

## TERRA NOVA PLANNING & RESEARCH, INC.

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April 7, 2021

Ms. Megan Kirkeby, Deputy Director  
Housing Policy Development  
California Department of Housing and Community Development  
2020 West El Camino Avenue, Suite 500  
Sacramento, CA 95833

RE: City of Palm Desert Housing Element Update

Dear Ms. Kirkeby:

On behalf of the City of Palm Desert, please find enclosed its Housing Element Update for the 2022-2029 planning period in both paper and pdf form.

The City has focused the update on several projects that are currently planned, and the Element reflects those projects. There is not a significant change in policy direction in the document, as the City continues to expand its housing opportunities.

Should you or your staff have any questions about the Element, please feel free to contact me at 760-341-4800, or at [ncriste@terranovaplanning.com](mailto:ncriste@terranovaplanning.com). We would also appreciate having the opportunity to discuss the Department's initial review in advance of the issuance of the review letter, so that we can have an opportunity to correct any deficiencies or add to the text.

Please note that the staff person managing the Update at the City is Jessica Gonzales. She can be reached at 760-346-0611, or at [jgonzales@cityofpalmdesert.org](mailto:jgonzales@cityofpalmdesert.org). Please copy me on all communication with the City, so that I can assist them in their response. We look forward to receiving the Department's comments, and successfully completing the update process.

Sincerely,

Nicole Sauviat Criste  
Principal

Cc: Jessica Gonzales  
Eric Ceja

# HOUSING ELEMENT

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## PURPOSE

Providing all residents of Palm Desert with safe and affordable housing is the ultimate goal of this Element. The Housing Element is designed to guide the City's elected and appointed officials, as well as City staff and the general public, in locating and constructing housing to accommodate all segments of the community.

The City continues to strive to provide quality housing for all its residents.

## BACKGROUND

The Housing Element works hand in hand with the Land Use Element to balance the land uses available in the City to accommodate future growth. Land use designations are designed to accommodate all types of housing, to allow for the development of single family and multi-family units to meet the needs of the City's residents, now and in the future. The Housing Element includes a description of existing housing types, condition of existing units, overcrowding, overpayment, special housing needs, and the demand for affordable housing in the City. The Element also includes an analysis of the progress made since the drafting of the last Housing Element, and projections of needs for the 2022-2029 planning period.

## California Law

AB 2853, passed in 1980, established Government Code Article 10.6, Section 65580 et. seq. to define the need for, and content of Housing Elements. At its core, the law requires that the "housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing" to meet the State's housing goals.

California Government Code requires that every City and County prepare a Housing Element as part of its General Plan. In addition, State law contains specific requirements for the preparation and content of Housing Elements. According to Article 10.6, Section 65580, the Legislature has found that:

- (1) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.
- (2) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.

- (3) The provision of housing affordable to low and moderate income households requires the cooperation of all levels of government.
- (4) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (5) The legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the General Plan and to cooperate with other local governments, and the state, in addressing regional housing needs.

Section 65581 of the Government Code states that the intent of the Legislature in enacting these requirements is:

- (1) To assure that local governments recognize their responsibilities in contributing to the attainment of the State housing goal.
- (2) To assure that cities and counties prepare and implement housing elements which, along with federal and State programs, will move toward attainment of the State housing goal.
- (3) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the State housing goal as well as regional housing needs.
- (4) To ensure that each local government cooperates with other local governments to address regional housing needs.

The basic components of a Housing Element were established in Section 65583, and required that each Element include:

- An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of local needs.
- A statement of the community's goals, quantified objectives, and policies relative to the maintenance, improvement, and development of housing.
- A program that sets forth a schedule of actions to implement the policies and achieve the goals and objectives of the Housing Element to provide housing for all economic segments of the community guided by the following state housing objectives.
- Provision of decent housing for all persons regardless of age, race, sex, marital status, source of income, or other factors.
- Provision of adequate housing by location, type, price and tenure.
- Development of a balanced residential environment including access to jobs, community facilities, and services.

Since that time, Housing Element law has been regularly updated, expanded and modified. The most recent update to Housing Element law occurred in 2017, when a series of bills were passed into law to address the State's determination that California was experiencing a State-wide housing crisis. The laws passed in 2017 addressed a wide range of housing-related issues, including Housing Elements, which are summarized below.

- *SB 2* established a recordation fee for real estate documentation which would fund planning grants for affordable housing and affordable housing projects.

- *SB 3* placed a \$4 billion general obligation bond on the November 2018 ballot to fund affordable housing, farmworker housing, transit-oriented development, infill infrastructure and home ownership.
- *SB 35* mandated a streamlined approval process for infill affordable housing projects in communities that have not, according to the Department of Housing and Community Development (HCD) met their affordable housing allocation (RHNA).
- *AB 72* allowed HCD to find a housing element out of compliance with State law, and to refer the non-compliant element to the State Attorney General for action at any time during a Housing Element planning period.
- *AB 73* provided State-funded financial incentives for local jurisdictions which choose to create a streamlined zoning overlay for certain affordable housing projects.
- *SB 166* required that development proposals on local jurisdictions' sites inventory cannot be reduced in density without findings, and/or the identification of additional sites to result in 'no net loss' of affordable housing units in the sites inventory.
- *SB 540* provided State funding for the planning and implementation of workforce housing opportunity zones for very low, low and moderate income households.
- *AB 571* modified the farmworker tax credit program to allow HCD to advance funds to migrant housing center operators at the beginning of each planting season, and allowed migrant housing to remain open for up to 275 days annually.
- *AB 678* amended the Housing Accountability Act to limit a local jurisdiction's ability to deny low and moderate income housing projects by increasing the required documentation and raising the standard of proof required of a local jurisdiction.
- *AB 686* (approved in 2018) required a public agency to administer its programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing.
- *AB 879* amended the annual reporting requirements of local jurisdictions to HCD regarding proposed projects, including processing times, number of project applications and approvals, and required approval processes.
- *AB 1397* amended the requirements of adequate sites analysis to assure that sites are not only suitable, but also available, by requiring additional information in site inventories.
- *AB 1505* allowed local jurisdictions to adopt local ordinances that require affordable housing units on- or off-site when approving residential projects.
- *AB 1515* established a 'reasonable person' standard to consistency of affordable housing projects and emergency shelters with local policies and standards.
- *AB 1521* placed restrictions on the owners of affordable housing projects when terminating or selling their projects.

### **Consistency with the General Plan**

The Housing Element must be consistent with all other Elements of the General Plan. It is particularly guided by the development policies contained in the Land Use Element and roadway policies of the Circulation Element. Housing is also shaped by policies contained in other Elements that affect the quality of life for City residents through the provision of open space and recreation areas, acceptable noise levels, and safety. The current (2022-2029) update of the Housing Element did not require that the City amend its Land Use Element or land use map, as sufficient land has

been identified to accommodate all housing types. The City will continue to evaluate any amendment to the General Plan, including updating of the Housing Element, as required by State law, to assure that internal consistency is maintained.

### **Evaluation of Existing Housing Element Policies and Programs**

The City's 2014-2021 Housing Element included policies and action items to address housing needs for the 2014-2021 planning period. Their effectiveness is reviewed below.

#### **Goal 1**

A variety of housing types that meet all of the housing needs for all income groups within the City.

#### **Goal 2**

The preservation and maintenance of the high quality of the City's affordable housing supply.

#### **Policy 1**

New affordable housing projects shall be encouraged in all areas of the City. Special attention will be made to distributing the units so that large concentrations of affordable housing in any one area are avoided.

#### **Program 1.A**

The City shall work with affordable housing developers, non-profit agencies and other stakeholders to implement the following affordable housing projects for extremely low, very low, low and moderate income households during the planning period. For Carlos Ortega Villas and Sagecrest Apartments, the Housing Authority shall market these projects to the development community through direct mail, announcements on the City's web site and Requests for Proposals, once funding sources have been identified.

- 31 units at Canterra Phase II
- 21 units at Palm Desert 103
- 200 units at Dinah Shore and Portola
- 72 units at Carlos Ortega Villas
- 16 units at Sagecrest Apartments

**Responsible Agency:** Community Development Department and Housing Authority

**Schedule:** 2014-2021

*Evaluation: The City has made progress in moving projects forward during the 2014-2021 planning period, as follows:*

- *Canterra Phase II: Now known as The Sands, was entitled for 388 units, including 78 reserved for very low income households. The project entitlements remain active, but the project has failed to secure funding. The project is shown as site DD on the City's inventory, and will be carried forward into the 2022-2029 planning period, in anticipation of its construction.*

- *Palm Desert 103: This project would result in 103 apartments, 20% (21 units) of which would be restricted to moderate income households. This project was inactive during the planning period, but the requirement for affordable units remains. It will be included in the City's inventory for the 2022-2029 planning period.*
- *Dinah Shore and Portola: The City is currently negotiating an agreement for the development of at least 200 units on 10 acres. This site will remain on the City's inventory as site C.*
- *Carlos Ortega Villas: This site was developed in the 2014-2021 planning period, and contains 36 units affordable to very low income households, 36 units affordable to low income households, and one manager's unit. The project was successfully completed and will be removed from the City's inventory and added to its list of existing affordable communities.*
- *Sagecrest Apartments: The Housing Authority will market the project to the development community during the 2022-2029 planning period. Progress on the implementation of this project is expected in the forthcoming planning period.*

*This program has been successful and will be modified to address current projects.*

#### **Program 1.B**

The City shall pursue the planning and implementation of the following projects for extremely low, very low, low and moderate income households during the planning period. The City will utilize public-private partnerships, grants and third party funding for these projects, and affordable housing funds if restored by the State Legislature.

- 520 units that will include single family for-sale and multi-family for rent units at Gerald Ford Drive and Portola
- an additional 52 units at the Vineyards

**Responsible Agency:** City

**Schedule:** 2014-2021

*Evaluation: This program is still being implemented, as follows:*

- *Gerald Ford and Portola: This project site is currently proposed for 268 apartments affordable to very low and low income households, and 2 managers' units. Application for entitlement is pending. The project is proposed on 10 acres of a larger City holding owned by the Successor Agency (SARDA). The balance of the acreage continues to be marketed for affordable housing projects. The site will be maintained in the City's inventory, and is shown as site B.*
- *The Vineyard: This site consists of 260 existing apartments, 52 of which are currently restricted to moderate income households. An additional 52 may be offered as affordable to low or moderate income households, but were not during the 2014-2021 planning period. The agreement between the developer and the City remains effective, and the units could be subsidized in the future.*

*This program continues to be implemented, and will be modified and maintained in the 2022-2029 planning period.*

### **Program 1.C**

The City shall encourage and facilitate the development by private parties of the following projects for extremely low, very low, low and moderate income units:

- 432 units at Key Largo
- 194 units at Frank Sinatra and Cook Street
- Approximately 302 units at Dinah Shore and 35<sup>th</sup> Avenue (southeast corner)

The City shall annually contact the owners/developers of these lands and review with them the incentives and financing options available through State and federal loan and grant programs, and local non-profit agencies to assure that all potential financial mechanisms are being considered for the project(s).

**Responsible Agency:** City

**Schedule:** 2014-2021

*Evaluation: The City continues to work with the land owners associated with these sites as follows:*

- *Key Largo: The land owners are currently preparing a Specific Plan for the site, which would include apartments. Up to 200 units could be restricted to low and moderate income households. This project is still active, and will remain on the City's inventory as site A.*
- *Frank Sinatra and Cook Street: This project was inactive during the planning period, and is not considered viable for the future. It will be removed from the City's inventory.*
- *Dinah Shore and 35<sup>th</sup> Avenue: This project remains under consideration, and the City believes that it could move forward. The City will continue to work with the landowner and encourage the development of affordable housing units into the next planning period.*

*In addition, the City approved Tentative Tract Map 37506, for land located on the south side of Gerald Ford Drive, between Portola and Technology Drive in the University Park area. This site includes a mix of single family homes, townhome and apartment sites, totaling 1,069 units. The City will continue to work with the developer to encourage the inclusion of affordable housing units in the project. This program remains active, and will be modified for the 2022-2029 planning period.*

### **Program 1.D**

The City shall continue to implement the Self Help Housing program when funds are available. The City will work with agencies such as Habitat for Humanity and Coachella Valley Housing Coalition to identify funding and the location of these units.

**Responsible Agency:** City

**Schedule:** 2016-2018, as funding is identified

*Evaluation: During the 2014-2021 planning period, Habitat for Humanity developed 2 homes for very low income households, which were all completed and are now occupied. In May of 2020, the City awarded the Coachella Valley Housing Coalition a contract to construct 14 self-help housing units on Merle, near Cook Street. These homes are expected to be built during the next planning period. The program will be modified and maintained to assure construction, and the project will be included in the City's inventory as site PP.*

### **Program 1.E**

The City shall maintain its inventory of sites zoned for PR-7 and R-3, and shall encourage the incorporation of extremely low, very low, low and moderate income housing units into these projects as they are brought forward.

**Responsible Agency:** Planning Department

**Schedule:** As project applications are submitted

*Evaluation: The City continues to encourage the provision of affordable housing in all projects, and has negotiated the inclusion of units, or the payment of in lieu fees, for several projects. In addition, in March of 2020, the City adopted the Housing Overlay District, replacing the previously enacted Medium/High Density Overlay District. The Overlay is applied to properties owned by the City, the Housing Authority and private property identified on the City's inventory. The new overlay provides significant incentives to developers, should they apply the overlay to their property for the provision of affordable housing, including development fee waivers, development standard reductions, and parking reductions. In exchange, a minimum of 20% of the units developed must be restricted to moderate, low or very low income households. The program has been successful, and will be extended into the 2022-2029 planning period.*

### **Program 1.F**

The City will encourage further land divisions resulting in parcel sizes that facilitate multifamily development affordable to lower income households in light of state, federal and local financing programs (i.e. 50-100 units) as development proposals are brought forward. The City will discuss incentives available for land divisions (e.g., 2-5 acres) encouraging the development of housing affordable to lower income households with housing developers as proposals are brought forward. The City will offer incentives for land division encouraging the development of affordable housing including, but not limited to:

- priority to processing subdivision maps that include affordable housing units,
- expedited review for the subdivision of larger sites into buildable lots where the development application can be found consistent with the Specific Plan,
- financial assistance (based on availability of federal, state, local foundations, and private housing funds).

**Responsible Agency:** Planning Department

**Schedule:** As projects are proposed

*Evaluation: The City has implemented this program in two ways: the completion of the Housing Overlay District, and the encouragement of subdivision for larger projects, which was implemented with TTM 37506, and is being implemented at the Key Largo project (please see evaluation of Program 1.C above). The TTM subdivided a large holding into multiple parcels, ranging from 6 to over 20 acres, to accommodate a mix of housing types. This program is ongoing and will be continued in the 2022-2029 planning period.*

### **Policy 2**

The City shall encourage the rehabilitation of existing housing units through a variety of programs.



**Program 2.A**

The City shall fund the Home Improvement Program for single family homes by providing grants and low interest loans to program participants. The program will be provided to the extent that funding is available, to up to five households each year.

**Responsible Agency:** City

**Schedule:** Annually as funds are available

*Evaluation: The City implemented the program and funded four grants and loans. Funding was limited, and the City was therefore able to only implement the emergency component of this program. The program will be maintained, to assure that it is available should funding be secured.*

**Policy3**

The City shall preserve existing affordable housing units.

**Program 3.A**

The Housing Authority shall continue to subsidize affordable housing units it owns now and in the future using operating revenues.

**Responsible Agency:** Housing Authority

**Schedule:** Annually in the Housing Authority Budget

*Evaluation: The Housing Authority continues to own and operate 1,114 affordable housing units in 15 projects. The City intends to continue to operate these projects, and this program shall be continued in the 2022-2029 planning period.*

**Program 3.B**

The Housing Authority shall maintain the existing resale restrictions and other subsidies on 303 ownership units if permitted to do so by the Department of Finance.

**Responsible Agency:** Housing Authority

**Schedule:** Throughout the planning period, if permitted by the Department of Finance

*Evaluation: The Housing Authority maintains affordability covenants on a total of 301 owner-occupied properties, of which 31 properties were resold to a new qualifying household with affordability covenants. Some of the covenants will expire during the 2022-2029 planning period. The Housing Authority intends to maintain these covenants, and the program will be continued and amended to address expirations in the 2022-2029 planning period.*

**Program 3.C**

The Housing Authority owns approximately 1,000 existing rental housing units and will strive to maintain its ownership and/or long term affordability of these units by a third party.

**Responsible Agency:** Housing Authority

**Schedule:** Annually in the Housing Authority Budget

*Evaluation: The Housing authority continues to own and operate 1,114 units, and plans to maintain ownership. This program has been successfully implemented, and will be continued in the 2022-2029 planning period.*

### **Program 3.D**

The City shall coordinate between affordable housing developers and social service agencies when new projects are developed to encourage the integration of services such as child care, job training, vocational education, and similar programs into new affordable housing projects through direct contact with both parties. For on-site child care, the Agency shall consider allocation of the City's Childcare Mitigation Fee to new projects which provide the service.

**Responsible Agency:** Housing Authority, City Manager's Office, Community Development Department

**Schedule:** As projects are proposed

*Evaluation: The City continues to operate the Jean Benson Childcare Center within the Desert Rose project. In addition, the Hovley Gardens project provides after-school programs for school-aged children, and adult education, health and wellness, and skill building classes to residents. New projects proposed for development are encouraged to provide services to residents. As these projects are forthcoming, the level of programming has not been determined. The City will continue to encourage such programs in the 2022-2029 planning period.*

### **Policy 4**

The City shall continue to strive to meet the State-mandated special shelter needs of large families, female headed households, single parent families, senior citizens, and disabled individuals and families, and shall consider including units for such households in its projects.

*Evaluation: The City assists disabled residents at all its Housing Authority owned properties. Between 2014 and 2020, there were between 91 and 188 disabled residents in these properties, varying by year. In 2020 the City had the highest number of disabled residents during the planning period, providing housing to 188 disabled residents.*

*The City has approved a project for developmentally disabled persons adjacent to Desert Arc offices on Country Club Drive. In addition, the Housing Authority committed to leasing the land and funding a subsidy of up to \$250,000 to assure that 5 units were for persons employed within the City, and supported CTCAC and other funding efforts. The project, which includes 36 units of special needs housing and a community center building, remains entitled but has not secured funding. The City will continue to work with the project, and this program will be maintained in the 2022-2029 planning period.*

### **Program 4.A**

The City shall continue to enforce the provisions of the Federal Fair Housing Act. The City shall continue its referral program to the Fair Housing Council of Riverside County, and shall maintain information at City Hall and affordable housing complexes.

**Responsible Agency:** City and Housing Authority

**Schedule:** Brochures and flyers available at Housing Authority properties, Library, and apartment managers' offices

*Evaluation: The City provides fair housing information at all its properties, and continues to fund programs operated by the Fair Housing Council of Riverside County. During the 2014-2022 planning period, the City used CDBG funds to provide the Council \$239,000 to eliminate discrimination in housing throughout the County.*

**Program 4.B**

The City shall work with the Senior Center and other appropriate agencies in the housing of disabled residents.

**Responsible Agency:** Senior Center

**Schedule:** Annually through staff training program

*The Housing Authority maintains 380 of its 1,114 units, or 34%, for senior households. In addition, the City has preserved 37 non-City owned units' affordability for seniors in assisted living communities. In 2015, the City entered into an amended agreement with the developers of the Legend Gardens community, requiring that 10 of its assisted living one-bedroom units be restricted to low income seniors.*

**Program 4.C**

The City shall meet with non-profit developers and other stakeholders annually to establish and implement a strategy to continue to provide housing affordable to extremely low-income households. The City shall also consider applying for State and federal funding specifically targeted for the development of housing affordable to extremely low-income households, such as CDBG, HOME, Local Housing Trust Fund program and Proposition 1-C funds to the extent possible. The City shall continue to consider incentives, such as increased densities, modifications to development standards, priority processing and fee deferrals as part of the financing package for projects which include extremely low income units.

**Responsible Agency:** Housing Authority

**Schedule:** As projects are proposed

*The City and Housing Authority continuously seek opportunities for the development of affordable housing units, including regular contact with the development community. During the planning period, Habitat for Humanity developed 2 homes for very low income households, which were all completed and are now occupied. This has included developing a self-help housing program for 14 units with the Coachella Valley Housing Coalition, and marketing City properties to developers. This effort has led to an agreement with Pacific West Companies for the development of 270 affordable housing units, the entitlement of 36 units dedicated to special needs housing adjacent to Desert ARC, and the commitment of loan funds for the substantial rehabilitation of Hovley Gardens, a 162 unit family project. The City is currently also working with Hovley Gardens to refinance the property to extend affordability for the project for an additional 55 years. This will be completed during the upcoming planning period. This program has been successful, and will be maintained in the 2022-2029 planning period.*

**Policy 5**

The City shall strive to provide shelter for the homeless and persons with disabilities.

**Program 5.A**

The City shall continue to work with CVAG on a regional solution for homelessness, including the Multi-Service Center in North Palm Springs, and the beds and services it will provide. (See discussion on page 28 regarding CVAG's program)

**Responsible Agency:** City Manager's Office, City Council

**Schedule:** Annually in the General Fund Budget

*Evaluation: The City funded multiple efforts to reduce homelessness. The City participated and funded \$100,000 annually for regional homelessness assistance through CVAG, both for the Center in North Palm Springs, and continuing with additional services after the Center closed. In addition, the City funded two full-time positions with the Riverside University Health System to provide assistance to Palm Desert homeless residents. This program will be modified to reflect current homeless prevention efforts for the 2022-2029 planning period.*

#### **Program 5.B**

The City will continue to coordinate with the Inland Regional Center, Desert Arc and other appropriate agencies and organizations that serve the developmentally and physically disabled population. The City will continue to encourage developers to reserve a portion of affordable housing projects for the disabled, including those with developmental disabilities. The City will support funding applications for such projects, and will consider fee waivers and reductions when these projects are proposed. Housing Authority properties are one of the vehicles available to encourage rental to developmentally disabled individuals.

**Responsible Agency:** Planning Department, City Council

**Schedule:** As projects are proposed

*The City approved a project for developmentally disabled individuals adjacent to Desert Arc offices on Country Club Drive. In addition, the Housing Authority committed to leasing the land and funding a subsidy of up to \$250,000 to assure that 5 units were for persons employed within the City, and supported CTCAC and other funding efforts. The project, which includes 36 units of special needs housing and a community center building, remains entitled but has not secured funding.*

*The City assists disabled residents at all its Housing Authority owned properties. Between 2014 and 2020, there were between 91 and 188 disabled residents in these properties, varying by year. The 2020 census is the highest of the planning period, providing housing to 188 disabled residents.*

*Furthermore, the City provided Desert Arc \$77,750 in Community Development Block Grant (CDBG-CV) funds to sustain operations during the coronavirus pandemic and implement activities related to a multi-phased re-opening plan.*

*This program has been successful and will continue to be implemented.*

#### **Program 5.C**

The City shall encourage local organizations, such as the Coachella Valley Rescue Mission, Martha's Village and Catholic Charities, to apply to the City for the award of CDBG funds for homeless services.

**Responsible Agency:** City Manager's Office

**Schedule:** Annually with CDBG funding cycle

*Evaluation: During the 2014-2021 planning period, the City used CDBG funds to contribute toward energy improvements and food supplies at Martha's Village and Kitchen totaling \$312,752; at the Coachella Valley Rescue Mission, \$52,770 was allocated from CDBG funds for*

*equipment replacements, food supplies and shelter services; and Catholic Charities was allocated \$5,151 for food and supplies. In total, the City allocated \$370,673 toward direct assistance to homeless individuals. This program was successful and will be continued in the 2022-2029 planning period.*

*In addition, the City provided Martha's Village an additional \$40,000 in CDBG-CV funds to provide operational costs for a 15-bed expansion for homeless individuals during the coronavirus pandemic. Likewise, the City provided the Coachella Valley Rescue Mission with an additional \$40,000 in CDBG-CV funds to sustain operations during the coronavirus pandemic.*

## **Policy 6**

The City shall continue to utilize restrictions, applicant screenings, and other appropriate mechanisms established as conditions of approval in order to preserve affordable for sale housing units for the long term.

### **Program 6.A**

The City shall keep in regular contact with the Riverside County Housing Authority to ensure that Section 8 housing assistance within the City is actively pursued. At least 30 households should be assisted every year.

**Responsible Agency:** City

**Schedule:** Annually with annual compliance plan review

*Evaluation: The Housing Authority annually houses an average of 40 households under the Section 8 program at its properties. This program has been successful, and shall be carried forward to the 2022-2029 planning period.*

### **Program 6.B**

The City shall continue to work with affordable housing organizations to preserve the affordability of the Regent Palm Desert, Shadow Hills Estates and Cantera Phase I, which will be at risk of losing their affordability restrictions during the planning period. The City will coordinate with private development and management companies to promote the preservation of these units; and may cooperate through state and federal program funding for third party ownership, and other means to assure the long term affordability of the project.

**Responsible Agency:** City

**Schedule:** Annually as the projects' affordability restrictions are at risk

*Evaluation: The City made multiple efforts to preserve the affordability of units at the Regent, Shadow Hills and Cantera. All of the owners, however, declined to maintain affordability restrictions, and the units reverted to market rates. This program will be adjusted to reflect units at risk during the 2022-2029 planning period.*

## **Policy 8**

The City Council shall consider, as an additional incentive, the reduction, subsidizing or deferring of development fees to facilitate the development of affordable housing.

*Evaluation: The City implemented this policy through the implementation of State density bonus law and the adoption of the Housing Overlay District. In addition, both the Sands project and the Arc Village project were granted fee waivers in exchange for affordability covenants during the planning period. This program has been successful, and will continue to be implemented, based on funding availability.*

### **Policy 9**

The City shall continue to address the needs of the senior population in development of housing.

#### **Program 9.A**

The City shall maintain the Senior Housing Overlay District and the Second Unit Housing standards in the Zoning Ordinance.

**Responsible Agency:** Community Development Department

**Schedule:** Annually review with state General Plan report

*Evaluation: The City adopted the Housing Overlay District in 2020. This District allows for the waiver of fees and the reduction of development standards for projects committing to affordable housing units. In addition, the City approved a total of 162 accessory dwelling units during the planning period. Although these units are not restricted by covenant, they provide for an affordable housing option on existing single family home lots. The City will continue to implement both programs in the 2022-2029 planning period.*

#### **Program 9.B**

The City shall continue to encourage the development of assisted living facilities for seniors.

**Responsible Agency:** Community Development Department

**Schedule:** As projects are proposed

*Evaluation: The City preserved existing affordability covenants at an assisted living facility, and increased the availability of affordable units at the Legend Gardens facility to 10. This program was successful, and will be maintained in the 2022-2029 planning period.*

### **Policy 10**

The City shall implement the State's density bonus law.

*Evaluation: There were no projects constructed during the planning period with density bonus units, but the Sands project received 78 very low income household density bonus units and concessions, and the forthcoming Pacific West Companies project will increase its unit count from 200 to 270 for very low, low and moderate income households through density bonus provisions. The City will continue to implement density bonus law consistent with law in the 2022-2029 planning period.*

### **Policy 11**

Promote the jobs/housing balance through the development of housing with convenient access to commercial land uses, schools, available public transport and employment centers.

*Evaluation: The City continues to consider the placement of housing in proximity to jobs, and to encourage the housing of Palm Desert employees in projects. This was directly accomplished through a subsidy agreement at the Arc Village project, which provides for 5 units for Palm Desert*

*employed households, and through the University Village Specific Plan, which places higher density residential lands in close proximity to job centers in the Portola/Gerald Ford/Cook/Fred Waring area. This policy continues to be a priority for the City, and will be carried forward into the 2022-2029 planning period.*

**Policy 12**

Encourage energy conservation through the implementation of new technologies, passive solar site planning and enforcement of building codes. Please also see the Energy and Mineral Resources Element.

**Program 12.A**

The City shall maintain an Energy Conservation Ordinance which mandates conservation in new construction beyond the requirements of the California Building Code.

**Responsible Agency:** Planning Department

**Schedule:** Annual review with state General Plan report

**Program 12.B**

The City shall encourage Green Building techniques, recycling in demolition, and the use of recycled, repurposed and reused materials in all new affordable housing projects to the greatest extent possible.

**Responsible Agency:** Planning Department, Building Department, Public Works Department

**Schedule:** As projects are proposed

*Evaluation: The Housing Authority has implemented energy conservation at multiple projects, including the Carlos Ortega Villas, which was constructed as a net-zero project, and with replacements of HVAC and water heating systems with high-efficiency systems at Housing Authority projects. In addition, solar installations were undertaken within the Desert Rose project. This policy continues to be important to the City, and will be carried forward to the 2022-2029 planning period.*

## DEMOGRAPHIC INFORMATION

This section provides the demographic background for the residents of Palm Desert. The information is primarily based on 2010 U. S. Census and 2018 American Community Survey (ACS) data. Where more current data is available, it has been included in addition to the Census and ACS information.

### Regional Population

The City of Palm Desert is located in the Coachella Valley in eastern Riverside County. Riverside County grew from 1,545,387 in 2000 to 2,189,641 in 2010. By 2018, the American Community Survey estimated that the County population had grown to 2,383,286, which represents an 8-year increase of 8.8%. The California Department of Finance (DOF) estimated that, in January 2020, Riverside County had a population of 2,442,304, an increase of 11.5% over the 2010 population.

**Table III-1**  
**Population Trends – Neighboring Jurisdictions**

Jurisdiction	2010	2018	Change (2010-2018)	
			Number	Percent
Desert Hot Springs	25,938	28,430	2,492	9.6%
Palm Springs	44,552	47,525	2,973	6.7%
Cathedral City	51,200	54,037	2,837	5.5%
Rancho Mirage	17,218	18,075	857	5.0%
<b>Palm Desert</b>	<b>48,445</b>	<b>52,124</b>	<b>3,679</b>	<b>7.6%</b>
Indian Wells	4,958	5,317	359	7.2%
La Quinta	37,467	40,704	3,237	8.6%
Coachella	40,704	44,849	4,145	10.2%
Indio	76,036	91,235	15,199	20.0%
Riverside County	2,189,641	2,383,286	193,645	8.8%

Source: 2010 U.S. Census; American Community Survey 2014-2018 5-Year Estimates.

### City Population

Palm Desert has also experienced a rapid rate of growth. In 1990, the Census reported a population of 23,252 in the City. From 1990-2000, the City's population grew to 41,155, an increase of 77% in ten years. By 2010, the Census reported a City population of 48,445, an increase of 17.3% in ten years. The California Department of Finance estimated that the City's population on January 1, 2020 was 52,986, an average annual increase of under 1%. Between 2010 and 2018, the City's growth rate (7.6%) ranked in the middle compared to other Coachella Valley cities and was less than the County's growth rate (8.8%).



**Table III-2**  
**Population Trends – Palm Desert**

<b>Year</b>	<b>Population</b>	<b>Numerical Change</b>	<b>Percent Change</b>	<b>Average Annual Growth Rate</b>
2000	41,155	--	--	--
2010	48,445	7,290	17.7%	1.8%
2020	52,986	4,541	9.4%	0.9%

Source: 2000 and 2010 U.S. Census; Table E-1, Population Estimates for Cities, Counties, and the State, California Department of Finance, January 1, 2020.

The Southern California Association of Governments (SCAG) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) projects a City population of 64,100 by 2045.

#### Age

The Coachella Valley historically has attracted older adults and retirees, and Palm Desert is no exception. The City’s median age rose from 48.0 in 2000 to 53.0 in 2010 and decreased slightly to 52.6 in 2018. With the continuing aging of America, it is expected that the median age may keep rising or stabilize.

**Table III-3** illustrates age characteristics for Palm Desert population in 2010 and 2018.

From 2010 to 2018, children and youth groups (ages 0–19) decreased by 0.7% to 16.6%, young and middle-age adults (20 to 54 years) increased by 0.5% to 35.7%, and all age groups over 55 years increased by 0.2% to 47.7%. The data suggest that housing demand is currently highest for seniors and young and middle-age adults. If the aging trend continues, there may be a growing demand for senior housing and programs that promote “aging in place”; however, this trend is likely to occur slowly, and the demand for such products will need to be evaluated over time. The Palm Desert Housing Authority operates 7 affordable apartment complexes that are restricted to seniors, the newest of which is the 72-unit Carlos Ortega Villas built in 2015 (see “Affordable Housing Developments” section). During the 2022-2029 planning period, particular focus will be on expanding housing opportunities for families and first-time buyers.

**Table III-3  
Age Distribution, 2010 and 2018**

Age	2010		2018	
	Number	% of Total	Number	% of Total
Under 5	2,021	4.2%	2,032	3.9%
5-9	1,960	4.0%	2,044	3.9%
10-14	2,105	4.3%	2,256	4.3%
15-19	2,345	4.8%	2,331	4.5%
20-24	2,436	5.0%	2,727	5.2%
25-34	4,344	9.0%	5,430	10.4%
35-44	4,387	9.1%	4,847	9.3%
45-54	5,872	12.1%	5,605	10.8%
55-59	3,235	6.7%	3,384	6.5%
60-64	3,817	7.9%	3,886	7.5%
65-74	7,640	15.8%	8,976	17.2%
75-84	5,914	12.2%	5,940	11.4%
85+	2,369	4.9%	2,666	5.1%
<b>Total</b>	<b>48,445</b>	<b>100.0%</b>	<b>52,124</b>	<b>100.0%</b>
Median age	53.0		52.6	

Source: 2010 U.S. Census Tables P12 and P13; American Community Survey 2014-2018 5-Year Estimates, Table DP05

### Race and Ethnicity

**Table III-4** describes the racial and ethnic distribution for Palm Desert in 2010 and 2018. Residents who categorize themselves as white comprise the largest race/ethnicity; this group remained constant at 82.5%. The second most prevalent race/ethnicity changed from “some other race” to Asian. The “some other race” category decreased from 9.1% to 5.0%. The Asian group increased from 3.4% to 5.1%, and the percentage of Black/African Americans increased from 1.8% to 2.5%. The share of American Indians and Alaska Natives, and Native Hawaiians and Other Pacific Islanders, remained largely constant, comprising approximately 0.6% combined during both years. The percentage of residents in the “Two or More Races” category increased from 2.5% to 4.4%. The percentage of Hispanic or Latino residents increased from 22.8% to 25.5%.

**Table III-4  
Racial and Ethnic Characteristics, 2010 and 2018**

<b>Race/Ethnicity</b>	<b>2010</b>		<b>2018</b>	
	<b>Number</b>	<b>% of Total</b>	<b>Number</b>	<b>% of Total</b>
One Race:				
White	39,957	82.5%	42,993	82.5%
Black or African American	875	1.8%	1,323	2.5%
American Indian & Alaska Native	249	0.5%	196	0.4%
Asian	1,647	3.4%	2,651	5.1%
Native Hawaiian/Other Pac. Islander	55	0.1%	91	0.2%
Some Other Race	4,427	9.1%	2,593	5.0%
Two or More Races	1,235	2.5%	2,277	4.4%
<b>Total</b>	<b>48,445</b>	<b>100%</b>	<b>52,124</b>	<b>100%</b>
Hispanic or Latino (of any race)	11,038	22.8%	13,299	25.5%

Source: 2010 U.S. Census, Table P3; American Community Survey 2014-2018 5-Year Estimates, Table DP05

#### Households

The City had a total of 23,117 households in 2010. The average household size was 2.09 persons per household based on the 2010 Census. Between 2010 and 2018, the number of households increased 4.3% to 24,114, and the average household size in 2018 was 2.15 persons according to the ACS. In 2018, 44.9% of households consisted of married couple families, followed by non-family households (43.3%), female householder families (7.6%), and male householder families (4.3%).

**Table III-5  
Household Growth Trends**

<b>Year</b>	<b>Number of Households</b>	<b>Numerical Change</b>	<b>Percent Change</b>
2010	23,117	---	---
2018	24,114	997	4.3%

Source: 2010 U.S. Census, Table P28; American Community Survey 2014-2018 5-Year Estimates, Table DP02

**Table III-6  
Household Types**

<b>Household Type</b>	<b>No. of HH</b>	<b>% of Total</b>
Family households:	13,679	56.7%
Married couple family	10,821	44.9%
Male householder, no wife present	1,030	4.3%
Female householder, no husband present	1,828	7.6%
Non-family households	10,435	43.3%
<b>Total Households</b>	<b>24,114</b>	<b>100%</b>

Source: American Community Survey 2014-2018 5-Year Estimates, Table DP02

### Income

Income can vary significantly by region, industry, and type of job. **Table III-7** describes average income per worker by industry in the Coachella Valley. As shown, the highest-paying sectors are Finance/Insurance/Real Estate, Government, and Information, with incomes averaging around \$50,000 to \$60,000. The lowest-paying sectors include Retail Trade, Other Services, and Leisure and Hospitality, with incomes averaging around \$31,000.

**Table III-7  
Average Income by Industry, Coachella Valley**

<b>Industry</b>	<b>Average Income per Worker, 2017</b>
Agriculture	\$29,571
Construction	\$45,488
Manufacturing	\$46,340
Retail Trade	\$32,281
Information	\$50,493
Finance, Insurance, Real Estate	\$59,726
Professional and Business Services	\$43,736
Education and Health Services	\$48,322
Leisure and Hospitality	\$31,513
Government	\$58,711
Other Services	\$31,836
Logistics	\$45,114

Source: 2019 Greater Palm Springs Economic Report, Coachella Valley  
Economic Partnership, Figure 29

Median household income in the City in 2000 was \$48,316; it rose to \$50,267 by 2010. In 2018, median household income had risen to \$57,578, less than the County median income, which stood at \$66,964. The following table identifies the number of Palm Desert households in each income range.

**Table III-8**  
**City Household Income Distribution, 2018**

<b>Income</b>	<b>No. of HH</b>	<b>% of Total</b>
Less than \$10,000	1,787	7.4%
\$10,000-\$14,999	1,187	4.9%
\$15,000-\$24,999	2,252	9.3%
\$25,000-\$34,999	2,477	10.3%
\$35,000-\$49,999	3,004	12.5%
\$50,000-\$74,999	4,341	18.0%
\$75,000-\$99,999	2,547	10.6%
\$100,000-\$149,999	2,809	11.6%
\$150,000-\$199,999	1,721	7.1%
\$200,000 +	1,989	8.2%
<b>Total</b>	<b>24,005</b>	<b>100%*</b>

Source: American Community Survey 2014-2018 5-Year  
Estimates, Table DP03.

\*Differences due to rounding.

The ACS estimated that 9.3% of all families in Palm Desert were living below the poverty level in 2018.

#### Employment and Major Employers

Like much of the Coachella Valley, a substantial portion of the City's economy is rooted in the regional tourism and service industries. The following table describes employment distribution in Palm Desert in 2018. The ACS data show that, of a total civilian workforce of 21,933 residents over 16 years, the largest employment sectors were "arts, entertainment, recreation, accommodation & food services" (20.1%) and "educational services, health care & social assistance" (18.8%).

**Table III-9  
City Employment by Industry, 2018**

<b>Industry</b>	<b>No. of Employees</b>	<b>% of Total</b>
Agriculture/Forestry/Fishing/Hunting/Mining	147	0.7%
Construction	1,473	6.7%
Manufacturing	789	3.6%
Wholesale Trade	492	2.2%
Retail Trade	3,066	14.0%
Transportation, warehousing & utilities	585	2.7%
Information	438	2.0%
Finance, insurance, real estate, rental & leasing	1,616	7.4%
Professional, scientific, management, admin. & waste management	2,702	12.3%
Educational services, health care & social assistance	4,133	18.8%
Arts, entertainment, recreation, accommodation & food services	4,404	20.1%
Other services (except public administration)	1,482	6.8%
Public Administration	606	2.8%
<b>Total Employment by Industry (Civilian 16 years and over)</b>	<b>21,933</b>	<b>100%</b>
Source: American Community Survey 2014-2018 5-Year Estimates, Table S2405		

As shown in **Table III-10**, more than one-third (36.1%) of the City’s civilian employed labor force is in “management, business, science, and arts” occupations, followed by “sales and office” occupations (27.6%) and “service” occupations (24.6%).

**Table III-10  
City Employment by Occupation, 2018**

<b>Occupation</b>	<b>No. of Employees</b>	<b>% of Total</b>
Management, business, science, and arts occupations	7,926	36.1%
Service occupations	5,404	24.6%
Sales and office occupations	6,048	27.6%
Natural resources, construction, and maintenance occupations	1,316	6.0%
Production, transportation, and material moving occupations	1,239	5.6%
<b>Total civilian employed population 16 years and over</b>	<b>21,933</b>	<b>100%*</b>
Source: American Community Survey 2014-2018 5-Year Estimates, Table DP03		
*Differences due to rounding.		

As shown in **Table III-11**, the City’s principal employers include security services providers, golf clubs and resorts, and big chain retailers. Typical jobs at these facilities include store clerks and managers, salesmen, security guards, and hospitality and food service providers.

**Table III-11  
Principal Employers in Palm Desert, 2019**

<b>Employer</b>	<b>No. of Employees</b>	<b>% of Total City Employment</b>
JW Marriot-Desert Springs Resort & DS Villas	2,304	9.8%
Universal Protection Services	1,500	6.4%
Securitas-Security Service USA	700	3.0%
Organization of Legal Pro's	501	2.1%
Sunshine Landscape	500	2.1%
Costco Wholesale	250	1.1%
Bighorn Golf Club	250	1.1%
Whole Foods Market	150	0.6%
Target	145	0.6%
Tommy Bahama	125	0.5%
<b>Total</b>	<b>6,425</b>	<b>27%*</b>

Source: 2019 Comprehensive Annual Financial Report, City of Palm Desert.

\*Differences due to rounding.

The Great Recession, with onset in late 2007, saw high unemployment and job losses in the Coachella Valley. At the trough, about every seventh person lost their job.<sup>1</sup> Regional employment started to increase in 2011, but annual growth was still slower than pre-Recession levels until 2017, suggesting more severe impacts than western Riverside County, the state, and the nation. The construction sector was hit hardest regionally, with approximately 70% of jobs lost and only 14% recovered by December 2017.<sup>2</sup> The Retail Trade and Wholesale Trade sector lost around 6,700 jobs but has generally returned to pre-Recession levels. Two sectors have fully recovered and even added jobs: Education and Health Services and, to a lesser extent, Leisure and Hospitality.

Between 2010 and 2019, annual unemployment rates in Palm Desert declined from a high of 10.1% in 2010 to a low of 4.2% in 2019.<sup>3</sup> However, analysis of employment data from 2005 to 2017 shows that, as of December 2017, Palm Desert had not recovered the job losses it incurred during the Great Recession. The City lost about 20% of jobs, relative to peak employment, and had recovered only about 1.8%.<sup>4</sup> This scenario is similar for seven other Coachella Valley cities; only Palm Springs and Rancho Mirage had recovered and exceeded their previous peaks.

**Table III-12** describes the employment locations of Palm Desert residents. As shown, 39.6% of City residents work in the City, which shows a relatively large portion of residents are employed within City limits. The remaining work locations are spread out in other Valley cities, the top two being Rancho Mirage (16.4%) and Palm Springs (12.6%). An estimated 11,824 residents of other cities work in Palm Desert, which is the highest number of employment inflows of all cities in the Coachella Valley. The City's retail and service sectors, in particular, attract and can support younger workers in entry level positions.

<sup>1</sup> 2019 Greater Palm Springs Economic Report, Coachella Valley Economic Partnership, Figure 24.

<sup>2</sup> Ibid, Figures 25 and 26.

<sup>3</sup> California Employment Development Department annual average unemployment rates (labor force), not seasonally adjusted, not preliminary.

<sup>4</sup> 2019 Greater Palm Springs Economic Report, Coachella Valley Economic Partnership, Figure 28.

**Table III-12  
Commuting Patterns**

<b>Where Palm Desert Residents Work</b>	<b>No. of Palm Desert Residents</b>	<b>% of Total</b>
Indio	737	7.8%
Cathedral City	436	4.6%
Palm Desert	3,749	39.6%
Palm Springs	1,193	12.6%
Coachella	238	2.5%
La Quinta	892	9.4%
Desert Hot Springs	93	1.0%
Rancho Mirage	1,555	16.4%
Indian Wells	572	6.0%
Total:	9,465	100.0%
<b>Inflow of Workers from Other Cities to Palm Desert:</b>		
	<b>11,824</b>	<b>----</b>
Source: 2019 Greater Palm Springs Economic Report, Coachella Valley Economic Partnership, Table 6. Based on 2015 data.		

## EXISTING HOUSING STOCK

### Housing Units

The City's housing stock includes an estimated 39,800 dwelling units, the majority of which (39.6%) are single-family detached units. Other housing types include single-family attached units (18.8%), multi-family complexes with 2-4 units (14.2%) and 5 or more units (19.5%), mobile homes (7.8%), and boat/RV/van/etc. (0.1%).

The total number of units increased by 2,932 (8.0%) between 2010 and 2018. Specifically, the number of single-family detached units increased by 1,183, single-family attached units decreased by 3,274, multi-family 2-4 units increased by 2,722 and 5+ units increased by 2,847, mobile homes decreased by 547, and boat/RV/van/etc. increased by one (1).

**Table III-13  
City Housing Characteristics**

<b>Units in Structure</b>	<b>2010</b>		<b>2018</b>	
	<b>No. of Units</b>	<b>% of Total</b>	<b>No. of Units</b>	<b>% of Total</b>
Single Family, detached	14,584	39.6%	15,767	39.6%
Single Family, attached	10,761	29.2%	7,487	18.8%
2-4 Units, Multi-family	2,927	7.9%	5,649	14.2%
5+ Units, Multi-family	4,912	13.3%	7,759	19.5%
Mobile homes	3,650	9.9%	3,103	7.8%
Boat, RV, van, etc.	34	0.1%	35	0.1%
<b>Total</b>	<b>36,868</b>	<b>100.0%</b>	<b>39,800</b>	<b>100%</b>

Source: 2010 U.S. Census and American Community Survey 2014-2018 5-Year Estimates, Table DP04



### Residential Building Permit Activity

The following table describes residential building permit activity during the 2014-2021 planning period. Permits were issued for a total of 1,447 units. Single-family units accounted for 43% of all permits and had an average value of \$513,498 per unit. Multi-family 2-4 units accounted for 13% and had an average value of \$279,940 per unit. Multi-family 5+ units accounted for 44% and had an average value of \$208,200 per unit.

**Table III-14  
Residential Building Permits, 2014-2020**

Year	Single-Family		Multi-Family 2-4 Units		Multi-Family 5+ Units	
	No. of Units	Average Value/Unit	No. of Units	Average Value/Unit	No. of Units	Average Value/Unit
2014	200	\$443,069	11	\$197,473	96 <sup>1</sup>	\$95,429
2015	95	\$471,452	14	\$233,533	27	\$277,778
2016	75	\$596,227	14	\$213,890	207 <sup>2</sup>	\$159,783
2017	72	\$476,216	52	\$207,230	10	\$320,000
2018	57	\$443,851	66	\$219,697	0	---
2019	74	\$542,709	24	\$137,755	304	\$188,011
2020	47	\$620,963	2	\$750,000	0	---
<b>Total:</b>	620	\$513,498	183	\$279,940	644	\$208,200

<sup>1</sup> Includes 72 units at Carlos Ortega Villas

<sup>2</sup> Includes 175 assisted living units

In addition to the permits listed above, 162 permits were issued for Accessory Dwelling Units (ADUs) between 2014 and 2020 (see “General Plan and Zoning Ordinance Constraints” for more information about ADUs).

### Age and Condition of Housing Stock

The age of the City’s housing stock can be a key indicator of potential rehabilitation, repair, or demolition needs. The ACS estimated a total of 39,800 housing units in Palm Desert in 2018. Of these, 25,312 (63.6%) were built before 1990 and are, therefore, more than 30 years old, while 6,348 (15.9%) were less than 20 years old. Depending on construction quality and maintenance history, older homes may have issues including inadequate or unsafe mechanical systems and appliances, foundation or roof problems, inefficient windows, the presence of asbestos or lead, and lack of fire and earthquake safety features. The Home Improvement Program (HIP) assists very low, low and moderate income households with home repairs, including emergency repairs, depending on funding availability. The City will establish a policy for the 2022-2029 planning period to explore the possibility of establishing a rehabilitation program and funding options.

**Table III-15  
Age of Housing Units**

<b>Year Built</b>	<b>No. of Units</b>	<b>% of Total</b>
2014 or later	457	1.1%
2010-2013	755	1.9%
2000-2009	5,136	12.9%
1990-1999	8,140	20.5%
1980-1989	12,658	31.8%
1970-1979	8,121	20.4%
1960-1969	3,114	7.8%
1950-1959	1,137	2.9%
1940-1949	157	0.4%
1939 or earlier	125	0.3%
<b>Total</b>	<b>39,800</b>	<b>100%</b>

Source: American Community Survey 2014-2018  
5-Year Estimates, Table DP04

Another measure of potentially substandard housing is the number of housing units lacking adequate kitchen and plumbing facilities. In Palm Desert, there are 198 units (0.8% of all units) lacking complete kitchens and 67 units (0.3% of all units) lacking plumbing facilities. More rental units have deficiencies than homeowner units. These homes could potentially benefit from repair and rehabilitation programs, such as the HIP program described above.

**Table III-16  
Housing Units Lacking Facilities**

<b>Tenure</b>	<b>Lacking complete kitchen facilities</b>		<b>Lacking plumbing facilities</b>		<b>Total Units in City</b>
	<b>No. of Units</b>	<b>% of Total</b>	<b>No. of Units</b>	<b>% of Total</b>	
Owner-Occupied Units	18	0.1%	10	0.1%	14,842
Renter-Occupied Units	180	1.9%	57	0.6%	9,272
<b>Total</b>	<b>198</b>	<b>0.8%</b>	<b>67</b>	<b>0.3%</b>	<b>24,114</b>

Source: 2014-2018 American Community Survey 5-Year Estimates, Tables B25053 and B25049

To further evaluate housing conditions in Palm Desert, the Code Compliance Division queried its records for residential property code violations, such as structural deficiencies, general deterioration, dilapidation, and faulty plumbing or electrical systems. As of February 2021, there were only 5 active cases of dwelling units with building code violations, all of which were associated with unpermitted construction activity. None of the cases cited structural deficiencies in need of replacement or rehabilitation.

The Palm Desert Housing Authority offers a Housing Improvement Program (HIP) to assist homeowners and apartment complex owners with emergency home maintenance and repair costs (see Existing Affordable Housing Programs, below).

#### Vacancy Status and Housing Tenure

The vacancy rate is a measure of the general availability of housing. It also indicates how well the types of units available meet the current housing market demand. A low vacancy rate suggests that fewer housing units are available for those needing housing and can result in corresponding higher housing demand and housing values/costs; a high vacancy rate may indicate either excess housing supply or decreased property values.

The 2018 ACS showed a total of 15,686 of the City's total 39,800 housing units to be vacant, for an overall vacancy rate of 39.4%. Correcting for seasonal, recreational or occasional use units, which are considered vacant by the ACS but are not available or used for permanent occupancy, the vacancy rate decreased to 8.1% in 2018.

Of the 24,114 (60.6%) occupied housing units in the City, about 37.3% are owner-occupied, and 23.3% are renter-occupied. The homeowner vacancy rate is 6.0%, and the rental vacancy rate is 10.7%, which may indicate some excess supply in the rental market.

**Table III-17  
Vacancy Status – 2018**

<b>Unit Type</b>	<b>No. of Units</b>	<b>% of All Units</b>
<b>Occupied Units:</b>		
Owner-occupied	14,842	37.3%
Renter-occupied	9,272	23.3%
Total Occupied Units:	24,114	60.6%
<b>Vacant Units:</b>		
For rent	1,123	2.8%
Rented, not occupied	85	0.2%
For sale only	959	2.4%
Sold, not occupied	143	0.4%
For seasonal, recreational, or occasional Use	12,443	31.3%
For migrant workers	0	0.0%
Other vacant	933	2.3%
Total Vacant Units:	15,686	39.4%
<b>Total Units</b>	<b>39,800</b>	<b>100%</b>
<b>Vacancy Rate:</b>		
Homeowner vacancy rate	-	6.0%
Rental vacancy rate	-	10.7%
Source: American Community Survey 2014-2018 5-Year Estimates, Tables DP04 and B25004		

### Overcrowding

The California Department of Housing and Community Development (HCD) establishes a standard of 1.01 persons per room as the criteria for defining “overcrowded” housing conditions. Overcrowding can indicate an imbalance between housing affordability and income and typically affects renters more than homeowners. **Table III-18** shows that a total of 959 housing units in Palm Desert were overcrowded in 2018, representing 4.0% of the total occupied housing units in the City. Of all overcrowded units, 77.3% were renter-occupied units and 22.7% were owner-occupied units.

Severely overcrowded units have more than 1.5 persons per room and are a subset of overcrowded units. They account for 1.7% of all occupied housing units in the City. About 43.5% of all overcrowded units in the City are severely overcrowded.

**Table III-18  
Overcrowding, 2018**

<b>Persons/Room</b>	<b>Owner-Occupied Units</b>	<b>Renter-Occupied Units</b>	<b>Total</b>	<b>% of Total</b>
1.00 or less	14,624	8,531	23,155	96.0%
1.01 to 1.50	127	415	542	2.2%
1.51 to 2.00	48	186	234	1.0%
2.01 or more	43	140	183	0.8%
<b>Total Overcrowded</b>	<b>218</b>	<b>741</b>	<b>959</b>	<b>4.0%</b>
<b>% Overcrowded by Tenure</b>	<b>22.7%</b>	<b>77.3%</b>	<b>-</b>	<b>-</b>
<b>Total Severely Overcrowded</b>	<b>91</b>	<b>326</b>	<b>417</b>	<b>1.7%*</b>
<b>% Severely Overcrowded by Tenure</b>	<b>21.8%</b>	<b>78.2%</b>	<b>-</b>	<b>-</b>

Source: American Community Survey 2014-2018 5-Year Estimates, Table B25014

\*Difference due to rounding.

As shown, the number of overcrowded units in Palm Desert is relatively low. Units with 3 or more bedrooms help accommodate larger households. Affordable housing developments with 3 or 4 bedrooms include ownership units at Desert Rose, Habitat for Humanity and CVHC units and Falcon Crest; and rental units at Hovley Gardens and the Enclave. Other affordable housing options that can alleviate overcrowding are ADUs, JADUs, and guest houses, all of which are permitted by the Zoning Code. The City has seen a steady number of ADUs in the last planning period (see **Table III-14**, Residential Building Permits), and a program to track their progress in included to determine whether they will become an effective means of accommodating lower income household need. No ADU sites are included in the City’s Land Inventory for purposes of meeting the RHNA allocation for the 2022-2029 planning period.

### Housing Values

The following table compares median housing values in Coachella Valley cities from 2013 to 2018. Palm Desert’s median housing value was \$308,000 in 2013, which was lower than Rancho Mirage, Indian Wells, and La Quinta, but higher than the other cities. Its median value increased nearly 9% over the 5-year period, which was the lowest percent increase in the region (other than the decrease of Rancho Mirage median value). Its median housing value currently ranks in the middle of Coachella Valley cities.

**Table III-19**  
**Regional Median Housing Value Trends, 2013 - 2018**

<b>Jurisdiction</b>	<b>Median Value, owner-occupied units</b>		<b>% Change 2013-2018</b>
	<b>2013</b>	<b>2018</b>	
Desert Hot Springs	\$121,600	\$174,900	43.8%
Palm Springs	\$267,800	\$367,900	37.4%
Cathedral City	\$179,500	\$259,900	44.8%
Rancho Mirage	\$518,000	\$499,900	-3.5%
<b>Palm Desert</b>	<b>\$308,000</b>	<b>\$335,400</b>	<b>9.0%</b>
Indian Wells	\$604,600	\$706,800	16.9%
La Quinta	\$348,400	\$386,200	10.8%
Indio	\$192,600	\$267,900	39.1%
Coachella	\$137,600	\$207,300	50.7%

Source: American Community Survey 2009-2013 and 2014-2018 5-Year Estimates, Table B25077

The number of owner-occupied housing units, by value range, are listed in **Table III-20**. Most units (35.3%) are within the \$300,000 to \$499,999 range.

**Table III-20**  
**Values, Specified Owner-Occupied  
Housing Units, 2018**

<b>Value</b>	<b>Number</b>
Less than \$50,000	704
\$50,000 to 99,999	444
\$100,000 to 149,999	509
\$150,000 to 199,999	994
\$200,000 to 299,999	3,687
\$300,000 to 499,999	5,241
\$500,000 to 999,999	2,651
\$1,000,000 or more	612

Source: American Community Survey 2014-2018 5-Year Estimates, Table DP04

The median housing unit value in 2018 was estimated at \$335,400. For renters, the median contract rent in 2018 was \$1,260. Current housing values and rental rates are further discussed below in the section titled “Economic Constraints.”

## **EXISTING AFFORDABLE HOUSING PROGRAMS**

There are a number of local, regional, state, and federal programs available in Palm Desert which provide a variety of housing services to the City's residents. This section of the Housing Element provides a summary of programs available by a number of agencies.

### **City Programs**

The Palm Desert Housing Division oversees the City's affordable housing programs and the Palm Desert Housing Authority (PDHA). The PDHA owns affordable housing communities and provides rental and ownership assistance to City residents.

#### Owners' Assistance Program

Owners of single-family homes, condominiums, mobile homes or apartments who rent to very low, low, and moderate income tenants to the extent funding is available, may receive direct rental payment assistance from the City. The owner must, in exchange for the assistance, enter into a recorded agreement with the City assuring affordability of the rental units for 55 years.

#### Acquisition, Rehabilitation and Resale

This program allows the City to purchase existing market rate single family units, rehabilitate and refurbish them, and re-sell them to lower income households with affordability covenants. Funding in past cycles has been through the former RDA that made 2 units available in 2000 and 2001, as well as the City's Neighborhood Stabilization Program, where two units were acquired and rehabilitated in 2013. Since that time, lack of funding has prevented additional rehabilitation. The City will continue to explore funding options.

#### Mortgage Credit Certificate Program

The City has committed to participating in the Mortgage Credit Certificate Program, which is operated by Riverside County Economic Development Agency. The MCC Program allows qualified home buyers to reduce the amount of their federal income tax liability by an amount equal to a portion of the interest paid during the year on a home mortgage. The MCC is in effect for the life of the loan as long as the home remains the borrower's principal residence. No certificate were issued for homes purchased during the 2014-2021 planning cycle. Source funds for this program come from the CDLAC agency, which established standards for this program and other provisions.

#### Homebuyers Assistance Program

The City and Palm Desert Housing Authority have provided assistance to very low, low, and moderate income persons in the form of low interest loans to be applied to down payment, non-recurring closing costs, reduction of the interest rate on the first trust deed, or any other cost associated with the purchase of a single-family home. There are currently 301 homes in this program. In exchange for the assistance, the home owner is required to enter into a recorded agreement with the City assuring affordability of the home for up to 45 years.

### Self-Help Housing

The City assists very low, low and moderate income households in constructing and purchasing their own homes on existing lots within the City. In May 2020, the City awarded a DDA for 14 vacant lots to the Coachella Valley Housing Coalition for future development of single-family self-help homes along Merle Drive. It is expected that these self-help units will be for three very low income and eleven low income households, and that they will be built during the 2022-2029 planning cycle.

### Home Improvement Program

The City assists very low, low and moderate income households with home repairs by providing grants and low interest loans to program participants from Community Development Block Grant (CBDG) funds. The program has eight (8) components, but only the Emergency Grant Component is currently funded.

- The Emergency Grant Component allows up to \$7,500 for very low and \$5,000 for low income households for emergency health and safety repairs to their homes, such as roof repairs, water heater replacement, ADA improvements, etc.). Four (4) households received Emergency grants during the 2014-2021 planning period.
- The Rehabilitation Grant Component will grant up to \$20,000 for home improvements to very low income households.
- The Matching Fund Grant Component will match up to \$5,000 in home improvements with a homeowner who contributes the same amount or more to the improvements. This grant is available to very low and low income households.
- The Rehabilitation Loan Component allows up to \$35,000 for active loans and \$45,000 for a deferred loan for home improvements to low and moderate income households, respectively.
- The Drought Tolerant Landscape Retrofit Loan Component allows up to \$7,500 in improvements that intend to reduce the consumption of a natural resource for very low, low and moderate income households.
- The Make a Difference Volunteer Assistance Component organizes community involvement through volunteers for very low, low and moderate income households.
- The Acquisition, Rehabilitation, Resale Component allows the City to acquire properties available on the market for the purpose of rehabilitation and resale to a qualified household.
- The Lead and Asbestos Abatement Component will grant \$7,500 to remove lead and asbestos from the homes of very low and low income households.

### Fair Housing

The California Fair Employment and Housing Act generally prohibits housing discrimination with respect to race, color, religion, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, familial status, source of income, disability, genetic information, or veteran or military status. AB 686 requires the City to certify that it will affirmatively further fair housing by taking meaningful actions to overcome patterns of segregation and foster inclusive communities.

The City prepared an Assessment of Fair Housing (AFH) in 2017 in association with its receipt of federal Community Development Block Grant (CDBG) funds. The AFH was based on data analysis, community participation, and input from public health, social service, and housing organizations. The AFH included analysis to identify trends and patterns over time and also compare the City to the regional level (including Riverside and San Bernardino Counties). Findings included the following:

- There are no Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) in Palm Desert. No R/ECAPs were located in Palm Desert since 1990. In the Region, R/ECAPs are located within the cities of Victorville, San Bernardino, Riverside, Moreno Valley and Indio as well as the unincorporated areas of the Counties of Riverside and San Bernardino.
- The City has a low segregation level for each racial/ethnic group, compared to a moderate level of segregation for the bi-county region. While there was an increase in the City's segregation level since 1990, it has remained in the low level category and the City became more balanced between 2000 and 2010.
- Hispanics represent the largest minority population group residing in Palm Desert, though at a lower percentage compared to the region. The City has two majority minority neighborhoods: census tracts 451.08 (56.8%) and 451.18 (56.4%). Almost one-half of the population in census tract 451.08 is Hispanic, and census tract 451.18 is majority Hispanic.
- Special populations including female householders, people with limited English-speaking proficiency, residents with disabilities, and families with children are not segregated in particular neighborhoods.
- Although substandard housing and overcrowding do not adversely impact a large number of households in Palm Desert, cost burden and severe cost are serious problems. The most significant cost burden disparity is between Black households (33.33%) and all other households.
- The City is in a generally similar but slightly better situation compared to the region on housing problems. For example, a much lower percentage (9.18%) of the City's family households with fewer than five persons experience severe housing cost burden compared to the Region's (18.78%), and no Native American households in the City had severe housing cost burdens while 19.53% of the Region's households did.
- A comparison to cost burden and severe cost burden based on 2010-2014 data in the AFH to 2013-2017 data (Table III-43) shows that the percentage of cost burdened households dropped significantly for both renters and owners.
- Two population groups have an ownership rate of more than 50%: White/Non-Hispanics at 72%, and Asian/Non-Hispanics at 61%. Only about one-third of Hispanics and Other households are home owners.
- Between Fiscal Years 2007/08 and 2015/16, a total of 152 housing discrimination complaints were filed by Palm Desert residents at the Fair Housing Council of Riverside County (FHCRC). The majority (59.9%) were on the basis of disability, followed by 14.5% on the basis of race and 6.6% on the basis of familial status (other categories each represented 5.3% or less of the total).
- The analysis of access to opportunity involved education, employment, transportation, poverty and environmental health, and found no significant disparities in terms of race/ethnicity or between different neighborhoods/census tracts. Affordable housing is located in seven census tracts/neighborhoods and is not concentrated geographically. Thus, the residents of affordable housing share the same access to opportunity as the occupants



of market rate housing. The Citywide trend of access to opportunity is considered stable or even improved over time, based on the fixed service providers and growth in the City and Coachella Valley area.

- In general, the City residents enjoy better access to opportunity compared to the regional level, including more proficient schools, a low poverty rate, higher proximity to jobs, higher labor force participation, better transit access and lower transportation costs, and better environmental health.
- Evidence provided by the HUD tables and maps reveal there are no disparities in access to environmentally healthy neighborhoods. When compared with the Region, the City residents scored much higher. The City ranged from 53.59 for Whites to 62.28 for Asians. This is a much narrower range than the Region and demonstrates there are no significant differences in labor market access experienced by the different racial and ethnic populations living in Palm Desert.

Based on its analysis and findings, the 2017 AFH identified five goals to further housing equity in Palm Desert: 1) preservation of affordability of housing units that could convert to market rate housing, 2) increasing the number of affordable units for families with children and people with disabilities, 3) increasing awareness among residents of housing discrimination and how to file complaints with the Fair Housing Council of Riverside County (FHCRC), 4) evaluating available housing sites in terms of how they meet the siting selection policies of affordable housing funding programs, and 5) increasing the supply of housing for households with disabilities or other special needs. These and other goals pertaining to housing equity are incorporated into the Goals, Policies, and Programs section. Affordable housing units are geographically distributed throughout the community to avoid clustering of economic, racial, and other populations. The City continues to coordinate with and refer interested and concerned parties to the FHCRC, whose responsibilities are described further below.

### **County, State, and Federal Programs**

There are numerous programs available to provide rental assistance and to encourage the construction of new affordable housing. The following programs are available in the City of Palm Desert:

#### Housing Choice Voucher (Section 8) Assistance

The Riverside County Housing Authority administers the Housing Choice Voucher (HUD Section 8) rental assistance program to lower income renters within the City. During the 2014-2021 planning period, an average of 41 households per year that lived in Palm Desert Housing Authority properties received Section 8 housing assistance.

#### Fair Housing Council of Riverside County

The City works with the Fair Housing Council of Riverside County (FHCRC) to provide anti-discrimination services, landlord-tenant mediation, fair housing training and technical assistance, enforcement of housing rights, administrative hearings, home buyer workshops, lead-based paint programs, and other housing related services for City residents.

#### CalHFA First Mortgage Loan Programs

The California Housing Finance Agency (CalHFA) offers a variety of loan programs for low and moderate income first-time homebuyers who secure a CalHFA 30-year fixed mortgage.

#### CalFHA Downpayment Assistance Program

Moderate income households may receive a deferred loan of up to the lesser of 3.5% of the purchase price or appraised value of a home, to be applied to the down payment and/or the closing costs for the residence, with a cap of \$10,000.

#### HomeChoice Program

This State program provides disabled low and moderate income households with a low-interest 30-year mortgage for a first-time homebuyer.

#### California Low-Income Housing Tax Credit Program

This competitive State program provides tax credits to private sector developers who provide affordable rental units within their projects. The units can consist of all or part of a project and must meet certain specified criteria. Units must be restricted for a period of at least 55 years.

### **AFFORDABLE HOUSING DEVELOPMENTS**

The Palm Desert Housing Authority owns and operates approximately 1,114 rental housing units, and private developers own and operate approximately 319 rental units. An additional 227 units are anticipated. Additionally, the Housing Authority has assisted first-time lower income homebuyers in purchasing 301 ownership properties. Each development is described below.

#### **Palm Desert Housing Authority Owned and Assisted Rental Properties**

The Housing Authority owns eight (8) multi-family apartment complexes and seven (7) senior apartment complexes that provide affordable housing for lower income residents. Each of these complexes is described below. Combined, there are a total of approximately 1,114 affordable rental units that are Housing Authority owned and assisted. The number and mix of units and households fluctuates based on occupancy and turnover. The following breakdown is based on occupied units in January, 2021.

##### Family Apartments:

- *One Quail Place* provides 384 units, including 156 one-bedroom and 228 two-bedroom apartments, available to lower income ranges. There are 220 very low, 113 low, and 39 moderate income households currently living in the complex.
- *Desert Pointe* is a 64-unit complex with 34 studio, 24 one-bedroom, and 6 two-bedroom units which currently house 38 very low-income households, 15 low-income households, and 8 moderate income household.
- *Neighbors Garden Apartments* has a total of 24 two-bedroom units, 15 of which are rented by very low-income households, 6 of which are low-income tenants, and 2 are rented to moderate income tenants.

- *Taos Palms* provides 16 two-bedroom units to 10 very low, 4 low income households and 2 moderate income tenants.
- *California Villas* is a 141-unit project which provides one-bedroom units to 90 very low, 35 low and 10 moderate income households.
- *Laguna Palms* provides 48 units which include 4 studios, 18 one-bedroom, and 26 two-bedroom units to 30 very low income, 10 low income, and 6 moderate income tenants.
- *Palm Village Apartments* provides 36 two-bedroom apartments. The property includes 20 very low income, 13 low income, and 2 moderate income tenants.
- *Santa Rosa Apartments* provides 20 two-bedroom units to 13 very low income, 6 low income, and 1 moderate income tenants.

Senior Apartments:

- *The Pueblos* includes 15 one-bedroom units for 12 very low and 3 low income senior households.
- *Catalina Gardens* provides 72 units, including 48 studio units and 24 one-bedroom apartments to 66 very low, 4 low, and 2 moderate income senior households.
- *Las Serenas Apartments* has 150 units, including 100 one-bedroom and 50 two-bedroom units rented to 118 very low-income, 23 low-income, and 8 moderate-income seniors.
- *Candlewood Apartments* provides a total of 30 units, including 26 one-bedroom units and 4 two-bedroom units to 22 very low, 5 low income and 3 moderate income senior households.
- *La Rocca Villas* includes 27 one-bedroom apartments and houses 21 very low income, 4 low income and 2 moderate income residents.
- *Carlos Ortega Villas* provides a total of 72 units, including 64 one-bedroom and 8 two-bedroom units, for 47 very low income, 22 low income, and 2 moderate income residents.

**Palm Desert Housing Authority and City Assisted Ownership Projects**

The Palm Desert Housing Authority and City provide financial assistance to eligible first-time homebuyers with down payment monies needed to secure financing toward the purchase of a new home in the Authority's housing developments.

- *Desert Rose*, a 161-unit single-family project, was developed in 1994. The three and four-bedroom units are restricted for a period of up to 45 years to purchasers in the very low, low, and moderate-income categories. Facilities within the project include community recreation and daycare.

- *Falcon Crest* provides 93 three and four-bedroom single-family homes for 13 low and 80 moderate income households. The project was completed in 2007 and 2008 and includes resale restrictions for a 45-year time period.

### **Privately Developed and Assisted Ownership Projects**

The City and Palm Desert Housing Authority have provided various incentives to developers that dedicate units as affordable and carry affordability restrictions.

- *The Rebecca Road and San Marino Homes* were part of the Acquisition Rehabilitation Resale program. Three (3) single-family homes were rehabilitated and resold with resale restrictions for low and moderate income households.
- *Coachella Valley Housing Coalition (CVHC)* constructed a total of 11 self-help homes restricted to very low and low income households, that purchased the homes through low interest loans and sweat-equity programs.
- *Habitat for Humanity* constructed 11 single-family homes, which are restricted to very low-income households that were purchased through low interest loans and sweat-equity programs.
- *Building Horizons* homes were built as part of a vocational high school program, and provide 2 single-family homes for low-income households, with 30-year resale restrictions.
- *Portola Palms Mobile Home Park* includes 23 mobile homes, 16 of which are very low income, and 7 of which are low income. The project includes resale restrictions for 30 years.
- The *Neighborhood Stabilization Program (NSP)* was used to assist homeowners in the purchase of two (2) single-family properties.

### **Privately Developed Rental Properties**

The City has provided various incentives to developers that dedicate units as affordable and carry affordability restrictions.

#### Family Properties:

- *Hovley Gardens Apartments* is a private project which received Agency assistance and tax credits, and constructed 162 two, three and four-bedroom rental units available to very low and low income households.
- *The Vineyards*, which consists of a total of 260 units, includes 52 one and two-bedroom units reserved for very low, low and moderate income households. The units were created through the City's density bonus program and the Agency has an option to purchase affordability of an additional 52 units in the future.

- *The Enclave*, which consists of a total of 320 units, includes 64 one, two, and three bedroom units reserved for very low, low and moderate income households. The units were created through the City's density bonus program.
- *The Carel family* has 1 two-bedroom apartment available to lower income residents.
- *L&T Development Company on Catalina Way* includes 4 one-bedroom units for residents with low incomes.

Senior Properties:

- *Atria Palm Desert*, an assisted living facility, includes 5 one-bedroom apartments for residents with very low incomes.
- *Bernard on Catalina Way* includes 4 studio apartments restricted to low and moderate income residents.
- *Legend Gardens* is an assisted living facility that includes 10 one-bedroom apartments for residents with very low and low income levels.
- *River Run One* includes 2 studio apartments for residents with very low and low incomes.
- *Villas on the Green*, which consists of a total of 76 units, includes 15 studio, one, and two-bedroom units for persons over 55 years of age in the very low, low and moderate income categories. The units were created through the City's density bonus program.

**Affordable Housing Units Built During the 2014-2021 Planning Period**

- *Carlos Ortega Villas*, a Palm Desert Housing Authority rental property described above, was built in 2015. It includes 72 affordable senior units and incorporates a variety of energy efficient design concepts, including passive heating and cooling, solar panels to generate electricity, solar thermal panels for heating water, and water-efficient landscaping and plumbing fixtures, with the long-term goal of having net zero energy usage.
- The City secured an agreement with the *Legend Gardens* assisted living facility for 10 one-bedroom apartments for residents with very low and low income levels.

**CONSTRAINTS TO THE DEVELOPMENT OF HOUSING**

This section of the Housing Element analyzes the governmental, environmental, physical and economic constraints associated with the development of housing. These constraints can take many forms, but generally increase the cost of providing housing, which can have a potentially significant impact on affordable housing development.

## Governmental Constraints

### Permit Processing

Palm Desert has historically provided expeditious processing for planning entitlements. The City encourages the concurrent processing of applications and can complete the entitlement process on most projects in three to six months, depending on the approving body and the complexity of the application.

The City requires tract map review and approval for all single-family home tracts and a precise plan for multi-family projects, both of which can be processed concurrently with any other permit that might be required. For either, the review process is a simple analysis that assures that the project's design meets the requirements of the zone in which it occurs. Applications, when complete, are circulated to other City departments for comments. The project is then reviewed by the Architectural Review Commission (ARC) and approved by the Planning Commission. Public notice and mailings are made 10 days prior to a public hearing. The findings needed for approval of either a tract map or precise plan pertain to the project's consistency with State law; the General Plan and Zoning Ordinance; public health and safety; and the site's physical ability to accommodate the project. The average processing time for a typical application is 4 to 6 months, which is generally consistent with most Valley cities, and does not represent a constraint. Individual single-family homes do not require a public hearing and are approved by the Planning Department as part of the usual building plan checking process. Building permits are processed, generally in one to four months.

Development of residential projects under the City's recent General Plan update have been consisted with the densities allowed under the Land Use Map.

The City's processes are not a constraint to the provision of affordable housing.

### Application Fees

The City posts current fees and exactions that are applicable to proposed housing development projects on the City's website, consistent with Government Code §65940.1(a)(1)(A). **Table III-21**, below, illustrates typical permit fees for a hypothetical single-family subdivision and an apartment project. Each fee is described in detail in subsequent sections of the Housing Element. The table is not meant to be exhaustive, but provides a general representation of typical development fees. Total fees for a 32-unit subdivision are estimated at approximately \$19,041 per unit, 63% of which (\$11,908) are impact fees which are not controlled by the City. Total fees for a 32-unit apartment complex are estimated at \$7,498 per unit, 73% of which (\$5,487) are non-City fees.

**Table III-21  
Typical Permit Fees for Housing Developments in Palm Desert**

Fee Type	Typical Fees	
	32 Unit Subdivision <sup>1</sup>	32 Unit Apartment Project <sup>2</sup>
<b>City Fees:</b>		
Planning Department:		
Tentative Tract Map	\$3,308	n/a
Tentative Parcel Map	n/a	\$1,203
Environmental Assessment	\$276	\$276
Public Works Department <sup>3</sup> :		
Grading Plan Check	\$3,023	\$853
Subdivision Precise Grading Plan Check	\$3,500	n/a
SWPPP/NPDES Plan Check	\$176	\$176
PM10 Plan Check	\$78	\$78
Signing and Striping Plan Check	\$1,110	\$1,110
Traffic Signal Plan Check	\$1,480	\$1,480
Signalization Impact Fee	\$1,600	\$1,600
Drainage Impact Fee (location dependent)	\$1,500	\$1,500
WQMP Fee (deposit)	\$3,700	\$3,700
Building and Safety Department:		
Plan Check	\$46,080	\$8,512
Inspection	\$72,960	\$9,120
Permit Issuance	\$105	\$105
New Construction Fee	\$25,600	\$12,160
Fire Facilities Fee (location dependent)	\$22,688	\$5,824
Art in Public Places Fee	\$41,080	\$16,656
Subtotal, City Fees:	\$228,264	\$64,353
<b>Non-City Fees:</b>		
Strong Motion Implementation Program (SMIP) Fee	\$2,136	\$866
Multi-Species Habitat Conserv. Plan (MSHCP) Fee	\$43,872	\$8,128
Transportation Uniform Mitigation Fee (TUMF)	\$73,920	\$42,560
Desert Sands Unified School District (DSUSD) Fee	\$261,120	\$124,032
Subtotal, Non-City Fees:	\$381,048	\$175,586
<b>Total Cost:</b>	<b>\$609,312</b>	<b>\$239,939</b>
<b>Total Cost Per Unit:</b>	<b>\$19,041</b>	<b>\$7,498</b>

<sup>1</sup> Assumes a 10-acre subdivision (4 du/ac + 2 addl. acres), 32 single-family dwelling units. Each unit is 2,000 square feet and valued at \$513,498 (average value from Table III-14).

<sup>2</sup> Assumes a 2-acre parcel with 32-unit multi-family apartment complex. Each unit is 950 square feet and valued at \$208,200 (average value from Table III-14).

<sup>3</sup> Does not include Half Street and Full Street Improvement Plan Check or Storm Drain Plan Check which are based on project-specific linear feet.

**Table III-22**, below, identifies the City’s current (2021) Community Development/Planning fees for processing applications and permits. They have not increased since 2012 and are not considered a constraint to the development of affordable housing in the City.

**Table III-22**  
**Community Development/Planning Fee Schedule, 2021**

<b>Permit Type</b>	<b>Fee</b>
General Plan Amendment/Change of Zone	\$2,007
Architectural Review (single family)	\$226
Conditional Use Permit or Precise Plan	\$2,894
Environmental Assessment	\$276
Tentative Tract Map	\$3,308
Tentative Parcel Map	\$1,203
Source: “Community Development/Planning Fee Schedule,” Resolution 2012-37, City of Palm Desert, June 14, 2012.	

**General Plan and Zoning Ordinance Constraints**

The residential districts of the Land Use Element allow a broad range of densities for all types of development:

- Rural Neighborhood allows 0.05 to 1 units per acre
- Golf Course & Resort Neighborhood allows up to 8 units per acre
- Conventional Suburban Neighborhood allows 3 to 8 units per acre
- Small Town Neighborhood allows 3 to 10 units per acre
- Town Center Neighborhood allows 7 to 40 units per acre

The General Plan also allows residential uses in Commercial designations:

- Resort & Entertainment District allows up to 10 units per acre
- Regional Retail District allows 10 to 15 units per acre
- Suburban Retail Center allows 10 to 15 units per acre
- Neighborhood Center allows 10 to 15 units per acre
- City Center/Downtown allows 12 to 40 units per acre

The City’s Zoning designations parallel the General Plan and include:

- Hillside Planned Residential District (HPR) (maximum 0.2 du/ac)
- Estate Residential District (R-E) (0.5 to 1 du/ac)
- Single-Family/Mobile Home District (R-1-M) (4 to 7 du/ac)
- Single-Family District (R-1) (2 to 8 du/ac)
- Mixed Residential District (R-2) (3 to 10 du/ac)
- Multifamily Residential District (R-3) (7 to 40 du/ac)
- Planned Residential District (PR) (4 to 40 du/ac)



### *Density Bonus*

The Zoning Ordinance also includes density bonus provisions, incentives and concessions, housing overlays, and flexible development standards where applicable. Section 25.34.040 establishes eligibility criteria and general provisions for density bonuses. The number of additional dwelling units entitled depends on the number of very low, low, and moderate income units and senior units provided in the development, with a maximum increase of 35%. Additional concessions, such as reductions in development standards, may be approved, and special provisions are available for development of a childcare facility or donation of land to the City.

Effective January 1, 2021, AB 2345 amends the state's Bonus Density Law to increase the maximum density bonus from 35% to 50% for projects that provide at least: 1) 15% of total units for very low income households, 2) 24% of total units for low income households, or 3) 44% of total for-sale units for moderate income households. AB 2345 also decreases the threshold of set-aside low income units required to qualify for concessions or incentives, and decreases the number of parking spaces required for 2 and 3-bedroom units. Density bonus projects within ½ mile of a major transit stop may also qualify for reduced parking requirements. Program 9.A directs the City to amend the Zoning Ordinance to assure compliance with AB 2345.

### *Housing Overlays*

The Senior Housing Overlay (SO) allows flexibility in density and development standards to reflect the unique requirements of persons over the age of 55. In 2020, the City replaced the former Medium/High Density Housing Overlay District with the Housing Overlay District (HOD) to incentivize the development of new housing units at affordable rents. The HDO provides optional, flexible development standards, density bonuses, design criteria, and parking reductions for the development of a wide variety of housing products which provide a minimum of 20% of all units at income-restricted rents, or at least one unit for smaller residential projects. It also eliminates the public hearing requirements and waives City plan check/inspection fees and potentially other fees. The HDO was applied to all Housing Authority parcels and other appropriate parcels.

### *Residential Development Standards*

The development standards in the Zoning Ordinance are also not restrictive, as shown in **Table III-23**, below.

**Table III-23  
Residential Zoning District Development Standards**

Standard	Zoning District								
	R-E <sup>3</sup>	R-1 <sup>3</sup>			R-2	R-3	R-1-M <sup>1</sup>	HPR <sup>4</sup>	PR <sup>5</sup>
	≥1ac	≥15,000sf	≥10,000sf but ≤15,000sf	<10,000sf					
Units/Acre	1-2	2-3	3-4	5-8	3-10	7-40	7	1/5 ac	4-40
Lot Size, minimum	40,000 sf	15,000 sf	10,000 sf	8,000 sf	3,500 sf	3,000 sf	20 ac/ 5,000 sf	---	---
Lot Size, maximum	1 ac	No max	14,999 sf	9,999 sf	No max	No max	No max	---	---
Lot Width, minimum	150'	90'	90'	70'	50'	40'	500'	---	---
Lot Depth, minimum	200'	125'	100'	---	---	---	---	---	---
Lot Coverage, maximum	30%	35% <sup>2</sup>	35% <sup>2</sup>	35% <sup>2</sup>	60%	75%	---	10%	50%
Building Height, max	15' (18' ARC) <sup>7</sup>	15' (18' ARC) <sup>7</sup>	15' (18' ARC) <sup>7</sup>	15' (18' ARC) <sup>7</sup>	30'	40'	18'	---	40'
Group usable open space/du, minimum	---	---	---	---	---	300 sf	---	---	---

<sup>1-7</sup> Notes are provided in Zoning Ordinance Table 25.10-3.

ARC = Architectural Review Commission

Source: City of Palm Desert Zoning Ordinance, Table 25.10-3

The City's development standards allow for two story development in the R-1 district (lot size <10,000 sf), 2.5 stories in the R-2 district, and 3 stories in the R-3 and PR districts. Common area requirements in the R-3 and PR zones are also typical of desert cities and allow for clustering of units to allow for common area amenities. Even with imposition of the City's development standards, and assuming a unit size of 1,000 square feet, with two parking spaces per unit and 40% open space, densities in excess of 22 units per acre could be achieved. Therefore, the City's development standards are not a constraint on the development of housing.

#### *Accessory Dwelling Units*

The Zoning Ordinance was updated in 2020 to comply with new state legislation pertaining to Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs). An ADU is an attached or detached residential unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence; it also includes efficiency units and manufactured homes. A JADU is no greater than 500 square feet in size, contained entirely within an existing or proposed single-family structure, including its own sanitation facilities or shares them with the single-family structure, and includes an efficiency kitchen. ADUs and JADUs are permitted on any lot in a residential or mixed use zone, with the exception of the Hillside Planned Residential (HPR) zone, and are also permitted in the Public/Institutional zone. As shown in the following table, between 2014 and 2020, a total of 162 ADU building permits were issued (average of 23 ADUs per year).

**Table III-24**  
**ADU Building Permits, 2014-2020**

<b>Year</b>	<b>No. of Permits Issued</b>
2014	26
2015	19
2016	27
2017	26
2018	21
2019	19
2020	24
<b>Total:</b>	<b>162</b>

*Short-term Rental Ordinance*

Section 5.10.050 of the Municipal Code defines short-term rental (STR) units as privately-owned residential dwellings rented for dwelling, lodging, or sleeping purposes for a period of less than 27 consecutive days. STRs are allowed in the RE (Residential Estate), HPR (Hillside Planned Residential), R3 (Residential Multiple Family) except for apartment units, and PR (Planned Residential) only within a Homeowners Association that allows for STRs with written approval. Homeowners are required to obtain a STR permit and collect transient occupancy taxes (TOT) at a rate of 11% of the rent charged. STRs provide homeowners with opportunities to increase their incomes, which can offset their housing costs. STRs are often rented by vacationers rather than permanent residents, and the added TOT revenues are not considered a constraint to housing. Furthermore, because only units within planned communities are allowed to have STRs, and these communities contain only market rate units, the presence of STRs in Palm Desert does not constrain the development of affordable housing.

*Low Barrier Navigation Centers*

Assembly Bill (AB) 101 requires that Low Barrier Navigation Centers (LBNC) be a by-right use in areas zoned for mixed use and nonresidential zoning districts permitting multifamily uses. LBNCs provide temporary room and board with limited barriers to entry while case managers work to connect homeless individuals to income, public benefits, permanent housing, or other shelter. Program 5.D of this Housing Element directs the City to review and revise the Zoning Ordinance, as necessary, to ensure compliance with AB 101, and to modify the definition of “homeless shelter” to include this use.

*Zoning for Special Housing Types*

The Zoning Code also facilitates the development of other special housing types, as summarized in the table below. Reasonable accommodation measures for disabled residents are established in Zoning Code Section 25.64.050.

**Table III-25**  
**City of Palm Desert**  
**Zoning for Special Housing Types**

<b>Housing Type</b>	<b>Zoning Where Permitted</b>
Multi-family housing	R-2, R-3 permitted use PR conditional use OP, PC-1, PC-2, PC-3, PC-4, SI conditional use P conditional use
Factory-built, manufactured housing	R-1-M conditional use P conditional use
Mobile homes	R-1-M conditional use P conditional use
Manufactured home parks	R-1-M conditional use
Farmworker housing	P conditional use
Homeless shelter	SI permitted use
Emergency shelters	PC-1, SI permitted use
Transitional & supportive housing	RE, R-1, R-2, R-3, R-1M, HPR, PR permitted use
Single-room occupancy units	SI conditional use
Group home	RE, R-1, R-2, HPR, PR permitted use OP, PC-1, PC-4, SI conditional use P conditional use
Guest dwelling	RE, R-1, R-2, HPR, PR permitted use
Caretaker housing	SI permitted use
Assisted living	R-1, R-2, R-3, PR conditional use
ADUs and JADUs	RE, R-1, R-2, R-3, R-1M, PR, P permitted use

#### Infrastructure Requirements

Most of the City is served by General Plan roads, water, and sanitary sewer facilities. Individual development projects are required to connect to water and sewer facilities and improve roadways in and adjacent to the project. Adjacent roadways must be improved to their ultimate half width and include curb, gutter and sidewalk. Roadway standards for local or neighborhood streets that allow parking on both sides must have a paved width of 40 feet. The City will allow deviations to these standards, including the narrowing of streets if on-street parking is restricted.

Pursuant to SB 1087, the Coachella Valley Water District will be provided with the adopted Housing Element and required to establish specific procedures to grant priority service to affordable housing projects. As water and sewer services are installed in most neighborhoods in the City, the City's water and sewer provider, the Coachella Valley Water District (CVWD), will not be constrained in providing services in the City. CVWD has an approved Urban Water Management Plan (UWMP), which was developed based on the City's General Plan build out, which states that it has sufficient supplies available to meet the City's built out demands.

The District's Cook Street Water Reclamation Plant (WRP-10), which provides sanitary sewer treatment for the City, has a combined secondary capacity of 18 million gallons per day, and in 2021 processed an average daily flow of approximately 9 million gallons per day. The District,

therefore, has more than enough capacity to treat wastewater generated by the City in the future, including sufficient capacity to accommodate the regional housing need. As referenced in its 2015 UWMP, CVWD's long-range plans include adding treated and untreated Colorado River water to its urban water distribution system and using desalinated agricultural drain water for irrigation purposes. The City routinely consults and coordinates with CVWD to assure that services and facilities are adequate to meet the community's needs.

"Dry" utilities in the City include electricity, natural gas, telephone, cable, and solid waste collection and disposal. Southern California Edison (SCE) provides electricity to most of the City of Palm Desert. Imperial Irrigation District (IID) provides power to limited portions of the City, including most of the California State University/San Bernardino (CSSB) Coachella Valley Campus and the Avondale Country Club. Natural gas services and facilities are provided to most of the City by the Southern California Gas Company through regional high-pressure transmission lines and medium-pressure distribution lines. Development located west of the Palm Valley Stormwater Channel, parallel to Highway 74, is not connected to the natural gas system and uses propane gas as an alternative fuel source. Telecommunication services are provided to the City by Frontier Communications, Spectrum and other cell service providers. Solid waste collection and disposal is provided by Burrtec Waste & Recycling Services. The City coordinates with utility and service providers, as necessary, regarding the planning, designing, and siting of distribution and other facilities to assure the timely and environmentally sensitive expansion of facilities.

#### Public Works Fees

**Table III-26** depicts the City's Public Works Department engineering fees, including those associated with site preparation and infrastructure.

**Table III-26  
Public Works Engineering Fees**

Grading Plan Check (per plan)	\$853 1 <sup>st</sup> 3 acres \$310/acre ea. add. acre
Subdivision Precise Grading Plan Check	\$1,628 up to 8 lots; \$78/lot each add.
Hydrology Report Plan Check	\$352/acre
SWPPP/NPDES Plan Check	\$176
PM10 Plan	\$78
Half Street Improvement Plan Check	\$891/1000 LF
Full Street Improvement Plan Check	\$1,550/1000 LF
Storm Drain Plan Check	\$1,550/1000 LF
Signing and Striping Plan Check	\$1,110
Traffic Signal Plan Check	\$1,480
Faithful Performance Bonds	100% of Public Improvements + 25% of Grading Amount
Labor & Materials Bond	½ of Faithful Performance Amount
Signalization Impact Fee	\$50.00/residential unit
Drainage Impact Fee	\$1,000-\$4,000/ac. (based on location)
MSHCP Fee	0-8 units/acre: \$1,371 per unit 8.1-14 units/acre: \$571 per unit 14+ units/acre: \$254 per unit
WQMP Fee	\$3,700

Sources: "Public Works Engineering Fees," City of Palm Desert, June 27, 2017; MSHCP Local Development Mitigation Fee, Coachella Valley Conservation Commission, July 1, 2020.

Because individual projects vary greatly, it is not possible to determine an average cost per unit based on Public Works fees; however, the limited impact fees charged by the City make it one of the less costly in the Coachella Valley in which to develop. These fees are not a constraint on the development of affordable housing.

#### Building Code Requirements

As with most communities in California, the City has adopted the California Building Code (CBC) and updates the Code periodically as State-wide updates are developed. Currently (2021), the City is enforcing the provisions of the 2019 CBC. The City cannot adopt standards that are less stringent than the CBC. The only local amendments made by the City are administrative and relate to the timing of payment of fees. These amendments have no impact on the provision of affordable housing. Since all communities in the State enforce similar provisions, the City's CBC requirements are not an undue constraint on the development of affordable housing.

#### Building Permit Fees<sup>5</sup>

The Building Department charges on a per square foot basis for building permit plan checks and inspections. For single-family custom or tract homes less than 2,500 square feet, the combined architectural and structural charge is \$0.72 per square foot for plan check, and \$1.14 per square foot for inspection. Fees vary slightly for other single-family housing types and sizes. For multi-family residential units, the combined architectural and structural plan check fee is \$0.30 per square foot for projects less than 15,000 square feet, and \$0.28 per square foot for projects larger than 15,000 square feet. Inspection fees are \$0.36 per square foot for the smaller projects, and \$0.30 per square foot for the larger projects. A flat fee of \$105 is charged for permit issuance. In all cases, whether single family or multi-family, additional charges apply for plumbing and electrical inspections.

#### New Construction Tax

Per Ordinance No. 216, a new construction tax of \$0.40 per square foot is charged on all new and additional square footage added to the building under roof (i.e. additional square footage for single-family dwelling additions, converting garages, atriums or patio areas to living space and all commercial additions).

#### Low Income Housing Mitigation Fee

Per City Resolution 90-130, all commercial development is assessed mitigation fees which are directed toward low income housing. Fees are paid at the issuance of building permits, according to the following schedule.

**Table III-27**  
**Low Income Housing Mitigation Fee Schedule**

<b>Type of Development</b>	<b>Fee</b>
General Mixed Commercial	\$1.00 per sq. ft.
Professional Office	\$0.50 per sq. ft.
Industrial	\$0.33 sq. ft.
Resort Hotel (major amenities)	\$1,000 per room
Non-Resort Hotel (limited amenities)	\$620 per room

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<sup>5</sup> "Building and Safety Fee Schedule," Resolution 2012-37, City of Palm Desert, June 22, 2012.

#### Fire Facilities Impact Mitigation Fee

The Fire Facilities Impact Mitigation Fee, shown below, is charged in designated areas to supplement future fire protection needs.

**Table III-28**  
**Fire Facilities Impact Mitigation Fee Schedule**

Type of Development	Fee
Residential:	
Low Density	\$709/unit
Medium Density	\$306/unit
High Density	\$182/unit
Note: fee is charged only in designated areas	
Non-residential fees are not shown.	

#### Art in Public Places Fee

Per Ordinance No. 473, the City charges an Art in Public Places fee. The residential fee is 0.25 of 1% of valuation of the structure. Individual single-family dwelling units not in a development are exempt from the first \$100,000.

#### Other Development Fees

In addition to the City's fees, residential developers are responsible for the payment of the State mandated school fees. School fees in the Desert Sands Unified School District (DSUSD) are currently (2021) \$4.08 per square foot.

Development in the Coachella Valley is also required to pay Transportation Uniform Mitigation Fees (TUMF) to the Coachella Valley Association of Governments (CVAG) to offset impacts to regional roads and transportation improvements. The fee is \$2,310 per detached single-family unit, \$1,330 per multi-family/mobile home unit, and \$495 per nursing/congregate care unit. There is a 15% discount for transit-oriented development. Affordable housing is exempt from TUMF fees.

The City is within the boundaries of the Coachella Valley Multiple Species Habitat Conservation Plan (CV MSHCP). As such, new development projects are required to pay local development mitigation fees for the acquisition and management of habitat lands. Fees are listed in Table III-26.

The City's Strong Motion Instrumentation Program (SMIP) fee is charged on new development. For residential development, the fee is 0.00013 of total valuation. Collected SMIP fees are passed through to the State Department of Conservation.

Developers also must pay connection and/or metering fees for public utilities. These fees vary somewhat from one provider to the next, but since many of the utility companies in the Coachella Valley serve all the cities, the fees are consistent throughout the area.

Code compliance for structural deficiencies or maintenance problems is processed as follows. A phone call and/or a site visit is made to inspect the reported problem and discuss correction of deficiencies with the owner. In most instances, this is sufficient to cause the violation to be

corrected by the property owner. If the violation is not corrected, a notice is sent to the owner, giving the owner 20 days to correct the violation. The City has the ability to directly abate a violation if the owner is unwilling or cannot be located. All costs associated with abatement are billed to the property owner. If the owner is unwilling to pay, a lien is placed on the property. These procedures are typical of those employed by most cities in California and do not place an undue constraint on the development or maintenance of housing.

#### Efforts to Remove Governmental Constraints

No governmental constraints have been identified that have a significant adverse impact on housing development in Palm Desert. The City's permitting process and infrastructure requirements are comparable to those of other Coachella Valley cities. Although some application fees have increased somewhat since the last planning period, they remain among the lowest in the region. General Plan and zoning land use designations allow for all types of development and a broad range of densities. Zoning Code Section 25.34.040 allows the City to grant density bonuses, offer incentives and concessions, and waive or reduce development standards for affordable housing projects that can result in identifiable cost reductions to the developer. The City's housing policies and programs have been reviewed and revised, as necessary, to assure that governmental constraints are minimized. Policy 7 of this Housing Element allows the City Council to waive fees for affordable housing projects on a case-by-case basis.

#### **Economic Constraints**

Economic constraints are those associated with the cost of land and construction, and the ability to finance any housing, ranging from single-family homes to larger apartment or condominium projects. The cost of land varies somewhat from city to city in the Coachella Valley, but the cost of construction and the ability of homes and projects to be financed is regional in nature.

#### Land and Housing Costs

The cost of land has the potential to impact the overall cost of housing. A survey of vacant residential lots in Palm Desert found that single-family properties range from approximately \$156,000 to \$1,400,000 per acre, with an average of \$804,453 per acre.<sup>6</sup> Multi-family properties average \$391,598 per acre.

As shown in **Table III-19**, according to ACS data, the median cost of existing homes in Palm Desert increased 9.0% between 2013 and 2018, from \$308,000 to \$335,400. According to a recent regional economic study, the median price in 2020 (3<sup>rd</sup> quarter) was \$484,324 for existing homes and \$621,938 for new homes.<sup>7</sup>

The American Community Survey determined that the median rental rate in the City in 2018 was \$1,260. In order to update this information to current (2021) conditions, representative rental rates for non-subsidized apartments were collected and are provided in **Table III-29**, below. As shown, rents can range from \$1,675 to \$2,490 for a 3-bedroom unit. Additional analysis shows rents can range from \$3,000 to \$7,500 and higher for a 4+-bedroom unit.<sup>8</sup>

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<sup>6</sup> LandWatch.com, accessed January 28, 2021.

<sup>7</sup> "Inland Empire Quarterly Economic Report," Year 32, Economics & Politics, Inc. October 2020.

<sup>8</sup> Rent.com, accessed September 3, 2020.



**Table III-29**  
**Median Gross Rent by Bedrooms**

<b>No. of Bedrooms</b>	<b>Median Gross Rent*</b>
No bedroom	\$729
1 bedroom	\$974
2 bedrooms	\$1,307
3 bedrooms	\$1,691
4 bedrooms	\$2,082
5+ bedrooms	Not provided
Median Gross Rent:	\$1,260

\* estimated, renter-occupied housing units paying cash rent  
Source: American Community Survey 2014-2018 5-Year Estimates, Table B25031

**Table III-30**  
**Representative Apartment Market Rental Rates in Palm Desert, 2021**

<b>Project Name</b>	<b>Unit Size</b>	<b>Market Rental Rate</b>
The Regent	1 & 2 Bdrm	\$1,395-\$1,685
Desert Fountains	Studio, 1 & 2 Bdrm	\$915-\$1,230
Desert Oasis	Studio, 1, 2 & 3 Bdrm	\$1,195-\$1,675
The Enclave	1, 2 & 3 Bdrm	\$1,660-\$2,400
The Vineyards	1, 2 & 3 Bdrm	\$1,490-\$2,490
Royal Palms	2 Bdrm	\$1,695

#### Construction Costs

Construction costs vary widely depending on location, project site, bedroom count, finishes, fixtures, amenities, building type, and wage and hiring requirements. Other determining factors include terrain and soil conditions, environmental factors, and availability of infrastructure. In the Coachella Valley, construction costs for single-family dwelling units generally range from \$235 to over \$275 per square foot (excluding site improvements), varying based on the location, size, materials, fixtures, and finishes selected.<sup>9</sup> Vertical multi-family construction costs generally range from \$125 to \$145 per square foot.<sup>10</sup> A 2021 survey of regional affordable housing developers determined that the average construction cost for affordable housing in the valley is approximately \$317,074 per unit/door.

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<sup>9</sup> Gretchen Gutierrez, CEO, Desert Valleys Building Association, March 2021.

<sup>10</sup> Chris Killian, Senior Vice President of Construction, National Core, March 2021. Based on a typical 50-75 unit project with 2 and 3 story garden style walkup buildings (Type V-Wood).

### Financing Costs

The cost of financing can also impact the development community's ability to fund projects. Mortgage interest rates are currently near historic lows but fluctuate over time. Affordable housing typically relies on a mix of public and private financing sources, including tax credits, subsidies, grants, bond funds, and other funding sources, some of which are subject to rules and restrictions.

### **Physical Constraints**

#### Age of Housing Stock

As shown in **Table III-15**, 25,312 housing units in the City are over 30 years old, representing 63.6% of the housing stock. Maintenance in the City is not a significant issue; however, and the Palm Desert Housing Authority has programs in place to assist lower income households with home repairs and improvements.

#### Condition of Housing Stock

As shown in **Table III-16**, of 24,114 occupied housing units in Palm Desert, 67 (0.3%) lacked complete plumbing facilities, and 198 (0.8%) lacked complete kitchen facilities. Depending on overall conditions, these units could be considered substandard.

The Palm Desert Housing Authority manages the Housing Improvement Program (HIP), which is funded through CDBG. Currently, the emergency grant component is the only component that is funded. It assists homeowners with emergency health and safety repairs to their homes, such as roof repairs, water heater replacement, and ADA improvements. Four (4) households received emergency grants during the 2014-2021 planning period.

### **Environmental Constraints**

The City is identified as Zones III and IV in the Uniform Building Code (UBC) for seismic activity. The UBC imposes certain standards for construction in these zones, which may add to the overall costs of housing. These standards, however, are necessary for the public health and safety, and are common throughout the Coachella Valley and California. None of the proposed sites occur on lands designated as Alquist-Priolo Earthquake Fault Zones by the State. There are no active faults on any of the sites proposed for development of affordable housing units in the City. The standards required to protect the City's residents from seismic hazards are not considered a constraint to the provision of housing. There are no other environmental constraints to the development of housing.

### **Energy Conservation**

In addition to the requirements of Title 24 of the Building Code, the City has enacted additional energy efficiency requirements, water conserving landscaping requirements, and has a number of energy conservation programs for residents. Although the cost of installation of energy efficient, "green" or similar products in a home or apartment may increase the initial cost, affordable housing providers in the Coachella Valley have indicated that the cost differential was becoming smaller as technologies improved; and that the long-term benefit to the home owners or renters was worth the added initial expense. These developers implement energy conserving construction to the greatest extent possible in their projects. Carlos Ortega Villas, an affordable senior housing project built in 2015, includes passive heating and cooling, solar panels for generating electricity, solar thermal panels for heating water, and water-efficient plumbing fixtures and landscape materials, with the long-term goal of having net zero energy usage.

## **SPECIAL HOUSING NEEDS**

This section of the Housing Element quantifies households with special housing needs, such as farmworkers, the homeless, and seniors living in the City. These households can have housing needs which may be more difficult to address, and which require special attention.

### **Farm Workers**

Farm workers are employed in agricultural industries, including livestock, crops, and nursery products, and typically perform manual and/or hand tool labor-plant, cultivate, harvest, or pack field crops. The industry is supported by both year-round and seasonal workers who typically earn low wages, have difficulty obtaining safe and affordable housing, and have limited access-other services, such as education, transportation, and health care. Seasonal or migrant workers who travel from their permanent homes-work during harvest periods may live in rooming houses, finished garages, trailers, or other temporary shelters.

Citrus, melon, vegetable, and nursery stock production is a key component of the Coachella Valley economy. However, agriculture is focused on the east end of the Coachella Valley, approximately 10 miles or more to the southeast. Farm worker households generally fall into low and very low income categories. Low income groups often need housing near work; for farmworkers, housing is most needed in rural, agricultural areas rather than urban areas. In the Coachella Valley, the principal housing options for migrant and local seasonal farm workers are family-owned homes, private rental houses, second units, apartments, and mobile homes. Palm Desert's continued urbanization has eliminated commercial farming in the City, and no agricultural lands are designated in its General Plan. In 2018, there were 147 persons employed in "agriculture, forestry, fishing and hunting, and mining" in the City, which constitutes only 0.7% of the City's civilian employed population 16 years and over, and likely consists of mining employees at local sand and gravel operations located in unincorporated County lands and the cities of Palm Springs and Indio. Demand for housing specifically targeted for farm workers has not been identified. Nevertheless, as with other special needs, farmworker households can benefit from rental subsidies provided by City and City incentives for developers to maintain affordable units that are available to all segments of the population.

### **Homeless**

Homeless persons are those in need of temporary or emergency shelter and include a diverse population of individuals, including seniors, veterans, substance abusers, immigrants, physically or mentally disabled, and families with children. Homeless individuals may live in vehicles, encampments, abandoned buildings, outdoors, or homeless or transitional shelters.

The Homeless Point-In-Time (PIT) Count is a federally mandated annual count of homeless individuals used to evaluate the extent of homelessness. The data provide a snapshot of homelessness on a particular date and time. The 2019 PIT Count for Riverside County determined there were 23 unsheltered homeless individuals in Palm Desert.<sup>11</sup> Consistent with the HUD

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<sup>11</sup> 2019 Riverside County Homeless Point-In-Time Count and Survey Report, County of Riverside Department of Public Social Services, page 60.

definition, the unsheltered PIT Count enumerates homeless individuals and families who are “living in a place not designed or ordinarily used as a regular sleeping accommodation for humans” (i.e., abandoned buildings, cars, parks, under bridges, bus stops, etc.). This estimate represents 0.04% of the City’s total 2019 population of 52,911 people.<sup>12</sup> The actual number of homeless may be higher given that many individuals, particularly women and children, remain hidden for safety or stay in locations where they cannot be seen. It represents a 46.5% decrease over the 2018 PIT Count for Palm Desert (43 individuals). The reduction may be due, in part, to undercounts in earlier years and/or changes in counting and surveying methods, such as increased coverage by more volunteers, that were implemented in 2019.

**Table III-31  
Palm Desert Unsheltered Homeless Characteristics, 2019**

	Number	% of Total
<b>Race</b>		
American Indian	2	9%
Black	1	4%
White	18	78%
Multiple Races	1	4%
Unknown Race	1	4%
<b>Ethnicity</b>		
Hispanic	3	13%
Non-Hispanic	16	70%
Unknown Ethnicity	4	17%
<b>Gender</b>		
Male	15	65%
Female	8	35%
<b>Age</b>		
Adults (>24 yrs)	20	87%
Youth (18-24 yrs)	1	4%
Unknown Age	2	9%

**TOTAL HOMELESS INDIVIDUALS = 23**

Source: 2019 Riverside County Homeless Point-In-Time Count and Survey Report, County of Riverside Department of Public Social Services, page 60.

As shown in **Table III-31**, the majority of homeless people in Palm Desert are white (78%), non-Hispanic (70%), male (65%), and adults over 24 years (87%). The following table describes homeless subpopulations in Palm Desert. Of the 15 individuals interviewed, 35% were chronically homeless, 22% had a physical disability, 22% had Post Traumatic Stress Disorder (PTSD), 17% were veterans, and 13% had mental health conditions. Some subpopulations could be higher, but the extent is unknown because 8 individuals were not interviewed for various reasons, including refusal to participate, sleeping, a language barrier, inability to respond, or physical barriers or unsafe site conditions.

<sup>12</sup> Department of Finance Table E-5, January 2019 estimates.

**Table III-32**  
**Palm Desert Homeless Subpopulations, 2019**

<b>Subpopulation</b>	<b>Number<sup>1</sup></b>	<b>% of Total</b>
Veterans	4	17%
Chronically Homeless	8	35%
Substance Abuse	2	9%
PTSD	5	22%
Mental Health Conditions	3	13%
Physical Disability	5	22%
Developmental Disability	1	4%
Victim of Domestic Violence	1	4%
Jail release, past 12 months	3	13%
Jail release, past 90 days	1	4%

<sup>1</sup> Results of interviews with 15 homeless individuals. Actual numbers may be higher as 8 individuals were not interviewed.

Source: 2019 Riverside County Homeless Point-In-Time Count and Survey Report, County of Riverside Department of Public Social Services, page 60.

The City contributes over \$100,000 annually to the Coachella Valley Association of Governments (CVAG) for regional homelessness services. The City is a participant in CVAG's Homelessness Initiative and was also a participant of the previous Homelessness Strategic Plan, which built Roy's Desert Resource Center ("Roy's") in the western Coachella Valley. The facility opened in December 2009 and provided emergency and transitional shelter and support services for homeless individuals. After the closure of Roy's in 2017, there was a need for a homeless shelter or navigation center in the western Coachella Valley. Path of Life Ministries and now CVAG operates a program that placed people in permanent housing before addressing issues such as joblessness or behavioral health. Program results were positive, with 81% of the 242 people who exited the program in the first year able to find permanent housing, and all participants who exited the program more than doubling their monthly incomes.<sup>13</sup> In late 2019, CVAG initiated an effort to advance the goals of CV Housing First through a collaborative approach called the Coachella Valley Homelessness Engagement & Action Response Team (CVHEART). The program is expected to establish a formal structure for regional homelessness policies and programs, identify funding opportunities for future projects, and expand multi-agency cooperation and participation. In addition to its own efforts to end homelessness, Palm Desert's membership in CVAG will assure its continued participation in regional efforts.

A number of other organizations provide shelter and services to the homeless throughout the Coachella Valley (see **Table III-33** for a list of available homeless facilities in the Coachella Valley). Shelter from the Storm, which provides comprehensive services to victims of domestic violence in the Valley, operates its administrative offices in the City. Desert Horizon and Desert Vista permanent supportive housing is a program in the western Coachella Valley managed by

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<sup>13</sup> "CV Housing First Program Evaluation: Examining the Clients Served in the First Year: July 2017 to June 2018," Health Assessment and Research for Communities, September 2018, page 55.

Jewish Family Service of San Diego with 18 and 40 beds, respectively. Supportive services, including living skills, budgeting instruction, case management, employment assistance, food distributions, advocacy, and community referrals and access to benefits, are provided. Residents contribute 30% of their income based on HUD guidelines.

**Table III-33  
Coachella Valley Homeless Facilities and Services**

<b>Organization Name</b>	<b>Facility Name</b>	<b>Total Beds</b>
<b>Emergency Shelter</b>		
Coachella Valley Rescue Mission	Overnight shelter (families with children, individuals without children)	251
Coachella Valley Rescue Mission	Overnight shelter (individuals without children)	49
Martha's Village and Kitchen Inc.	Renewing Hope Emergency Shelter	120
Operation Safe House	Desert Emergency Shelter	20
Path of Life Ministries Inc.	CVAG Emergency Shelter Project	12
Shelter from the Storm	Domestic Violence Emergency Shelter	20
County of Riverside, Desert Healthcare District and Foundation <sup>1</sup>	Summer Homeless Survival Program (seasonal emergency cooling centers in Cathedral City, Palm Springs, Desert Hot Springs)	90 (30 in each city)
Subtotal		472 (year-round) 90 (seasonal)
<b>Transitional Housing</b>		
Operation Safe House	Harrison House (youth, young adults)	15
Subtotal		15
<b>Rapid Rehousing</b>		
Coachella Valley Rescue Mission	Rapid Re-Housing	5
Coachella Valley Rescue Mission	State-funded Rapid Rehousing	13
Path of Life Ministries Inc.	CVAG Rapid Re-Housing	2
Subtotal		20
<b>Permanent Supportive Housing</b>		
Desert AIDS Project	Vista Sunrise Apartments	80
Jewish Family Services	Desert Horizon	18
Jewish Family Services	Desert Vista	40
Jewish Family Services	Permanent Supportive Housing Expansion (new in 2018)	35
Riverside University Health System – Behavioral Health	Behavioral Health – Coachella Valley Permanent Housing	25
Subtotal		118

Sources: "The Path Forward: Recommendations to Advance an End to Homelessness in the Coachella Valley," Barbara Poppe and Associates, November 27, 2018, Appendix 3.

<sup>1</sup> dhcd.org.

The City also addresses homelessness at the local level. It contracts with Riverside University Health System to provide a Behavioral Health Specialist and a Mental Health Peer Support Specialist in Palm Desert. It also contracts with the County of Riverside for a Homelessness Assistance Program in which two staff members offer resources through daily street outreach efforts. The City has awarded CBDG funds to local charities, including Martha's Village & Kitchen, Coachella Valley Rescue Mission, and Catholic Charities, for the provision of homeless services, such as food, equipment, consumable supplies, and energy upgrades.

The City permits homeless shelters in the Service Industrial (SI) zone. There are 344.17 acres of serviced, vacant land in this zone in the City, ranging in size from 1-20 acres. The Service Industrial zone is appropriate for such facilities because these lands are located on transit lines, near commercial and school sites, and in areas where other governmental services are available.

The City allows transitional and supportive housing in all residential districts subject to only those restrictions that apply to other residential uses of the same type in the same zone. The General Plan allows for an additional 8,049 residential units on 610 acres of vacant land in the City, in a range of densities, which will accommodate the City's need for transitional and supportive housing.

## Seniors

The Coachella Valley has a long-established reputation as a popular retirement destination. In 2018, the City had 17,582 residents over the age of 65, representing 33.7% of the population. These seniors were in a total of 11,302 households. Home ownership data shown in the table below indicates that approximately 22% of seniors are renters, and 78% are homeowners.

**Table III-34**  
**City of Palm Desert**  
**Householders 65 Years and Over, by Tenure**

Householder Age	Owner-Occupied		Renter-Occupied	
	Households	%	Households	%
Total, City of Palm Desert	14,842	100.0	9,272	100.0
Total, Non-Senior Households	6,018	40.5	6,794	73.3
Total, Householders 65 Years & Over	8,824	59.5	2,478	26.7
65 to 74 years	4,389	29.6	1,124	12.1
75 to 84 years	3,203	21.6	647	7.0
85 years and over	1,232	8.3	707	7.6

Source: American Community Survey 2014-2018 5-Year Estimates, Table B25007

According to the American Community Survey, an estimated 1,590 seniors have incomes below the poverty level, which represents 9.0% of all seniors in the City. The 2020 federal poverty guideline for one person is \$12,760. The major source of income for most seniors is Social Security, and the average Social Security monthly benefit is \$1,503.<sup>14</sup> Therefore, a single senior paying 30% of their monthly Social Security income on housing costs would pay \$451 toward housing costs. However, Palm Desert median rents are \$974 for a one-bedroom unit. A two-person

<sup>14</sup> Social Security Administration Fact Sheet, December 2019 Beneficiary Data.

senior household would have \$902 available for housing costs, which would be sufficient for a one-bedroom unit. Therefore, Social Security alone cannot adequately cover housing costs for seniors living alone in the City.

**Table III-35**  
**Senior Incomes Below the Poverty Level**

<b>Age Group</b>	<b>No. of Residents with Income in Past 12 Months Below Poverty Level</b>
65 to 74 years	847
75 years and over	743
Total	1,590

Source: 2014-2018 ACS 5-Year Estimates, Table B17001

Special considerations affecting senior households include income limitations, access to health care and transportation, accommodations for physical disabilities and limitations, and long-term care concerns. Senior housing needs can include low-income apartments, retirement communities, independent living centers, assisted living centers, nursing homes, and hospice care centers.

There are seven senior apartment projects in the City which are owned and operated by the Housing Authority, providing 380 units for very low, low and moderate income senior households. Nursing care facilities in the City include the Carlotta, with 192 beds; Manorcare Health Services, with 178 beds; and Monterey Palms, with 99 beds. Numerous senior communities are located in the City, including Atria Palm Desert, Atria Hacienda, Segovia, Palm Desert Senior Living Oahu Cottage, and Fountains at the Carlotta, Legend Gardens, which provide a range of services including medical transport, assistance with housekeeping and personal care, hospice and dementia care, and onsite recreational and social opportunities. Numerous senior support services are provided by various organizations, including those listed in the following table.

**Table III-36**  
**Senior Resources**

<b>Organization</b>	<b>Services Provided</b>
Braille Institute Coachella Valley Neighborhood Center	Rehabilitation, enrichment classes, in-home support for the visually impaired
The Joslyn Center	Health/fitness programs, social events, classes, Wellness Center, food distribution
Eisenhower Memory Care Center	Adult day center for neuro-cognitive impairments
FIND Food Bank	Food distribution
Hidden Harvest	Food distribution
Jewish Family Services of the Desert	Advocacy, case management services
Riverside County Office on Aging	Medical case management, counseling, transportation assistance, meals
Salvation Army	Food distribution, social events, community programs
Senior Advocates of the Desert	Public benefits and social services assistance, emergency financial assistance
SunLine Transit Agency	For seniors and disabled residents: Half-Fare Program, Taxi Voucher Program, SunDial paratransit service, bus travel training



The City's Senior Housing Overlay provides flexible development standards for a variety of housing for residents age 55 and over, including attached or detached units for sale or rent and associated recreational facilities.

### **Persons with Disabilities**

This population includes individuals with mental and physical disabilities that may require affordable housing with convenient access to public transportation and health care services, as well as structural adaptations to accommodate wheelchairs and other assistive devices. Housing needs can include independent home environments, homes with special modifications and design features, supervised apartments, inpatient and outpatient treatment programs, and senior care facilities. Individuals who are unable to work because of disability may require income support, and their limited incomes can severely restrict their ability to pay for housing and living expenses.

The 2018 ACS identified 7,901 persons in the City with disabilities, of which 4,593 (58.1%) were persons over the age of 65. Individuals may be affected by one or more types of disability. The table below identifies the number of disabilities, by type, for Palm Desert residents. The most prevalent disabilities are ambulatory difficulties (26.3%) and hearing difficulties (19.5%).

**Table III-37**  
**City of Palm Desert**  
**Number of Disabilities, by Disability Type**

	<b>Number of Disabilities</b>	<b>Percent of Total Disabilities</b>
Disabilities, ages 0-17		
Hearing Difficulty	101	0.7%
Vision Difficulty	182	1.3%
Cognitive Difficulty	204	1.4%
Ambulatory Difficulty	42	0.3%
Self-Care Difficulty	8	0.1%
Independent Living Difficulty	*	*
<b>Subtotal, ages 0-17</b>	<b>537</b>	<b>3.7%</b>
Disabilities, ages 18-64		
Hearing Difficulty	549	3.8%
Vision Difficulty	700	4.9%
Cognitive Difficulty	1,170	8.1%
Ambulatory Difficulty	1,405	9.8%
Self-Care Difficulty	615	4.3%
Independent Living Difficulty	1,004	7.0%
<b>Subtotal, ages 18-64</b>	<b>5,443</b>	<b>37.8%</b>
Disabilities, ages 65+		
Hearing Difficulty	2,153	14.9%
Vision Difficulty	776	5.4%
Cognitive Difficulty	981	6.8%
Ambulatory Difficulty	2,347	16.3%
Self-Care Difficulty	748	5.2%
Independent Living Difficulty	1,423	9.9%
<b>Subtotal, ages 65+</b>	<b>8,428</b>	<b>58.5%</b>
<b>Total Disabilities</b>	<b>14,408</b>	<b>100%</b>
<b>Total Civilian Non-Institutionalized Population with a Disability</b>	<b>7,901</b>	

Source: American Community Survey 2014-2018 5-Year Estimates, Table S1810.

\* data not provided

Facilities that provide specialized accommodations and services for the disabled are located in the City and Coachella Valley region and are identified in the “Seniors” discussion above, and “Persons with Developmental Disabilities” section below. In addition, Desert Vista Permanent Supportive Housing, a HUD-funded program, provides housing and services to 40 homeless individuals with disabilities. Clients pay up to 30% of their income based on HUD guidelines.

The California Building Code requires that all new multi-family construction include a percentage of units accessible to persons with disabilities. The City of Palm Desert Building Department requires compliance with these standards as part of the Building Permit review and inspection

process. The City's affordable housing projects include units for persons with disabilities. The City has housed between 91 and 188 disabled persons in its properties annually in recent years, varying from year to year.

The City adheres to State guidelines regarding handicapped access and promotes the use of principles of architectural design that aid the disabled. The Americans with Disabilities Act (ADA) requires all new multi-family construction to include a percentage of units accessible to persons with disabilities. The City monitors and requires compliance with these standards as part of the building permit review, issuance, and inspection process.

The City imposes no special requirements or prohibitions on the development of housing for persons with disabilities, beyond the requirements of the Americans with Disabilities Act. There is no concentration restriction for residential care homes. State and federal law does not permit the City to regulate group homes of 6 or fewer residents. Group homes of 7 or more residents are permitted, with approval of a conditional use permit, in the RE, R-1, R-2, HPR, and PR zones. Zoning Code Section 25.64.050 allows for reasonable accommodations in zoning and land use regulations, policies, and practices when needed to provide an individual with a disability an equal opportunity to use and enjoy a dwelling.

### **Persons with Developmental Disabilities**

Per Senate Bill No. 812, the Housing Element must include analysis of the special housing needs of individuals with developmental disabilities. A developmental disability is defined by Section 4512 of the Welfare and Institutions Code as "a disability that originates before an individual becomes 18 years old, continues or can be expected to continue indefinitely, and constitutes a substantial disability for that individual." This includes intellectual disabilities, cerebral palsy, epilepsy, autism, and related conditions, but does not include other handicapping conditions that are solely physical in nature.

The California Department of Developmental Services (DDS) implements a statewide system of community-based services for people with developmental disabilities and their families. DDS contracts with the Inland Regional Center (IRC) in Riverside to provide and coordinate local services in Riverside County, including the City of Palm Desert. IRC currently (2021) serves 234 clients who are Palm Desert residents.

Housing needs for individuals with developmental disabilities can range from traditional independent living environments, to supervised group quarters, to institutions where medical care and other services are provided onsite. Important housing considerations for this group include proximity to public transportation, accessibility of the home and surroundings, access to medical and other public services, and affordability.

A variety of housing options and support services in the Coachella Valley are provided by local and regional service agencies, including the following:

- Angel View, a non-profit organization based in Desert Hot Springs, operates 19 six-bed group homes for children and young adults with developmental and physical disabilities. The homes

provide 24-hour nursing and/or attendant care and can accommodate 100+ individuals at a time. There are 16 homes in the Coachella Valley, including 12 in Desert Hot Springs, 3 in Palm Springs, and 1 in Thousand Palms.

- The Inland Regional Center uses person-centered planning when developing a Consumer's Individual Program Plan (IPP). The IPP outlines the goals developed by the Consumer and their support team, as well as the services and supports they will receive to help achieve those goals. Many of the services/supports listed in the IPP are funded by Inland Regional Center. However, services and supports may also be provided by other agencies, such as the Social Security Administration, school districts, county agencies, etc.
- Casas San Miguel de Allende in Cathedral City includes 48 apartment units for individuals with special needs or long-term disabilities.
- Canyon Springs in Cathedral City is a State developmental center operated by DDS. It provides residential services, treatment, and job training for up to 55 adults with intellectual and developmental disabilities. Referrals for admission are made by the Inland Regional Center. Each person is assessed and participates in developing and carrying out an Individual Program Plan. Residents have opportunities to participate in a variety of integrated activities in natural environments at home, at work, and in the community.

Other local agencies provide additional support services to the developmentally disabled population. Desert Arc, a non-profit organization based in Palm Desert, provides vocational training and employment to adult clients with developmental disabilities in the Coachella Valley and Morongo Basin. It operates on-site businesses at its primary campus in Palm Desert and two smaller workshop facilities. Most clients are placed by the Inland Regional Center. Of its 695 clients in 2019, 71 are Palm Desert residents.

The City has a long-standing relationship with Desert ARC. During the 2014-2021 planning period, the City awarded it approximately \$201,000 across four projects for various ADA facility improvements. The City is working with prospective developers to develop Arc Village, an entitled project that proposes 32 one-bedroom and 4 two-bedroom affordable housing units, a community center, swimming pool, and recreational space for special needs adults on the Desert Arc campus. The project would offer proximity to transit, Desert Arc, and its services and job opportunities. The City continues to work to facilitate completion of this project.

Through its building permit review and inspection process, the City adheres to the Americans with Disabilities Act and California Building Code, which require that all multi-family development include a percentage of units that are accessible and "barrier-free" to disabled residents. The City will continue to coordinate with the Inland Regional Center and other appropriate agencies and organizations that serve this population. The City will continue to encourage developers to reserve a portion of affordable housing projects for the disabled, including those with developmental disabilities, and will continue to identify and pursue funding sources for special needs housing.

### **Extremely Low-Income Households**

Extremely Low-Income (ELI) households are defined by HCD as those which earn less than 30% of the area median income (AMI). ELI households are a subset of the very low-income household category in a region. The AMI for a 4-person household in Riverside County is \$75,300. ELI

household incomes are defined by HCD and HUD as those earning less than \$26,200.<sup>15</sup> These households are sensitive to unexpected changes in income and expenditures and typically require assistance for housing.<sup>16</sup>

#### *Existing Needs*

Comprehensive Housing Affordability Strategy (CHAS) data are compiled by HUD to evaluate housing problems and needs, particularly for low income households, based on Census data. According to the latest CHAS data, 2,815 households (11.9% of total households) in Palm Desert are considered extremely low-income. More than half (55%) of ELI households are renters. Of all ELI households, the majority (82.6%) experience housing problems, including incomplete kitchen and plumbing facilities, overcrowding and severe overcrowding, and cost burden greater than 30% of income (overpayment). Nearly 82% are in overpayment situations, and 73.2% are in severe overpayment situations in which housing costs are greater than 50% of household income.

**Table III-38  
Housing Problems for Extremely Low-Income Households**

	<b>Owners</b>	<b>Renters</b>	<b>Total</b>
Total Number of ELI Households	1,270	1,545	2,815
Percent with any housing problems*	79.5%	85.1%	82.6%
Percent with Cost Burden >30% of income	79.5%	83.5%	81.9%
Percent with Cost Burden >50% of income	68.9%	76.7%	73.2%
Total Number of Households	14,270	9,455	23,730

\* housing problems include incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room (overcrowding), and cost burden greater than 30% of income.

Source: U.S. Department of Housing and Urban Development, CHAS, based on the 2012-2016 ACS.

#### *Projected Needs*

To calculate projected ELI housing needs, the City assumed 50% of its very low income Regional Housing Need Assessment (RHNA) consists of ELI households. From its very low income need of 675 units (see **Table III-38**), the City has projected a need of 337 units for ELI households.

#### *Housing Options*

Currently, more than 28% of the units within the City-owned affordable housing portfolio are designated for extremely low-income households. Extremely low income households are also eligible to receive rental assistance through the County of Riverside Housing Authority's Housing Choice Voucher (Section 8) program. Small ELI households may also find affordable housing in Single Room Occupancy (SRO) hotels, accessory dwelling units (ADUs), and guest houses, which are typically affordable options. SROs are permitted in the SI zoning district with a Conditional Use Permit. ADUs are permitted in the RE, R-1, R-2, R-3, HPR, and PR zoning districts. Guest dwellings are permitted in the RE, R-1, R-2, HPR, and PR zoning districts.

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<sup>15</sup> Per HUD, the Extremely Low Income (ELI) income limit is the greater of either: 1) 60% of Very Low Income limit (\$37,650), which equals \$22,590, or 2) poverty guideline established by Dept. of Health and Human Services (HHS), which equals \$26,200.

<sup>16</sup> Palm Desert Housing Authority follows HCD requirements (not HUD) for ELI households.

## Large Households

Large households (those with 5 or more people) require larger homes with more bedrooms and may find it difficult to locate adequate and affordable housing if there is a limited supply of larger units. The cost of larger homes is typically higher than smaller units, and large families can experience a higher cost burden associated with housing.

The 2018 ACS indicates there were 1,013 households with five or more persons in the City, which constitutes 4.2% of all households. This represents a 5.9% decrease from year 2011 (1,076 households). Of large households, 411 (40.6%) are owners and 602 (59.4%) are renters. ACS also identified a total of 2,446 housing units with 4 or more bedrooms, or 10.2% of all housing units in the City. This may suggest that there are generally a sufficient number of larger housing units to accommodate larger families.

**Table III-39**  
**City of Palm Desert**  
**Household Size, by Tenure**

Household Size	Owner-Occupied		Renter-Occupied	
	Households	%	Households	%
1 person	4,897	33.0%	3,803	41.0%
2 persons	7,208	48.6%	3,108	33.5%
3 persons	1,602	10.8%	1,110	12.0%
4 persons	724	4.9%	649	7.0%
<b>5 persons</b>	<b>302</b>	<b>2.0%</b>	<b>269</b>	<b>2.9%</b>
<b>6 persons</b>	<b>94</b>	<b>0.6%</b>	<b>200</b>	<b>2.2%</b>
<b>7 persons or more</b>	<b>15</b>	<b>0.1%</b>	<b>133</b>	<b>1.4%</b>
Total Households	14,842	100.0%	9,272	100.0%
Total Households with 5+ Persons	411	2.8%	602	6.5%

Source: American Community Survey 2014-2018 5-Year Estimates, Table B25009

**Table III-40**  
**City of Palm Desert**  
**Number of Bedrooms, by Tenure**

No. of Bedrooms	Owner-Occupied		Renter-Occupied		Total Occupied Units	
	No. of Units	%	No. of Units	%	No. of Units	%
0 bedrooms	122	0.8%	572	6.2%	694	2.9%
1 bedroom	160	1.1%	2,511	27.1%	2,671	11.1%
2 bedrooms	5,838	39.3%	4,319	46.6%	10,157	42.1%
3 bedrooms	6,492	43.7%	1,654	17.8%	8,146	33.8%
4 bedrooms	1,926	13.0%	216	2.3%	2,142	8.9%
5+ bedrooms	304	2.0%	0	0.0%	304	1.3%
Total	14,842	100.0%	9,272	100.0%	24,114	100.0%

Source: American Community Survey 2014-2018 5-Year Estimates, Table B25042

Despite the number of 4+-bedroom dwelling units in the current housing stock, renters occupied the majority (77.3%) of overcrowded units. Only 216 of 2,446 units with 4 or more bedrooms are rental units, indicating a need for additional large rental units.

Prices for larger units tend to be affordable only to moderate and above moderate income households. Large, very low income households may find it difficult to find affordable and adequate housing. The City implements a number of housing programs to assist with finding adequate housing, including the provision of affordable housing units, mortgage and home ownership guidance, and home rehabilitation programs.

### **Female-Headed Households**

Female-headed households can experience lower incomes, higher living expenses, higher poverty rates, and low rates of homeownership. Finding adequate and affordable housing is a high priority. Special considerations for this population include proximity to schools, childcare, employment, and health care.

As shown in **Table III-6**, there are 2,858 single-parent-headed family households in Palm Desert, or 11.9% of all households. Male-headed family households comprise 4.3% of all households, and female-headed family households comprise 7.6%. The number of female-headed family households increased compared to 2010 (1,370 female-headed, 5.9% of total family households). ACS data from 2018 show of the estimated 1,828 households with a female householder (no husband present) in the City, approximately 41.3% had children under 18 years of age. Over one-third (34.8%) of all families with incomes below the poverty level are female-headed households.

**Table III-41**  
**Female-Headed Household Characteristics**

	Number	Percent
Total Households	24,114	100%
Female-Headed Households, no spouse/partner present	1,828	7.6%
Female-Headed Households with own children under 18	755	-
Female-Headed Households without children under 18	1,073	-
Total Families, Income in the Past 12 Months Below Poverty Level	2,098	100%
Female Householders, Income in the Past 12 Months Below Poverty Level	731	34.8%

Source: American Community Survey 2014-2018 5-Year Estimates, Table DP02; ACS 2018 Supplemental Estimates Detailed Table K201703

The City's continued implementation of affordable housing projects, public outreach efforts on fair housing issues, and efforts to maintain affordability restrictions on affordable units will serve those female-headed households requiring housing assistance.

### Affordable Units at Risk

There are 67 restricted ownership units in the City which are at risk of losing their affordability restriction. These units were built or rehabilitated by private parties, such as Habitat for Humanity and Building Horizons through various programs in the past or are within existing projects. These units are single family homes and mobilehomes distributed throughout the City. None of the currently affordable housing apartments in the City are at risk of losing affordability restrictions during or within 10 years of the planning period.

Maintenance of at-risk ownership housing units as affordable will depend largely on market conditions, the attractiveness of financial incentives, if warranted. Because all 67 of the ownership units are individually owned, controlling and maintaining affordability is particularly difficult. The City will, however, be required to release the restriction when sales occur, and has an opportunity at that time to renew affordability covenants. Program 3.C. addresses the preservation of these units.

### Riverside County Income Limits

Income limits for affordability are established annually on a regional basis by the Department of Housing and Community Development. **Table III-42** provides the current (2020) income limits applicable in Palm Desert. The median household income for a family of four in 2020 is \$75,300.

**Table III-42**  
**Riverside County Housing Program Income Limits 2020**

Income Category	Number of Persons in Family			
	1	2	3	4
Extremely Low	\$15,850	\$18,100	\$21,720	\$26,200
Very low	\$26,400	\$30,150	\$33,900	\$37,650
Lower	\$42,200	\$48,200	\$54,250	\$60,250
Moderate	\$63,250	\$72,300	\$81,300	\$90,350
Median	\$52,700	\$60,250	\$67,750	\$75,300
Source: HCD 2020 State Income Limits				

### Households Overpaying for Housing

When a household pays more than 30% of its income toward its housing expenses, it is considered to be overpaying. The Comprehensive Housing Affordability Strategy (CHAS) database, provided by HUD and based on American Community Survey data, describes the number of households, by income, with housing cost burdens. The latest CHAS data for the 2013-2017 period for Palm Desert are shown in the following table. Of all owner households, 35.6% are overpaying for housing, and 18.0% are severely overpaying. The percentages are higher when analyzing lower-income households as a group. Of all lower-income owner households, 67.8% are overpaying, and 44.7% are severely overpaying.



The patterns are similar for renter households. Of all renter households, 48.2% are overpaying, and 24.7% are severely overpaying. Of all lower-income renter households, 77.0% are overpaying, and 46.1% are severely overpaying.

**Table III-43  
Overpayment by Income Level, 2013-2017**

Income Category <sup>1</sup>	Owners		Renters	
	Households	Percent	Households	Percent
Household Income less than or = 30% HAMFI:	1,270		1,545	
Households overpaying	1,010	79.5%	1,290	83.5%
Households severely overpaying	875	68.9%	1,185	76.7%
Household Income >30% to less than or = 50% HAMFI:	1,195		1,215	
Households overpaying	875	73.2%	1,125	92.6%
Households severely overpaying	515	43.1%	725	59.7%
Household Income >50% to less than or = 80% HAMFI:	2,020		2,250	
Households overpaying	1,155	57.2%	1,445	64.2%
Households severely overpaying	615	30.4%	400	17.8%
<b>Subtotal: All lower-income households</b>	<b>4,485</b>		<b>5,010</b>	
<b>Subtotal: All lower-income HH overpaying</b>	<b>3,040</b>	<b>67.8%</b>	<b>3,860</b>	<b>77.0%</b>
<b>Subtotal: All lower-income HH severely overpaying</b>	<b>2,005</b>	<b>44.7%</b>	<b>2,310</b>	<b>46.1%</b>
Household Income >80% to less than or = 100% HAMFI:	1,215		875	
Households overpaying	530	43.6%	320	36.6%
Households severely overpaying	240	19.8%	20	2.3%
Household Income >100% HAMFI:	8,575		3,570	
Households overpaying	1,505	17.6%	380	10.6%
Households severely overpaying	325	3.8%	10	0.3%
<b>Total Households</b>	<b>14,270</b>		<b>9,455</b>	
<b>Total Households Overpaying</b>	<b>5,075</b>	<b>35.6%</b>	<b>4,560</b>	<b>48.2%</b>
<b>Total Households Severely Overpaying</b>	<b>2,570</b>	<b>18.0%</b>	<b>2,340</b>	<b>24.7%</b>

<sup>1</sup> HAMFI = HUD Area Median Family Income

“Overpaying” is defined as spending >30% of gross household income on housing costs.

“Severely overpaying” is defined as spending >50% of gross household income on housing costs.

Source: U.S. Dept. of Housing and Urban Development, CHAS data for Palm Desert, based on 2013-2017 ACS.

For all income levels, the 2013-2017 CHAS Databook identifies 5,075 owner households and 4,560 renter households paying 30% or more for housing, for a total of 9,635 households overpaying for housing.

### Affordability of Housing

In order to determine the level of affordability for market housing in Palm Desert, a comparison of for-sale and for-rent market housing was undertaken. **Table III-44** illustrates that a moderate income household of four in Palm Desert is able to find rental housing well within its ability to pay, but cannot afford to buy a median priced home. The table demonstrates that while rental units are affordable to moderate income households in the City, purchased units may not be affordable to these households.

**Table III-44**  
**Affordability of Housing, 2021**

<b>Type of Housing Cost</b>	<b>Ownership</b>	<b>Rental</b>
Median Single-Family Purchase Price	\$485,000	N/A
Median Mortgage Costs (PITI)	\$2,780	N/A
Rental Rate	N/A	\$1,260 (median) \$1,691 (3-bedroom)
30% of Moderate Household Income	\$2,259	\$2,259
Affordability Gap	\$521	No Gap (\$568-\$999 positive)

### **Regional Housing Needs Assessment Allocation**

The State and Southern California Association of Governments (SCAG) develop housing allocations for each Housing Element planning period. The Regional Housing Needs Assessment (RHNA) is a minimum projection of additional housing units needed to accommodate projected household growth of all income levels during the upcoming planning period. For the 2022-2029 planning period, Palm Desert's share of the RHNA is 2,790 housing units, segmented into five income categories as shown below.

**Table III-45**  
**RHNA by Income Category, 2022-2029**

	<b>Units</b>
Extremely Low Income	337
Very Low Income	338
Low Income	460
Moderate Income	461
Above Moderate Income	1,194
<b>Total Units Needed</b>	<b>2,790</b>

## Quantified Objectives

Housing Element law requires the City to estimate the number of affordable units likely to be constructed, rehabilitated, or conserved/preserved, by income level, during the upcoming (2022-2029) planning period. As shown in the following table, the City reasonably expects that 2,790 housing units will be provided through new construction, and 67 through conservation.

**Table III-46**  
**Quantified Objectives Matrix, 2022-2029**

	Income Category					
Activity	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction	337	338	460	461	1,194	2,790
Rehabilitation						
Conservation			67			67

## LAND INVENTORY

The City's Regional Housing Needs Assessment for the 2022-2029 planning period projects that a total of 2,790 housing units will be needed in the City. Of these, 1,194 will be for above moderate income households, and 461 will be for moderate income households. Above moderate income units are expected to be market-driven, single-family homes traditionally built in the City. Moderate income units are expected to be a combination of market rate rental units and assisted units. The remaining 1,135 housing units are for extremely low, very low, and low income households. In addition, the City expects to conserve a total of 67 units affordable to low income households (see Quantified Objectives, above). The Housing Element must identify available sites within the City that can accommodate the RHNA.

Land in the southern portion of the City is mostly built out, with only infill development opportunities available at higher densities. The Land Use Element increased densities and provides for the redevelopment of the downtown, including the San Pablo area, with a particular focus on more urban housing environments in flanking neighborhoods. The Land Use Element also includes the University Park area, which is designed to accommodate higher density.

**Error! Reference source not found.** lists the available vacant lands in the City by Assessor's Parcel Number and provides the size of each parcel and the potential number of units that could be developed on each. All lands shown in the Table are fully serviced, including water, sewer, electricity, and natural gas. As shown on the corresponding map, inventory lands are geographically distributed throughout the City and not concentrated in any areas. As such, they affirmatively further fair housing principles.

Lands provided in the inventory have been calculated at a density of 15 to 20 units per acre. Assuming an average unit size of 1,000 square feet, 28 units per acre can be achieved with 3-story

buildings, which is the current height limit in the Planned Residential (PR) zone. This also assumes common area open space in compliance with Zoning requirements, and surface parking. As this zone allows building coverage of 40%, there is more than sufficient space to accommodate the density assumed in the inventory. Further, the density assumptions are conservative compared to typically built densities in each of the zones. The most recent projects built in the City were constructed at densities of 15 to 28 units per acre.

**Table III-47  
Land Inventory**

<b>Map Key</b>	<b>Assessor's Parcel No.</b>	<b>GP</b>	<b>Zoning</b>	<b>Acreage</b>	<b>Allowable Density</b>	<b>Realistic Density</b>	<b>Potential Units</b>
A	685-010-005	Regional Retail	P.C.-(3), P.C.D.	15 of 64.26	10 to 15	14	200
AA	627-101-033, -002, -017, -061, & -062	Neighborhood Center; Downtown	D.E.; D.E.-O S.O.	1.43	10 to 15	15	22
B	694-310-002, -006, & -007	Town Center Neighborhood	P.R.-20	13 of 68.2	4 to 20	16	200
BB	627-121-044	Neighborhood Center	R-3, S.O.	0.25	7 to 40	25	6
C	694-120-025	Town Center Neighborhood; Suburban Retail Center	P.C.-(3), FCOZ	10 of 20.18	7 to 40	20	200
CC	627-121-045	Neighborhood Center	R-3, S.O.	0.25	7 to 40		6
D	694-130-017 & -018	Town Center Neighborhood	P.R.-22	10.95	22	20	219
DD	624-040-037	Town Center Neighborhood	P.R.-17.5	17.66	17.5	17.5	78
DD*	624-040-037	Town Center Neighborhood	P.R.-17.5	17.66	17.5	17.5	310
E	694-520-013, -014, -015, -017, -019 and -020	Small Town Neighborhood; Employment Center	P.R.-19	8.05	19	18	21
EE	627-182-004	Small Town Neighborhood	R-2	0.2	3 to 10	10	2
F	694-510-013	Town Center Neighborhood	P.R.-22	16.32	22	20	326
FF	627-182-005	Downtown	D.E.-O	0.2	10 to 15	10	2
GG	627-182-006	Downtown	D.E.-O	0.18	10 to 15	10	2
H	694-190-087	Town Center Neighborhood	P.R.22	14.97	22	22	66
H*	694-190-087	Town Center Neighborhood	P.R.22	14.97	22	22	264
HH	627-273-005	Downtown	D.E.-O	0.46	10 to 15	10	5

**Table III-47  
Land Inventory**

Map Key	Assessor's Parcel No.	GP	Zoning	Acreage	Allowable Density	Realistic Density	Potential Units
I	694-190-005, -007, -006, -013, -014, and -016, 694-200-003, -004, -006, -007, -011, -012, and -022	Town Center Neighborhood	P.R.-18	20 of 169.55	18	16	320
II	627-273-018	Downtown	D.E.-O	0.46	10 to 15	10	5
JJ	627-301-022	Downtown	D.E.-O	0.31	10 to 15	10	3
K	624-241-008	Conventional Suburban Neighborhood	R-1	0.21	2 to 8	3	1
KK	622-370-014	Public Facility/ Institutional	P	1.84	N/A	N/A	36
L	625-021-008	Small Town Neighborhood	R-2	0.2	3 to 10	10	2
LL	627-122-013 and -003	Small Town Neighborhood	R-2, S.O.	1.43	3 to 10	10	14
N	625-032-011	Small Town Neighborhood	R-2	0.21	3 to 10	10	2
P	625-126-009	Town Center Neighborhood	R-3	0.14	7 to 40	15	2
PP	624-441-014 through -022	Small Town Neighborhood	P.R.-6	1.31	3 to 10		
Q	625-171-001	Downtown	D.E.-O	0.34	10 to 15	10	3
QQ	624-440-032 through -036	Small Town Neighborhood	P.R.-6	0.72	3 to 10		
T	627-041-010 through 013, -29, 031 - 033	Small Town Neighborhood/Neighborhood Center	R-3	1.36	7 to 40	15	20
<ul style="list-style-type: none"> <li>Moderate Income Site.</li> </ul>							
					<b>Total Units</b>		<b>2,338</b>

As shown in the inventory, approximately 2,338 units could be constructed on lands which are currently available for multiple family residential development. As several of these sites are larger, Program 1.F has been provided to encourage the subdivision of these sites to facilitate multi-family development. This inventory accommodates land needed for very low, low and moderate income households, although as described above, moderate income households can afford market rate rentals in the City currently.

According to the Fair Housing analysis (see “Existing Affordable Housing Programs” section), the City has a low segregation level, no racially or ethnically concentrated areas of poverty, equal access to opportunity, and no disproportionate housing needs. The sites identified above will not exacerbate any such conditions.

### **Pending Affordable Housing Developments**

The following affordable projects are proposed and anticipated to be built during the planning period.

- *Sagecrest Apartments* will be rebuilt into a minimum of 28 units for very low and low income households. The Housing Authority is currently seeking proposals for this project. This Housing Authority project is located at the corner of Santa Rosa and San Pasqual.
- The City is under contract for the sale of 10± acres immediately east of the Sheriff’s station on Gerald Ford Drive, for the development of 270 units affordable to very low and low income households.
- The City is in early negotiations on the sale of 10 acres at Dinah Shore and Portola for 200± units affordable to very low and low income households.
- *Palm Desert 103* will include 21 one and two-bedroom rental units reserved for moderate income residents. The project will be developed by a private party.
- *The Sands Apartments* on Hovley Lane is approved for a total of 388 multi-family rental units. Of those, 78 are required to be affordable for very low income households. The balance are expected to be affordable to moderate income households.
- *Millennium* will include 66 affordable rental units within a market rate project on 10 acres.
- *Arc Village* will include 36 affordable rental units, including 32 one-bedroom units and 4 two-bedroom units, for special needs adults on the Desert Arc campus.
- In May 2020, the City conveyed 14 vacant parcels on Merle Street to the *Coachella Valley Housing Coalition* (CVHC) for the development of 14 detached single-family, self-help ownership homes for very low and low income households.

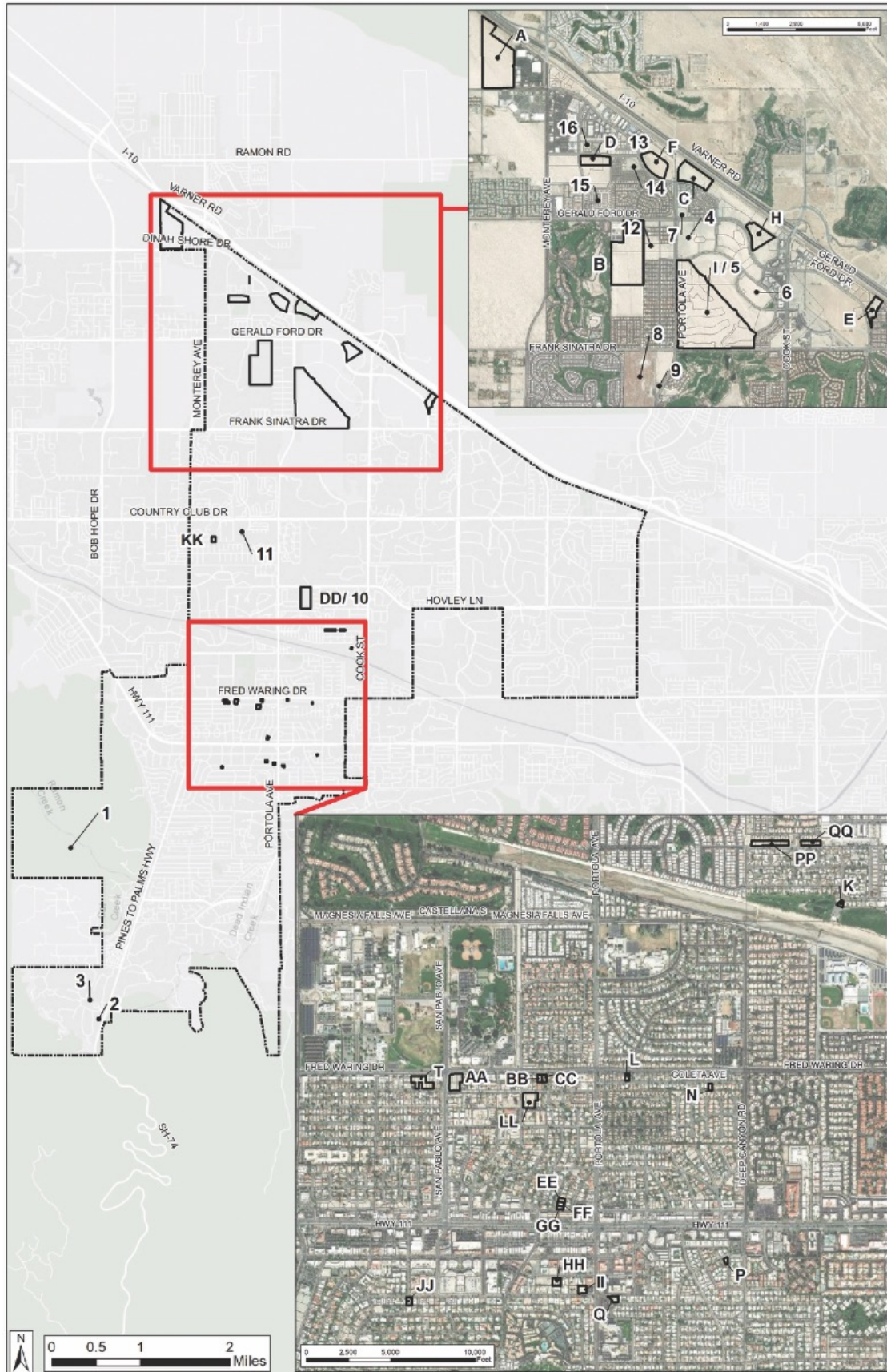
These projects will result in a total of 998 units affordable to very low and low income households, and 21 units affordable to moderate income households.

**Table III-48** provides a list of entitled projects which will be available for market housing, to accommodate the City’s RHNA for this income category. These projects include plans for single family homes, condominiums and townhomes, and apartments.

**Table III-48**  
**Above Moderate Income Sites**

<b>Map Key</b>	<b>Project Name</b>	<b>Remaining Lots</b>	<b>Projected Units</b>
1	Stone Eagle	25	25
2	Big Horn Mountains	10	10
3	Big Horn Canyon	31	31
4	University Park – Phase I	1,069	1,069
5	University Park – Phase II	1,291	1,291
6	University Park – Phase III	196	196
7	Millennium Apartments	330	264
8	Former Santa Rosa Golf Course	300	300
9	Former Catavina Site	159	159
11	Villa Portofino – Lot 1	145	145
12	GHA Montage	63	63
13	Ponderosa Homes	99	80
14	Ponderosa Apartments	140	140
15	Dolce	127	127
16	Monterey Ridge	202	202
<b>Total Units</b>		<b>4,187</b>	<b>4,102</b>

The map below provides the location of the sites shown in the inventory tables.





## **PUBLIC PARTICIPATION**

The first workshop held for the Housing Element update was with the Palm Desert Housing Authority Housing Commission on January 6, 2021. The Commission's discussion centered on the City's RHNA, the sites on the inventory, and the provision of units for seniors. The Commissioners indicated that senior units were needed at affordable rents, and that the upcoming planning period seemed to be well planned for, given the projects that were moving forward.

The City made concerted efforts to reach all segments of the population for input into the Housing Element update. On January 21, 2021, the City held a workshop for the community. A mix of affordable housing developers, public agencies, interested parties and individuals were invited via email. Formal invitations were sent to 21 organizations, including Habitat for Humanity, Community Housing Opportunities Corp., Lift to Rise, and the Coachella Valley Housing Coalition. In addition, the workshop was advertised on the City's web site, and in the Desert Sun newspaper. Seventeen (17) people attended, and had an active and productive conversation. Affordable housing developers, including CVHC and CHOC, indicated a strong desire to work with the City on projects, and clearly expressed their concerns regarding the funding of projects, which require too many funding sources in recent years. Strong support was expressed for the City's increased density to 40 units per acre.

A City Council study session was held on March 25, 2021, to discuss the status of the Housing Element update and the recently adopted RHNA allocation. The City Council listened to a staff-led presentation, and asked questions about various projects and sites on the City's inventory. The focus of development in the University Park area for student and faculty housing for the future expansion of the universities in this area was considered a top priority.

Finally, public hearings were held before the Planning Commission and City Council for the adoption of the Element, in ?? and ?? of 2021.

## **GOALS, POLICIES AND PROGRAMS**

### **Goal 1**

A variety of housing types that meet all of the housing needs for all income groups within the City.

### **Goal 2**

The preservation and maintenance of the high quality of the City's affordable housing supply.

### **Policy 1**

New affordable housing projects shall be encouraged in all areas of the City. Special attention will be made to distributing the units so that large concentrations of affordable housing in any one area are avoided.

### **Program 1.A**

The City shall work with affordable housing developers, non-profit agencies and other stakeholders to implement the following affordable housing projects for extremely low, very low, low and moderate income households during the planning period.

- 21 units at Palm Desert 103 (Site E)
- 36 units at Arc Village (Site KK)
- 66 units at Millennium (Site F)

**Responsible Agency:** Community Development Department

**Schedule:** 2022-2027

### **Program 1.B**

The City shall pursue the planning and implementation of the following projects for extremely low, very low, low and moderate income households during the planning period. The City will utilize public-private partnerships, grants and third party funding for these projects, and density bonus incentives.

- 200 units at Dinah Shore and Portola (Site C)
- 28 units at Sagecrest Apartments (Site LL)
- 270 units at Gerald Ford, west of Portola (Site B)

**Responsible Agency:** Community Development Department

**Schedule:** 2022-2025

### **Program 1.C**

The City shall encourage and facilitate the development by private parties of the following projects for extremely low, very low, low and moderate income units:

- 200 units at Key Largo (Site A)
- 78 units at the Sands (Site DD)
- 320 units within the University Neighborhood Specific Plan area (Site I/5).

The City shall annually contact the owners/developers of these lands and review with them the incentives and financing options available through State and federal loan and grant programs, and local non-profit agencies to assure that all potential financial mechanisms are being considered for the project(s).

**Responsible Agency:** Planning Department

**Schedule:** 2022-2029

**Program 1.D**

The City shall continue to implement the Self Help Housing program when funds are available. The City will work with agencies such as Habitat for Humanity and Coachella Valley Housing Coalition to identify funding and the location of these units. This includes the construction of the 14 homes on Merle, secured with CVHC.

**Responsible Agency:** Housing Authority

**Schedule:** 2022-2024 for Merle lots, annually throughout planning period

**Program 1.E**

The City shall maintain its inventory of sites zoned for PR-20 or more, and R-3, and shall encourage the incorporation of extremely low, very low, low and moderate income housing units into these projects as they are brought forward.

**Responsible Agency:** Planning Department.

**Schedule:** As project applications are submitted

**Program 1.F**

The City will encourage further land divisions resulting in parcel sizes that facilitate multifamily development affordable to lower income households in light of state, federal and local financing programs (50-100 units) as development proposals are brought forward. The City will discuss incentives available for land divisions (2-5 acres) encouraging the development of housing affordable to lower income households with housing developers as proposals are brought forward. The City will offer incentives for land division encouraging the development of affordable housing including, but not limited to:

- priority to processing subdivision maps that include affordable housing units,
- expedited review for the subdivision of larger sites into buildable lots where the development application can be found consistent with the Specific Plan,
- financial assistance (based on availability of federal, state, local foundations, and private housing funds).

**Responsible Agency:** Planning Department

**Schedule:** As projects are proposed

**Program 1.G**

The City shall establish a pilot program to encourage development of ADUs and JADUs that are dedicated as affordable units and made available for rent to low-income households for at least 30 years. The City may consider an incentive such as floor area bonus for the property owner.

**Responsible Party:** Planning Department

**Schedule:** with regular Zoning Ordinance update

## **Policy 2**

The City shall encourage the rehabilitation of existing housing units through a variety of programs.

### **Program 2.A**

The City shall consider CDBG funds for the Home Improvement Program for single family homes by providing grants and low interest loans to program participants. The program will be provided to the extent that funding is available, to up to five households each year.

**Responsible Agency:** Housing Authority

**Schedule:** Annually as funds are available

### **Program 2.B**

The City shall develop a program for homeowner assistance for the rehabilitation of older housing units. Funding sources to be considered include CDBG, HIP, and other programs as identified.

**Responsible Agency:** Community Development Department

**Schedule:** Annually as funds are available

## **Policy3**

The City shall preserve existing affordable housing units.

### **Program 3.A**

The Housing Authority shall continue to subsidize affordable housing units it owns now and in the future using operating revenues.

**Responsible Agency:** Housing Authority

**Schedule:** Annually in the Housing Authority Budget

### **Program 3.B**

The Housing Authority shall maintain the existing resale restrictions and other subsidies on 301 ownership units.

**Responsible Agency:** Housing Authority

**Schedule:** Throughout the planning period

### **Program 3.C**

The City will research and identify ownership of the 67 ownership units at risk of losing affordability covenants during or immediately following this planning period, and work with owners to extend these covenants. Incentives could include:

- financial assistance for the extension of covenants.
- Offer HIP major rehabilitation loans to homeowners to secure extended restrictions.

**Responsible Agency:** Housing Authority

**Schedule:** Throughout planning period, one year prior to covenant expiration

**Program 3.D**

The Housing Authority owns approximately 1,114 existing rental housing units and will strive to maintain its ownership and/or long term affordability of these units by a third party.

**Responsible Agency:** Housing Authority

**Schedule:** Annually in the Housing Authority Budget

**Program 3.E**

The City shall coordinate between affordable housing developers and social service agencies when new projects are developed to encourage the integration of services such as child care, job training, vocational education, and similar programs into new affordable housing projects through direct contact with both parties. For on-site child care, the City shall consider allocation of the City's Childcare Mitigation Fee to new projects which provide the service.

**Responsible Agency:** Housing Authority, Community Development Department

**Schedule:** As projects are proposed

**Policy 4**

The City shall continue to strive to meet the State-mandated special shelter needs of large families, female headed households, single parent families, senior citizens, and disabled individuals and families, and shall consider including units for such households in its projects.

**Program 4.A**

The City shall continue to enforce the provisions of the Federal Fair Housing Act. The City shall continue its referral program to the Fair Housing Council of Riverside County, and shall maintain information at City Hall and affordable housing complexes.

**Responsible Agency:** City and Housing Authority

**Schedule:** Brochures and flyers available at Housing Authority properties, Public Library, and City

**Program 4.B**

The City shall work with the Senior Center and other appropriate agencies in the housing of disabled residents.

**Responsible Agency:** Senior Center

**Schedule:** Annually through staff training program

**Program 4.C**

The City shall meet with non-profit developers and other stakeholders annually to establish and implement a strategy to continue to provide housing affordable to extremely low-income households. The City shall also consider applying for State and federal funding specifically targeted for the development of housing affordable to extremely low-income households, such as CDBG, HOME, Local Housing Trust Fund program and Proposition 1-C funds to the extent possible. The City shall continue to consider incentives, such as increased densities, modifications to development standards, priority processing and fee deferrals as part of the financing package for projects which include extremely low income units.

**Responsible Agency:** City

**Schedule:** As projects are proposed

## **Policy 5**

The City shall strive to provide shelter for the homeless and persons with disabilities.

### **Program 5.A**

The City shall continue to work with CVAG on a regional solution for homelessness with the CV Housing First program, through a collaborative approach of the Coachella Valley Homelessness Engagement & Action Response Team (CVHEART).

**Responsible Agency:** City Manager's Office

**Schedule:** Annually in the General Fund Budget

### **Program 5.B**

The City will continue to coordinate with the Inland Regional Center, Desert Arc and other appropriate agencies and organizations that serve the developmentally and physically disabled population. The City will continue to encourage developers to reserve a portion of affordable housing projects for the disabled, including those with developmental disabilities. The City will support funding applications for such projects, and will consider fee waivers and reductions when these projects are proposed. Housing Authority properties are one of the vehicles available to encourage rental to developmentally disabled individuals.

**Responsible Agency:** Planning Department

**Schedule:** As projects are proposed

### **Program 5.C**

The City shall encourage local organizations, such as the Coachella Valley Rescue Mission, Martha's Village and Catholic Charities, to apply to the City for the award of CDBG funds for homeless services.

**Responsible Agency:** Finance Department

**Schedule:** Annually with CDBG funding cycle

### **Program 5.D**

Review and revise, as necessary, the Zoning Ordinance to ensure compliance with Assembly Bill (AB) 101 as it pertains to Low Barrier Navigation Centers. Modify the definition of "homeless shelter" to include this use.

**Responsible Agency:** Planning Department

**Schedule:** at regular Zoning Ordinance update

## **Policy 6**

The City shall continue to utilize restrictions, applicant screenings, and other appropriate mechanisms established as conditions of approval, restrictive agreements or other means in order to preserve affordable for sale housing units for the long term.

### **Program 6.A**

The City shall keep in regular contact with the Riverside County Housing Authority to ensure that Section 8 housing assistance within the City is actively pursued. At least 30 households should be assisted every year.

**Responsible Agency:** City and Housing Authority

**Schedule:** Annually with annual compliance plan review

**Policy 7**

The City Council shall consider, as an additional incentive, the reduction, subsidizing or deferring of development fees to facilitate the development of affordable housing.

**Policy 8**

The City shall continue to address the needs of the senior population in development of housing.

**Program 8.A**

The City shall maintain the Housing Overlay District and Accessory Dwelling Unit standards in the Zoning Ordinance.

**Responsible Agency:** Community Development Department

**Schedule:** Annually review with state General Plan report

**Program 8.B**

The City shall continue to encourage the development of assisted living facilities for seniors.

**Responsible Agency:** Community Development Department

**Schedule:** As projects are proposed

**Policy 9**

The City shall implement the State's density bonus law.

**Program 9.A**

Revise the Zoning Ordinance to ensure compliance with AB 2345 as it pertains to density bonus requirements.

**Responsible Agency:** Community Development Department

**Schedule:** at regular Zoning Ordinance update

**Policy 10**

Promote the jobs/housing balance through the development of housing with convenient access to commercial land uses, schools, available public transport and employment centers.

**Policy 11**

The City shall promote and affirmatively further fair housing opportunities throughout the community for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (FEHA), Government Code Section 65008, and any other applicable state and federal fair housing and planning law.

**Program 11.A**

Maintain and provide multilingual brochures and informational resources to inform residents, landlords, housing professionals, public officials, and others relevant parties about fair housing rights, responsibilities, and services.

**Responsible Agency:** Housing Authority

**Schedule:** Ongoing

**Program 11.B**

Coordinate with SunLine Transit Agency to expand services that provide reliable transportation options to low income, disabled, senior, and other residents with limited access.

**Responsible Agency:** Community Development Department

**Schedule:** 2022-2029

**Policy 12**

Encourage energy conservation through the implementation of new technologies, passive solar site planning and enforcement of building codes. Please also see the Energy and Mineral Resources Element.

**Program 12.A**

The City shall maintain an Energy Conservation Ordinance which mandates conservation in new construction beyond the requirements of the California Building Code.

**Responsible Agency:** Planning Department

**Schedule:** Annual review with state General Plan report

**Program 12.B**

The City shall encourage Green Building techniques, recycling in demolition, and the use of recycled, repurposed and reused materials in all new housing projects to the greatest extent possible.

**Responsible Agency:** Planning Department, Building Department, Public Works Department

**Schedule:** As projects are proposed



**Appendix A**

**Public Outreach Materials  
Housing Element Workshop  
January 21, 2021**



# PALM DESERT

## COMMUNITY WORKSHOP NOTICE

### CITY OF PALM DESERT HOUSING ELEMENT COMMUNITY WORKSHOP

Thursday, January 21, 2021 – 3:00 p.m.

A community workshop for the City's Housing Element update (2021-2029 planning period) will be held Thursday, January 21, 2021, at 3:00 p.m. via Zoom. At this workshop, the City will discuss background information regarding its upcoming Housing Element update including new State Housing Element law, the 2021-2029 Regional Housing Needs Assessment (RHNA) allocation for the City and take public comments on the update from those attending. All members of the public are encouraged to attend.

The Housing Element is a series of goals, policies, and implementation measures for the preservation, improvement, and development of housing, which would apply throughout the City. It meets the requirements of the California Department of Housing and Community Development, and State law.

To participate in the workshop via Zoom, please RSVP by email to [eceja@cityofpalmdesert.org](mailto:eceja@cityofpalmdesert.org), by 10:00 a.m. on the day of the meeting (requests received after 10:00 a.m. on meeting day may not be processed). Specific questions regarding the workshop or Housing Element may be directed to Eric Ceja, Principal Planner, at (760) 346-0611 or [eceja@cityofpalmdesert.org](mailto:eceja@cityofpalmdesert.org).

The City of Palm Desert promotes fair housing and makes all programs available to low-income families and individuals, regardless of race, religion, color, national origin, ancestry physical disability, mental disability, medical condition, marital status, political affiliation, sex, age, sexual orientation or other arbitrary factor.



**Subject:** Palm Desert Housing Element Update - Virtual Community Workshop Notice - Join us!  
**Date:** Tuesday, January 12, 2021 at 8:19:19 AM Pacific Standard Time  
**From:** Kimberly Cuza <kcuza@terranovaplanning.com>  
**BCC:** Andrew@greendev.co <Andrew@greendev.co>, mrisdon@acof.org <mrisdon@acof.org>, affordablehomestead@gmail.com <affordablehomestead@gmail.com>, Riaz@marrscorp.com <Riaz@marrscorp.com>, apreedge@cityventures.com <apreedge@cityventures.com>, julie.bornstein@cvhc.org <julie.bornstein@cvhc.org>, mdiacos@cypressequity.com <mdiacos@cypressequity.com>, lvandeweghe@decro.org <lvandeweghe@decro.org>, smoreno@families-forward.org <smoreno@families-forward.org>, jon@hipsandiego.org <jon@hipsandiego.org>, paul@integrityhousing.org <paul@integrityhousing.org>, rubina@olivecs.org <rubina@olivecs.org>, tcox@cvag.org <tcox@cvag.org>, cesarc@kennedycommission.org <cesarc@kennedycommission.org>, esantana@ush.us <esantana@ush.us>, ggardner@usapropfund.com <ggardner@usapropfund.com>, tmize@workforcehomebuilders.com <tmize@workforcehomebuilders.com>, tmize@nationalcore.org <tmize@nationalcore.org>, JSilver@chochousing.org <JSilver@chochousing.org>, CLiuzzo@chochousing.org <CLiuzzo@chochousing.org>, YLyashenko@chochousing.org <YLyashenko@chochousing.org>, MHachiya@chochousing.org <MHachiya@chochousing.org>, Maryann.Ybarra@cvhc.org <Maryann.Ybarra@cvhc.org>, DarrenB@tpchousing.com <DarrenB@tpchousing.com>, jortiz@nphsinc.org <jortiz@nphsinc.org>, executivedirector@hfhcv.org <executivedirector@hfhcv.org>, info@hfhcv.org <info@hfhcv.org>, cdahlin@cvag.org <cdahlin@cvag.org>, info@lifttorise.org <info@lifttorise.org>, VNicholas@chochousing.org <VNicholas@chochousing.org>, Eric Ceja <eceja@cityofpalmdesert.org>, jgonzales@cityofpalmdesert.org <jgonzales@cityofpalmdesert.org>, Nicole Criste <ncriste@terranovaplanning.com>, Bitian Chen <bchen@terranovaplanning.com>  
**Attachments:** image001.png



# PALM DESERT

## COMMUNITY WORKSHOP NOTICE

### CITY OF PALM DESERT HOUSING ELEMENT COMMUNITY WORKSHOP

Thursday, January 21, 2021 – 3:00 p.m.

A community workshop for the City's Housing Element Update (2

planning period) will be held Thursday, January 21, 2021, at 3:00 p.m. via Zoom. At this workshop, the City will discuss background information regarding its upcoming Housing Element update including the Housing Element law, the 2021-2029 Regional Housing Needs Allocation (RHNA) allocation for the City and take public comments on the update from those attending. All members of the public are encouraged to attend.

The Housing Element is a series of goals, policies, and implementation measures for the preservation, improvement, and development of housing which would apply throughout the City. It meets the requirements of the California Department of Housing and Community Development, Housing Element Law.

To participate in the workshop via Zoom, please RSVP by [eceja@cityofpalmdesert.org](mailto:eceja@cityofpalmdesert.org), by 10:00 a.m. on the day of the meeting. Questions received after 10:00 a.m. on meeting day may not be processed. Questions regarding the workshop or Housing Element may be directed to Eceja, Principal Planner, at (760) 346-0611 or [eceja@cityofpalmdesert.org](mailto:eceja@cityofpalmdesert.org).

The City of Palm Desert promotes fair housing and makes all programs available to low-income and individuals, regardless of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, political affiliation, sex, age, sexual orientation, or any other arbitrary factor.

Housing Element Workshop RSVP List - January 21, 2021

Name	Organization	Email
Jann Bueller	City's Housing Commission	<a href="mailto:jannb774@gmail.com">jannb774@gmail.com</a>
Taylor Varner Libolt	Lift to Rise	<a href="mailto:taylor@lifttorise.org">taylor@lifttorise.org</a>
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Donna ault	City's Housing Commission	<a href="mailto:donnaault@msn.com">donnaault@msn.com</a>
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## PALM DESERT HOUSING ELEMENT UPDATE

# Background and Requirements

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- The Housing Element is one of the Elements required in our General Plan
- It is the only Element that must be updated on a regular schedule.
  - Upcoming planning period: 2022-2029
- The purpose of the Housing Element is to assure that the City facilitates the development of housing for all economic and social segments within the community.
- The City has a long history of actively participating in the development of affordable housing, and currently owns 1,127 affordable housing units.



# About Palm Desert

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- Current Population: 52,986
- Median Age: 53.0 years
- Households: 24,114
- Median Household Income: \$57,578 (below the County median of \$66,964)
- 21,933 residents work (41% of the population)
  - Management (36%)
  - Service (25%)
  - Sales and office (28%)
- 39.6% of residents work in the City

# About Palm Desert

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- Median housing value is \$335,400
- Median rent is \$1,260
- 959 housing units are overcrowded
  - 218 overcrowded units are owner-occupied.
  - 741 overcrowded units are renter-occupied.
- 9,635 households are overpaying for housing (more than 30% of income)
  - 3,040 lower income owners are overpaying
  - 3,860 lower income renters are overpaying

# Regional Housing Need Allocation (RHNA)

RHNA by Income Category, 2022-2029	
	RHNA Allocation
Extremely Low Income	336
Very Low Income	337
Low Income	459
Moderate Income	460
Above Moderate Income	1,191
Total Units	2,783

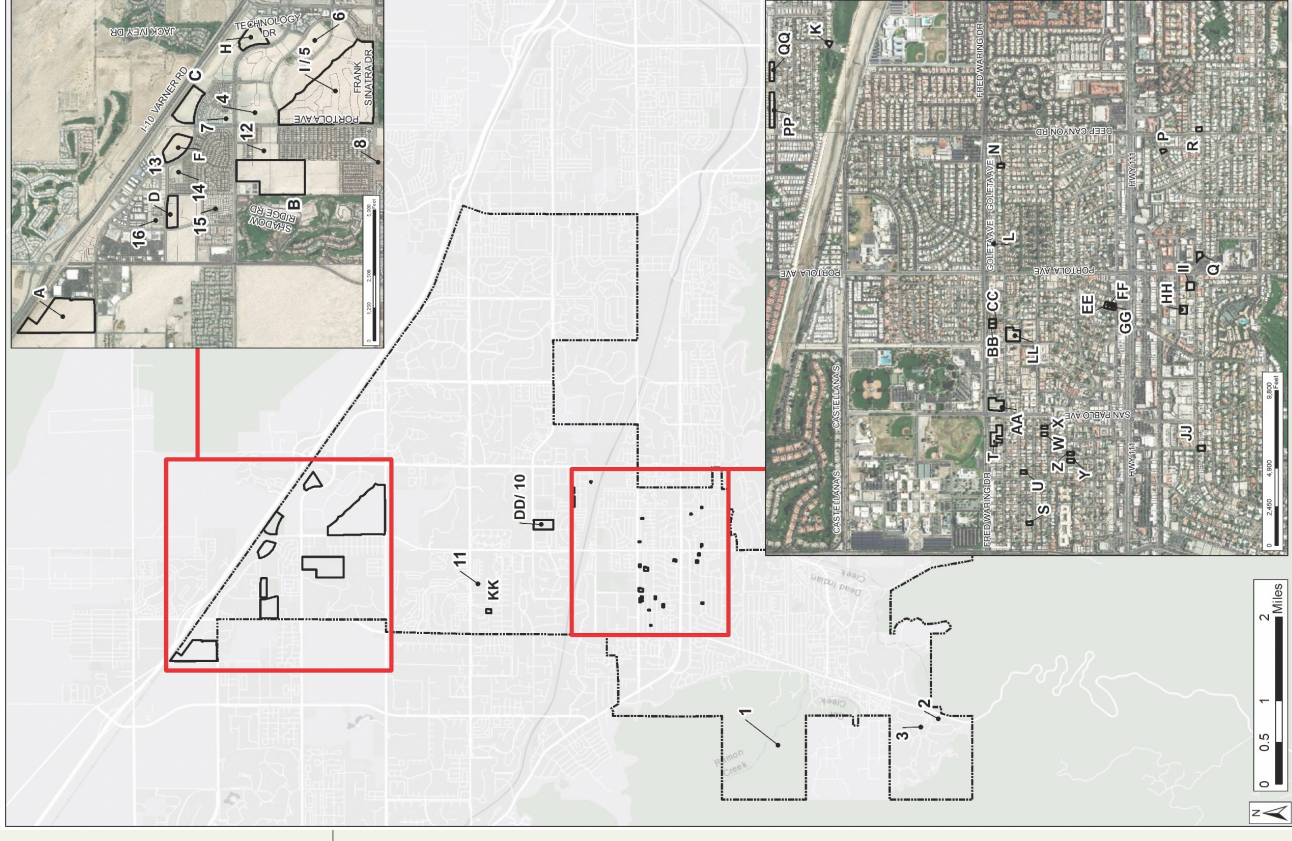
# Looking to the Future

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- There are several projects in development that will come forward in the 2022-2029 planning period:
  - 270± units are in early development stages for 10 acres owned by the SARDA.
  - 200± units are in early development stages on 10 acres owned by the City at Dinah Shore and Portola.
  - Minimum 28 units at Sagecrest Apartments, at the corner of Santa Rosa and San Pasqual.
  - 384 units next to Canterra Apartments, 61 of which will be reserved for low income households.
  - 200± units at Dinah Shore and Key Largo, as part of a larger Specific Plan being prepared by a private developer.
  - 14 self help ownership units on Merle, near Cook Street, through the Coachella Valley Housing Coalition.
- The City will continue to work with the development community to facilitate additional projects as they are proposed.

# Available Sites

- The City needs to identify sites for 1,592 units for very low, low and moderate income households.
- The City has identified sites for 1,973 units for these income levels.
- The City has approved projects which will provide 4,405 above moderate income units.



# Next Steps

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- The Housing Element Draft will be completed in early spring, and submitted to the State for review.
- Planning Commission and City Council hearings are expected in late summer of 2021.

# Discussion

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- We want your input. Please give us your feedback.