

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: August 24, 2023

PREPARED BY: Jessica Gonzales, Housing Manager

REQUEST: APPROVE A HOUSING AGREEMENT BY AND BETWEEN THE CITY OF PALM DESERT AND A0358 MONTEREY, LP, FOR THE CROSSINGS AT PALM DESERT APARTMENTS PROJECT

RECOMMENDATION:

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.

BACKGROUND/ANALYSIS:

The apartment project known as “The Crossings at Palm Desert Apartments” was approved on July 14, 2022, by the Planning Commission by adoption of Resolution No. 2814. As part of the project’s approval, the developer is required to enter into a Housing Agreement in order to effectuate the conditions for an affordable housing requirement. Without this agreement in place, the developer cannot obtain building permits.

As part of the City Council of the City of Palm Desert Resolution No. 2814, approved July 14, 2023, the apartment site was approved by the Planning Commission subject to the requirement for the developer to restrict one hundred percent (100%) of the units for lower income households at affordable rents.

The apartment project is now owned by A0358 Monterey, LP., and the conditions requiring affordable housing on the site, set forth in Resolution No. 2814, run with the land. A0358 Monterey has agreed to restrict 100% of the units to be affordable as required by the condition of approval. The apartment project will include 176 total rental units. A0358 Monterey has agreed to make 174 of the rental units continuously available to and occupied by, or held vacant for occupancy by, households with incomes not exceeding 80% of the area median income (“AMI”)

in Riverside County at affordable rents. The 174 units and 2 on-site property management units will be restricted as affordable by the various funding sources. The City's Housing Agreement will be restricting thirty-five (35) units to households with income not exceeding 80% AMI. Simultaneously, the Palm Desert Housing Authority will be restricting one hundred thirty-nine (139) units to households with incomes not exceeding 59%AMI. In aggregate, the Project will provide 174 units restricted as affordable. The units will be restricted for 55 years, commencing upon the issuance of a final Certificate of Occupancy for the apartment project.

Staff, therefore, recommends approval of the Housing Agreement in accordance with the requirement of the affordable housing condition of approval.

Strategic Plan:

One of the priorities of the City of Palm Desert's ("City") Envision Palm Desert Strategic Plan, as part of Land Use, Housing and Open Space, is to facilitate development of high-quality housing for people of all income levels. This request meets that objective by diversifying the City's housing stock for moderate- and lower-income households.

Environment Review:

The Crossings at Palm Desert Apartments project was approved by the Palm Desert Planning Commission (PC) under PC Resolution No. 2814 on July 14, 2022. The project was evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA). Pursuant to the State CEQA Guidelines Section 15183, an Initial Study was prepared which concluded that the project is consistent with the adopted Palm Desert General Plan Environmental Impact Report (EIR) (SCH #2015081020). CEQA Guidelines Section 15183 allows for a streamlined environmental review process for projects, which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific significant effects, which are peculiar to the Project or its sites. If the above qualifications are met, as stated in Section 15183(b), "a public agency shall limit its examination of environmental effects to those which the agency determines, in an initial study or other analysis: (1) are peculiar to the Project or the parcel on which the Project would be located, (2) were not analyzed as significant effects in a prior EIR on the zoning action, general plan, or community plan, with which the Project is consistent, (3) are potentially significant off-site impacts and cumulative impacts which were not discussed in the prior EIR prepared for the general plan, community plan or zoning action, or the project's CEQA Section 15183 Analysis, (4) are previously identified significant effects which, as a result of substantial new information, which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR." This document has been prepared to satisfy the requirements of CEQA Guidelines Section 15183. It analyzes the potential environmental effects of the Project and evaluates whether they were adequately analyzed in a prior EIR such that the above-identified streamlining criteria apply. The Project is consistent with the Palm Desert General Plan Update (General Plan Update), for which an EIR (SCH No. 2015081020) was certified. The approval of the Housing Agreement is consistent with the project approval and will not result in significant alterations to the project approval. Therefore, the analysis prepared for the project satisfies the requirements of CEQA

FINANCIAL IMPACT:

There is no direct fiscal impact on the City resulting from the approval of the Housing Agreement.

ATTACHMENTS:

1. City Draft Housing Agreement for The Crossings at Palm Desert Apartments.