AMOUNT OF \$106,028 (PROJECT NO. MFA00008)**

1. Waive any minor proposal irregularities and award Contract No. C46140 to Desert Air Conditioning, Inc., for the Heating, Ventilation and Air Conditioning (HVAC) Preventative Maintenance in the annual amount of \$106,028.
2. Authorize extra work and services for HVAC repairs and replacements up to the annual amount of \$75,000.
3. Authorize the City Manager or designee to approve up to two, one-year contract amendments/extensions.
4. Authorize the City Manager or designee to review and approve change orders for any unforeseen circumstances per Section 3.30.170 of Ordinance No. 1392.
5. Authorize the City Attorney to make any necessary, non-monetary changes to the Agreement and the authorize the City Manager to execute said agreement.

**13.n RESOLUTION AUTHORIZING DESTRUCTION OF OBSOLETE RECORDS FROM THE FINANCE DEPARTMENT AND HUMAN RESOURCES DEPARTMENT**

Adopt Resolution No. 2023-039 authorizing the destruction of obsolete records from the Finance Department and Human Resources Department pursuant to California Government Code Section 34090.

**13.o AWARD ON-CALL CONTRACTS TO MULTIPLE VENDORS FOR PARK AND FACILITIES REPAIRS AND IMPROVEMENT PROJECTS**

1. Pursuant to PDMC Section 3.30.160(l), award Contract No. C44620D to R&R B Inc. dba Servpro of Chino/Chino Hills, Chino, California and Contract No. C44620E to Doug Wall Construction, Bermuda Dunes, California for Park and Facilities Repairs and Improvements, for a period of three (3) years in an aggregate amount not to exceed \$3,000,000 per fiscal year.
2. Authorize the City Manager to review and approve up to two (2) additional one-year terms per contract for an aggregated amount not to exceed \$3,000,000 per fiscal year.
3. Authorize the City Manager or designee to review and approve change orders for unforeseen circumstances.
4. Authorize the City Manager to execute said agreements.

**13.p RESOLUTION NO. 2023-040 TO RATIFY THE PROCLAMATION OF A LOCAL EMERGENCY DUE TO HURRICANE HILARY**

Adopt Resolution No. 2023-040 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, RATIFYING THE PROCLAMATION OF A LOCAL EMERGENCY DUE TO HURRICANE HILARY ISSUED BY THE MAYOR AND CITY MANAGER ACTING AS THE EMERGENCY CORPS COMMANDER ON AUGUST 20, 2023."

**14. ACTION CALENDAR**

**14.a APPROVAL OF AN AGREEMENT FOR LAW ENFORCEMENT SERVICES BETWEEN THE CITY OF PALM DESERT AND THE COUNTY OF RIVERSIDE FOR A THREE-YEAR TERM FROM FY2024/2025 TO FY2026/2027**

Emergency Services Coordinator Esqueda provided a staff report and responded to City Council inquiries.

Alex spoke in opposition to funding police services.

**Motion by:** Councilmember Harnik

**Seconded by:** Councilmember Nestande

1. Approve Agreement No. C46170 for Law Enforcement Services with the County of Riverside for a three-year term effective from July 1, 2024, through June 30, 2027.
2. Authorize the City Attorney to make any necessary, non-monetary changes to the Agreement.
3. Authorize the Mayor to execute the Agreement and any documents necessary to effectuate and implement the actions taken herewith.

**Motion Carried (4-0-1, MAYOR PRO TEM QUINTANILLA ABSTAIN)**

**14.b PALM DESERT REDISTRICTING 2023 - REVIEW OF THE SCHEDULE OF PUBLIC HEARINGS/WORKSHOPS AND PUBLIC EDUCATION AND OUTREACH PLAN – OPTIONAL PROCESSES FOR ESTABLISHING DISTRICT BOUNDARIES**

City Clerk Mejia narrated a PowerPoint presentation and responded to City Council inquiries.

**Motion by:** Councilmember Trubee

**Seconded by:** Councilmember Harnik

1. Approve the Public Education and Outreach Plan & Schedule of Public Hearings/Workshops.
2. Move forward with the Council-Driven option for boundaries.

**Motion Carried (5 to 0)**



**14.c INTRODUCTION OF ORDINANCE NO. 1399 UPDATING CHAPTER 8.20 OF THE PALM DESERT MUNICIPAL CODE UPDATING PUBLIC NUISANCE ABATEMENT AND COST RECOVERY PROCEDURES, AND MAKING A FINDING OF EXEMPTION UNDER CEQA**

Director of Development Services Cannone provided a staff report and responded to City Council inquiries.

**Motion by:** Councilmember Nestande

**Seconded by:** Councilmember Harnik

Waive full reading and introduce Ordinance No. 1399 entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, UPDATING CHAPTER 8.20 OF THE PALM DESERT MUNICIPAL CODE REGARDING PUBLIC NUISANCE ABATEMENT AND COST RECOVERY PROCEDURES, AND MAKING A FINDING OF EXEMPTION UNDER CEQA"

**Motion Carried (5 to 0)**

**14.d REQUEST FOR FEEDBACK AND DIRECTION REGARDING UPDATING CHAPTER 5.04 REGARDING MODIFICATION, SUSPENSION, OR REVOCATION OF BUSINESS LICENSES**

Director of Development Services Cannone provided a staff report and responded to City Council inquiries.

The City Council directed staff to revise the language of the ordinance to retain the City Council as the appeal body for a business license suspension, and bring the ordinance back for consideration at an upcoming City Council meeting.

**15. PUBLIC HEARINGS**

**15.a JOINT CITY COUNCIL AND HOUSING AUTHORITY PUBLIC HEARING TO CONSIDER REMOVAL OF BLAIR ARMSTRONG FROM THE PALM DESERT HOUSING COMMISSION IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34282**

Mayor Kelly opened the public hearing.

City Clerk Mejia provided a staff report.

There being no one desiring to speak, Mayor Kelly closed the public hearing.

**Motion by:** Councilmember Harnik

**Seconded by:** Mayor Pro Tem Quintanilla

1. Pursuant to Health and Safety Code Section 34282, conduct a hearing on the removal of Blair Armstrong from the Palm Desert Housing Commission.
2. Find Blair Armstrong to be in neglect of duty of his obligations as a Housing Commissioner and remove him from the Palm Desert Housing Commission, effective immediately.

**Motion Carried (5 to 0)**

**15.b RESOLUTION NO. 2023-041: APPROVE A PROPOSED PLAN FOR BOND ISSUANCE BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR THE CROSSINGS AT PALM DESERT APARTMENT PROJECT**

Mayor Kelly opened the public hearing.

Housing Manager Gonzales narrated a PowerPoint presentation.

There being no one desiring to speak, Mayor Kelly closed the public hearing.

**Motion by:** Mayor Pro Tem Quintanilla

**Seconded by:** Councilmember Nestande

1. Conduct the public hearing under the requirements of Tax and Equity Fiscal Responsibility Act ("TEFRA") and the Internal Revenue Code of 1986, as amended (the "Code") in connection with the proposed issuance in one or more series of revenue bonds by the California Statewide Communities Development Authority ("CSCDA"), a joint exercise of powers authority and public entity of the State of California, in an amount not to exceed Sixty Million Dollars \$60,000,000.00 (the "Bonds"), to finance the acquisition, construction and development of the 176-unit Crossings at Palm Desert Apartments, a multifamily rental housing project located at located at the southeast corner of Dick Kelly Drive & Gateway Drive, Palm Desert, California (the "Project") and receive public comments.
2. Adopt Resolution No. 2023-041 in the form attached hereto approving the issuance of the Bonds by CSCDA for the benefit of A0357 Palm Desert, L.P., a California Limited Partnership (the "Borrower") a partnership of which Urban Housing Communities, LLC (the "Developer") or a related person to the Developer is the general partner, to provide for the financing of the Project. Such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and California Government Code Sections 6500 et seq.

**Motion Carried (5 to 0)**

**15.c ORDINANCE NO. 1398 TO CHANGE THE ZONING DESIGNATION OF PARCEL 1 OF PARCEL MAP NO. 36614, LOCATED APPROX. 500 FEET FROM NW CORNER OF HWY 111 AND FRED WARING DR. FROM RESORT COMMERCIAL CENTER (PC-4) TO DISTRICT COMMERCIAL CENTER (PC-2) - CEQA FINDING**

Mayor Kelly opened the public hearing.

Principal Planner Melloni narrated a PowerPoint presentation.

There being no one desiring to speak, Mayor Kelly closed the public hearing.

**Motion by:** Councilmember Nestande

**Seconded by:** Mayor Pro Tem Quintanilla

Waive full reading and introduce Ordinance No. 1398 entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, ADOPTING A NOTICE OF EXEMPTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND APPROVING A CHANGE OF ZONE FROM PC-4 TO PC-2 FOR THE PROPERTY LOCATED ON PARCEL 1 OF PARCEL MAP NO. 36614 AT 72221 HIGHWAY 111 (ASSESSOR'S PARCEL NUMBER 640-020-054)"

**Motion Carried (5 to 0)**

**15.d CONSIDER APPROVAL OF A TRANSIENT OCCUPANCY TAX SHARING AGREEMENT NO. C46160 BETWEEN THE CITY OF PALM DESERT AND NEWAGE DESERT SPRINGS, LLC**

Mayor Kelly opened the public hearing.

Economic Development Director Ceja narrated a PowerPoint presentation.

Scott White, CEO of Visit GPS, spoke in favor of the agreement.

Nusrat Mirza, General Manager of JW Marriott Desert Springs Resort, spoke in favor of the agreement.

There being no one else desiring to speak, Mayor Kelly closed the public hearing,

**Motion by:** Councilmember Trubee

**Seconded by:** Councilmember Harnik

1. Approve the Transient Occupancy Tax (TOT) Sharing Agreement No. C46160 between the City of Palm Desert and Newage Desert Springs, LLC remitting 50% of incremental TOT generation not to exceed \$10 million to the property owner for the development and expansion of conference/ballroom space at the JW Marriott Desert Springs.
2. Authorize the City Attorney to make non-substantive changes to the Agreement.
3. Authorize the City Manager to execute said Agreement.

**Motion Carried (5 to 0)**

**16. INFORMATION ITEMS**

None.

**17. ADJOURNMENT**

The City Council adjourned at 6:06 p.m.

SUBMITTED BY:

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Níamh M. Ortega

Assistant City Clerk/Assistant Secretary

ATTEST:

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Anthony J. Mejia, MMC

City Clerk/Secretary