

3. HOUSING ELEMENT

BACKGROUND AND CONTEXT

California law requires that all local governments develop housing programs to meet their “fair share” of existing and future housing needs for all income groups. Palm Springs, along with all local governments in California, must therefore prepare a Housing Element to meet local housing needs. The Housing Element must contain proactive goals, policies, and programs that are designed to facilitate the development, improvement, and preservation of housing commensurate with their housing need. Local housing need is established by the City, regional government, and the State of California.

Housing elements are required to be updated every five years unless an extension is enacted into state law. This Palm Springs Housing Element is an update of the previous element and covers the planning period of 2006-2014. State law prescribes the scope and content of the housing element. Pursuant to Section 65583 of the Government Code, the housing element contains four basic parts:

- Analysis of demographic, social, and housing characteristics, current and future housing needs due to population growth and change, and other factors affecting housing need;
- Analysis of governmental and nongovernmental constraints that affect the development, maintenance, and improvement of housing for all income groups and people with disabilities;
- Inventory of resources available to address the City’s housing needs, including available land for housing, as well as the financial

resources, and administrative capacity to manage housing programs; and

- Specific actions or programs to address the development, improvement, and conservation of housing to meet current and future needs. This includes goals, policies, and specific housing programs.

In this Updated Housing Element, the City has identified four areas of particular focus:

- Address the new (2006-2014) Regional Housing Needs Assessment numbers.
- Address the RDA owned parcels and projects targeted for set-aside fund contributions and those projects meeting the City’s RHNA requirements.
- Address the needs of special-needs households.
- Review existing policy to determine whether it should be amended to assist in meeting housing needs; develop new policies and programs to address issues associated with the new RHNA allocation.

RELATIONSHIP TO OTHER PLANS AND PROGRAMS

The City’s updated 2006-2014 Housing Element is directly related to a number of state and federally mandated requirements for housing policy and planning. A description of these plans and programs follows.

Federal Planning Requirements

Palm Springs has been required to prepare two 5-year plans as a condition of receiving certain federal funds for housing and community development activities, specifically Community Development Block Grants (CDBG). The “Consolidated Plan” identifies housing and community development needs for lower and moderate-income households and the “Analysis of Impediments to Fair Housing Choice” ensures that policies and programs are in place to affirmatively further fair housing. Both documents were adopted in 2005. The Housing Element builds upon these planning efforts and its goals, policies, and programs are consistent with the City’s federal housing plans.

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Regional Housing Needs Assessment

State Housing Element law requires the Southern California Association of Governments (SCAG) to determine the amount of housing needed in its region and allocate the need to each community. The allocation of housing need is based on statewide and local projections of population, employment, and housing need. State law requires cities to ensure that adequate sites, public facilities, and services are available to facilitate housing production commensurate with their assigned housing need. Palm Springs' Housing Element sets forth a strategy to address its share of the region's housing need.

Redevelopment Law

Palm Springs has established Redevelopment Project Areas for the purposes of eliminating blight, stimulating economic development, and providing housing within a designated area. The Palm Springs Redevelopment Agency (RDA) plays an important role in the maintenance, improvement, rehabilitation and development of housing. The RDA is required to prepare a plan every five years for the expenditure of funds for redevelopment activities, including the construction, maintenance, and improvement of housing projects within and outside project areas. The Housing Element is consistent with the City's Redevelopment Implementation Plans.

General Plan Consistency

California law requires that General Plans contain an integrated set of goals and policies that are internally consistent within each element and the General Plan as a whole. For instance, land use policies in the General Plan Land Use Element must be consistent with housing policies in the Housing Element and transportation policies in the Circulation Element. Therefore, as one or more elements of the General Plan are updated at different times in the future, the Housing Element will be amended to maintain consistency in housing goals, policies, and programs.

PUBLIC PARTICIPATION

California law states that local governments shall make a diligent effort to achieve public participation from all economic segments of the community in the development of the housing element. This updated

Housing Element is based on the preceding Element and it is further informed by the findings of Public Workshops held in February and March 2008. The preceding Housing Element was prepared concurrently with the Consolidated Plan, Analysis of Impediments to Fair Housing Choice (AI), Redevelopment Implementation Plan, and the overall update of the General Plan, as described below.

The public outreach and participation for each of these efforts defined the City's housing needs, the constraints and resources for meeting needs, and the preferred strategies and priorities for housing programs. Outreach efforts included the following:

- u ***Analysis of Impediments to Fair Housing***. On October 20, 2004, the City invited 150 service providers, realtors, lenders, apartment associations, managers, owners, and tenants to participate in a fair-housing workshop. In 2004, the City sent a Fair Housing Survey to 300 residents, community organizations, the CDBG Citizens Advisory Committee, the Homeless Task Force, apartment owners and managers, realtors, lenders, and housing/service providers. The Plan was also reviewed and adopted by the City Council on July 29, 2005.
- u ***Consolidated Plan***. On December 14, 2004, the City distributed a second Community Needs Survey to more than 300 stakeholders during the CDBG solicitation process. This process was an integral part of the preparation of the City's Consolidated Plan. A public hearing was held on March 22, 2005, before the Citizens Advisory Committee to provide residents, community organizations, and other interested parties an opportunity to comment on the City's 2005–2010 Consolidated Plan. The 2005–2010 Consolidated Plan was formally adopted by the City Council on April 6, 2005.
- u ***Redevelopment Implementation Plan***. The City posted notices in both Merged Areas and a public hearing before the Redevelopment Agency was held November 17, 2004. Prior to adoption of the 2005 Housing Element, the City held additional public hearings to adopt the 2005–2010 Redevelopment Implementation and the goals of the plan are folded into the Housing Element.
- u ***General Plan***. On May 15, 2005, the City held a community festival and conducted neighborhood workshops to solicit

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information on the land use plan from the community. On July 28, 2005, the General Plan Steering Committee also discussed and made various recommendations to improve and enhance the range of housing opportunities for Palm Springs residents. Neighborhood workshops were later held during 2006 to review and comment on the Land Use Plan, which included sites proposed for housing development.

Public input received during preparation of the plans and programs in the General Plan process was instrumental in formulating the goals, policies, and actions of the 2000-2006 Housing Element. Prior to the preparation of this updated Housing Element, further public consultation was undertaken in February and March 2008.

General Plan: Housing Element Workshops. On February 27 and March 3, 2008, the City conducted two well-publicized neighborhood workshops to solicit information on community affordable housing needs. The workshops were advertised in the Desert Sun and posted on the City's web site, with flyers mailed to interested parties. Attendance sheets from the workshops are contained in the Appendix to the Housing Element.

Participants at the first meeting represented affordable housing providers, developers, realtors and property managers. The participants placed greatest emphasis on the need for services to be enmeshed with the provision of affordable housing, together with the need to provide intergenerational units within the same development. The increasing necessity for providers and developers to seek multiple sources of financial assistance to cope with escalating land and construction costs was discussed. The need for multiple sources of funding complicates and hampers the development of affordable housing, as the various grants and funding entities often have differing or opposing criteria.

Respondents from several special-needs segments of the community participated in the second meeting, and all emphasized the need for accessible, well-connected and affordable housing for both owner occupancy and for rental. The specific needs of the chronically homeless and the temporarily homeless were discussed and the differences defined. Concern was expressed over the imminent impact of the ageing 'baby-boom' generation on the already inadequate stock of accessible and affordable housing for seniors. The special needs of the mentally and

physically disabled were discussed, together with those of single person households and large or multi-generational families, none of whom fit readily into standardized housing.

The importance of support services that assist people with special needs to live independently for longer was emphasized. Support services are not funded through tax credit programs and are often ‘not allowed for other funding. The need for a comprehensive socio-economic approach was also stressed, with access to education and job training, as well as affordable housing, underlying social upliftment.

Obstacles encountered by people with special housing needs include long waiting lists for affordable accommodation, programs that are not geared to special-needs groups, discrimination on the grounds of past behavior, and limited availability of City and other resources. Impediments to the wider provision of affordable housing include the prohibitive cost of land and construction, inflexible permitting procedures, tax credit programs with location criteria that cannot be met and NIMBY attitudes.

Various participants suggested that greater collaboration between state and private service providers could achieve positive results, as could co-operative programs between the City, special needs groups and private service providers/sectors. Revisions to the City’s Zoning Ordinance could facilitate the construction of mixed-use projects that include a substantial affordable housing component, and the provision of tribal workforce housing should be pursued with the Agua Caliente Band of Cahuilla Indians.

It was also suggested that the formation of inclusive community partnerships would result in special-needs groups being better able to put their case more convincingly to a broader range of funding sources.

The completion of the draft and its availability will be advertised in the Desert Sun and posted on the City’s web site, with flyers mailed to interested parties. The City will make available the draft of the updated Housing Element to special needs groups in the community, including seniors, people with disabilities, families, homeless advocates, and organizations providing services. The Housing Element will be circulated to the Chamber of Commerce, the Library, the Palm Springs Unified School District, and other interested parties. The Housing Element will also be circulated to the Agua Caliente Band of Cahuilla Indians.

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As required by state law, the draft 2006-2014 Palms Springs Housing Element will be reviewed by the Department of Housing and Community Development (HCD) for compliance with state law. If requested by HCD, the City will make various revisions to the draft Housing Element to ensure that adequate housing sites are available and housing programs implemented to ensure a sufficient availability of housing. HCD will issue a letter of compliance upon adoption by the City Council.

The Planning Commission and City Council will hold public hearings to review and adopt the updated Housing Element. All public hearings held before the Planning Commission and City Council will be duly noticed. Prior to the public hearing for adoption of the Housing Element, the draft document will be circulated and available for review and comment.

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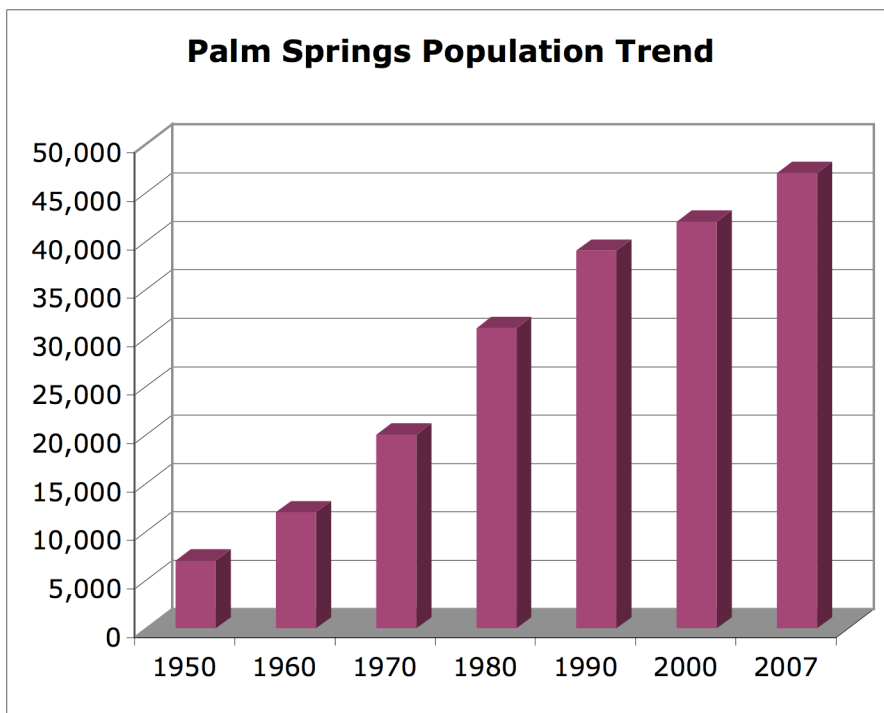
This section is intended to provide the basic housing context that will guide the development of goals, policies, and programs for meeting the community's housing needs. This section describes present and future housing needs in Palm Springs, analyzes constraints to addressing them, and provides an analysis of resources available to help meet the City's housing needs.

DEMOGRAPHIC PROFILE

Population Growth

According to the Department of Finance, the City of Palm Springs had a population of 45,731 as of 2005, and 47,251 in 2008. Historically, population has increased at a moderate pace, gaining 5,000 to 10,000 residents every decade since the 1950s, with the exception of the 1990s, when population grew at a much slower rate. The 2006 General Plan anticipates that year-round population will increase to 94,949 residents at total buildout.

Palm Springs has a large seasonal population that owns second homes and visits during the mild winter. According to the 2000 Census, Palm Springs has about 7,250 seasonal residences (14,500 residents), which translates to about one-quarter of the current year-round and seasonal resident population. With the development of resort condominiums anticipated, the proportion of seasonal residents is expected to remain constant.



Sources: US Census, 1950 - 2000.
Department of Finance, 2007

Figure 3-1

Race and Ethnicity

Palm Springs, like other communities in southern California, has experienced gradual changes in the racial and ethnic composition of its residents. Table 3-1 displays changes in race and ethnicity from 1990 to 2000. According to the 2000 Census, White residents comprised the largest race and ethnic group in Palm Springs, at 67 percent of residents. However, Hispanics recorded the fastest growth over the decade, increasing 35 percent to nearly one of every four residents in 2000.

All other race and ethnic groups comprised less than 10 percent of the population. Asian residents increased slightly, but continued to represent less than 4 percent of the population. African Americans comprised 4 percent of the City's population and all others comprised less than 2 percent.

Table 3-1
City of Palm Springs
Changes in Race and Ethnicity

Race/Ethnic Group	1990		2000		Percent Change
	Number	Percent	Number	Percent	
White	29,406	73%	28,474	67%	-3%
Hispanic	7,504	19%	10,155	24%	35%
African American	1,729	4%	1,621	4%	-6%
Asian	1,266	3%	1,606	4%	27%
Other	276	<1%	951	2%	245%
Total	40,181	100%	42,807	100%	7%

Source: U.S. Census, 1990 and 2000.

Race and ethnicity, combined with household income, have implications for housing needs. White and Asian residents tend to have the highest average household incomes, smaller household sizes, and therefore have the ability to afford a broader range of housing opportunities than other races and ethnic groups. Although the race and ethnicity of people who own second homes is unknown, it is presumed that Whites and Asians are the most likely occupants given their higher average household incomes.

Hispanics were the fastest growing ethnic group in Palm Springs. As noted by the City’s Analysis of Impediments to Fair Housing (2005), Hispanics tend to have the lowest average household income due to their types of employment and generally larger household sizes. African Americans also have similarly lower income levels. Thus, it can be assumed that housing opportunities would be more limited for Hispanics and African Americans.

Age Changes

The age distribution of the population of Palm Springs reflects a resort-oriented community, with a low ratio of children to adults. As shown in Table 3-2, the City’s adult population comprised 75 percent of residents, split between seniors 65 years and older, middle-aged adults from ages 45 to 64, and young adults from ages 25 to 44. Residents under age 24 made up the remaining 25 percent of the population.

The median age in Palm Springs increased from 44 in 1990 to 47 years in 2000. This trend was primarily due to two factors. Except for the age

group of 5 to 17 years, all age groups under 45 years declined in number and share of the population. At the same time, middle-age adults ages 45 to 64 were the fastest-growing group, increasing 24 percent during the decade. Seniors also continued to increase in number, growing 8 percent during the decade.

**Table 3-2
City of Palm Springs
Changes in Age Characteristics**

Age Groups	1990		2000		Percent Change
	Number	Percent	Number	Percent	
0-4 Children	2,104	5%	2,028	4%	-4%
5-17 (youth)	4,490	11%	5,247	12%	17%
18-24 (college adults)	3,154	8%	2,624	6%	-17%
25-44 (young adults)	10,890	27%	10,376	24%	-5%
45-64 (middle-age)	9,094	23%	11,303	26%	+24%
65+ (seniors)	10,359	26%	11,229	26%	+8%
Total	40,091	100%	42,807	100%	+7%
Median Age	43.7		46.9		

Source: U.S. Census, 1990 and 2000.

Age characteristics influence the demand for different types of housing. Generally speaking, college-age adults ages 18 to 24 and young adults between ages 25 and 44 are looking for more affordable housing options. Adults older than 44 are generally more settled in their careers, earn higher incomes, and seek move-up opportunities for housing, either in higher-priced condominiums or single-family homes.

Palm Springs has experienced a rapid increase in housing prices over the past few years. Given the increased cost of housing, the City will need to expand its inventory of housing opportunities that are affordable to different income levels in order to maintain a diverse sociodemographic mix of residents.

What is a household?

The Census Bureau defines three basic types of households: household, family, and nonfamily.

Household: Defined as all members living in the same home regardless of relationship.

Family household: Refers to persons living in the same home related by blood, marriage, or adoption.

Nonfamily households: defined as households consisting of unrelated individuals living together.

Household Changes

Household composition can have an important influence on the type of housing desired. For instance, families with children may look for larger dwellings (more bedrooms) that can more readily accommodate children. Singles tend to desire condominiums, townhomes, and similar housing types with smaller lots and located near amenities. Seniors may also look for housing that is affordable, yet easier to maintain. Thus Palm Springs household composition will affect current housing needs.

As shown in Table 3-3, Palm Springs has also seen a significant shift in the composition of households. During the 1990s, nonfamily households became the majority, at 54 percent, while family households declined from 54 to 46 percent. Among nonfamilies, single-person households increased 25 percent and other nonfamilies (unrelated persons living together) increased 45 percent. However, the average household size remained small at 2.1 persons per household due to the low number of younger families living in the City.

**Table 3-3
Palm Springs
Changes in Household Composition**

Household Type	1990		2000		Percent Change
	Number	Percent	Number	Percent	
Households	18,622	—	20,516	—	10%
Family Households	10,077	54%	9,464	46%	-6%
Married w/children	2,303	12%	2,107	10%	-9%
Married w/no children	5,544	29%	4,860	24%	-12%
Other families	2,230	12%	2,497	12%	12%
Unmarried Partners*	—	—	388	2%	—
Non-family Households	8,545	46%	11,052	54%	29%
Single Persons	6,811	37%	8,537	42%	25%
Other Non-families	1,734	9%	2,515	12%	45%
Unmarried Partners*	—	—	1,356	7%	—
Total	40,181	100%	42,807	100%	7%
Average Household Size	2.13		2.05		-4%

Source: U.S. Census, 1990 and 2000.

*Unmarried partners include family and nonfamily households of the same or opposite sex.

The 2000 Census included a new category for unmarried people living together; nearly 8 percent of all households in Palm Springs contained unmarried partner households, which includes same sex and opposite sex

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households. Of that total, 388 unmarried partner households were classified under the “other family” category and 1,356 unmarried partner households were classified under the “nonfamily household” category. These categories also include people filing as domestic partnerships.

Household Income

Along with housing costs, household income is the most fundamental factor affecting housing opportunity, because it determines how much can be afforded for housing. According to the 2000 Census, the City’s median household income was approximately \$36,000, 19 percent below the median household income in Riverside County of \$43,000, but similar to the median household income of surrounding cities.

The City’s median household income is lower than the County average due to the large number of retired residents and smaller nonfamily households present in the City. For example, retired residents earned a median household income of \$31,000 and nonfamily households earned a median income of approximately \$29,000. In contrast, the median family income in Palm Springs was approximately \$45,000 as of 2000.

Over the 1990s, the median household income increased 31 percent in nominal dollars. The number of households earning more than \$100,000 increased a sizable 90 percent (Table 3-4). However, when adjusted for inflation, the median household income increased only 2.5 percent from 1990 to 2000. This is due to the increase in the number of senior and nonfamily households relocating to the community over the last decade. Meanwhile, the percentage of people living in poverty increased to 15 percent in 2000.

**Table 3-4
Palm Springs Income Characteristics**

Household Income	1990		2000		Percent Change
	Number	Percent	Number	Percent	
Less than \$10,000	2,937	16%	2,109	10%	-28%
\$10,000 to \$24,999	5,506	29%	4,994	24%	-9%
\$25,000 to \$49,000	5,393	29%	5,957	29%	11%
\$50,000 to \$99,999	3,595	19%	4,823	24%	34%
\$100,000 +	1,352	7%	2,593	13%	92%
Percent Living in Poverty	4,991	13%	6,402	15%	28%
Median Household Income	\$27,538		\$35,973		31%
Median Family Income	\$34,642		\$45,318		31%
Adjusted Household Income*	\$40,756*		\$41,729*		2.5%

Source: U.S. Census, 1990 and 2000.

*Household Income shown in nominal income; asterisk denotes adjusted for inflation in 2005 dollars.

Further differences in household income are evident by the tenure (renter versus homeownership) of the resident. According to the 2000 Census, renter households earned a median household income of \$24,000 in 2000. As expected, homeowners earned nearly two times the median rental household income, earning a median household income of \$46,250.

The State Department of Housing and Community Development further analyzes the distribution of income among households in a community relative to the County Median Family Income (CMFI) as adjusted for different size households. These categories are as follows.

- Extremely low income households: households earning 30 percent or less of the CMFI
- Very low income households: households earning between 31 and 50 percent of CMFI
- Low income households: earning 51 to 80 percent of CMFI
- Moderate income households: households earning 81 to 120 percent of CMFI

State income guidelines often combine extremely low and very low income into one category, called very low income. The extremely low, very low, and low income categories are also often considered “lower” income, a term used throughout this Housing Element. Lower income households have the greatest difficulty in finding suitable and affordable housing.

Over the 1990s, lower income households increased 8 percent to 8,919 by 2000, which includes 4,965 renters and 3,954 homeowners (Table 3-5). By tenure, 61 percent of all renters earn lower incomes, while only 32 percent of all homeowners earn lower incomes. Certain types of households also have a higher incidence of low income: more than 70 percent of seniors and large families who rent earn lower incomes.

**Table 3-5
Lower Income Households in Palm Springs**

Households by Tenure	Extremely Low	Very Low	Low	Moderate and Above-Moderate
Renters	1,673	1,454	1,838	4,965
Percent of All Renters	21%	18%	23%	61%
Owners	867	1,181	1,906	3,954
Percent of All Owners	7%	9%	15%	32%

Number and Percent of Households Earning Lower Incomes				
Household Types	Renters	Owners	Renters	Owners
Seniors (1 and 2 persons)	1,422	2,424	71%	37%
Small Families (2–4 persons)	1,308	647	58%	24%
Large Families (5 or more)	441	192	70%	27%
All Others	1,794	691	56%	27%
Total Households	4,965	3,954	61%	32%

Source: Comprehensive Housing Affordability Strategy, 2000.

Special Needs

This section analyzes the *special housing needs* of seniors, female-headed households, single-parent families, disabled persons, large families, farmworkers, and homeless people in Palm Springs. More extensive information about each group and the particular needs of each household group is included in the Consolidated Plan.

- Seniors.** Seniors are often considered a special needs group because limited income, health costs, the need for access to transportation and supportive services, and disabilities make it more difficult for seniors to find and retain adequate affordable housing. As of the 2000 Census, the City was home to 7,458 senior households (37 percent of all households); of these households, 5,723 owned a home and 1,735 rented a home. According to the Census, 38 percent have a disability and 40 percent of seniors overpay for

What are special housing needs in Palm Springs?

California housing law considers certain households as having special needs due to income, household size, disability, or employment status that affect their ability to find suitable housing.

housing. To help meet the housing needs of seniors, the City assists in the development of affordable senior housing (e.g., Vista Del Monte/Vista Serena senior apartments) and permits licensed care facilities.

- u ***Female-Headed Households and Single Parents.*** Female-headed households—in particular, single-parent households—often require special consideration or assistance, because they typically earn less than two-parent households and must be able to afford child care as well. As a result, many single-parent families choose to double up with other families. The City has 4,362 female-headed households. In 2000, 6 percent of all households were single parents with children under age 18; however, they represented 43 percent of households that were in poverty. As a result, sharing housing becomes a necessity: 311 single parents with children share a house with another family.
- u ***Large Families.*** Large families, defined as those with five or more members, comprise 5 percent of households. Of that total, 688 own homes and 657 large families rent housing. Many large families have two or more children, extended family members such as grandparents living with their children, or other nonfamily members who rent out a room, such as students. Large households, in particular renters, have greater difficulty in finding housing because of the limited supply of adequately sized and affordable rentals. Large families may also face a heightened rate of housing discrimination or differential treatment when they try to secure rental housing. Large families therefore encounter the highest rate of overcrowding and overpayment.
- u ***Disabled People.*** Disabled people have special housing needs because of their fixed income, lack of accessible housing, and higher health care costs. According to the 2000 Census, 10,836 persons in Palm Springs had a disability (27 percent of all households) and nearly half were older than 65 years of age. Disabilities are defined as mental, physical, or health conditions that last more than six months. To address their housing needs, the City ensures that federally subsidized housing provides accessible units for disabled people. Riverside County, when allocating vouchers for affordable housing, provides a preference for disabled people. For residents

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requiring assisted living, the City has 29 licensed residential care facilities serving 483 seniors in Palm Springs.

u ***Persons Living with HIV/AIDS.*** According to the Riverside County Health Department, about 1,600 residents in Palm Springs are living with HIV/AIDS, which represents 40 percent of the County's HIV/AIDS population. Several resources are available within Palm Springs to serve those in need. Desert AIDS Project provides medical care, counseling, home health services, and legal assistance, as well as assistance with housing, medication, food, jobs, and more. The AIDS Assistance Program provides food vouchers for 450 low income clients each month, counseling, and other assistance. The City is actively pursuing housing opportunities, and opened a permanent supportive housing facility for people living with HIV/AIDS in 2007.

u ***Homeless People.*** Senate Bill 2, Chapter 633 acknowledges homelessness as a statewide problem with damaging social and economic consequences. The Bill requires cities to plan for services to address the special needs and circumstances of what is a largely unrepresented group of people. Homelessness affects people of both genders and all races and ages, with some of the main causes being mental illness, substance abuse, prison release and lack of affordable housing. It is the responsibility of the City of Palm Springs to plan and identify areas for emergency shelters¹, that will satisfy the needs identified in the analysis of homelessness within the City. In 2006, the City established a Homeless Task Force to identify locations for a homeless shelter in Palm Springs. The City also participates in the Coachella Valley Association of Governments program to end homelessness, and processed the Western Coachella Valley homeless center for this program in 2008.

In 2004, the Riverside County Department of Public Social Services identified that there were 336 homeless people living in Palm Springs. Various support services are available in Palm Springs to assist them. The County's Nightingale Manor, a 16-unit apartment building used for transitional housing, is operated by

¹ Emergency Shelter as defined in Section 50801 of the Health and Safety Code

Episcopal Community Services. The Well in the Desert provides grocery distribution, meals, and other services to the needy, including a hot lunch program in a City-owned facility. Catholic Charities provides emergency rental assistance and food for up to 40 people each night. The City also dedicates part of its federal monies to homeless service providers and is supporting the development of a new youth emergency shelter in Thousand Palms. Two initiatives, the Homelessness Committee of CVAG and the Palm Springs Homeless Task Force, are working in partnership to further address homelessness in Palm Springs. A Strategic Plan to End Homelessness was completed in 2007 and the first phase of the plan focuses on the development of a comprehensive Multi Service Centre (MSC), at McClane Road, in north Palm Springs.

Although the MSC was permitted, the City's Zoning Ordinance does not currently explicitly permit homeless shelters by right in any zone. A program has been added which requires that the Zoning Ordinance be modified to allow them in the M-2 Zone. Any future shelter would be required to complete a Major Architectural Review, which is a compliance review for design standards, and not a discretionary land use approval. The process requires approval by the Planning Commission, but does not require City Council approval. Since there are more than 60 acres of vacant land in the M-2 zone, there is sufficient capacity for the development of additional shelter facilities to meet the City's homeless population's need.

Transitional and supportive housing and single room occupancy facilities are permitted in the R-2, R-3 and R-4 zone, as are all multiple family units. The City's Zoning Ordinance defines a dwelling unit as:

“Dwelling” means a building or portion thereof designed exclusively for residential occupancy, including one-family and multiple-family dwellings, but not including hotels, boarding or lodging houses, or mobilehomes or trailers, except when installed on a permanent foundation, or motorized homes.

The Ordinance further defines a dwelling unit as:

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“Dwelling unit” means one (1) or more rooms and a single kitchen in a single-family dwelling, apartment house or hotel designed as a unit for occupancy by one (1) family for living and sleeping purposes.

These definitions make it clear that dwellings include all types of residential units, including hotels, which would typically be considered the most common type of single room occupancy facility.

- u **Farmworkers.** Although the Coachella Valley economy was historically linked to agriculture, changes in the local economy have virtually eliminated all significant agricultural production in the community. In 2000, the Census reported that only 50 residents were employed in the agricultural sector. Typically, agricultural work is one of the lowest-paying employment options, resulting in many farmworkers living in substandard housing. The City does not have designated farmworker housing, but, should farmworkers need affordable housing, the City has more than 1,800 housing units available to lower income households.
- u **Extremely Low Income Households.** Extremely low income households, those making 30% or less of the median income, account for 1,673 renter households in the City in 2000. The majority of these households are seniors in the City. Seniors are addressed separately above, but are generally in need of housing on one level, and often need social service assistance. The City’s senior renter population has, and will continue to seek housing in specialized apartment projects and in mobile home parks. The City’s planned projects for the planning period include both of these types of housing.

HOUSING CHARACTERISTICS

Housing Inventory

Palm Springs offers a diverse array of housing opportunities, as shown in Table 3-6. As of January 2008, 55 percent of all homes in Palm Springs are single-family homes, with a considerable share being attached units. Multiple-family housing comprises 37 percent of all homes, with the majority in projects of five or more units. Palm Springs also has a

significant number of vacation rentals and condominiums, which may be included in either the single-family or multiple-family housing categories. The City's additional 2,231 mobile home units comprise 7 percent of all housing.

Homeowners comprise 61 percent of households (12,463 households). The homeownership rate is highest in single-family homes and mobile homes (88 percent) and lowest among multiple-family homes (19 percent). In Palm Springs, many residents own second homes or rent vacation condominiums during the mild winter months. According to the California Department of Finance, the vacancy rate in the City for 2007 is 33.43 percent, with many units being held for seasonal, recreational, or occasional occupancy and not used for permanent year-round housing.

Excluding the seasonal and recreational occupancy component, the housing vacancy rate reflects the balance between the demand for housing and the availability of housing. Typically, the building industry assumes that vacancy rates of 5 to 6 percent for rental units and 1.5 to 2 percent for ownership housing are optimal, offering a wide variety of choice and sufficient price competition. Higher vacancy rates drive down housing prices while lower vacancy rates lead to price escalation. In 2000, 3 percent of ownership units and 11 percent of rentals units were vacant; in recent years, vacancy has decreased, significantly tightening the market. The Department of Finance estimated that in January of 2008, 33.43 percent of the City's housing units were vacant. This number does not address seasonal residences. The 2000 Census determined that 23.5% of the housing units in Palm Springs were for seasonal use. Since it is unlikely that the percentage of seasonal housing has fluctuated significantly, given Palm Springs' tourism market, the City can be estimated to have a net vacancy rate of 9.93%, which can be considered an "average" vacancy rate, consistent with typical occupancy fluctuations in the market.

**Table 3-6
Palm Springs Housing Characteristics**

Housing	Number	Percent of Total	Percent Owned*
Single-family detached	12,099	36%	88%
Single-family attached	6,679	19%	80%
Multiple-family (2-4 units)	2,558	8%	19%
Multiple-family (5+ units)	9,915	30%	19%
Mobile Homes and other	2,228	7%	88%
Total	33,479	100%	61%

Source: California Department of Finance, 2005.

*Ownership rates estimated by the U.S. Census Bureau, 2000.

Housing Costs

Much like other communities in the Coachella Valley, the sale prices for housing in Palm Springs have dramatically fluctuated in recent years. In 1999, the median-priced condominium in Palm Springs sold for approximately \$80,000 and the median-priced single-family detached home sold for approximately \$148,000. By 2005, however, the price of housing had nearly tripled and was increasing faster than many other areas in the greater southern California region.

According to the California Association of Realtors, the median price of a single family home in Palm Springs in January 2008, was \$319,440 while the median price of all homes in the City was \$305,000. The prices reflected a 17.1% reduction in house prices during the period January 2007 through January 2008. ‘The State of Real Estate in the Coachella Valley’ (2006), records that sales of residential units in Palm Springs decreased from 2,259 in 2005, to 1,602 in 2006. As summarized in Table 3-7 below, the 2006-2007 median price of a resale, 3 bedroom single family home in Palm Springs was approximately \$575,000. Prices ranged widely, depending on number of bedrooms, location, and amenities. Condominiums averaged between \$195,000 for a 1 bedroom unit, through \$440,000 for a 3 bedroom unit. Again, prices ranged widely, depending on location and amenities. Mobile homes remain the most affordable housing option and generally sold for a median price of \$157,000 for a two-bedroom unit.

The rental housing market meanwhile, has experienced steady price escalation. Rents vary widely, but are reasonable compared to other areas due to the high seasonal vacancy rates. Small apartments with five or

fewer units rent for \$706 to \$1,023 depending on bedrooms and amenities. Larger apartments rent for \$956 to \$973 , depending on bedrooms and amenities. Condominiums rent for an average of \$1,324 for a two-bedroom unit, and single-family homes average slightly higher rents, ranging from \$1,866 to \$2,081 for standard homes.

**Table 3-7
Palm Springs Housing Prices and Rents**

Housing Prices	One-Bedroom Unit	Two-Bedroom Unit	Three-Bedroom Unit
Median Prices 2006-2007			
Single-Family Homes	N/A	\$460,000	\$575,000
Condominiums	\$210,000	\$380,000	\$440,000
Mobile Homes	\$28,000	\$157,000	\$165,000
Average Rents			
Multiple-family < 5 units	\$706	\$1,023	N/A
Apartments 5+ units	\$973	\$956	N/A
Condo/Single-Family	N/A	\$1,324 - \$1,866	\$1,363 - \$2,081
Source: Rental phone survey, April 2008 ; Palm Springs Realtors internet survey, April 2008			

Housing Affordability

Palm Springs considers housing affordability to be a critical issue. The inability to afford housing leads to a number of undesirable situations, including the doubling up of families in a single home, overextension of a household's financial resources, premature deterioration of housing due to the high number of occupants, situations where children and seniors cannot afford to live near other family members because of the lack of affordable housing options, and in more extreme cases, homelessness.

Housing affordability can be determined by comparing housing prices to the income levels of residents in the same community or within a larger region, such as the County. The California Department of Housing and Community Development (HCD), the state agency responsible for reviewing housing elements, assesses the need for housing assistance in cities according to four household income groups—very low, low, moderate, and above moderate.

The federal government has established an “affordability” threshold that measures whether or not a household can afford to rent or own housing. Typically, a household should not pay more than 30 percent of gross income for housing costs. Households paying more than 50 percent of income for housing are considered to be severely overpaying for housing.

Table 3-8 compares the maximum housing price and rent that could be afforded by different income levels in Palm Springs. It should be noted that the table refers to the maximum income of households within a particular income group. Households earning in the lower portion of an income range may not be able to afford the maximum home price or rent.

**Table 3-8
Housing Affordability in Palm Springs**

Income Levels	Definition (Percent of County MFI)	Maximum Household Income¹	Maximum Affordable Price²	Maximum Affordable Rent³
Extremely Low	Less than 30%	\$20,000	\$44,000	\$500
Very Low	31% to 50%	\$33,300	\$103,200	\$832
Low	51% to 80%	\$53,300	\$170,500	\$1332
Moderate	80% to 120%	\$74,400	\$245,500	\$1860

Assumptions:

- ¹ Household size of four persons. Maximum income limits are established by the Department of Housing and Community Development according to median family income (MFI).
- ² Assumes 5% down payment, 30-year loan at an interest rate of 7% with standard assumptions for miscellaneous housing costs. Affordability is calculated at 35% of income, assuming that mortgage costs are tax deductible.
- ³ Rental payment is assumed at no more than 30% of income.

Housing Age and Condition

Housing age is one factor used for determining housing maintenance and rehabilitation needs. Homes older than 30 years (that have not been well maintained) generally need repairs (e.g., new roof, plumbing, siding, etc.) and in some cases may require lead paint abatement. Homes older than 50 years frequently need new electrical and other major subsystems. Homes older than 70 years, unless regularly maintained, require substantial rehabilitation. Housing units by year of construction are shown in Table 3-9.

Lack of infrastructure and utilities are an indicator of substandard housing. According to the 2000 Census, 166 units lacked complete plumbing facilities and 217 units lacked complete kitchen facilities in Palm Springs. The majority of units were connected to the City sewer system, with less than 3 percent on septic tanks or some other means of waste disposal. Less than 1 percent of the units relied on heating sources other than gas or electricity. Some of these units may be considered to be substandard.

Another way to determine if housing is substandard is to evaluate whether physical conditions are below the minimum standards of living as defined by Section 1001 of the Uniform Housing Code. A housing unit is considered substandard if any of the following conditions exist: inadequate sanitation, structural hazards, nuisances, faulty weather

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protection, fire hazards, inadequate maintenance, overcrowding, and hazardous wiring, plumbing, or mechanical equipment. However, no data is available for such assessment in Palm Springs.

City staff estimates that 155 single-family homes need rehabilitation, based on surveys taken for the Redevelopment Implementation Plans.

Assuming the same rate of rehabilitation needs as single-family housing, less than 0.1 percent of multiple-family housing is in need of rehabilitation. Of this total, Redevelopment Agency staff estimate that 1 to 2 single-family units and an equal number of multiple-family units need replacement each year.

In the current economic climate, the City is experiencing an issue with foreclosed properties and ongoing maintenance. As is often the case, when owners vacate a foreclosed property, the bank or lender which takes over the property does not maintain the unit, often allowing landscaping to die or be untrimmed, not repairing vandalism, or otherwise providing for the basic maintenance of the home. This affects the remaining residents' property values, and can lead to increased criminal activity, and decreased property values. The City has in place an Ordinance which requires the ongoing maintenance of vacant and abandoned buildings, including homes in default. The Ordinance requires that lenders hire a maintenance company to regularly check on the vacant home, and maintain it consistent with City codes and ordinances. This Ordinance will help to assure that foreclosures do not affect the appearance or property values of neighborhoods.

**Table 3-9
Housing Age as of 2007**

Year Built	Number of Homes	Percent of Homes
2000-2007	2,271	7%
1990-2000	2,049	6%
1980-1990	7,503	23% 24%
1970-1979	10,688	32% 35%
1960-1969	5,736	17% 18%
1940-1959	4,179	13% 13%
Earlier than 1940	827	2% 3%
Totals	33,250	100%

Source: U.S. Census, 2000 & City of Palm Springs

Housing Problems

The mismatch between household income and housing costs typically results in two related housing problems: overpayment and overcrowding. According to the federal government, households spending too much for housing have limited income left for other basic necessities of life. To avoid paying too much for housing, many households choose to double up with other family members or members of other families. This may lead to a situation of overcrowding, which may increase traffic, result in parking shortages, and increase the wear and tear on a home.

Defining Housing Problems

The federal government defines "housing problems" as households paying too much for housing, living in overcrowded housing conditions or living in homes that have selected physical problems.

Housing problems of housing overpayment and household overcrowding are defined by the federal government as follows.

- **Overpayment.** Overpayment refers to a household which pays more than 30 percent of its gross income for rental or ownership costs. According to the 2000 Census, approximately 46 percent of renters (3,739 households) and 33 percent (4,107 households) of homeowners overpay for housing in Palm Springs.
- **Overcrowding.** Overcrowding refers to a situation where a household has more family members than rooms in a home (excluding halls, kitchens, bathrooms, etc.). According to the 2000 Census, 1,105 renter (14 percent) and 433 homeowner (3.5

percent) households live in overcrowded housing conditions in Palm Springs.

As shown in Table 3-10, low income households have the highest occurrence of housing problems in Palm Springs. Housing problems were experienced by 77 percent of low income renter households and 69 percent of low income homeowners, representing up to six times the rate of all other households. Low income large families with five or more members are the most burdened households—94 percent experienced a housing problem.

Table 3-10
Housing Problems among Households

Housing Tenure	Percentage with Housing Problems		
	Low Income Households	Earning above Low Income	Total for All Households
Renter Households	77%	19%	55%
Homeowner Households	69%	12%	36%
Total Households	59%	20%	43%

Source: Comprehensive Housing Affordability Strategy, 2000.

Housing Preservation Needs

Palm Springs has a sizable inventory of affordable housing projects available for and occupied by residents. City records show that 16 affordable rental projects provide subsidized, low cost housing for more than 1,200 households. In addition, the City has mobile home units regulated by affordability agreements. These projects are summarized below in Table 3-11.

California housing law requires that all housing elements include an analysis of multiple-family affordable housing projects, which have been assisted by governmental or private funds, as to their eligibility to change from low income housing to market rates by 2014. This is called an at-risk analysis. State law does not require a similar analysis for mobile home projects.

In addressing this requirement, publicly assisted and affordable multiple-family residential projects are analyzed into three categories.

- u **Projects at No Risk:** Projects not considered at risk are affordable multiple-family housing projects in which the affordability controls will not expire within 10 years from the end of the planning period for the Housing Element.
- u **Projects at Low Risk:** Low risk projects are affordable housing projects in which the affordability controls could expire by 2010, but arrangements have been made to preserve the units, or the owners are not likely to convert the projects. **Projects at Risk:** These projects are affordable multiple-family housing in which the affordability restrictions have expired and the present affordability is maintained through Section 8 vouchers or some other subsidy which is uncertain and could terminate.

All of the City's affordable housing projects are shown in Table 3-11. One project, Sunnyview Villas, is currently at risk and is discussed below. The Palos Verdes Villas project has the potential to become at risk shortly after the end of the present planning period.

The City also facilitates homebuyer assistance projects, with the Desert Highland project offering 13 single family units affordable to Moderate Income households, and the Cottonwood/Chukwalla project providing 9 single family units affordable to Low Income households.

**Table 3-11
Palm Springs Subsidized Multiple-Family Housing**

Development Name	Type of Unit	Form of Assistance	Total Units	Subsidy Terminates	Status
Sunnyview Villas 2950 N. Indian Canyon	Family	Section 221(d)(4) – Section 8	44	2010	At Risk
Palos Verdes Villas 392 E. Stevens Road	Family	LIHTC, CalHFA, & RDA funds	98 (20%VLI))	2015	Potentially at Risk
Desert Flower Apartments 2500 E. Palm Canyon	Family	Mortgage Revenue Bond	129 units	2018	Not at Risk
Racquet Club 2383 E. Racquet Club	Family	Mortgage Revenue Bond	9 units	2018	Not at Risk
Calle de Carlos 3721-3989 E. Calle de Carlos	Family	Mortgage Revenue Bond	4 units 4 units	2018	Not at Risk
Nightengale Manor 2951 De Anza Road	Family	Mortgage Revenue Bond	16	2018	Not at Risk
Pacific Palms Apartments 423 S. Calle El Segundo	Family, Senior	MRB, LIHTC, Section 8	140	2020	Not at Risk
Tahquitz Court Apartments 2890 E. Tahquitz Canyon	Family	Tax Exempt Bond	108 (LI)	2023	Not at Risk
Coyote Run Apartments 3601 N. Sunrise Avenue	Family	LIHTC/RDA	140	2023	Not at Risk
Coyote Run II Apartments	Family	LIHTC/RDA	66 (LI)	2023	Not at risk
Vista Del Monte 1207 E. Vista Chino	Senior	HUD Section 202	52	2026	Not at Risk
Heritage Apartments 300 S Calle El Segundo	Seniors (rental)	RDA Funds	136 (68 LI & MI)	2026	Not at Risk
Vista Serena 1210 E. Vista Chino	Senior	Section 202	57	2026	Not at Risk
Palm Springs Senior Apartments 3200 Baristo/1201 Vista Chino	Senior	CalHFA, Section 8 (voucher)	175	2024 – Just ext. to 2060	Not at Risk
Rancheria del Sol 303 S. Calle El Segundo	Family	Section 236(d)(1) Project-Based Section 8; Title VI	76	2006 – Just ext. to 2044	Not at Risk
Seminole Garden Apartments 2607 S. Linden Way	Family	Section 221(d)(3) LIHTC in 2002	60	2042 – Just ext. to 2057	Not at Risk
Vista Sunrise - New	Individuals	HOME; LIHTC; City; CalHFA	80 (VLI & LI)	2061	Not at Risk
Sahara Mobile Homes 1955 S. Camino Real	Seniors, Families	RDA	254 (127 VLI & LI)	2050+	Not at Risk
El Dorado Mobile Homes 6000 E. Palm Canyon Drive	Seniors, Families (rental & ownership)	RDA; MPROP	377 (MI purchasers, LI renters)	2050+	Not at Risk
La Ventana 300 S. Calle El Segundo	Family	–	68 (LI & MI)	–	Not at risk

Source: City of Palm Springs, 2007 ; California Housing Partnership, Revised May 2006.

Notations:

CalHFA: California Housing Finance Authority

LIHTC: Low Income Housing Tax Credits

RDA: Palm Springs Redevelopment Agency

MPROP: Mobile Home Park Resident Ownership Program

MRB: Mortgage Revenue Bond

Sunnyview Villas

This 44-unit apartment project is financed through a Section 221(d)(3) market rate mortgage and has a Project Based Section 8 rental subsidy. The project includes 40 two-bedroom units and 4 three-bedroom units. Sunnyview Villas is a Project Based Section 8 subsidized project at risk of losing affordability restrictions by 2010. The primary incentive for property owners to opt out is the market rent that would be paid for these units. For HUD financed projects, four primary options are available: (1) renew at comparable market rental rates (the “Mark Up to Market” option), (2) renew at current rents with no adjustments, (3) mark down rents to market levels if the Section 8 subsidy exceeds market rents, or (4) notify HUD of the intent to opt out. If the owner meets all noticing requirements and then opts out, HUD will either issue “enhanced” vouchers allowing residents to stay in their units or issue a standard voucher to those who choose to relocate.

The second option for preserving at-risk apartment projects from converting to market rates is for the City to replace the HUD subsidies in return for affordability covenants. The financial cost of replacing HUD subsidies is the difference between the FMR of an adequately sized unit and the maximum rent that tenants could pay each month defined as 30 percent of household income. The FMR for a two-bedroom unit is \$911, a very low income household of four persons could afford no more than \$696 per month, and the annual subsidy would be approximately \$2,600 for 44 units.

Maintenance of the at-risk housing units as affordable will depend largely on market conditions, the status of HUD renewals of Section 8 contracts, and the attractiveness of financial incentives that the City can provide to investors, if warranted. The cost to replace the 44 units will vary based on the timing of replacement and the economic conditions in the region. The Building Industry Association estimates that new multiple-family projects cost \$125 to \$130 per square foot. Using the average square footages of available two-bedroom rental units of 1,000 square feet, the building replacement cost would be \$5.5 million dollars.

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Perhaps the most effective means for preserving affordable units at risk of conversion to market rates units would be the transfer of ownership. A nonprofit housing corporation could purchase the project, rehabilitate it using Low Income Housing Tax Credits, and then extend the affordability controls. The City of Palm Springs could, if desired, facilitate this effort through a reduction in building permit fees, impact fees, or other indirect assistance. This method was used to rehabilitate the Seminole Garden Apartments and extend affordability controls to 2057.

HOUSING CONSTRAINTS

Housing constraints refer to land use regulations, housing policies, zoning, and other factors that influence the price and availability of housing opportunities in Palm Springs. This section provides an overview of the City's General Plan, Zoning Ordinance, Consolidated Plan, AI, and other documents that identify public policies and governmental regulations that may limit or enhance housing opportunities in Palm Springs.

Land Use Policies

The Land Use Element prescribes the allowable uses of land in Palm Springs. Land use categories are provided to guide the type of development, intensity, or density of development, and the permitted uses of land. The General Plan sets forth five primary residential land use categories and several mixed residential-commercial land use categories as shown in Table 3-12. The Zoning Code implements the General Plan by providing specific direction and development standards within each of the general land use categories.

**Table 3-12
General Plan and Zoning
Primary Residential Land Use Designations**

General Plan Land Use Designation	Zoning Districts	Allowed Residential Uses
Estate Residential (0 to 2 du/ac)	G-R-5	Large estate single-family homes, many of which are near the foothill areas of the community.
Very Low Density (2.1 to 4.0 du/ac)	R-1	Accommodates single-family homes situated on large lots one-half acre or larger.
Low Density (4.1 to 6.0 du/ac)	R-G-A	Accommodates "typical" single-family detached residences on 7,500-square-foot or larger lots.
Medium Density (6.1 to 15 du/ac)	R-2	Accommodates single-family attached and detached uses, multiple-family units, and mobile homes.
High Density (15.1 to 30 du/ac)	R-3; R-4	Accommodates higher density residential homes built at a density of 15.1 to 30 dwelling units per acre.
Central Business District	CBD	Allows commercial, residential, and office uses at a high intensity and density (21 to 30 units per acre).
Tourist Resort Commercial	R-C	Allows commercial, residential and office uses at a medium intensity and density of up to 21 units per acre.
Mixed-Use/Multi-Use	MU	Allows commercial, residential, and office uses at a low concentration and density at up to 15 units per acre.

Notes: Palm Springs allows residential development in the Open Space/Conservation, Mountain, and Desert land use designations at a lower density than the above residential land use categories. A Small Hotel land use classification also allows up to 10 units per acre. The Land Use Element provides more detail on these categories.

Land Ownership

One of the distinguishing characteristics in Palm Springs is the unique pattern of land ownership. Palm Springs is divided into Indian and non-Indian property holdings, based upon a grid pattern of square-mile sections of alternating ownerships. This grid pattern of alternating ownership dates back to the original land agreement between the Agua Caliente Band of Cahuilla Indians (the Tribe) and the federal government.

Indian lands fall into three categories:

- v ***Tribal Trust Lands.*** In the 1970s, the City and the Tribe came to an agreement that recognized the Tribe's authority to regulate Indian Trust lands. Under this agreement, the City acts as the Tribe's agent to impose City land use regulations and consults with the Tribe regarding any action that may affect Indian Trust Lands. In addition, the agreement established an appeal process designating the Tribal Council as the final authority over land use matters on Indian lands.

- u **Allotted Trust Lands.** These lands are former Tribal Trust Lands, the title of which is now held by the United States for members of the Tribe (allottees). The Tribe retains sovereign authority over land uses and regulation, but the lands are subject to the same development standards and requirements as land owned by non-Indians (per agreement between the Tribe and the City). With consent of the U.S. Department of the Interior, an allottee can sell or lease such lands.
- u **Fee Lands.** Fee lands are parcels which were originally allotted to a tribal member as trust lands, but have been sold outright to another entity. Although the Fee Lands remain within the historical boundaries of the Reservation, they now can be owned by anyone. Because of the sale to other entities, these properties are exclusively under control of the third party and land use and development rights are no different than any other privately owned parcel in Palm Springs.

During the preceding planning period, the City experienced a significant amount of residential development. During that period, the City issued building permits for multiple-family housing on Indian- and non-Indian-owned land, including 403 units on allottee land, and 737 housing units on all other land in the City of Palm Springs. In addition, the Tribe issued permits for 104 units on Tribal Trust land. Although the Tribe maintains land use appeal authority on Indian lands, the Tribe has generally supported land development proposals as regulated by the City, and no change is expected in this planning period. Thus, the present land ownership pattern has not constrained, nor is it anticipated to constrain, the production of housing in any manner during the present housing element planning period.

Housing Opportunities

California law requires that cities facilitate and encourage the provision of a range of types and prices of housing for all income levels. This includes housing for persons with disabilities, lower income people, people who are homeless, families with children, or other groups. The Zoning Code permits a range of housing opportunities shown in Table 3-13 and described below.

**Table 3-13
Zoning and Residential Land Use Designations
and Associated Regulatory Processes**

Housing Type	Zoning Districts					
	G-R-5	R-1	R-G-A	R-2	R-3/R-4	R-MHP
Single-Family	P	P	P	P		
Multiple-Family			P	P	P	
Accessory Dwelling	CUP		CUP	CUP		
Guest House		P				
Manufactured Housing		P				
Mobile Home Parks						P
Assisted Living			CUP	CUP	CUP	

Source: Palm Springs Zoning Code.

Notes: P designates a use permitted by right; CUP designates a conditionally permitted use

The City also allows residential development in the Open Space/Conservation, Mountain, and Desert land use designations. Please refer to the Land Use Element for greater detail.

The following describes provisions that allow housing opportunities other than more conventional single-family and multiple-family housing.

Manufactured Housing

State law requires cities to permit manufactured housing and mobile homes on lots for single-family dwellings when the home meets the location and design criteria established in the Zoning Code. The Zoning Code does not define manufactured housing, but treats manufactured housing like any other single-family home and permits it in all residential zones.

Accessory Dwelling Units

State law requires local governments to adopt an administrative approval process for accessory dwelling units, unless the City Council has adopted specific findings that preclude such uses due to adverse impacts on the public’s health, safety, and welfare. The City presently allows accessory dwelling units in residential zones in accordance with State law. As allowed under AB 1866, the City currently reviews accessory or second units under the standards allowed if a City does not have a local ordinance. As part of the City’s comprehensive update of its Zoning Ordinance, the City has developed a local ordinance with City-specific standards. That ordinance is being reviewed by the Planning Commission in 2009, and will be approved and implemented in this planning period.

Mobile Home Parks

State law requires that all cities must allow a mobile home park within their community in a designated zone, but can require a use permit (Government Code, § 65852.3). A mobile home park refers to a mobile home development built according to the requirements of the California Health and Safety Code. The City has over 2,000 mobile homes and permits such uses in the MHP zone, subject to conformance with City conditions and design standards.

Residential Care Facilities

To ensure housing opportunities for disabled people, state law requires licensed residential care facilities serving six or fewer disabled people be allowed by right in all residential zones, and not be subject to more stringent development standards, fees, taxes, and permit procedures than required of the same type of housing in the same zone. The Zoning Code does not define, permit, or prohibit such uses; however, the City adheres to state law requirements and presently has many residential care facilities for the elderly.

Emergency Shelters/Transitional Housing

State law requires cities to identify adequate sites and standards to facilitate and encourage the development of emergency shelters and transitional housing. The State HCD requires that each city designate a zone where such uses are conditionally permitted as well as provide and ensure that the conditions and process facilitate and encourage such uses. The Zoning Code permits emergency shelters and transitional housing anywhere in the community through the application of the Planned Development District.

Two initiatives, the Homelessness Committee of CVAG and the Palm Springs Homeless Task Force, are working in partnership to address homelessness in Palm Springs.

Under the broader recommendations developed as part of the *County of Riverside's 10 Year Plan to End Homelessness*, the Homelessness Committee has prepared a Strategic Plan to End Homelessness. The Plan was implemented in July 2007 and is scheduled to conclude in July 2010.

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The first phase of the Plan focuses on the development of a Multi Service Centre (MSC) at McClane Road in north Palm Springs. The facility is intended to meet the needs of homeless people in the western portion of the Coachella Valley. The objective of the MSC is to provide comprehensive support services to promote progress towards permanent housing and self-sufficiency. The MSC will be designed to provide one-stop access to resources for individuals and families experiencing homelessness or at-risk of becoming homelessness. A wide array of supportive services are envisioned, including basic amenities such as showering/personal care and laundry, transportation, childcare, medical care, mental health services, integrated case management, as well as street outreach and food and housing. The MSC has an estimated completion date of December, 2009.

Farmworker Housing

There is no commercial farming in the City, nor has there been in a number of years. No Agricultural General Plan or Zoning designations are included in the City's General Plan or Zoning Ordinance. The urban nature of development in the City is not conducive to farming activities, and it is improbable that farming would occur in the vicinity in the future. Farming in the Coachella Valley occurs 20 or more miles to the southeast, in the east Valley.

The City's Zoning Code does not define, allow, nor prohibit farmworker housing and should be updated accordingly to be consistent and reference state law. Jurisdictions are required to treat employee housing for six or fewer employees as a single-family structure with a residential land use designation. No conditional use permit, zoning variance, or other zoning clearance can be required of employee housing that is not required of a dwelling unit of the same type in the same zone. The same applies to taxes and fees.

Mixed-Use Housing

Mixed-use/multi-use housing is allowed in the Central Business District (at up to 21 to 30 units per acre), the Tourist Resort Commercial, and Mixed-Use/Multi-Use land use designations (at up to 15 dwelling units per acre). The City is presently amending its zoning and development standards to facilitate the production of additional mixed-use opportunities. Currently, Mixed Use projects are processed based on the

development standards of the underlying zone. Programs in this Element include the modification of the Zoning Ordinance to include densities of up to 70 units per acre in the Mixed Use/multi-use designated lands in the Downtown. As part of the comprehensive update of the Zoning Ordinance currently under way, the City will also include development standards which offer sufficient flexibility to encourage mixed use opportunities. The extent or nature of these standards will be developed in this planning period.

Development Standards

The General Plan sets forth broad policies on where housing can be located in Palm Springs and the permitted density of residential development. However, the Zoning Ordinance provides specific guidance on applicable development standards. To ensure a wide range of housing opportunities and prices, residential development standards should vary accordingly in order to facilitate different types and prices of housing products.

The City allows a range of housing types in 10 primary residential zones. Development standards for different types of housing by zone are summarized below and in Table 3-14.

- Single-family homes are allowed in the Guest Ranch Zone (G-R-5) and R-1 with variations for lot sizes ranging from 7,000 to 20,000 square feet. This zoning district corresponds to general plan land use designation of estate and very low density.
- The City has three multiple-family residential zones, including garden apartments (R-G-A), limited multiple-family (R-2), and multiple-family residential and hotel (R-3 and R-4).
- The CBD zone allows for mixed residential and commercial projects, provided the projects satisfy the R-3 and R-4 development standards, which correspond to the high density residential land use designation.

Table 3-14
Primary Residential Land Use Zones

Zone	Development Standards
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	Density Range	Minimum Lot Size	Maximum Height	Front, Interior, and Rear Yard	Open Space
GR-5	2 du/ac	5 acres	1 story (15')	50' x 50' x 50'	None
R-1	4 du/ac	7,500–20,000 sf	1 story (18')	25' x 10' x 15'	None
R-G-A	6 du/ac	2 acres	1 story (24')	25' x 10' x 20'	None
R-2	15 du/ac	20,000 sf	2 stories (24')	25' x 10' x 10'	50% lot*
R-3	22 du/ac	20,000 sf	2 stories (24')	25' x 10' x 10'	45% lot*
R-4/CBD	30 du/ac	2 acres	30' maximum	30' x 10' x 20'	None
R-MHP	—	5,000 sf	2 stories (24')	40' x 15' x 15'	None

Source: City of Palm Springs Zoning Code, 2006

Slight modifications are required on corner lots.

*May include balconies, terraces, roof decks, patios, landscaped areas, etc.

Maximum density is determined or controlled by the General Plan land use designation.

The most pertinent development standards that affect the construction of new housing in Palm Springs include:

- **Density Standards.** The City’s residential density standards are typical for communities in the Coachella Valley and are sufficient to facilitate and encourage the construction of housing for various income levels. For instance, over the past few years, the City has developed affordable housing at a range of densities, to up to 35 units per acre, with the use of density bonuses. These housing densities are allowed and achieved in the R-3 and R-4 zones. Affordable housing has been built at various density levels in the Vista Del Monte, Vista Serena, Coyote Run, Vista Sunrise, and Vista Del Sol projects (please see the Inventory section, below).
- **Parking Standards.** City parking requirements are designed to ensure that on-site spaces are available to accommodate vehicles owned by residents. According to the 2000 Census, the average homeowner in Palm Springs has 1.6 vehicles; the average renter has 1.3 vehicles. The City’s Zoning Code requires that two parking spaces be provided per single-family units. The City requires multiple-family units to have 1 primary space for studio units, 1.5 spaces for two-bedroom units, and 0.75 space per bedroom for larger units. One space must be covered, but not enclosed by a garage. Multiple-family housing must have 1 guest parking space for each 4 units.
- **Open Space Standards.** The City’s open space requirement for single-family homes is regulated by lot size and coverage.

However, to ensure quality development and adequate open space for multiple-family housing, R-2 and R-3 zoned land must dedicate 45 percent of the lot for open space. To mitigate potential constraints, the City allows the developers to include balconies, terraces, roof decks, patios, landscaped areas, and other similar areas in lieu of dedicated open space. This requirement has clearly not constrained the production of affordable housing; half of the affordable housing units built since 1998 were subject to R-2 and R-3 standards.

- u ***Lot Size Standards.*** Presently the City requires a minimum lot size of 0.5 acre for multiple housing projects in the R-2 and R-3 zones and 2 acres for projects in the R-4 zone. These lot sizes help facilitate affordable housing. Typically, affordable housing developers desire larger lots of 1.5 to 2.0 acres, because they allow for a project size of 40 to 60 units, help to realize economies of scale, and help secure competitive state and federal funds for housing. Lot sizes do not limit the potential for affordable housing commensurate with the City’s housing goals for 2000–2006. The City has 33 vacant parcels zoned for high density housing. Of this total, 18 parcels are presently two acres or larger in size and could accommodate more than 1,800 units—far surpassing the City’s affordable housing needs.
- u ***Allowable Uses.*** The R-3 and R-4 zones allow hotels to be built as an allowable use. Hotel development is highly sensitive to market conditions and is less likely to be built in favor of higher density housing. In fact, smaller hotels have been demolished in recent years and replaced with housing. Since 1998, no hotels have been built on either R-3 or R-4-zoned land and thus this provision has not nor is anticipated to constrain the City’s ability to meet its share of the regional need for housing for the remainder of the planning period.
- u ***Mixed-Use Incentives.*** The City provides various incentives for mixed-use projects. In the Central Business District, dual use of parking spaces is encouraged wherever possible to encourage the development of centralized parking to serve the needs of the public, as opposed to the scattered development of parking adjacent to a building. Moreover, increased parking flexibility is provided by possible administrative relief that reduces parking

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space widths, the payment of in-lieu fees, or the creation of a Specific Parking Plan. Overall, the reduction of parking requirements results in a greater percentage of developable land and an increased ability to incorporate housing.

Regulatory Incentives

The City has several planning tools to facilitate and encourage housing projects. The two primary means are Planned Developments and Minor Modification as described below and summarized in Table 3-15. For comparison purposes, an applicant can also apply for a variance.

Minor Modification. The Planning Director may allow a minor modification in development standards to facilitate housing projects. Approximately 50 minor modifications are approved each year. Modifications include the reduction of yard and landscaped open space, lot area and dimensions, parking space requirements, and others. Approval is based on the finding that the minor modification will not have a detrimental effect upon adjacent properties. The Zoning Ordinance has been amended to ease the standards for minor modifications, which requires a Director's decision with no public hearing or public notice. The findings are now:

- a. The requested minor modification is consistent with the general plan, applicable specific plan(s) and overall objectives of the zoning ordinance;
- b. The neighboring properties will not be adversely affected as a result of the approval or conditional approval of the minor modification;
- c. The approval or conditional approval of the minor modification will not be detrimental to the health, safety, or general welfare of persons residing or working on the site or in the vicinity; and
- d. The approval of the minor modification is justified by environmental features, site conditions, location of existing improvements, or historic development patterns of the property or neighborhood.

- v. **Density Bonus.** The City approves density bonuses for residential projects that add up to 25 percent of the units in a project otherwise allowed for in a particular zone when affordability targets are met as specified in state law. The City does not have an

adopted density bonus in place, so the City approves such requests in compliance with state law. The City is allowed to enact a density bonus ordinance with additional incentives above the minimum specified in state law, but not more restrictive. Senate Bill 1818 amended state law by lowering the affordable housing requirement and increasing the bonus and incentives. Density bonuses are discussed in the Development Review Committee and during the pre-application phase.

- u **Planned Development (PD).** The Zoning Code allows PD districts to foster and encourage innovative design, variety, and flexibility in land use and housing types that would not otherwise be allowed in zoning districts. Density under the PD district is allowed by zoning and the General Plan, but may be increased if the district assists the City in meeting its housing goals as set forth in the Housing Element. The form and type of development on the site must be compatible with the existing or planned development of the neighborhood. The PD requires approval by the Planning Commission and City Council.
- u **Variance.** A variance may be granted for a parcel with physical characteristics so unusual that complying with the requirements of the Zoning Code creates an exceptional hardship to the applicant or the surrounding property owners. The characteristics must be unique to the property and, in general, not be shared by adjacent parcels. The unique characteristic must pertain to the land itself, not to the structure, its inhabitants, or the property owners. A variance requires approval from Planning Commission.

**Table 3-15
Regulatory Incentives**

Procedure	Sample of Reductions in Standards				Approval
	Density	Yards/Open Space	Lot Area	Parking	
Minor Modification	No	Up to 20%	Up to 10%	Up to 10%	Planning Director
Density Bonus Provision	Up to 25	Depends on requested concession			By-Right
Planned Development	Limited by General Plan	No limit	No limit	No limit	Planning Commission & City Council
Variance	Limited by General Plan	Depends on topography			

Source: City of Palm Springs Zoning Code, 2006.

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The City of Palm Springs has utilized each of these mechanisms to facilitate the development of recent affordable housing projects in the City, including Coyote Run, Villa Del Sol, Vista Serena, Vista Del Monte, and others.

Housing for People with Disabilities

Section 65008 of the Government Code requires local governments to analyze potential and actual constraints on housing for people with disabilities, demonstrate efforts to remove governmental constraints, and include programs to accommodate people with disabilities. Prior to the Housing Element update, the City conducted such an Analysis of Impediments to Fair Housing, the findings of which are summarized below.

California law (Health and Safety Code, § 1500 et seq.) requires that group homes serving six or fewer persons be (1) treated the same as any other residential use, (2) allowed by right in all residential zones, and (3) be subject to the same development standards, fees, taxes, and permit procedures as those imposed on the same type of housing in the same zone. The City desires to develop an ordinance that mirrors protections in state law for both small and larger group homes and a program is included in the Housing Plan.

State law also requires that cities facilitate the development of housing for homeless people by ensuring that adequate sites, appropriate zoning, permitting process, and building standards facilitate such uses. The City has one emergency shelter (Nightingale Manor). Episcopal Community Services provides 34 long-term transitional beds and 40 permanent supportive multi-bedroom residential units. The Housing Plan contains a program for the City to specify the zones, development standards, and conditions for such uses.

Cities that use federal funds for the construction and rehabilitation of housing must ensure that at least 5 percent of the units are accessible to persons with mobility impairments and that an additional 2 percent of the units are accessible to persons with sensory impairments. Multiple-family housing must be built to meet certain specifications. The federal government also recommends, but does not require, that the design, construction and alteration of housing incorporate, as practical,

“visitability” concepts. Palm Springs enforces all accessibility standards required by federal and state law.

Certain residents have greater difficulty finding decent, safe, and affordable housing due to medical conditions. This includes seniors, people with disabilities, and persons living with HIV/AIDS. The Housing Plan sets forth programs to encourage and facilitate the development of housing for disabled people, seniors, and people living with HIV/AIDS. The City recently constructed the Vista Del Monte project for seniors and the Vista Sunrise project for people with HIV/AIDS.

Palm Springs has staff responsible for furthering fair housing. The City’s American with Disabilities (ADA) Coordinator is responsible for: (1) assisting the City with ADA compliance in new development, building modifications, and public right of way contracts; (2) reviewing plans for compliance in the design and construction of accessible facilities; (3) participating with the Architectural Review Committee to check disabled access features in new projects; (4) preparing and maintaining the City’s Transition Plan; and (5) serving as a liaison to the Human Rights Commission.

The City Building Board of Appeals provides for reasonable interpretations of the Municipal Code and to hear appeals of decisions or actions of the Director of Building and Safety. The Board is appointed by the City Council and administers rules and regulations for hearing appeals and conducting business. The Board’s decision constitutes final administrative action effective upon the date the decision is rendered. The Building Board of Appeals hears matters, including access to buildings by people with disabilities. The City will be establishing a reasonable accommodation process to facilitate modification of standards to allow disabled people to live in housing.

Building Codes

Palm Springs adopted the 2001 edition of the California Building Code, based on the 1997 Uniform Building Code with local amendments. The Code is a set of uniform health and safety codes covering building, electrical, mechanical, plumbing, fire safety, and other issues which are considered the minimum acceptable standards for health and safety. The California Building Standards Commission updates these codes triennially based on updates to uniform codes adopted by professional associations.

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All cities are required to adopt the California Building Code. However, as allowed by state law, jurisdictions may adopt revisions to address local topographic, climatic, or hazards within their community, provided that the local codes still adhere to the state's minimum standards. The City has adopted minor amendments to address fire hazards, seismic conditions, and other conditions unique to the desert environment. These codes have not deterred the construction of affordable housing in Palm Springs.

The Warren-Alquist Act requires all new buildings in California to meet energy efficiency standards in Title 24, Part 6 of the California Code of Regulations. The California Energy Commission adopted new standards in 2000, which were incorporated into the City's building codes. In short, developers must meet minimum energy conservation standards in new housing through either a prescriptive or performance approach. With either of these options, mandatory components must still be installed, such as minimum insulation, HVAC and water heating equipment efficiencies, and other requirements.

In summary, the City has adopted various building codes to ensure that construction, maintenance, and improvement is conducted in a sound manner. Since these codes are required by state law and the City has not adopted more stringent codes than other cities, the City's building codes and their enforcement do not present a constraint to the feasibility of developing, maintaining, or improving housing in Palm Springs.

Permit Approval Process

The City uses a standard development review process to ensure that residential projects are of high-quality construction and design. The timeframe for processing proposals depends on the complexity of the project, the need for legislative action, and environmental review. Table 3-16 and the text below describe the steps to process housing proposals.

The housing permit approval process begins with the application review phase. Per the Permit Streamlining Act, the City has 30 days to deem a project application complete or incomplete. Completed proposals are scheduled for the City's interdepartmental Development Advisory Board for review and recommendation of conditions of approval. This step is followed by architectural review and environmental review, if required. Projects are approved by the Planning Commission via consent calendar unless a discretionary permit is required or legislative action.

If a housing project does not require a discretionary approval (four or fewer units requires plan check approval only) the average time for processing plan check is four to eight weeks; otherwise eight to twelve weeks are required for a discretionary approval. If the project requires a legislative act by the City Council such as a General Plan Amendment or Zone Change in conjunction with the discretionary project, an additional five to six weeks is typically required for staff to review the project and prepare associated staff reports. If an EIR is required, the processing of the project could take up to a year.

The City has also processed market rate apartments requiring a conditional use permit, such as would be required in the Resort Tourist Overlay. Thus, permit processing procedures have not constrained production of affordable housing. To mitigate the entitlement costs for affordable housing, the City expedites the review for proposals for affordable housing, which can be concluded in four to six weeks. The Building Department also has a fast-track process to expenditure the review of plans and issuance of building permits.

Table 3-16
Residential Development Approval Process

Steps Required	Single-Family Project	Multiple-Family Project
Pre-Application	2-3 weeks	2-3 weeks
Completeness Review	3-4 weeks	3-4 weeks
Architectural Review	2-4 weeks	2-4 weeks
Environmental Documentation	None	2 months; Tribe reviews during this period.
Tribal Commission Review	None	
Planning Commission	2-4 weeks after Arch. Review	1 month
Total Timeframe	4 months	6 months

Source: City of Palm Springs Planning Department, 2005.

Architectural Review

The City requires architectural review for all single-family housing on major thoroughfares, hillside developments, mobile home parks, and multiple-family housing. The Planning Commission’s Architectural Advisory Committee examines the material submitted with the application and specific aspects of design to determine whether the project will provide a desirable environment for its occupants as well as being compatible with the character of adjacent and surrounding developments, and whether it is of appropriate composition, materials, textures and colors.

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Conformance is evaluated based on consideration of the following:

- Site layout, orientation, location of structures, and their relationship to each another and to open spaces and topography
- Harmonious relationship with existing/proposed adjoining uses
- Height, area, setbacks, and overall mass, as well as parts of any structure and effective concealment of mechanical equipment
- Building design, materials, and colors to be sympathetic with desert surroundings
- Harmony of materials, colors, and composition of elements of a structure
- Consistency of composition and treatment
- Location and type of plants with regard for desert conditions, and preservation of specimen and landmark trees upon a site
- Signs and graphics as understood in architectural design, including materials and colors

The Architectural Advisory Committee makes recommendations to the City's Planning Commission, which reviews the project in its entirety. Public hearings are only required if they are in conjunction with another entitlement that requires a public hearing (e.g., subdivision, planned development, variance, etc.) or if the project requires preparation of an environmental document. All other architectural reviews are placed on the consent calendar for the Planning Commission.

Architectural review requires one to two months for single-family homes and three to six months for multiple-family homes, with a minor fee. Architectural review occurs simultaneously with the permitting process and does not lengthen the approval process. The City also uses a "focused entitlement" process to expedite review of affordable housing; and grants staff leeway to approve minor revisions and amendments. Given recent approvals of affordable housing in Palm Springs, architectural review is not deemed to unduly constrain the production of affordable housing.

Development Fees

Palm Springs, like other communities throughout the region, charge various fees and assessments to cover the cost of processing development permits and ensuring that adequate public facilities and services are available to support residential developments. Table 3-17 provides

examples of development fees for residential construction for single-family and multiple-family homes. As shown below, average development fees range from \$17,681 to \$28,293 per unit depending on the size of the project, density, location, and whether it is located in environmentally sensitive areas or requires water surcharges. City fees are generally comparable to other local jurisdictions and are not considered to be a constraint to the development of affordable or market rate housing, although they do contribute to the final cost of the project.

The City makes a concentrated effort to waive fees for affordable housing projects. For the Coyote Run project, the City waived more than \$207,000 in park fees and art in-lieu fees, while the Coachella Valley Association of Governments also waived TUMF fees, resulting in a reduction of 20 percent of fees charged by local government. Other affordable housing projects are entitled to the same fee waivers. Thus, the fees are not considered to constrain the production of affordable housing.

**Table 3-17
Residential Development Fees**

City Fees	Single-Family Housing Project	Condominium 24-Unit Project	Apartment 66-Unit Project
Planning Fees	\$1,703	\$9,100	\$3,485
Engineering Fees	\$1,094	\$7,525 7,133	\$13,035
Building Fees	\$1,437	\$180,899 171,469	\$317,196
Public Art (1/4% value)*	\$875	\$16,250	\$29,500 *
Park In-lieu*	\$2,638	\$55,780	\$157,225 *
Construction Tax (0.40 sf)	\$880	\$17,280	\$29,040
Other Agencies			
County Drainage Fee	None	\$6,480	None
Water Fees**	\$5,275	\$137,150	\$89,675
Sewer (\$3000 per d.u.)	\$3000	\$72,000	\$198,000
Regional TUMF* (\$1,290 per unit)	\$1,837	\$31,000	\$85,150
School (\$3.37 per s.f.)	\$7,414	\$145,584	\$224,662
Total	\$26,153	\$679,048	\$1 166,968
Per Market Rate Unit	\$26,153	\$28,293	\$17,681
Reduction for Affordable Projects			\$271,875

Source: City of Palm Springs Building Department, 2008 .

* Fees waived for housing affordable to low income households.

** Water fees depend on zone. The following are representative of where future housing would be located.

Projects may require site-specific environmental assessments, not included in above totals.

Market Demand

Land costs include the costs of raw land, site improvements, and all costs associated with obtaining government approvals. Until recently, the supply of undeveloped land has not been a constraining factor to development in Palm Springs. Today, the cost of land has become a constraint. Factors affecting the costs of land include: overall availability within a given subregion; environmental site conditions; public service and infrastructure availability; aesthetic considerations such as views, terrain, and vegetation; the proximity to urban areas; and parcel size.

Residential land in the Coachella Valley has been and remains relatively affordable compared to land prices in other Southern California markets. However, increased demand for housing due to population growth and immigration will continue to place significant upward pressure on land costs, particularly in Palm Springs and other upscale resort communities. Developers may respond to rising land costs by decreasing the size of lots and houses to market a lower priced product, or by increasing the

size and options of houses to maintain prices to compensate for increased land prices. According to a market survey in April 2008, the cost of raw land for single family residential development in Palm Springs averaged \$19 per square foot, with the average value of a finished lot being \$25 per square foot. The cost of multiple-family residential land depends on the improvements on the site, the density, and location, and suitability for residential development. In its 2004/05 through 2008/09 Implementation Plan, the Redevelopment Agency estimates that vacant multiple-family residential land is valued at \$3.63 to \$3.83 per square foot, or an average of \$160,000 per acre, based on assessments of sites for recently built affordable housing projects.

Although the City does not set land prices, land use policies regulating allowable density impact the cost of each dwelling unit. The use of density bonuses, developer incentives, or construction at the upper end of the permitted density may compensate for the increased land costs. Large-scale developers buying sizeable tracts of land also experience economies of scale in the cost of land. As land costs in Palm Springs are generally comparable to or lower than adjacent cities, land costs do not constrain the development of market-rate housing. Land costs do influence the financial feasibility of the production of affordable housing, but the City regularly provides assistance in the form of selling land at below market rates to nonprofit developers.

Labor costs are usually two to three times the cost of materials, and thus represent 17 to 20 percent of the total cost of a new home. Labor costs are based on a number of factors, including housing demand, the number of contractors in the area, and union status of workers. However, state law requires the payment of prevailing wages for most private projects built under an agreement with a public agency providing assistance to the project, except for certain types of affordable housing. All cities are affected by these laws. In any case, Palm Springs does not have a minimum wage standard in excess of federal law and faces the same labor market as other surrounding cities. Thus, labor costs do not constrain production of affordable housing in Palm Springs.

Recent data from Market Profiles indicates that construction costs can constitute 43 to 48 percent of the cost of a single-family detached home. According to a survey in April, 2008, the average cost in the Riverside County area for the construction components of a new single-family detached unit is \$100 per square foot. State law allows cities to

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authorize the use of lower-cost alternative materials and construction methods if the proposed design is satisfactory and the materials or methods are at least equivalent to that prescribed by applicable building codes. Factory-built housing may provide lower priced products by reducing labor and material costs.

Housing affordability is also largely determined by interest rates. First-time homebuyers are most impacted by financing requirements. During the first quarter of 2008, mortgage interest rates for new home purchases were approximately 6 to 7 percent. Lower initial rates are available with Graduated Payment Mortgages (GPMs), Adjustable Rate Mortgages (ARMs), and Buy-Down Mortgages. However, variable interest rate mortgages on affordable homes may increase to the point of interest rates exceeding the cost of living adjustments, which is a constraint on the affordability of new housing. Although rates are currently low, they can change significantly and impact the affordability of the housing stock.

Financing for housing construction is available in Palm Springs subject to normal underwriting standards. The City Redevelopment Agency actively assists in construction financing through the provision of loans or funding. Thus, a more critical impediment to homeownership involves credit worthiness. Lenders consider a person's debt-to-income ratio, cash available for down payment, and credit history when determining a loan amount. Many financial institutions are willing to significantly decrease down payment requirements and increase loan amounts to persons with good credit rating. Persons with poor credit ratings may be forced to accept a higher interest rate or a loan amount insufficient to purchase a house.

Clearly, the cost of land, labor, construction materials, and financing do affect the financial feasibility of housing, in particular the construction of affordable housing. However, given that Palm Springs often grants land to affordable housing developers and contributes significant funding, these market factors have not constrained the production of affordable housing.

HOUSING NEEDS AND RESOURCES

Regional Housing Needs

Every five years, the California Department of Finance's makes projections of statewide housing need. This projection is disaggregated into regions of the state by the Department of Housing and Community Development (HCD), the agency responsible for guiding statewide housing planning. HCD is responsible for working with Councils of Governments (COGs), which represent cities, to address housing needs in each community. Palms Springs, along with over 200 local governments, is represented by the Southern California Association of Governments (SCAG).

SCAG prepares housing need estimates for each of its 200 agencies. Because of the size of the southern California region, SCAG works closely with 13 different subregional associations of governments to determine and allocate housing needs. SCAG delegated the responsibility to assign specific housing need goals to the Coachella Valley Association of Governments (CVAG). Under this arrangement, CVAG may produce a different allocation of housing need than SCAG estimated, provided that the total subregional housing need assigned to CVAG is not changed.

When determining the distribution of the region's housing need among the jurisdictions in southern California, SCAG considers a number of planning considerations allowed for in state law. These include the adequacy of infrastructure and services, availability of land, market demand for housing, and other housing and planning factors. SCAG also relies on population and employment growth projections provided by each jurisdiction. These factors provide the basis for estimating the housing need within each County and the 13 subregional councils of government within the larger SCAG region.

SCAG then estimates each jurisdiction's future housing for the shorter housing element period, which is eight years. SCAG projects that Palm Springs will increase by 2,261 households (from 2006 through 2014) based on population and employment growth in the city.

Household growth is adjusted by two factors: the demolition of units and an appropriate vacancy rate. SCAG assumes that 0.2 percent or 12 of the City's housing units will be demolished, converted to nonresidential uses, or lost from the housing stock through redevelopment and other actions.

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Few housing units have been demolished in recent years, except for older hotels. SCAG assumes that an optimal vacancy rate of 5 percent is needed to ensure adequate housing choices and price competition. The total housing need of 2,261 units for the planning period 2006-2014 is then allocated to five household income categories. These income categories are extremely low income, very low income, low income, moderate income, and above moderate income. SCAG then uses a formula to ensure that the affordability of new housing is 25 percent closer to the income distribution of households in the southern California region. This formula, called the “fair share” adjustment, helps to avoid the overconcentration of lower income housing in any one community. Table 3-18 provides a summary of the City’s 2006-2014 regional housing needs allocation. Of the 2,261 units allocated, 11.55% must be affordable to Extremely Low Income households, 11.55% to Very Low Income households, 16.2% to Low Income households, 18.6% to Moderate Income households and 42.1% to households with Above Moderate Incomes.

**Table 3-18
Regional Housing Needs Allocation, 2006-2014**

Household Income Levels	Definition (Percent of County MFI)	Total Units
Extremely Low	Less than 30%	261
Very Low	Less than 50%	262
Low	51% to 80%	366
Moderate	81% to 120%	421
Above-Moderate	Over 120%	951
Total		2,261

Source: Southern California Association of Governments.

The California Department of Housing and Community Development allows jurisdictions to count four types of housing credits toward meeting their share of the region’s housing need. These include:

- Actual number of housing units built and occupied since the planning period for the housing element officially began in July 2006 , and projects approved for construction;
- Rehabilitation of substandard units that would otherwise be demolished and taken out of the City’s affordable housing stock, subject to stringent qualifying regulations;

- Preservation of affordable units that were created through governmental subsidies that are at risk of conversion by either purchasing or extending the affordability covenants on the units; and
- Designation of adequate vacant and underutilized sites with zoning, development standards, services, and public facilities in place so that housing could be built during the planning period.

Housing Production

It is anticipated that market-rate development will address the need for 951 units of above-moderate income housing during the present planning period. The following RDA projects are intended to meet the need for housing that is affordable to extremely low, very low, low and moderate income households.

Recent Projects

Coyote Run II Apartments

The expansion of the Coyote Run I Apartments was completed in September 2006 and created 66 units affordable to low income families. The project, undertaken by the Coachella Valley Housing Coalition, was funded through Low Income Tax Credits and Agency set-aside funds.

Vista Sunrise Special Needs Apartments

This 80 unit apartment project serves a low-income, HIV/AIDS special needs population. It is a synergetic development with a combination of affordable housing and social service facilities. Construction began in 2006 and was completed in 2007. The project was funded through HOME funds, Low Income Tax Credits and a Cal Housing Finance Agency loan, as well as funding (\$1.3 million in set-aside funds) and land provided by the City's Redevelopment Agency.

Planned Projects

Desert Highland Homebuyer Assistance

Up to \$50,000 of assistance will be provided through the Redevelopment Agency's set-aside funds to moderate-income purchasers of four units near Highland Palm Springs Venture, four units in the Desert Highland vicinity and five units near Mountain Gate II Century Homes. The units will be built with 45 year covenants and completion is planned for 2009.

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Rosa Gardens

The project is located on Rosa Parks Boulevard, in the Desert Highland neighborhood. It will provide 59 apartments for low income households and the proposal has received all entitlements and as of August of 2008, is in Building plan check. The project is funded through \$1.2 million Redevelopment Agency set-aside funds, and Low Income Tax Credits.

Potential Projects

Avalon/Escena/Palm Springs Country Club

As these properties, which have approved Tentative Tract Maps, come up for map extensions, possibilities may exist to commit them to setting aside a portion of the multi-family product for affordable units.

El Cielo/Baristo Road

Interest has been expressed in developing affordable apartments at the site. However, a policy decision is required from the Council concerning future development of the 2 acre parcel.

Garden Springs site

The potential project is in the early planning stage and the intention is to provide attached housing that is affordable for purchase by moderate income households

Mobile Home Parks

A number of privately owned mobile home parks in the city are under review for potential non-profit ownership and the provision of affordable housing opportunities.

Ramon Mobile Home Park

This potential project is in the very early planning stages and it could include an existing 260 space mobile home park and adjacent land. The site is very well located and considered one of the best in the City for affordable housing.

Twin Palms site

The site is owned by the Tribe and preliminary discussions have taken place concerning the possible development of affordable/workforce

housing. There are also two allottee parcels with potential for affordable housing development, although both sites have constraining issues.

Multi-family housing and rehabilitation

Several properties in the City, including the Whispering Palms Apartments and Rancheria Del Sol are under consideration. Most of the properties are small in size and have rent and time-period restrictions. A comprehensive and sophisticated development/operational approach is therefore required.

Housing Preservation

During both the preceding and present planning periods, the City has undertaken an aggressive program to rehabilitate and preserve many affordable units. However, none qualify under AB438 as new construction.

Sahara Mobile Home Park Improvements

Financial assistance will be provided to the owners of the Mobile Home Park to rehabilitate, operate and maintain the mobile home project for restricted rental, very low and low income households. A minimum of 50% of the park's 254 units must be preserved for low or very low income households, for no less than 55 years for rental units and 45 years for owner occupied units.

Tahquitz Court Housing

Subject to the establishment of an extended affordability agreement, the owners of Tahquitz Court will receive financial assistance to rehabilitate the apartments and overall neighborhood conditions. The new agreement will preserve 108 units as affordable to low income households for an additional 38 years, from 2023 to 2061.

Table 3-19 shows that in 2008, two years into the planning period, Palm Springs has met approximately one eighth of the extremely low/very low income RHNA requirement, just under two thirds of the low income RHNA requirement, almost one third of the moderate income RHNA requirement and just under one quarter of the above moderate income RHNA requirement.

**Table 3-19
Credits Toward the RHNA as of April 2008**

Projects/RHNA	Extremely Low & Very Low	Low	Moderate	Above Moderate	Total
2006-2014 RHNA	523	366	421	951	2,261
Desert Highland Home buyer Assistance			13		13
Rosa Gardens		59			59
Coyote Run II		66			
Vista Sunrise		80			
Single-Family Homes				235*	235*
Total Credits	0	205	13	235 *	<u>453</u>

Source: Southern California Association of Governments; City of Palm Springs

*July 2006-December 2007

Land Inventory

As part of the General Plan update process, a comprehensive inventory of land was undertaken to identify suitable sites for affordable housing. In Palm Springs, low, medium, and high density zoned land has been used to facilitate affordable housing. On R-1 land, the Agency recently participated in self-help housing with CVHC, leading to development of 30 single-family homes in the Desert Highland neighborhood. The planned Rosa Gardens Apartments and Garden Springs Apartments are located on low and medium density, mixed use/multi use land in the Highland-Gateway Project Area.

For this present analysis, the City restricted its land inventory to include only those sites most feasible to facilitate and encourage the production of multiple-family housing affordable to lower income households. From the many vacant and underutilized sites in Palm Springs, the final land inventory made the following refinements:

- Only vacant sites were considered. Underutilized sites, which would require further analysis based on market potential for recycling to more intense residential uses, were omitted from the land inventory.
- Sites in Table 3-20 and included as potential housing sites for the RHNA were free of environmental and infrastructure constraints;
- All sites in Table 3-20 and included as potential housing sites for the RHNA have adequate sewer and water infrastructures;
- Sites were not on Tribal trust lands;

- u Sites were generally large, close to one acre in size, so as to facilitate quality residential projects;
- u Sites had a General Plan designation of medium or high density, the density that has been achieved for other housing projects affordable to moderate and lower income household, including the Vista Sunrise project, which contains a density of 28 units per acre; Coyote Run II, at 15 units per acre; and the Rosa Gardens Apartments, at a density of 13 per acre;
- u Sites in the Mixed Use designation have been calculated at a density of 15 units per acre, and in High Density Residential or CBD designation are calculated at a density of 30 units per acre, consistent with recently submitted and approved projects, including the Port Lawrence project, at 29 units per acre; Project 1551, at a density of 30 units per acre; or the South Palm Canyon Mixed Use Project, at a density of 47 units per acre; and
- u The City's Planned Development process, allowing variations in zoning standards similar to those allowed in Specific Plan, eliminates the need for a zone change associated with density. The Planned Development permit also allows reductions in setbacks, parking requirements and open space area requirements, and is a commonly used planning tool in the City.

Several assumptions were made to determine the potential density of the parcel and whether the density would be sufficient to support the production of housing affordable to very low, low, and moderate income households. The General Plan Land Use designation represents the maximum density allowed. Where the underlying zone allows less density than the General Plan Land Use designation, the General Plan density allowance still applies. But for conservative estimates, we are assuming density of the underlying zone. A program has been added which requires that the Zoning Map be amended to be consistent with the General Plan land use designation in 2010, to accommodate the required densities for all lands listed in Table 3-20.

Table 3-20 demonstrates that there is sufficient land to accommodate 1,079 affordable housing units in the City.

The Vacant Sites Inventory identifies 30 parcels that could support multiple-family housing and that meet each of the seven feasibility tests detailed above. The following Table illustrates the location and size of

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each parcel; the allowable density; and the anticipated number of housing units. The maps corresponding to the Table are provided at the end of this Element.

**Table 3-20
Sites to Address the Regional Housing Needs Assessment**

General Plan Land Use	Assessor's Parcel Number	Present Zone	Density Range of Zone and GPLU	Density Assumed	Ownership	Acreage of Site	Anticipated Units
HDR	508181017	R3	15 -21 (30 for GPLU)	21	Other	0.34	7
HDR	508181018	R3	15 -21 (30 for GPLU)	21	Other	0.36	7
HDR	508034012*	R4	21-30 (30 for GPLU)	30	City Land	2.63	79
HDR	508034014*	RGA	8-30 du/ac	30	City Land	2.47	74
MU	504074002	RGA	8-15 (15 for GPLU)	15	Other	0.86	13
MU	504270003	R2	8-15 (15 for GPLU)	15	Other	0.58	9
MU	505182007	C1	15 du/ac	15	City (CRA)	0.60	9
MU	505182010	C1	15 du/ac	15	City	0.99	15
MU	504074008	C1	15 du/ac	15	Other	1.55	23
MU	504074008	RGA	8-15 (15 for GPLU)	20	Other	0.98	20
MU	510020041	R3	15-21 (15 for GPLU)	15	Other	0.82	12
MU	510020042	R3	15-21 (15 for GPLU)	15	Other	0.71	11
MU	510020043	RGA	8-15 (15 for GPLU)	15	Other	0.28	4
MU	510020046	RGA	15 du/ac	15	Other	0.51	8
MU	510020047	R3	15 du/ac	15	Other	0.39	6
MU	510020048	R3	15 du/ac	15	Other	0.34	5
MDR	513120047	R2	15 du/ac	15	Other	0.21	3
MDR	513120049	R2	15 du/ac	15	Other	0.36	5
MDR	513120050	R2	15 du/ac	15	Other	0.18	3

**Table 3-20
Sites to Address the Regional Housing Needs Assessment**

General Plan Land Use	Assessor's Parcel Number	Present Zone	Density Range of Zone and GPLU	Density Assumed	Ownership	Acreage of Site	Anticipated Units
MDR	513120052	R2	15 du/ac	15	Other	0.18	3
MDR	502541044	R2	15 du/ac	15	Other	0.44	7
MDR	502541045	R2	15 du/ac	15	Other	0.68	10
MDR	513120046	R2	15 du/ac	15	Other	0.21	3
MU	504380001 – 504380005. 504380045 – 504380053. 504380006 – 504380043.	M15	15 du/ac	15	other	3.73	56
HDR	508096016	H30, CBD, RC	15 – 21 (30 for GPLU)	30	other	5.05	151
HDR	508600006	H30, CBD, RC	15 – 21 (30 for GPLU)	30	other	5.46	164
HDR	508110053	H30	15 – 21 (30 for GPLU)	30	other	5.12	154
MU	510020067	RGA	15 du/ac	15	other	2.73	41
MU	510020071	RGA	15 du/ac	15	other	3.8	57
MU	510020069	RGA	15 du/ac	15	other	5.28	79
MU	510020038	RGA	15 du/ac	15	Other	2.24	37

Notations:

GPLU: General Plan Land Use Designations

HDR: High Density Residential (No R-4 VP sites are included)

MDR: Medium Density Residential (includes R-G-A and R-2 zoned sites)

MU: Mixed Use

Other notations:

- Denotes site is located in Section 14.
- All sites are free from environmental constraints and have adequate infrastructure.
- No tribal trust lands are included in the land inventory.
-

Developers of affordable housing in the City and Coachella Valley, including the Coachella Valley Housing Coalition (CVHC), have stated that densities for their projects are calculated at 13 to 15 units per acre, consistent with the two most recent projects they have constructed. The Coyote Run II and Rosa Gardens projects are both being constructed and operated by CVHC. Coyote Run II, which consists of 66 units at a

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density of 15 units per acre, was recently completed. Rosa Gardens, which will provide 59 units at a density of 13 units per acre, will be completed in 2010. Both projects are being funded through the Redevelopment Agency and tax credit financing, and will provide apartments for very low and low income households. The proformas provided by CVHC, and approved by the Redevelopment Agency for each project, show that the Coyote Run project was constructed at a cost of \$213,620 per unit, including the cost of land, construction and soft costs. The Rosa Gardens apartments are being constructed at a cost of \$308,540 per unit, including the cost of land, construction and soft costs. These projects demonstrate that affordable housing projects in the City can and have been built at a density of 15 units per acre. The lands identified as R2 in Table 3-20, above, therefore, can accommodate the affordable housing allocated to them.

A number of sites in the inventory are designated Mixed Use. The Mixed Use designation is assigned to lands zoned RC, RGA and R3, at densities of 15 or 30 units per acre. A program is included in this element to amend the Zoning Ordinance to make it consistent with the General Plan Mixed Use designation in 2010. As demonstrated above, this density is appropriate for affordable housing. In addition, the Mixed Use designation does not require the construction of commercial structures along with residential projects. Even if developed with commercial structures, the Zoning Ordinance allows building heights of two or three stories, and can exceed three stories with approval of a Planned Development Permit. Even without this additional permit, the lots can accommodate commercial development on the ground floor, and with the City's requirements for parking and open space, still allow 18 units per acre on the second story, assuming an average unit size of 1,200 square feet. Therefore, with the implementation of the program which requires consistency between General Plan designations and zoning designations in the Mixed Use designation, the units described in Table 3-20 can be constructed for affordable housing.

Finally, the City implements State law which requires that all changes in General Plan or Zoning designations which reduce residential inventory be compensated for, assuring that there will be no net loss in residentially designated lands.

Table 3-21 shows the 2006-2014 RHNA, credits for new construction, and the assignment of potential units to affordability levels as described

above. Subtracting units built and vacant site capacity, the City has adequate sites to fulfill its 2006-2014 regional housing needs. Based on existing market conditions, some moderate income households will be able to afford market rate homes in the City, but the City will need to monitor housing affordability for moderate income households to assure that the demand for these homes is met by the supply. It is further assumed that the City's Above Moderate income households will be able to find market housing on low density zoned lands. The City's vacant residential land and approved but not constructed projects will be sufficient to meet that need. There are currently 3,482 single family or condominium units approved or under construction in the City. The City's RHNA allocation for Moderate and Above Moderate income units totals 1,124 units. Therefore, the City's current inventory of approved units is three times that needed to accommodate the City's RHNA allocation for these income categories.

Table 3-20 also shows that some sites, particularly Mixed Use and Medium Density Residential land use categories, are smaller than one acre in size. Although the City has had success in developing affordable and market projects on smaller sites, as described above, the consolidation of lots would facilitate the development of these sites during the planning period. As shown on Map #2, #6, and #9, small lots included in the inventory are adjacent to each other, and could benefit from lot consolidation.

Table 3-21
Compliance with the 2006-2014 RHNA

Construction Credits	Housing Affordability Levels			
	Extremely Low & Very Low	Low	Moderate	Above
Regional Housing Needs	523	366	421	951
New Construction	0	205*	13*	235
Remaining Need	523	161	408	716
Vacant Site Capacity	684		395	

Source: City of Palm Springs.

*Projects constructed since 2006 & RDA Planned LI & MI projects at Rosa Gardens & Desert Highland

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Site Suitability

The primary environmental issues that may impact future development of residential units in the City include seismic hazards, biological resources, drainage and flooding concerns, and water and sewer infrastructure.

Seismic Concerns

Like the entire southern California region, the City is located in an area of high seismic activity predominated by northwest-trending faults of every type. Palm Springs' proximity to major fault zones subjects the area to surface rupture, ground shaking, and ground failure. Structures in Palm Springs must be designed to withstand seismic events. However, all cities in the Coachella Valley must be designed to comply with the same seismic safety standards. Palm Springs regulations are no more stringent than those for other communities, thus the cost of improvements does not place Palm Springs at a competitive disadvantage that would deter the construction of housing for a range of income levels.

Biological Resources

The Multiple Species Habitat Conservation Plan (MSHCP) under development by CVAG is designed to assure the conservation and long-term protection of biological resource areas as a valuable and important part of the mix of land uses. While the MSHCP would preserve the foothills and mountainous areas where future development is already constrained by topography and other constraints, it also proposes to conserve lands near and similar in character to those already developed. The MSHCP could potentially affect thousands of acres of land in Palm Springs. However, higher density housing in Palm Springs is slated for the urbanized area, which is not subject to the MSHCP and thus the Plan does not constrain affordable housing development.

Drainage and Flooding

Whitewater River is the principal watercourse flowing through the City. With the river forming Palm Springs' eastern boundary with Cathedral City, a substantial portion of the City adjoins the floodplain. The Palm Canyon Wash south of the urbanized portion of the City also provides a flooding hazard. Structures in areas subject to periodic flooding require site mitigation. These types of improvements are common for the

southern California area and any additional construction costs would not constitute a unique constraint to the production of housing. Higher density housing, which has the highest likelihood of providing affordable housing, is primarily concentrated in central downtown Palm Springs, which has the greatest level of flood protection already in place.

Water Infrastructure

The City has the majority of its primary backbone infrastructure in place. As part of the development permit process, the City requires the provision of on-site and off-site improvements necessitated by development, which may constitute up to 10 percent of the building permit valuation. In most cases, these improvements are dedicated to the City, which is then responsible for their maintenance. While these costs may not render a project infeasible, they may affect the affordability of a project. Vacant sites proposed for residential development all have basic infrastructure systems already in place.

Desert Water Agency (DWA) supplies high-quality water to urbanized and planning areas of Palm Springs. The backbone infrastructure for the City is currently in place, and upgrades of water transmission mains are made as needed. In some cases, such as for a large master-planned development, the project proponent may be required to provide backbone water system improvements up front as a condition of approval. However, for smaller tracts the developer is usually required to provide on-site improvements only. Development impacts are charged for different zones in the community to account for differences in elevation and the need for water.

Section 14 is expected to accommodate an additional 2,682 homes, 1,070 hotel rooms, and 1.4 million square feet of commercial building floor area. The Section 14 Master Plan projects an additional annual daily water demand of 1.7 million gallons per day (mgd) and maximum average demand of 3.4 mgd. Currently, the Section 14 Specific Plan indicates that “existing water facilities are adequate to serve the existing conditions and can provide adequate domestic service to new development throughout the section.” DWA indicates that various improvements are needed to the water lines in Section 14 and the costs are covered through development impact fees.

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Senate Bill 1087 (2005) requires a local government to immediately forward an adopted Housing Element to water and sewer providers. The water and sewer providers are required to establish procedures to grant priority service to housing with units affordable to lower income groups, and they may not refuse or restrict provision unless specific written findings are made.

The City operates a 10.9-mgd treatment plant that treats effluent to the secondary level before conveyance to DWA for tertiary treatment prior to irrigation or groundwater recharge. The City's sewer treatment plant is operating at 78 percent capacity and adequately serves existing development. However, an additional 0.85-mgd capacity and improvements to the sewer conveyance system will be needed to accommodate future development in Section 14. The City's Sewer System Master Plan sets forth a plan to increase the treatment plant's capacity by 6 mgd and improve the sewer conveyance system. Impact fees will finance proposed improvements.

Energy Conservation

The Palm Springs community has long been committed to furthering an environmental ethic that emphasizes the use of alternative energy technologies, such as wind energy, cogeneration, and solar energy. Given the importance of the area's water supply to the vitality of the community, Palm Springs also supports the conservation and reuse of water resources and has developed water recycling and treatment plants to conserve this resource. The City is also active in promoting sustainable development in order to conserve water, electricity, natural gas, as well as reduce waste generation. Palm Springs is committed to furthering this environmental ethic in the development and rehabilitation of housing and neighborhoods.

Financial Resources

The City has a wide range of financial and administrative resources at its disposal to assist in the development, rehabilitation, preservation, and management of affordable housing projects and programs within the City.

Community Development Block Grants

The City receives federal and state funding for a range of housing and community development activities in Palm Springs. The main federal source of funding is Community Development Block Grants (CDBG).

For the 2008 fiscal year, the Department of Housing and Urban Development is providing the City of Palm Springs with an allocation of \$500,027 for a wide range of housing and community development activities. Federal law requires such funds be spent on programs benefiting very low and low income households. Major expenditure categories include public facilities and improvement, public services, economic development, and program administration.

City Redevelopment Funds

State law requires the City RDA to set aside at least 20 percent of all tax increment revenue generated from redevelopment project areas for activities that increase, improve, or preserve the supply of affordable housing. The City presently generates \$7 million in tax increment each year and sets aside \$2.1 million for housing purposes. The Agency has spent \$200,000 for Vista Sunrise Apartments, \$20,000 for Coyote Run Apartments off-site improvements, \$450,000 for Sahara Mobile Home Park, and \$350,000 for El Dorado Mobile Home Park.

The Redevelopment Agency's Five Year Implementation Plan further assigns \$500,000 for the Garden Springs Apartments site; \$1.2 million for the CVHC apartment project, for 57 units; \$1.5 million for capital expenditures for Tahquitz Court Apartments (e.g., \$800,000 at the Low Income Housing Tax Credit bond closing, and thereafter \$200,000 annually for the next 10 years); \$450,000 at the Sahara Mobile Home Park for rehabilitation; and \$450,000 for Desert Highland Homeowner Assistance. The current Implementation Plan assigns funds through 2008-2009.

The Agency expects to receive approximately \$2.7 million annually in housing set-aside funds through the current planning period, which will be assigned to projects listed under "Housing Production," above.

Other Private and Public Funds

Development projects within the City of Palm Springs are also receiving a number of additional funds to make the projects feasible. These funds are provided by public, private, and nonprofit partners. Millions of dollars are being received through Mobile Home Park Resident Ownership funds, Low Income Housing Tax Credits, California Housing Finance Agency funds, HOME funds, Mortgage Revenue Bonds, City General Funds, Department of Housing and Urban Development Section 202 funds, and

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many more. Numerous other public, private, and nonprofit funding sources are available. The City's Consolidated Plan provides an additional list of funding sources.

Administrative Resources

Palm Springs contracts with a number of nonprofit entities for their administrative and managerial capacities to help implement City programs or further housing and community development activities. Other organizations are also active in Riverside County. These include the following organizations:

Coachella Valley Housing Coalition

The City and Agency have had a long relationship with CVHC, including the recent DDA which provides CVHC with \$1,350,000 in land and cash to construct a 66-unit expansion of CVHC's successful Coyote Run project, a 140-unit low and very low income family rental housing project built in 1993. In addition, in the 1990s the City and Agency collaborated with CVHC on self-help housing in the Desert Highland neighborhood, totaling approximately 30 units. Most recently, the Agency helped CVHC construct nine self-help homes in a different neighborhood in Palm Springs. The Rosa Gardens project, currently in Building plan check, is being constructed by CVHV.

Southern California Housing Development Corporation

Founded in 1991, SoCal's mission is to create affordable housing communities that contribute to neighborhood vitality. SoCal presently owns and manages more than 4,500 units in five counties in southern California, with more than 70 percent of the portfolio available to households earning very low income. Within Riverside County alone, SoCal has six properties with nearly 1,000 units, including three projects in the Coachella Valley.

Jamboree Housing Corporation

Jamboree Housing Corporation (JHC) is a broad-based nonprofit housing development company that builds, preserves, and maintains affordable rental and ownership housing for lower-income families, seniors and others in California. JHC recently purchased and rehabilitated the Seminole Gardens project, extending the affordability controls. JHC has

established an in-house Social Services division (located at most affordable housing projects) to assist residents in maintaining their self-sufficiency.

Special Needs Groups

The City of Palm Springs also relies on a number of nonprofit organizations to provide services for people with special needs. This includes Catholic Charities (homeless services), Desert AID (people living with HIV/AIDS), senior services (Mizell Senior Center), Fair Housing Council of Riverside County, and numerous other public and nonprofit organizations. The Consolidated Plan provides a list of service providers in Palm Springs.

Riverside County Housing Authority

The Housing Authority administers Section 8 vouchers, including those in Palm Springs, and operates the public housing in the Coachella Valley. Recently the HA and the Agency worked collaboratively on the financing of the Vista Sunrise project (80 units of AIDS/HIV housing in Palm Springs), with the HA contributing \$1,500,000 in HOME funds and the Agency contributing \$1,506,000 in land and housing set-aside funds. The HA owned and contracted for management Nightengale Manor in Palm Springs, a 44-unit emergency homeless shelter for families. Recently the HA transferred the ownership to Father Joe's Villages, a San Diego-based charity focused on homeless services. FJV now manage the facility from Catholic Charities.

Pacific Housing and Finance Agency

The Pacific Housing and Finance Agency (PHFA) is a joint powers authority of approximately 50 cities located throughout California. Palm Springs was the fourth city to join. Over the past six years, Palm Springs has had representation on the policy level with PHFA (including a term as board vice president) and has hosted PHFA community workshops in City Hall.

GOALS, POLICIES AND ACTIONS

Providing housing that fulfills the diverse needs of Palm Springs is a fundamental priority for the City. This section is essentially the City's Housing Plan to achieve that goal. The goals and policies contained in the Housing Element address Palm Springs' identified housing needs and are implemented through a series of actions or programs. Housing actions and programs include both current City efforts and new initiatives that address the City's unmet housing needs. This section provides the goals and policies for addressing the City's housing needs as well as specific actions to implement the housing goals and policies.

HOUSING OPPORTUNITIES

Palm Springs has a diverse population of different ages, income levels, households, and lifestyles, each with different housing needs and preferences. As a desirable resort and retirement community, Palm Springs also has a significant seasonal population with corresponding housing needs. Ensuring an adequate supply and diversity of housing types can promote an inclusive community that welcomes all of its residents.

Tailored strategies are necessary to adequately address Palm Springs' diverse housing needs. In more established urbanized areas of the City, there are many vacant and underutilized parcels with opportunities for quality infill housing. In these areas, ensuring that new housing is compatible with the surrounding neighborhoods is an important goal. In the Central Business District, new housing can not only increase housing opportunities, but be an economic stimulus to the Downtown.

Other areas located outside the urbanized area of Palm Springs—Palm Hills and the Chino Cone—require a much different housing strategy. These areas warrant customized policy guidance, as specified in the Land Use Element, because the City has determined that the preservation of their unique hillside character is of utmost importance and thus development should be carefully guided. Similarly, large planned

developments in the community also require the preparation of specific plans.

Ensuring an appropriate quantity, diversity, and price for new housing may also require financial incentives and regulatory concessions to make feasible the development of housing affordable to all income levels. Such incentives, along with appropriate design review standards, must be carefully tailored and implemented to further Citywide objectives with respect to the production of quality and well-designed housing.

GOAL HS1:

Facilitate a broad range of housing types, prices, and opportunities to address current and future housing needs in the community.

Policies

- HS1.1 Provide adequate residential sites to accommodate new housing through land use, zoning, and specific plan designations to encourage a broad range of housing opportunities.
- HS1.2 Maintain a range of housing densities through general plan land use designations and zoning to facilitate and encourage single-family homes, apartments and townhomes, mobile homes, and special needs housing.
- HS1.3 Facilitate the production of quality mixed- and multi-use projects on vacant and underutilized land that are complementary with surrounding uses.
- HS1.4 Ensure new residential projects are adequately served by park and recreation, libraries, sanitary and storm sewers, transportation, public safety, and other public services and facilities.
- HS1.5 Direct higher density residential uses near major activity centers and along corridors consistent with adopted architectural and design guidelines.
- HS1.6 Provide for various regulatory and financial incentives to encourage well designed housing, special needs housing, and housing affordable to households of different income levels.

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- HS1.7 Support appropriate levels of housing production that meets City housing needs yet also promotes the vitality of established neighborhoods and enhanced quality of life.
- HS1.8 Protect established single-family residential neighborhoods from the transition, intensification, and encroachment of uses that detract and/or change the character of the neighborhood.
- HS1.9 Support the construction of higher density residential and commercial opportunities as well as implementation of infrastructure plans set forth in the Section 14 Master Plan.

Actions

- HS1.1 *Provide for Adequate Housing Sites.* The City of Palm Springs is experiencing a significant demand for housing. The provision of adequate sites for residential development is critical to meet these needs. State law requires that sufficient sites be made available for single-family, multiple-family, mobile homes, mixed and multi-uses, accessory dwelling units, and emergency and transition to meet present and future needs housing in the community. This housing element provides an inventory of vacant sites to address City housing needs. As noted by the City's 2004 Fair Housing Study, state law requires that accessory dwelling units be allowed as a by-right use and the City is implementing the requirement. See Appendix D.

5-Year Objectives:

- Maintain an inventory and map of sites available for residential development and provide at the front counter upon request.
- Annually monitor the supply of moderate income units, both assisted and market rate, to assure that sufficient units (421 for the planning period) are provided.
- Amend the Zoning Code consistent with the requirements of current State law, as described in Appendix D.

- Update the Zoning Map to make all properties in Table 3-20 consistent with the General Plan Land Use Map by 2010.

HS1.2 ***Continue to Offer Regulatory Incentives.*** The City offers regulatory incentives to facilitate the construction of a range of housing types and prices. Regulatory concessions used have included zone changes and General Plan amendments (e.g., Coyote Run), conditional use permit (e.g., Villa Del Sol), and minor modifications (other affordable projects). The minor modification is a widely sought-after tool to obtain flexibility His.1.Planning Director may allow a minor modification in development standards without a public hearing, but the findings requirement (which are similar to a variance) are difficult to make.

5-Year Objectives:

- Continue to review and accept requests for minor modifications, density bonuses, General Plan amendments, and zone changes for projects that further City housing goals.
- Study the minor modification process and modify findings that are presently modeled after a variance so as to expedite quality residential development.
- Maintain a Redevelopment Agency program to facilitate consolidation of sites of less than one acre in size for affordable housing projects. The City will provide technical assistance to property owners and developers in support of lot consolidation, including identifying opportunities for potential consolidation and providing available funding through the Agency and incentives to encourage consolidation of parcels, as appropriate.

HS1.3 ***Continue to Offer Financial Incentives.*** Whereas the City of Palm Springs has designated sufficient vacant land to support the production of housing affordable to all economic segments of the community, affordable housing typically requires publicly and privately funded financial assistance to make projects feasible. To that end, the City grants financial

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incentives (e.g., fee waivers for parks), provides low-cost land, Redevelopment Housing Set-Aside funds, and various other City funds to support the production of affordable housing to be built during the present housing element planning period. The continuation of financial incentives will further City housing goals.

5-Year Objectives:

- Continue to approve fee reductions and waivers, provide City tax increment or housing set-aside funds, General funds, low-cost land, and make available other financial assistance for affordable housing projects.
- Consider waiving the Multiple Species Habitat Conservation Plan fee (e.g., fee to acquire sensitive habitat) for lower income affordable housing projects.
- Promote financial and development assistance programs to the building community on an annual basis.

HS1.4 ***Review and Revise Development Standards.*** As available land continues to diminish and housing demand increases, the City will need to consider higher density housing opportunities, particularly on underutilized land. Presently, mixed-use/multi-use housing is allowed in the Central Business District, the Tourist Resort Commercial, and Mixed-Use/Multi-Use land use designations. Higher density housing can be a catalyst for enhancing economic activity in the downtown core as well as addressing City housing goals. For other areas of the City where housing is needed, developing a density bonus that mirrors state law can also help facilitate quality affordable housing.

5-Year Objectives:

- Implement increased floor area ratio of up to 4.0 for mixed-use/multi-use projects in the downtown core, as defined by the Downtown Urban Design Plan and Land Use Element.

- Allow housing densities up to 70 units per acre for mixed-use/multi-use projects in the downtown core as defined by the Downtown Urban Design Plan and Land Use Element.
- Create a density bonus ordinance and incentives program consistent with state law.

HOUSING AND NEIGHBORHOOD QUALITY

Palm Springs has well-defined single-family residential neighborhoods each with its own history, character, and needs. Many established older neighborhoods, such as the Movie Colony, Las Palmas, Deepwell Estates, and Racquet Club Estates, are distinguished by their physical layout, landscaping and walls, and various architectural styles. Neighborhood quality in these areas is ensured when new development is compatible with the character, scale, and design of surrounding land uses.

Neighborhoods outside the urban area near and at the base of the Santa Rosa and San Jacinto Mountains are defined by their topography, stunning views, and access to the mountains and creeks. Issues facing these neighborhoods are environmental in nature—how to preserve scenic views, minimize impacts to the environment, and protect sensitive plants and animal species. Other neighborhoods emerging on the eastern and northern end of Palm Springs face similar issues, albeit to a lesser degree.

Older neighborhoods near the urban core and along major corridors undergoing transition have different housing and neighborhood issues. In older dense neighborhoods, parking may be more of an issue. Housing conditions and the provision of adequate community services are of greater concern. Areas with high concentrations of multiple-family housing, such as near the Downtown and along major corridors, require attention to infrastructure, housing conditions, and services.

As a highly recognized desert resort community, Palm Springs offers a range of resort and retirement communities. Large-scale resorts, such as the Palm Springs Village, Indian Oasis Resort, and Palm Springs Classic offer upscale town homes and vacation condominiums anchored with high quality golf courses and recreational amenities. Secluded resorts (e.g., Smoketree Ranch) offer a range of neighborhood environment and

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recreational amenities. Palm Springs mobile home parks provide housing options for seniors as well.

Efforts to preserve and enhance neighborhood quality must therefore reflect the diversity of neighborhoods and their needs. Certain residential neighborhoods are well-maintained and thus the primary issue is how to preserve and enhance the character of the neighborhood. Neighborhoods in need of revitalization require code enforcement, improvement and replacement (if necessary) of dilapidated homes, homeownership assistance, and public safety. In newly developing areas, sensitively integrating development into the natural environment is of utmost concern.

GOAL HS2

Foster a high quality of life and vibrant neighborhoods through the preservation and improvement of housing and provision of community services.

Policies

- HS2.1 Enhance neighborhoods through public services and facilities, infrastructure, open space, adequate parking and traffic management, pedestrian and bicycle routes, and public safety.
- HS2.2 Foster resident involvement in neighborhood organizations and homeowner associations to support the beautification, improvement, and preservation of neighborhoods.
- HS2.3 Enhance the appearance and character of neighborhoods with high quality site planning, architecture and landscape design in multiple-family developments, and highly visible single-family homes.
- HS2.4 Encourage the preservation and restoration of homes that have historical, architectural, or cultural significance as prescribed by the Historic Preservation Ordinance.
- HS2.5 Maintain the quality of ownership and rental housing through the adoption, periodic revision, and enforcement of housing and property maintenance standards.

- HS2.6 Encourage the repair, improvement, and rehabilitation of housing and the replacement of substandard housing as a means to enhance residents' quality of life in neighborhoods.
- HS2.7 Foster and ensure that residential projects are of high quality and thoughtful design through the implementation of adopted architectural and design standards and architectural review.
- HS2.8 Support the preservation of quality mobile home parks in the community as a source of affordable housing through the provision of rental and homeownership assistance and rehabilitation.
- HS2.9 Preserve the supply of affordable rental housing in the community, including mobile home parks, publicly subsidized rental housing, and special needs housing.
- HS2.10 Ensure that proposals for the conversion of apartments into condominiums are evaluated on an individual, case by case basis and that no loss of existing affordable units occurs as a result of conversion.

Actions

- HS2.1 *Implement Design Standards.* Palm Springs has residential neighborhoods with historic, architectural, and cultural significance to the community. To ensure that new development is appropriate in scale, size, and character to surrounding uses within a neighborhood, especially established neighborhoods, the City has adopted design standards that govern new housing projects as well as rehabilitation of qualified housing projects as well. The Planning Commission Architectural Advisory Committee is responsible for approval or modification of development plans to achieve City design objectives.

5-Year Objective:

- Continue to implement residential design standards through architectural review of residential projects.

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HS2.2 ***Implement Historic Preservation Program.*** Palm Springs has a number of residential structures that are of significant historical and architectural merit to the community. The City has therefore instituted regulations to preserve and enhance these resources. The City has a Historic Site Preservation Board, which nominates and recommends potential historic sites to City Council, recommends the designation of historic districts, and implements the City Historic Preservation Ordinance. The City's Historic Preservation Combining Zone is designed to protect the historical character of structures and neighborhoods through the review of applications for new development and modification of existing structures. The Historic Site Preservation Board's annual work program furthers these ends.

5-Year Objectives:

- Continue to implement the historic preservation ordinance for residential structures.
- Continue to update the Historic Resources Survey and identify additional residential structures that could be designated as Class 1 or Class 2 historic structures.

HS2.3 ***Enforce Property Maintenance Codes.*** Code enforcement is an important tool to ensure that the value, character, and quality of neighborhood and housing are maintained. The City's Building Department inspects properties for compliance with state and local regulations for building and property maintenance. This includes periodic inspections for lead abatement. If deficiencies are found, the property owner is granted a specified time to correct the matter. City staff may also direct the owner to appropriate loan programs administered by the City. Should corrections not occur, the City can issue citations or initiate legal action. However, the City first works for voluntary compliance through educating property owners. 5-Year Objectives:

- Continue to implement code enforcement programs using a progressive approach of voluntary compliance, administrative citations, and court action.

- Provide outreach education regarding lead-based paint hazards and provide assistance in compliance with federal regulations.
- Provide financial assistance, where appropriate, to remedy property maintenance and health code violations.

HS2.4 ***Continue Housing Rehabilitation Loan Program.*** The City provides up to \$1,500 in grants to very low and low income homeowners for home maintenance, emergency repairs, and accessibility modifications. Through the Home Repair Program, the City continues to maintain and cultivate resource linkages with numerous community agencies mutually beneficial to each other's clients' needs, as well as preventing duplication of efforts and resources. Some of those agencies are Amputee Connection, Catholic Charities, Community Access, Desert AIDS Project, Episcopal Community Services, Jewish Family Services, Mizell Senior Center, Riverside County Community Action, Riverside County Office on Aging, Southern California Edison's Energy-Efficiency Demonstration Program, The Well in the Desert and the Visiting Nurses' Association of Coachella Valley.

5-Year Objectives:

- Provide rehabilitation loans to help low income households make necessary improvements to remedy health and safety code violations or make qualified housing repairs and modifications.
- Continue comprehensive housing and neighborhood assistance under the Recapture Our Neighborhood program as funding becomes available.

HS2.5 ***Rehabilitate and Preserve Mobile Homes.*** Mobile homes are an important housing option for families and seniors. To that end, the City has a mobile home rent stabilization ordinance and loan program to maintain and improve mobile homes in the community. The City has already facilitated the rehabilitation of several projects. The Agency has programmed funds in its

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Implementation Plan to include \$450,000 at the Sahara Mobile Home Park for rehabilitation.

5-Year Objectives:

- Commit funding to rehabilitate the Sahara Mobile Home Park and commit homeownership funds to El Dorado Mobile Home Park.
- Continue implementation of and periodic review of the City's mobile home park rent stabilization ordinance.

HS2.6 ***Preserve At-Risk Units.*** The City is committed to preserving its stock of multiple-family affordable housing, some which is at risk of conversion and/or needs significant renovation and improvement. The City is committed to facilitating preservation of affordable housing through technical assistance and providing financial assistance when feasible. Sunnyview Villas, a 44-unit apartment project financed through a Section 221(d)(3) market rate mortgage, has a Project Based Section 8 rental subsidy. The project is at risk of losing affordability restrictions by 2010. For HUD financed projects, four primary options are available: (1) renew at comparable market rental rates (the “Mark Up to Market” option), (2) renew at current rents with no adjustments, (3) mark down rents to market levels if the Section 8 subsidy exceeds market rents, or (4) notify HUD of the intent to opt out. If the owner meets all noticing requirements and then opts out, HUD will either issue “enhanced” vouchers allowing residents to stay in their units or issue a standard voucher to those who choose to relocate.

The second option for preserving at-risk apartment projects from converting to market rates is for the City to replace the HUD subsidies in return for affordability covenants. The financial cost of replacing HUD subsidies is the difference between the FMR of an adequately sized unit and the maximum rent that tenants could pay each month defined as 30 percent of household income. The FMR for a two-bedroom unit is \$911, a very low income household of four persons could afford no more than \$696 per month, and the annual subsidy would be approximately \$2,600 for 44 units.

Palo Verdes Villas, funded through LIHTC, CalHFA and RDA funds, consists of 98 units, and could be at risk at the beginning of the next planning period, in 2015.

5-Year Objectives:

- Monitor the status of affordable units that may become at-risk of conversion.
- Provide technical assistance as feasible to facilitate preservation for units considered at risk of conversion. Annually contact property owners, gauge interest and identify non-profit partners and pursue funding and preservation strategy on a project basis.
- Continue to support efforts to preserve the Heritage, Tahquitz Court, and Palm Springs Senior Apartment projects.
- Monitor the status of the Sunnyview Villas and Palos Verde Villas, and work with owners and potential buyers to assure that affordability covenants are maintained through the planning period.
- The City will work with tenants of at-risk units and provide them with education regarding tenant rights and conversion procedures. The City will also provide tenants in at-risk projects information regarding Section 8 rent subsidies through the Housing Authority, and other affordable housing opportunities in the City.
- Use, where feasible, available financial resources to restructure federally assisted preservation projects, in order to preserve affordability. Annually identify funding sources for at-risk preservation and acquisition rehabilitation and pursue or support applications of non-profits for these funding sources at the federal, State or local levels.

HOUSING ASSISTANCE AND SPECIAL NEEDS

As a desirable resort community, Palm Springs will continue to experience a relatively high demand and prices for housing. These market conditions have long-term implications for maintaining the diversity and character of Palm Springs. Presently, many lower income seniors reside in subsidized units and have limited choices to move elsewhere. Moderate income families with children and young professionals can afford only apartments and a limited number of homes and must move to other communities to buy a home.

In addition, certain segments of the population will continue to have greater difficulty in finding decent and affordable housing due to special circumstances. These segments may include lower income households, the elderly, people with disabilities, people living with HIV/AIDS, elderly same-sex couples, large or single-parent families, agricultural workers, and the homeless. Facilitating and encouraging housing opportunities for these and other special needs groups can help promote an inclusive community and further achieve fair housing goals.

GOAL HS3:

Facilitate and encourage a broad range of rental and ownership opportunities for people with special housing needs within Palm Springs.

Policies

- HS3.1 Support the development of accessible and affordable senior rental housing readily accessible to support services; provide assistance for seniors to maintain and improve their homes.
- HS3.2 Assist in the funding of the development of emergency, transitional, and permanent supportive housing and shelters, together with the provision of supportive services for people who are homeless.
- HS3.3 Increase the supply of affordable and accessible housing suited to the independent and semi-independent living needs of people with disabilities; provide assistance to people with disabilities to maintain and improve their homes.

- HS3.4 Increase the supply of affordable housing for people living with HIV/AIDS and expand associated support services.
- HS3.5 Expand homeownership opportunities in Palm Springs to moderate income buyers through homebuyer assistance and ensure that rental assistance is available for eligible renter households.
- HS3.6 Prohibit housing discrimination and other related discriminatory actions in all aspects affecting the sale, rental, or occupancy of housing based on status, household size and/or composition, gender, sexual orientation, age, state of health or other arbitrary classification.
- HS3.7 Support collaborative partnerships of nonprofit organizations, the development community, and the City of Palm Springs to work together to provide affordable housing.
- HS3.8 Assist and support, where feasible, in the production and conservation of housing affordable to very low, low, and moderate income households.
- HS3.9 Facilitate the development of affordable housing through regulatory incentives (e.g., such as lot consolidation and density transfers), density bonuses, inclusionary housing, and financial assistance where feasible.
- HS3.10 Facilitate a comprehensive approach to meeting the needs of residents of affordable housing by requiring space to be allocated in new developments to accommodate providers of associated support services, such as job training, child care, and life-style counseling.
- HS3.11 Improve accessibility for the physically impaired and disabled by eliminating architectural barriers during the design, rehabilitation, and new construction of housing.

Actions

- HS3.1 *Provide Homeownership Assistance.* The City administers a homeownership assistance program for the Desert Highlands Neighborhood. As part of this effort, the City RDA purchased single-family residential lots and deeded the lots to Century

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Homes to construct affordable homes for moderate income households and providing up to \$50,000 in homeownership assistance. The homes are covenanted to remain affordable to moderate income households and the program also has a shared appreciation provision. The City has historically participated in a Lease-to-Own Program that enables low income homebuyers to acquire an affordable home. However, the program has proven infeasible due to the rising cost of housing. The City is committed to developing additional means of providing homeownership assistance for residents of Palm Springs.

5-Year Objectives:

- Provide homeownership opportunities for nine low income households to live in the Desert Highlands Neighborhood.
- Research, review, and develop new homebuyer's assistance programs to meet goals set forth in the Consolidated Plan.

HS3.2 ***Provide Rental Assistance.*** The Riverside County Housing Authority administers the Housing Choice Voucher (Section 8) rental assistance program for Palm Springs. Funded by the Department of Housing and Urban Development, the Housing Choice Voucher program extends rental subsidies to very low income households by offering the tenant a voucher that pays the difference between the current fair market rent (FMR) established by the Housing Authority and 30 percent of the tenant's income. The voucher is accepted on a voluntary basis by the landlord. A tenant may choose housing that costs more than the FMR, if the tenant pays the extra rent above the standard. The City also provides rental assistance to local service agencies for distribution to needy individuals and families. The Consolidated Plan provides additional information on this program.

5-Year Objectives:

- Support the County of Riverside’s housing voucher program and lobby for additional vouchers as needed.
- Continue to provide City financial assistance to local nonprofit organizations that can be used for motel vouchers.

HS3.3 ***Provide Fair Housing Services.*** Palm Springs is committed to assuring fair housing opportunities so people in all walks of life have the opportunity to find suitable housing in the community. To that end, the City contracts with a fair housing service provider to provide landlord/tenant education, conduct testing of the rental and ownership market, and investigate and mediate housing complaints where needed. The City periodically prepares the required federal planning reports to document the City’s progress in improving and maintaining fair housing opportunities. The City’s Human Rights Commission is intended to promote the improvement of relations, civic peace, intergroup understanding, and acceptance, respect, and participation of all members in the community. The City also prepares, as required by federal law, planning documents and progress toward fair housing goals set forth in the Consolidated Plan.

- 5-Year Objectives: Continue to contract with local fair housing providers to perform a wide range of educational, advocacy, and mediation services.
- Periodically report to the City Human Rights Commission on the status of fair housing in the community.
- Continue to periodically prepare an Analysis of Impediments to Fair Housing Choice and implement its findings.
- Distribute information about fair and equal housing laws and resources in public libraries, community and senior centers, local social service offices, and other public locations.

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HS3.4 ***Implement Housing Accessibility Programs.*** The City has an aggressive program to ensure that people with disabilities can fully experience Palm Springs. The City prepares an Analysis of Impediments to Fair Housing to identify potential barriers to fair housing opportunity. The City's Disability Coordinator reviews building plans to ensure compliance with requirements under the Fair Housing Act and prepares the City's Transition Plan to comply with the federal ADA and Fair Housing Act requirements. During this process, several impediments to fair housing were identified. State law requires jurisdictions to permit by right group homes serving six or fewer residents in the community. The City desires to create an ordinance that mirrors the protections in State law for group homes.

5-Year Objectives:

- Amend Zoning Code to permit small residential care facilities serving six or fewer people in all residential zones.
- Update the City's Transition Plan as needed to identify and remove impediments to access by persons with disabilities.
- Create reasonable accommodation ordinance to allow modifications to new and rehabilitated projects to maximize accessibility for people with disabilities by 2007.

HS3.5 ***Support and expand programs to assist people living with HIV/AIDS.*** According to the Riverside County Health Department, about 1,600 residents in Palm Springs are living with HIV/AIDS, which represents 40 percent of the County's HIV/AIDS population. The City is actively pursuing housing opportunities for this special needs group and opened Vista Sunrise, a permanent supportive housing facility for people living with HIV/AIDS, in 2007. In addition, the Desert AIDS Project provides medical care, counseling, home health services, and legal assistance, as well as assistance with housing, medication, food, jobs, and more. The AIDS Assistance Program provides food vouchers for 450 low income clients each month, counseling, and other assistance.

5 -Year Objectives:

- Identify additional housing opportunities for affordable housing.
- Expand collaborative network of supportive services.

HS3.6 Facilitate the provision of an integrated network of supportive services to the residents of affordable housing projects.

5 -Year Objective:

- Implement a comprehensive approach to meeting the needs of residents of affordable housing by requiring space to be allocated in new developments to accommodate providers of associated support services, such as job training, child care, and life-style counseling.

HS3.7 *Support Emergency Shelter and Transitional Housing Program.* State law requires all cities to identify adequate sites, development standards, and implement a permitting process to facilitate and encourage the development of emergency shelters and transitional housing. In 2006, the City established a Homeless Task Force to identify locations for a homeless shelter in Palm Springs. Two initiatives, the Homelessness Committee of CVAG and the Palm Springs Homeless Task Force, are now working in partnership to address homelessness in the City. A Strategic Plan to End Homelessness was effected in 2007 and the first phase of the plan focuses on the development of a comprehensive Multi Service Centre (MSC), at McClane Road, in north Palm Springs. The site will allow the project by right, without need for a conditional use permit.

Various other support services are available in Palm Springs to assist homeless people. The County's Nightingale Manor, a 16-unit apartment building used for transitional housing, is operated by Episcopal Community Services. The Well in the Desert provides grocery distribution, meals, and other services. Catholic Charities provide emergency rental assistance and food for up to 40 people each night. The City also dedicates part of its federal monies to homeless service providers and is

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supporting the development of a new youth emergency shelter in Thousand Palms.

5-Year Objectives:

- Support and implement the new MSC in north Palm Springs.
- Continue to support and fund services for homeless people through the Consolidated Planning process.
- Continue to work in collaboration with the Homeless Task Force and other providers of assistance to homeless people.
- Amend the Zoning Ordinance to allow homeless shelters by right in the M-2 zone, with no discretionary approval.

RESOURCE CONSERVATION

Palm Springs is noted for its exceptional natural beauty and fragile environment. The San Jacinto and Santa Rosa Mountains and their remarkable landforms are a defining characteristic for Palm Springs as well as one of the City's most closely guarded resources. The steep topography of the mountains provides the City with a dramatic visual backdrop and unparalleled scenic views. Over the years, Palm Springs residents have reaffirmed that the hillsides are an irreplaceable asset. As available land in the central city diminishes, it will become increasingly important to establish guidance for the protection and thoughtful integration of development into these areas.

The desert floor of the Coachella Valley also provides some of the richest diversity of plant and animal life, including numerous protected species. More than six different habitat conservation plans protect sensitive habitat and species through the regulation or prohibition of future development. The Coachella Valley Multiple Species Habitat Conservation Plan is the culminating plan, covering more than one million acres, and including at least 27 desert and mountain natural communities and 27 species. These plans also guide the type, location, and intensity of development to ensure that critical habitat for protected species is preserved.

The Palm Springs community has long been committed to furthering an environmental ethic that emphasizes the use of alternative energy technologies, such as wind energy, cogeneration, and solar energy. Given the importance of the area's water supply to the vitality of the community, Palm Springs also supports the conservation and reuse of water resources and has developed water recycling and treatment plants to conserve this resource. The City is also active in promoting sustainable development in order to conserve water, electricity, natural gas, as well as reduce waste generation. Palm Springs is committed to furthering this environmental ethic in the development and rehabilitation of housing and neighborhoods.

GOAL HS4:

Fulfill the City's housing needs while protecting the natural environment and resources and promoting an environmentally sustainable ethic.

Policies

- HS4.1 Require that all residential developments be thoughtfully integrated into the natural environment, including washes, hillsides, viewsheds, and other features of the natural terrain.
- HS4.2 Prohibit the encroachment of significant housing development into areas designated as open space, desert, or conservation areas without appropriate environmental review and approvals.
- HS4.3 Encourage the use of green building practices, including Title 24 energy conservation standards, in the construction, rehabilitation, and renovation of housing, to the extent feasible.
- HS4.4 Encourage the conservation of water resources through the incorporation of native landscaping and noninvasive species that are specially adapted to the desert climate.
- HS4.5 Support the Multiple Species Habitat Conservation Plan and the sensitive integration of housing in undeveloped areas where permitted under the Plan.
- HS4.6 Continue to require, monitor, and enforce National Pollutant Discharge Elimination System permits and appropriate best management practices.

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Actions

HS4.1 ***Develop a Green Building Ordinance.*** A green building is a structure that is designed, built, renovated, operated, or reused in an ecologically and resource-efficient manner. The primary goals of this type of sustainable development are to conserve water, electricity, and natural gas, as well as to reduce waste generation. The City enforces the state-mandated requirements for energy conservation as part of the Warren-Alquist Act. The City is known for its leadership in advocating resource conservation: cogeneration facilities are used at various public facilities; General Plan land use designations reserve areas for wind energy production; the City has participated in various energy conservation demonstration programs; and our legislator continues to advocate for energy conservation efforts. The City has formed a Resource Conservation Commission to review all sustainability issues.

5-Year Objective:

- Develop a green building ordinance that encourages resource conservation in both the construction and rehabilitation of housing.
- Continue to support the work of the Resource Conservation Commission.

HS4.2 ***Implement Hillside Development Review.*** Palm Springs values its hillsides, mountains, and other unique topography and has therefore established guidelines to encourage their preservation. The Palm Springs Municipal Code provides for an enhanced architectural application and review process for residential projects proposed on slopes with a grade of 10 percent or greater. Beyond standard application procedures and items, the application must also contain topographical maps and grading plans. Areas of the site having a slope of 30 degrees or higher are excluded from the area that may be allowed in computing total density. Specific development standards are also encouraged to ensure that the residential project is compatible with the surrounding landscape and provides necessary infrastructure and services.

5-Year Objective:

- Continue implementation of hillside development standards.

HS4.3 ***Implement Water Conservation Program.*** Palm Springs recognizes the finiteness of its water supply and the importance of conservation. The City implements a program to use reclaimed water for public golf courses. To further conserve water, the Palm Springs Municipal Code provides for a water efficiency landscape program. Prior to construction and installation of any new or rehabilitated landscaping, the developer must submit a landscape document package for review and approval. The City shall review applications and approve, conditionally approve, or deny such application and shall assure conformity.

5-Year Objective:

- Continue implementation of the review of water conservation aspects of landscape ordinance.

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**Table 3-22
Housing Program Summary, 2006-2014**

	Objective	Funding	Implementing Agency	Time-frame
1.1 Adequate Sites	<ul style="list-style-type: none"> Maintain inventory and map of residential available for development, and provide at the front counter. Amend Zoning Code to redefine accessory units, remove conditional permit requirement, allow in single-family zones, and make standards consistent with state law. Update the Zoning Map to make all properties in Table 3-20 consistent with the General Plan Land Use Map. 	General Fund	Planning Department	Ongoing Implemented 2010
1.2 Regulatory Incentives	<ul style="list-style-type: none"> Review and accept requests for minor modifications, density bonuses, and general plan amendments and zone changes for housing projects that meet City housing goals. Study minor modification process and modify the findings required to expedite quality housing 	General Fund; RDA	Planning Department	Ongoing 2008-2012
1.3 Financial Incentives	<ul style="list-style-type: none"> Continue to approve fee reductions and waivers, City tax increment funds, General funds, low cost land, and other assistance for affordable housing projects. Consider waiving CVMSHCP fee (e.g. to acquire sensitive habitat) for lower-income affordable housing projects. Promote financial and development assistance programs to the building community on an annual basis. 	General Fund; RDA	Planning Department Planning Department Community and Economic Development	Ongoing Ongoing Annually
1.4 Development Standards	<ul style="list-style-type: none"> Implement increased floor area ratio of up to 4.0 for mixed/multi-use projects in the downtown core as defined by the Downtown Urban Design Plan and Land Use Element. Allow housing densities up to 70 units per acre for mixed/multi-use projects in the downtown core as defined by the Urban Design Plan and Land Use Element. Create a density bonus ordinance and incentives programs consistent with state law. 	General Fund	Planning Department	2010
1.9 Housing Types	<ul style="list-style-type: none"> Implement an incentive program for lot consolidation on lots of 1 acre or less. 	RDA	Redevelopment Agency	2010
2.1 Design Standards	<ul style="list-style-type: none"> Continue to implement residential design standards through architectural review of residential projects. 	General Fund	Planning Department	Ongoing
2.2 Historic Preservation	<ul style="list-style-type: none"> Continue to implement the historic preservation program for residential structures. Continue to update the Historic Resources Survey and identify additional residential structures that could be designated as Class 1 or Class 2 historic structures. 	General Fund	Planning Department	Ongoing
2.3 Property Maintenance	<ul style="list-style-type: none"> Implement code enforcement programs using approach of voluntary compliance, administrative citations, and court action. Provide education regarding lead-based paint hazards and assistance in complying with federal law. Provide financial assistance where appropriate to remedy property maintenance and health code violations. 	General Fund; CDBG	Building Department and Community and Economic Development	Ongoing
2.4 Housing Rehabilitation Loan	<ul style="list-style-type: none"> Provide rehabilitation loans to help low income households make home improvements to remedy health and safety code violations or make accessibility modifications. Continue comprehensive housing and neighborhood assistance under the Recapture Our Neighborhood program as funding becomes available. 	General Fund; CDBG	Building Department and Community and Economic Development	Ongoing
2.5 Mobile Home Rehabilitation and	<ul style="list-style-type: none"> Commit funding to rehabilitate the Sahara Mobile Home Park and commit homeownership funds to El Dorado 	General Fund;	Community and Economic	Ongoing

**Table 3-22
Housing Program Summary, 2006-2014**

	Objective	Funding	Implementing Agency	Time-frame
Preservation	Mobile Home Park as a strategy to address extremely low income housing needs. <ul style="list-style-type: none"> • Continue implementation and periodic review of the mobile home park rent stabilization ordinance as a strategy to address extremely low income housing needs. 	MPROP; RDA	Development	

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**Table 3-22
Housing Program Summary, 2006-2014**

	Objective	Funding	Implementing Agency	Time-frame	
2.6 Preservation of At-Risk Units	<ul style="list-style-type: none"> Monitor the status of affordable units that may become at-risk of conversion and provide technical assistance as feasible to facilitate preservation. Support efforts to preserve Sunnyview Villas and Palos Verdes Villas. 	CDBG, RDA	Community and Economic Development	Ongoing 2008-2012	
3.1 Homeownership Assistance	<ul style="list-style-type: none"> Provide homeownership opportunities for 9 households in the Desert Highlands area Research, review, and develop additional homebuyer's assistance program to meet goals set forth in the Consolidated Plan. 	CDBG, RDA	Community and Economic Development	Ongoing 2008-2012	
3.2 Rental Assistance	<ul style="list-style-type: none"> Support the County's housing voucher program and lobby for additional vouchers as needed. Provide City financial assistance to local nonprofit organizations for motel vouchers. 	Section 8	Community and Economic Development	Ongoing	
3.3 Fair Housing Services	<ul style="list-style-type: none"> Continue to contract with local fair housing providers to perform a wide range of educational, advocacy, and mediation services. Periodically report to the City Human Rights Commission on the status of fair housing. Periodically prepare an Analysis of Impediments to Fair Housing Choice and implement its findings. 	General Fund and CDBG	Community and Economic Development	Ongoing	
3.4 Housing Access	<ul style="list-style-type: none"> Amend Zoning Code to define and permit small residential care facilities serving six or fewer people in all residential zones. Amend Zoning Code to include group homes for 7 or more residents in the R-2, R-3 and R-4 zones with approval of a conditional use permit. Update as needed the City's Transition Plan to identify and remove impediments to access by persons with disabilities. Create reasonable accommodation ordinance to allow project changes to ensure access by disabled people. 	General Fund and CDBG	Community and Economic Development Planning Department	2010 2010 Ongoing 2010	
3.5 Emergency Shelter and Transition Housing	<ul style="list-style-type: none"> Continue to fund services for homeless people through the Consolidated Planning process Amend the Zoning Ordinance to define homeless shelter, and allow homeless shelters by right in the M-2 zone. 	General Fund and CDBG	Community and Economic Development Planning Department	Ongoing 2010-	
4.1 Green Building	<ul style="list-style-type: none"> Develop a green building ordinance that encourages resource conservation in the construction and rehabilitation of housing. 	General Fund	Planning Department	2008-2012	
4.2 Hillside Development	<ul style="list-style-type: none"> Continue implementing hillside development standards. 	General Fund	Planning Department	Ongoing	
4.3 Water Conservation	<ul style="list-style-type: none"> Continue implementation of the review of water conservation aspects of landscape ordinance 	General Fund	Planning Department	Ongoing	
Quantified Objectives	Housing Units Affordable to Extremely Low/Very Low Income Households	Housing Units Affordable to Low Income Households	Housing Units Affordable to Moderate Income Households	Housing Units Affordable to Above Moderate Households	Total Housing Units
New Construction	261/262	366	421	951	2,261

Table 3-22
Housing Program Summary, 2006-2014

	Objective	Funding	Implementing Agency	Time-frame
Rehabilitation	254	-0-	-0-	254
Preservation	108	-0-	-0-	108
Total	1,251	421	951	2,623

Source: City of Palm Springs