



CITY COUNCIL AND SUCCESSOR AGENCY Joint Meeting Agenda

Thursday, November 7, 2024

1:30 PM

City Hall Council Chamber

44950 Eldorado Drive, Indian Wells, CA 92210

Welcome to a meeting of the Indian Wells City Council and Successor Agency.

Live Stream: *Regular meetings held in the City Hall Council Chamber are streamed live. You can watch the meeting on any device or computer. Members of the public who wish to listen or watch the meeting may access the livestream during the regular meetings. [LIVE STREAM CLICK HERE.](#)*

Public Comments: *Members of the Public who wish to speak should fill out a blue slip and submit it to the City Clerk, comments are limited to 3 minutes. In accordance with State Law, remarks during public comment are to be limited to subjects within the City's jurisdiction. If you are unable to provide comments during meeting, written comments on agenda or non-agenda items or both, may be submitted at CityClerk@indianwells.com an hour prior to the start of the meeting.*

Notification: *If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (ADA) please contact the City Clerk at 760-346-2489, 48 hours prior to the meeting.*

Please turn off all communication devices (phones) or put them on non-audible mode (vibrate) during Council proceedings. All documents for public review are available for public inspection at City Hall reception, 44-950 Eldorado Drive, Indian Wells during normal business hours.

A. CONVENE THE CITY COUNCIL AND SUCCESSOR AGENCY JOINT MEETING, PLEDGE OF ALLEGIANCE AND ROLL CALL

MAYOR/CHAIR GREG SANDERS
MAYOR PRO TEM/VICE CHAIR BRUCE WHITMAN
COUNCIL MEMBER/BOARD MEMBER TY PEABODY
COUNCIL MEMBER/BOARD MEMBER DANA REED
COUNCIL MEMBER/BOARD MEMBER DONNA GRIFFITH

B. APPROVAL OF THE FINAL AGENDA

C. PROCLAMATIONS AND PRESENTATIONS

- C.1 Indian Wells Mini Muster Recognition by Program Coordinator Mike Lewis**
- C.2 Palm Spring Airport Master Plan Update by City Representative Robert Berriman**
- C.3 Joslyn Senior Center Update by Executive Director Dr. Jay Seller**
- C.4 Visit Greater Palm Springs Update By President/Chief Executive Officer Scott White**

D. PUBLIC COMMENTS

Members of the Public who wish to speak on consent items OR items not listed on the agenda may do so at this time. Public Comments are limited to 3 minutes. Speakers will be alerted when their time is up and are then to return to their seats and no further comments will be permitted.

Please note that while the City Council values your comments, the Council cannot respond nor take action on matters not listed on the agenda until the matter may appear on the forthcoming agenda.

E. CITY MANAGER'S REPORTS

The City Manager or Department Heads may make brief announcements, informal comments, or brief the Council on items of interest.

F. CITY ATTORNEY REPORTS AND COMMENTS

G. SUCCESSOR AGENCY CONSENT CALENDAR

- G.1 Approval of Annual Recognized Obligation Payment Schedule 2025-26** 10

RECOMMENDED ACTION:

Successor Agency **ADOPTS** Resolution approving the Recognized Obligation Payment Schedule for the period of July 1, 2025, through June 30, 2026

FINDS the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15061(e) (3) of the guidelines.

H. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered to be routine and will be approved by one motion. Reading of text of Ordinances is waived and Ordinances are adopted as second reading, by title only. There will be no separate discussion of these items unless members of the Council request specific items be removed from the Consent Calendar for separate discussion and action.

- H.1 Grants-in-Aid Committee Recommendations for FY 2024-25 Grants-in-Aid Program Funding** 20

RECOMMENDED ACTION:

Council **APPROVES** Grants-in-Aid Committee funding recommendations totaling \$156,832.70 for the organizations listed in this staff report for Fiscal Year 2024-25; and

AUTHORIZES and **DIRECTS** the City Manager to execute contracts for same; and

FINDS the action exempt from California Environmental Quality Act (CEQA) review under CEQA guidelines section 15061(b)(3).

H.2 City Treasurer’s Report for July 2024 25

RECOMMENDED ACTION:

Council **RECEIVES** and **FILES** the City Treasurer’s Report for July 2024; and

FINDS the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15060.

H.3 Appointments for Coachella Valley Mosquito & Vector Control District and Planning Commission 45

RECOMMENDED ACTION:

Council **APPROVES** the Council Ad Hoc Committee recommendations for a two-year term beginning on January 1, 2025, through December 31, 2026; and

APPOINTS John Vallat to serve on the CV Mosquito & Vector Control Board; and

APPOINTS Ralph Laks, and Jim Snellenberger on the Planning Commission; and

REAPPOINTS Ken Welch for a second term on the Planning Commission; and

FINDS the action exempt from California Environmental Quality Act (CEQA) review under CEQA guidelines section 15061(b)(3).

H.4 Players Course Renovation Funding Agreement 47

RECOMMENDED ACTION:

Council **AUTHORIZES** the City Attorney to finalize and the City Manager to execute the Funding Agreement with Troon Golf to complete the renovation of the Player’s Course; and

FINDS the action exempt from California Environmental Quality Act (CEQA) review under CEQA guidelines section 15061(b)(3).

I. PUBLIC HEARINGS

For each of the items listed under PUBLIC HEARING ITEMS, the public will be provided an opportunity to speak. After a staff report is provided, the Mayor will open the public hearing. At that time the applicant will be allowed five (5) minutes to make a presentation on the case. Members of the public will then be allowed three (3) minutes each to speak, unless there are a number of person's wishing to speak and then the Mayor will allow only two (2) minutes, to accommodate for more persons.

The City Council may ask the speakers questions relative to the case and the testimony provided. The question period will not count against your time limit. After all persons have spoken, the applicant will be allowed three minutes to summarize or rebut any public testimony. The Mayor will then close the public hearing portion of the hearing and deliberate the matter.

I.1 **Consideration of an Urgency Ordinance Amending Chapter 21.85 of the Indian Wells Municipal Code Regarding Accessory Dwelling Units and Junior Accessory Dwelling Units to Comply with Recent Changes in State Law**

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RECOMMENDED ACTION:

Council **FINDS** that the adoption of the proposed ordinance is statutorily exempt from review under the California Environmental Quality Act ("CEQA") under Public Resources Code section 21080.17; and

WAIVES full reading and **ADOPTS** by title only an Urgency Ordinance entitled: "An Urgency Ordinance of the City Council of the City of Indian Wells amending Chapter 21.85 of the City of Indian Wells Municipal Code relating to Accessory Dwelling Units and Junior Accessory Dwelling Units to comply with recent changes in State Law."

- I.2 Consideration of an Ordinance Amending Chapter 21.85 of the Indian Wells Municipal Code Regarding Accessory Dwelling Units and Junior Accessory Dwelling Units to Comply with Recent Changes in State Law 90

RECOMMENDED ACTION:

Council **OPENS** the Public Hearing, takes any public testimony, **CLOSES** the Public Hearing, and by motion:

FINDS that the adoption of the proposed ordinance is statutorily exempt from review under the California Environmental Quality Act ("CEQA") under Public Resources Code section 21080.17; and

WAIVES full reading and **INTRODUCES** for first reading by title only an Ordinance entitled: "An Ordinance of the City Council of the City of Indian Wells amending Chapter 21.85 of the City of Indian Wells Municipal Code relating to Accessory Dwelling Units and Junior Accessory Dwelling Units to comply with recent changes in State Law."

- I.3 Ordinance Amending Chapter 21.32 Relating to Time-Share Provisions of the Municipal Code 140

RECOMMENDED ACTION:

Council **INTRODUCES** and **DISCUSSES** an ordinance adding Chapter 21.32 "Time-Share Uses" and deleting Section 21.04.090 from Title 21 of the Indian Wells Municipal Code reinforcing the City's prohibition against time-share uses within the City; and

APPROVES the ordinance to be brought back for second reading and adoption; and

FINDS the action to be exempt from the provisions of the California Environmental Quality Act ("CEQA") under state CEQA Guidelines sections 15060(c)(2), 15060(c)(3), and 15061(b)(3).

J. GENERAL BUSINESS

After staff presentation, the Mayor will call upon the members of the public to address the Council regarding the agenda item being considered. After the public has provided comment, the item is closed to further comment and brought to the Council for discussion and action.

J.1 Purchase and Sale Agreement between Pacific Silver Partners and the City of Indian Wells for the Sale of Hole #17 of the Players Course

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RECOMMENDED ACTION:

Council **AUTHORIZES** and **DIRECTS** the City Attorney to prepare and the City Manager to execute a purchase and sale agreement between the City of Indian Wells and Pacific Silver Partners for the sale of Hole #17 of the Players Course (APN 633-150-077); and

FINDS the action is exempt from the provisions of the California Environmental Quality Act ("CEQA") under state CEQA Guidelines section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment.

K. COUNCIL MEMBER'S REPORTS AND COMMENTS

On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. Council Members may ask a question for clarification, make a referral to staff, or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.

K.1 MAYOR GRIFFITH

- CVAG Conservation Commission
- CVAG Energy & Sustainability Committee
- CVAG Homelessness Committee
- Indian Wells Community Activities Committee
- Indian Wells Golf Resort Advisory Committee
- Indian Wells Grants In Aid Committee
- Indian Wells Finance/Legal Services Oversight Committee

K.2 COUNCIL MEMBER REED

California Joint Powers Insurance Authority
CVAG Transportation Committee
Indian Wells Marketing Committee
Riverside County Transportation Commission
Southern California Association of Governments

K.3 COUNCIL MEMBER PEABODY

Cove Communities Services Commission
Coachella Valley Animal Campus
Indian Wells Golf Resort Advisory Committee
Indian Wells Marketing Committee
Sunline Transit Agency

K.4 MAYOR PRO TEM WHITMAN

Coachella Valley Economic Partnership
Coachella Valley Mountains Conservancy
CVAG Public Safety Committee
Desert Sands Unified School District
Indian Wells Personnel Committee
Indian Wells Public Safety
Indian Wells Tee Committee

K.5 MAYOR SANDERS

Cove Communities Services Commission
CVAG Executive Committee
Desert Sand Unified School District
Indian Wells Finance & Legal Services Oversight Committee
Indian Wells Personnel Committee
Indian Wells Public Safety Committee
Indian Wells Tee Committee
Visit Greater Palm Springs

L. ADJOURNMENT

To a regularly scheduled meeting of the City Council to be held at 1:30 p.m. on December 19, 2024, in the City Hall Council Chamber.

Affidavit of Posting,

I, Angelica Avila, certify that on November 1, 2024 I caused to be posted a notice of a City Council Meeting to be held on November 7, 2024 at 1:30 p.m. in the City Hall Council Chamber. Notices were posted at Indian Wells Civic Center and City's Website
[www.cityofindianwells.org]

Angelica Avila, City Clerk

INDIAN WELLS SUCCESSOR AGENCY / CITY COUNCIL November 7, 2024



To: City Council
From: Finance Department
Prepared by: Kevin McCarthy, City Finance Director
Subject: **Approval of Annual Recognized Obligation Payment Schedule 2025-26**

RECOMMENDED ACTIONS:

Successor Agency **ADOPTS** Resolution approving the Recognized Obligation Payment Schedule for the period of July 1, 2025, through June 30, 2026

FINDS the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15061(e) (3) of the guidelines.

BACKGROUND:

The Successor Agency is mandated to prepare the "Recognized Obligation Payment Schedule" (ROPS), which enumerates the Agency's outstanding obligations for the upcoming year. After the completion of the ROPS, it is submitted to the Riverside County Oversight Board (Oversight Board) for their approval. Following the Oversight Board's approval, the ROPS undergoes a comprehensive inspection and final review by the State Department of Finance. It is essential to note that the State Department of Finance necessitates the submission of the annual ROPS for the reporting year no later than February 1.

In accordance with Assembly Bill No. 1X 26 and the California Supreme Court's ruling in the Matosantos case, which challenged the constitutionality of AB 26, all redevelopment agencies in the state were dissolved as of February 1, 2012. This dissolution included the Redevelopment Agency of the City of Indian Wells (the "Redevelopment Agency"). Subsequently, successor agencies were designated to oversee the gradual conclusion of the former redevelopment agencies' operations.

The legislation stipulated that upon the dissolution of a redevelopment agency, either the City or another local government entity would step forward to serve as the "successor agency." Their role is to safeguard the assets of the dissolved agency until they are

appropriately distributed to various state and local government units. On January 12, 2012, the City Council decided to assume the role of the Successor Agency for the former redevelopment agency, as specified in City Resolution Number 2012-03. AB 26 provides that a successor agency is to be designated as the successor entity to the former Redevelopment Agency, vested with all authority, rights, powers, duties, and obligations previously awarded to the former Agency under the Community Redevelopment Law (Health & Safety Code, § 33000 et seq.), with certain exceptions. This successor agency is responsible for the wind-down of the Agency's affairs. The City was elected to be the Agency's successor agency by Resolution Bill No. 2012-03 on January 12, 2012.

Recognized Obligation Payment Schedule ("ROPS")

The staff of the Successor Agency has prepared the proposed Recognized Obligation Payment Schedule for the period spanning from July 1, 2025, through June 30, 2026 (referred to as "ROPS FY 2025-26"), in a format substantially mirroring the presentation found in Attachment "1," which is appended herewith and incorporated by reference.

The Successor Agency is authorized to receive an administrative cost allowance, denoted as the "Administrative Cost Allowance," in accordance with the provisions of Health and Safety Code Sections 34171(b) and 34183(a)(3) found in Attachment "2". For the 2025-26 fiscal year, this allowance is anticipated to be approximately \$250,000, with disbursements of approximately \$250,000 scheduled for July 1, 2025, and approximately \$0 for January 2, 2026.

The activities of the City, acting as the successor agency, are subject to oversight by an Oversight Board until all the Agency's outstanding debts are settled, all Agency assets are liquidated, and all property taxes formerly remitted to the Agency are redirected to local taxing agencies.

Following approval by the Oversight Board, the Successor Agency proceeds to submit the ROPS to the State Department of Finance for approval and disbursement. It is imperative to note that the State Department of Finance mandates the submission of the new annual ROPS before the commencement of the reporting year no later than February 1.

FISCAL IMPACT:

There is no fiscal impact on the City. Consistent with State Law, funding requests are submitted to the Riverside County Oversight Board. The Successor Agency requests \$9,809,770 during the upcoming ROPS cycle as follows:

1. Debt service payments of \$5,809,770
2. Loan repayments of \$3,750,000 paid to the City
3. Successor Agency Administrative Costs of \$250,000

Administrative Fees

During the next ROPS cycle, the City (General Fund) will collect \$250,000 to administer the Successor Agency. Administrative fees include administrative oversight, legal review and compliance, successor agency audits, bond and trustee costs, arbitrage and continuing disclosure, technology services, and office supplies.

Outstanding Agency Debt

As of June 30, 2024, the Agency debt was \$67.8 million, as described below. The debt service listed below matures in different years and is scheduled to be repaid entirely by 2035. Annual principal retirements range between \$6.7 million and \$7.2 million.

Description	Balance at 6/30/2023	Additions	Deletions	Balance at 6/30/2024
Bonds Payable:				
2015 A Tax Allocation Bonds	11,065,000	-	(2,000,000)	9,065,000
2016 A Tax Allocation Bonds	36,435,000	-	(960,000)	35,475,000
2020 A Tax Allocation Bonds	6,315,000	-	(465,000)	5,850,000
Subtotal	53,815,000	-	(3,425,000)	50,390,000
Add (less) deferred amounts:				
2015 A Premium	1,021,987	-	(245,276)	776,711
2016 A Premium	4,706,074	-	(421,440)	4,284,634
Subtotal	5,728,061	-	(666,716)	5,061,345
Total bonds payable	59,543,061	-	(4,091,716)	55,451,345
Other liabilities:				
Accrued Interest	781,690	729,740	(781,690)	729,740
Consolidated Loan Payable	14,187,226	-	(2,587,226)	11,600,000
Subtotal	14,968,916	729,740	(3,368,916)	12,329,740
Total long-term liabilities	74,511,977	729,740	(7,460,632)	67,781,085

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's environmental regulations. The City, acting as the Lead Agency, determined that the ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and

15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

ATTACHMENTS:

1. Resolution
2. Recognized Obligation Payment Schedule FY 2025-26
3. Administrative Cost Allowance FY 2025-26

ATTACHMENT #1

RESOLUTION SA NO. 2024- __

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF INDIAN WELLS, CALIFORNIA, APPROVING AND ADOPTING A DRAFT OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(I)

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Indian Wells ("Successor Agency") elected to become the successor agency to the Indian Wells Redevelopment Agency by City Council Resolution No. 2012-03 on January 12, 2012; and

WHEREAS, Health and Safety Code section 34177(l)(2) requires the Successor Agency to prepare a draft of the recognized obligation payment schedule ("ROPS") covering the period from July 1, 2025, to June 30, 2026; and

WHEREAS, Health and Safety Code section 34177(l)(2) requires the Successor Agency to submit a copy of the ROPS to the county administrative office, the county auditor-controller, and the Department of Finance at the same time that the Successor Agency submits the ROPS to the oversight board for its approval; and

WHEREAS, upon approval by the Oversight Board, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the Riverside County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, SERVING AS THE SUCCESSOR AGENCY TO THE DISSOLVED INDIAN WELLS REDEVELOPMENT AGENCY, RESOLVES AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. The approval of the draft of the ROPS through this Resolution does not commit the Successor Agency to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act. The City Clerk, acting on behalf of the Successor Agency, is authorized and directed to file a Notice of Exemption with the appropriate official of the County of Riverside, California, within five (5) days following the date of adoption of this Resolution.

SECTION 3. The Successor Agency **APPROVES** and **ADOPTS** the draft of the ROPS, in substantially the form attached to the Staff Report as Attachments "2" and "3" as required by Health and Safety Code Section 34177.

SECTION 4. The City Manager, acting on behalf of the Successor Agency, is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the draft of the ROPS, including submitting the draft of the ROPS to the Riverside County Auditor-Controller, or its designee, the County Administrative

Successor Agency to the Indian Wells Redevelopment Agency

Resolution SA No. ____

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Officer for Riverside County, the Department of Finance, and the Successor Agency's oversight board, and following approval of the ROPS by the oversight board, submitting the Approved ROPS to the Riverside County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED by the Successor Agency to the Redevelopment Agency of the City of Indian Wells, California, at a regular meeting held on the 7th day of November 2024.

**GREG SANDERS
MAYOR**

CERTIFICATION FOR RESOLUTION SA NO. ____

I, Angelica Avila, City Clerk of the City of Indian Wells, California, **DO HEREBY CERTIFY** that the whole number of the members of the Successor Agency to the Redevelopment Agency of the City of Indian Wells is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted at a regular meeting of the Successor Agency to the Redevelopment Agency of the City of Indian Wells on the 7th day of November 2024, by the following vote:

AYES:

NOES:

ATTEST:

APPROVED AS TO FORM:

**ANGELICA AVILA
CITY CLERK**

**TODD LEISHMAN FOR
BEST BEST & KRIEGER LLP
CITY ATTORNEY**

ATTACHMENT #2

Recognized Obligation Payment Schedule (ROPS 25-26) - Summary
Filed for the July 1, 2025 through June 30, 2026 Period

Successor Agency: Indian Wells
 County: Riverside

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	25-26 A Total (July-December)	25-26 B Total (January - June)	ROPS 25-26 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 4,476,653	\$ -	\$ 4,476,653
B Bond Proceeds			-
C Reserve Balance	4,476,653		4,476,653
D Other Funds			-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 4,000,000	\$ 5,809,770	\$ 9,809,770
F RPTTF	3,750,000	5,809,770	9,559,770
G Administrative RPTTF	250,000		250,000
H Current Period Enforceable Obligations (A+E)	\$ 8,476,653	\$ 5,809,770	\$ 14,286,423

Certification of Oversight Board Chairman:

Pursuant to Section 34117 (o) of the Health and Safety Code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

/s./

Name	Title

Signature	Date

Indian Wells ROPS 2025-26 Annual

				9,809,770	4,000,000				5,809,770			
				14,586,423	ROPS 25-26 A (July - December)				ROPS 25-26 B (January - June)			
Item #	Obligation Name	Obligation Type	Total Outstanding Obligation	ROPS 25-26 Total	Reserve Balance	RPTTF Funds	Admin RPTTF	25-26 A Total	Reserve Balance	RPTTF Funds	Admin RPTTF	25-26 B Total
			69,017,960	14,586,423	4,776,653	3,750,000	250,000	8,776,653	-	5,809,770	-	5,809,770
7	Administrative Costs	Admin Costs	2,744,552	250,000			250,000	250,000				-
13	\$16.4 Million Consolidated Advance	City/County Loans After 6/27/11	8,500,000	3,750,000		3,750,000		3,750,000				-
20	2015 A Refunding Tax Allocation Bonds	Bonds Issued After 12/31/10	7,493,500	2,497,875	2,379,000			2,379,000		118,875		118,875
21	2015 A Refunding Tax Allocation Bonds	Reserves	-	2,438,875				-		2,438,875		2,438,875
22	2016 A Refunding Tax Allocation Bonds	Bonds Issued After 12/31/10	44,235,025	2,618,475	1,849,925			1,849,925		768,550		768,550
23	2016 A Refunding Tax Allocation Bonds	Reserves	-	1,878,550				-		1,878,550		1,878,550
24	2020 A Refunding Bonds	Revenue Bonds Issued After 12/31/10	6,044,883	600,188	547,728			547,728		52,460		52,460
25	2020 A Refunding Bonds	Reserves	-	552,460				-		552,460		552,460

Indian Wells ROPS 2025-26 Annual

A B
ROPS 22-23 Cash Balances (07/01/22 - 06/30/23)

	C	D	E	F	G	H
	Fund Sources	Fund Sources	Fund Sources	Fund Sources	Fund Sources	Comments
	Bond Proceeds	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Comments
	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	Comments
Beginning Available Cash Balance (Actual 07/01/22)						
1 RPTTF amount should exclude A" period distribution amount"	-	-	7,870,014	(116,546)	661,303	
Revenue/Income (Actual 06/30/23)						
2 RPTTF amount should tie to the ROPS 22-23 total distribution from the County Auditor-Controller				60,939	8,315,146	
3 Expenditures for ROPS 22-23 Enforceable Obligations (Actual 06/30/23)			7,870,014		3,701,460	
4 Retention of Available Cash Balance (Actual 06/30/23) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					4,613,686	
5 ROPS 22-23 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 22-23 PPA form submitted to the CAC	No entry required	No entry required	No entry required	No entry required		
6 Ending Actual Available Cash Balance (06/30/23) to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	C			(55,607)	661,303	

ATTACHMENT #3

Exhibit "B"

Administrative Costs

City of Indian Wells Successor Agency
Administrative Costs for 2025-26 ROPS schedule
PPA Line 7: Administrative Costs

HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual Redevelopment Property Tax Trust Fund (RPTTF) distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year.

1 ROPS 24-25 A Actual Payment	3,340,000	
2 ROPS 24-25 B Actual Payment	<u>5,803,306</u>	
3 Total RPTTF	9,143,306	
4 (Less 24-25 Admin Fees)	240,000	
5 Adjusted RPTTF	9,383,306	
6 3% Admin Fee for 25-26 ROPS	281,499	
7 Actual Amount Claimed	250,000	
8 Variance	31,499	Amount unclaimed



INDIAN WELLS CITY COUNCIL

November 7, 2024

To: City Council
From: City Manager Department
Prepared by: Catherine Manning, Management Assistant
Subject: **Grants-in-Aid Committee Recommendations for FY 2024-25 Grants-in-Aid Program Funding**

RECOMMENDED ACTIONS:

Council **APPROVES** Grants-in-Aid Committee funding recommendations totaling \$156,832.70 for the organizations listed in this staff report for Fiscal Year 2024-25; and

AUTHORIZES and **DIRECTS** the City Manager to execute contracts for same; and

FINDS the action exempt from California Environmental Quality Act (CEQA) review under CEQA guidelines section 15061(b)(3).

BACKGROUND:

The City recognizes the importance of community-based organizations and/or groups, and the vital role they play in providing essential services to the Coachella Valley. To assist these organizations in meeting their service needs, the City developed its Grants-in-Aid program to provide financial assistance during years of financial surplus. To assist the City in dispersing those funds, the City formed its Grants-in-Aid Committee ("Committee") consisting of a broad-based cross section of informed and dedicated residents who review and analyze requesting agencies' funding requests and make recommendations on the annual allocation of funding to the City Council during those surplus years.

Funding for the City's Grants-in-Aid program is vetted each year through the City Council budget cycle. Per Resolution 2017-04, the amount of community assistance funding is a maximum of twenty-five percent (25%) of the prior year's General Fund's Net Change in Fund Balance using year end estimates established during the last quarter of each fiscal year, not to exceed \$160,000 during each budget year. While the city is still finalizing the audit cycle, Fiscal Year 2023-24 is estimated to end with a \$1.2 million surplus. Therefore, per the City's policy, the maximum amount of \$160,000 is available to be allocated through the Grants-in-Aid program for Fiscal Year 2024-25.

Analysis:

In August, the city hosted two education sessions for interested organizations to learn about the Grants-in-Aid program. Staff provided an overview of the program guidelines and application process and answered attendee questions.

The Grants-in-Aid program gives tax-exempt, non-profit organizations under Section 501(c)(3) with at least 5 years in business the opportunity to apply for funding to assist with community assistance and services provided to the Coachella Valley. Eligible requests include expansion of initial service programs, the addition of a new service or program or special project, or the purchase of specific items, not related to start-up costs, but necessary to providing services. Funding cannot be used for staffing or salaries, fundraising, sponsorships, start-up costs, administrative or overhead expenses.

The Grants-in-Aid Committee reviewed each application to ensure they met the program guidelines and to understand their funding request. The Grants-in-Aid Committee met on October 8, 2024, to discuss funding recommendations for 29 Grants-in-Aid requests totaling \$331,484.08. After reviewing all 29 applications, the Grants-in-Aid Committee is recommending funding 19 of the 29 applicants for a total of \$156,832.70.

Recommended Organizations for Funding:

The Grants-in-Aid Committee recommends the City Council allocate the \$160,000 in available funding to the following organizations:

Alzheimer's Coachella Valley: recommended funding of **\$8,000** for a Client Safety and Communication Program to keep clients healthy and respond to emergency situations.

Angel View: recommended funding of **\$12,926** for housing for people with disabilities.

Assistance League Coachella: recommended funding of **\$10,000** for the Operation School Bell Program to help children succeed through services for clothes, hunger, supplies, health, and literacy.

Big Brothers Big Sisters: recommended funding of **\$10,000** one-to-one youth mentoring in Mecca.

California Scottish Rite Foundation: recommended funding of **\$10,000** to support their Speech-Language Therapy Program at the RiteCare Childhood Language Center.

Coachella Valley Housing Coalition: recommended funding of **\$5,000** for an after-school program to increase the opportunities to engage in educational, recreational, and leadership activities for low-income, at-risk children and youth.

Desert Access and Mobility: recommended funding of **\$15,000** for transportation for low-income and disadvantaged individuals, seniors, and disabled person.

Desert Arc: recommended funding of **\$12,000** to purchase eight critically needed front load dumpsters with wheels and lock bar safety mechanisms for its shredding and recycling center, and 32 new regal ergo cabinets for document shredding.

Food Now: recommended funding of **\$10,000** for the "Fuel for Success – Weekend Meals for Hungry Kids" Program that provides 240 chronically hungry children with nutritious food to sustain them over the weekend.

Family YMCA of the Desert: recommended funding of **\$6,000** for Automated External Defibrillators at eight program sites.

First Tee Coachella Valley: recommended funding of **\$10,000** to maintain and grow its in-school, after-school and community programs.

Foundation on Aging: recommended funding of **\$5,000** for twenty-five-dollar (\$25) grocery market gift cards for distribution to seniors in need in the Coachella Valley.

John F. Kennedy Memorial Foundation: recommended funding of **\$6,175.70** for the expansion of three new schools, providing 21 programs in 20 schools, serving 450 girls, including 55 seniors.

Rotary Club of Coachella East: recommended funding of **\$5,000** to support the Rotary Youth Leadership Awards Program.

Shay's Warrior: recommended funding of **\$7,750** to build awareness around men's health by sharing and connecting in a supportive and safe community.

SongShine Foundation: recommended funding of **\$5,000** to expand to serve 150 participants and their caregivers in both in-person and Zoom class settings.

Tools for Tomorrow: recommended funding of **\$5,121** to provide a monthly arts experience for the children and their families of Hanson House.

United Cerebral Palsy: recommended funding of **\$8,860** to support the UCPIE Para-Karate Program. UCPIE Para-Karate Program is an opportunity for individuals with disabilities to excel in a competitive sport proving they can live their life without limits.

Voices for Children: recommended funding of **\$5,000** to support our Court Appointed Special Advocate (CASA) Program in Indian Wells. Voices for Children transforms the lives of abused, abandoned, or neglected youth in foster care.

Each organization that will receive funding is required to execute a Funding Agreement with the City documenting the authorized use of funds and will, at the conclusion of the Fiscal Year, provide the City with a report on how the funds were utilized and the impact those dollars had on the organization and the community it serves.

OPTIONS:

City Council options:

1. Approve the Grants-in-Aid Committee's recommendation to allocate Grants-in-Aid funding as outlined in this staff report; or
2. Provide alternative direction.

FISCAL IMPACT:

No supplemental appropriation required. The Grants-in-Aid Program utilizes funds allocated within the Fiscal Year 2024-25 budget.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act ("CEQA") Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly; and that the action is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. (14 CCR 15061(b)(3).)

ATTACHMENTS:

1. Grants in Aid Funding Allocation Spreadsheet

ATTACHMENT #1

2024-2025 GRANT FUNDING REQUESTS - GRANTS IN AID
FUNDING AVAILABLE: \$160,000

	AGENCY NAME	PROGRAM/ PROJECT/ PURCHASE SUPPORTED?	REQUESTED FUNDING	FUNDING RECOMMENDATION
1	Alzheimers Coachella Valley	A Client Safety and Communication Program to keep clients healthy and respond to emergency situations.	\$ 8,230.00	\$ 8,000.00
2	Angel View	Angel View Housing for People with Disabilities	\$ 12,926.00	\$ 12,926.00
3	Assistance League Coachella Valley	Operation School Bell is a program helping children succeed through services for clothes, hunger, supplies, health, and literacy.	\$ 10,000.00	\$ 10,000.00
4	Big Brothers Big Sisters	One-to-One Youth Mentoring in Mecca.	\$ 10,000.00	\$ 10,000.00
5	California Scottish Rite Foundation	Support our Speech-Language Therapy Program at the RiteCare Childhood Language Center (CLC).	\$ 15,000.00	\$ 10,000.00
6	Coachella Valley Housing Coalition	After-school Program to increase the opportunities to engage in educational, recreational, and leadership activities for low-income, at-risk children and youth.	\$ 5,000.00	\$ 5,000.00
7	Desert Access and Mobility	Transportation for low-income and disadvantaged individuals, seniors, and disabled persons.	\$ 15,000.00	\$ 15,000.00
8	Desert Arc	To purchase eight critically needed front load dumpsters with wheels and lock bar safety mechanisms for its shredding & recycling center, and for 32 new regal ergo cabinets for document shredding.	\$ 12,000.00	\$ 12,000.00
9	Family Services of the Desert - Food Now	The Food Now "Fuel for Success - Weekend Meals for Hungry Kids" program addresses this gap by providing 240 chronically hungry children with nutritious food to sustain them over the weekend.	\$ 10,000.00	\$ 10,000.00
10	Family YMCA of the Desert	Automated External Defibrillators will be at eight program sites: Amelia Earhart, James Carter Elementary, John Adams, Gerald Ford Elementary, Jean Benson, Doris Mechanick, La Quinta, San Pablo YMCA.	\$ 12,921.38	\$ 6,000.00
11	First Tee Coachella Valley	To maintain and grow its in-school, after-school and community programs.	\$ 10,000.00	\$ 10,000.00
12	Foundation on Aging	Twenty-five-dollar (\$25) grocery market gift cards for distribution to seniors in need in the Coachella Valley in May/June 2025.	\$ 7,500.00	\$ 5,000.00
13	John F. Kennedy Memorial Foundation	Ophelia Project will expand into three new schools increasing our reach to providing 21 programs in 20 schools, serving 450 girls, including 55 seniors.	\$ 6,175.70	\$ 6,175.70
14	Rotary Club of Coachella East	The Rotary Youth Leadership Awards program to help develop leadership skills in youth while having fun and making connections.	\$ 5,000.00	\$ 5,000.00
15	Shay's Warrior Life after Cancer	To build awareness around men's health by sharing and connecting in a supportive and safe community.	\$ 7,750.00	\$ 7,750.00
16	SongShine Foundation	Will expand to serve an additional 150 participants and their caregivers in both its in-person and Zoom class settings; through it's annual health and Wellness Expo, and annual musical productions which feature students with neurological disorders performing on stage.	\$ 5,000.00	\$ 5,000.00
17	Tools for Tomorrow	To provide a monthly arts experience for the children and their families of Hanson House.	\$ 5,121.00	\$ 5,121.00
18	United Cerebral Palsy	UCPIE Para-Karate Program. UCPIE Para-Karate Program is an opportunity for individuals with disabilities to excel in a competitive sport proving they can live their life without limits.	\$ 8,860.00	\$ 8,860.00
19	Voices for Children	To support our Court Appointed Special Advocate (CASA) Program in Indian Wells. Through the CASA program, VFC transforms the lives of abused, abandoned, or neglected youth in foster care by providing them with trained volunteer CASAs.	\$ 5,000.00	\$ 5,000.00
			\$ 171,484.08	\$ 156,832.70

INDIAN WELLS CITY COUNCIL

Nov 7, 2024



To: City Council
From: Finance Department
Prepared by: Amy Dallosta, Accountant
Subject: **City Treasurer's Report for July 2024**

RECOMMENDED ACTIONS:

Council **RECEIVES** and **FILES** the City Treasurer's Report for July 2024; and

FINDS the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15060.

DISCUSSION:

This report comprehensively analyzes the City of Indian Wells' cash and investment position as of July 31, 2024. The city maintains a robust investment strategy, focusing on prudence, liquidity, and compliance with legal requirements. The Treasurer's certification ensures adherence to the city's investment policy and compliance with the State of California Government Code section 53600.

Financial Snapshot:

As of July 31, 2024:

- Total cash and investments: \$87,240,677.43
- Portfolio rate of return: 3.667%

Treasurer's Certification:

The City Treasurer certifies:

- Compliance with the city's investment policy and legal requirements.
- Adequate liquidity to meet financial obligations for the next six months, ensuring static and dynamic liquidity.

Fiscal Prudence:

Aligned with the fiduciary duty, the city adheres to a prudent investment approach, considering economic conditions and anticipated needs. Investments are guided by a written policy emphasizing safety, liquidity, and yield.

BACKGROUND:

The Treasurer's Report provides a monthly update on cash activity and the investment portfolio, ensuring reconciliation with the General Ledger. Investments align with the city's investment policy and State legislation, covering U.S. treasuries, federal agency securities, corporate notes, municipal bonds, CDs, and overnight cash investments.

Investment Strategy:

The city's investment portfolio is designed to achieve a market rate of return within risk constraints. Diversification across institutions, security types, and maturities maximizes safety and yield amid changing market conditions.

FISCAL IMPACT:

The investment portfolio generated \$174,374.45 in earnings for July 2024. The investment strategy aims for consistent returns throughout budgetary and economic cycles, reflecting prudent risk management. Moreover, the strategy's success in consistently generating returns reflects its adaptability to changing market conditions. As economic cycles fluctuate, the city's investment approach remains resilient, adjusting to dynamic financial landscapes to optimize safety and yield.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's environmental regulations. The City, acting as the Lead Agency, determined that this resolution is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

ATTACHMENTS:

1. City Treasurer's Report

ATTACHMENT #1

UNRESTRICTED FUNDS

GENERAL FUND

101- GENERAL	\$ 21,506,077.82	\$ 19,607,125.81
TOTAL GENERAL FUND	21,506,077.82	19,607,125.81

RESTRICTED FUNDS

SPECIAL REVENUE FUNDS

202 - TRAFFIC SAFETY	12,076.96	17,250.54
203 - PUBLIC SAFETY 1/2 CENT SALES TAX	6,725.87	22,919.53
204 - MEASURE "A"	3,168.94	166,871.44
209 - F.A.M.D. #1	1,234,628.19	1,724,587.86
210 - SCAQMD (VEHICLE REG.)	17,926.25	15,702.07
211 - AB 3229 COPS FUNDING	0.00	78,129.77
214 - GAS TAX 2103 MAINTENANCE	0.00	15,808.69
215 - GAS TAX 2105 MAINTENANCE	0.00	12,090.28
216 - GAS TAX 2106 CONSTRUCT/MAINT	0.00	10,233.84
217 - GAS TAX 2107 MAINTENANCE	0.00	17,790.26
218 - GAS TAX 2107.5 ENG./ADMIN	0.00	1.00
219 - GAS TAX RMRA	11,472.75	118,013.28
228 - EMERG. UPGRADE SERVICES	5,228,111.24	5,322,274.53
247 - AB 939 RECYCLING FUND	242,994.91	303,771.70
248 - SOLID WASTE	72,260.48	143,605.17
251 - STREET LIGHTING DISTRICT 2000-1	19,573.30	16,782.76
253- INDIAN WELLS VILLAS OPERATIONS	252,737.56	323,569.77
254- MOUNTAIN VIEW VILLAS OPERATIONS	379,622.44	408,593.78
256- HOUSING AUTHORITY	421,043.16	2,871,109.92
271 - ELDORADO DRIVE LLMD	103,943.35	66,838.87
272 - MONTECITO/STARDUST LLMD	20,139.42	9,625.04
273 - CASA DORADO LLMD	14,387.30	142.43
274 - THE COVE LLMD	13,502.82	6,862.15
275 - SH 111/IWGR (ENTRANCE) LLMD	420,068.70	151,262.64
276 - CLUB/IW LANE LLMD	49,763.35	27,492.23
277 - COLONY LLMD	126,617.13	94,845.14
278 - COLONY COV ESTATES LLMD	58,416.53	52,894.33
279 - DESERT HORIZONS LLMD	261,529.76	154.00
280 - MOUNTAIN GATE LLMD	116,280.19	105,245.63
281 - MOUNTAIN GATE ESTATES LLMD	53,788.62	46,882.07
282 - VILLAGIO LLMD	277,243.20	253,787.78
283 - VAIDYA LLMD	39,906.58	35,222.46
284 - CLUB, SOUTH OF 111 LLMD	40,081.54	33,725.82
285 - MONTELENA LLMD	114,978.75	98,279.23
286 - SUNDANCE LLMD	25,991.63	504.00
287 - PROVINCE LLMD	187,422.87	79,420.83
288 - PROVINCE DBAD	589,892.58	566,037.30
TOTAL SPECIAL REVENUE FUNDS	10,416,296.37	13,218,328.14

CAPITAL PROJECT FUNDS

310 - PARK FACILITIES FEES	0.00	21,988.00
311 - TRANSPORTATION FACILITIES FEES	0.00	5,874.00
313 - RECREATION FACILITIES FEES	0.00	11,766.00
314 - PARK-IN-LIEU FEES	0.00	65,856.45
315 - CITYWIDE PUBLIC IMPROVEMENT FEE	0.00	2,087.00
316 - CAPITAL IMPROVEMENT	13,574,735.77	7,129,970.96
319 - ART IN PUBLIC PLACES	800,150.64	496,527.20
321 - HIGHWAY 111 CIRCULATION IMP FEE	38,646.70	37,297.70
TOTAL CAPITAL PROJECT FUNDS	14,413,533.11	7,771,367.31

RESTRICTED FUNDS (Cont.)

	<u>July</u>	<u>July</u>
	<u>2024</u>	<u>2023</u>
REPLACEMENT FUNDS		
326 - BUILDINGS CAPITAL RESERVE	2,402,547.80	1,998,295.80
327 - BRIDGES CAPITAL RESERVE	2,193,881.00	1,796,920.00
328 - MEDIANS & PARKWAYS CAPITAL RESERVE	1,814,077.07	1,430,392.07
329 - STORM DRAINS CAPITAL RESERVE	1,080,563.00	722,523.00
330 - TRAFFIC SIGNALS CAPITAL RESERVE	946,557.00	593,092.00
331 - TECHNOLOGY CAPITAL RESERVE	893,207.00	541,715.00
332 - CITY STREETS CAPITAL RESERVE	18,192,972.00	17,211,121.00
333 - CITY VEHICLES CAPITAL RESERVE	460,502.00	124,239.00
350 - DISASTER RECOVERY RESERVE	609,928.00	292,977.00
TOTAL REPLACEMENT FUNDS	<u>28,594,234.87</u>	<u>24,711,274.87</u>
SUCCESSOR AGENCY FUNDS		
453 - DEBT SERVICE	4,758,075.68	5,166,863.00
456 - RDA OBLIGATION RETIREMENT	0.00	2,165,923.00
TOTAL SUCCESSOR AGENCY FUNDS	<u>4,758,075.68</u>	<u>7,332,786.00</u>
FINANCING AUTHORITY FUNDS		
460 - INDIAN WELLS FINANCING AUTHORITY	743,354.10	277.98
TOTAL FINANCING AUTHORITY FUNDS	<u>743,354.10</u>	<u>277.98</u>
ENTERPRISE FUNDS		
560 - INDIAN WELLS GOLF RESORT	1,692,259.43	1,500,000.00
TOTAL ENTERPRISE FUNDS	<u>1,692,259.43</u>	<u>1,500,000.00</u>
INTERNAL SERVICE FUNDS		
601 - INTERNAL TRUST FUND	2,602,419.86	672,895.91
TOTAL INTERNAL SERVICE FUNDS	<u>2,602,419.86</u>	<u>672,895.91</u>
RESERVE FUNDS		
602 - COMPENSATED ABSENCES	0.00	583,091.00
TOTAL RESERVE FUNDS	<u>0.00</u>	<u>583,091.00</u>
TRUST & AGENCY FUNDS		
732 - SPECIAL DEPOSITS	435,559.67	738,051.84
TOTAL TRUST & AGENCY FUNDS	<u>435,559.67</u>	<u>738,051.84</u>
TOTAL ALL FUNDS	<u>85,161,810.91</u>	<u>76,135,198.86</u>
FISCAL AGENTS		
253 - INDIAN WELLS VILLAS	223,797.59	65,928.18
254 - MOUNTAIN VIEW VILLAS	112,277.88	206,437.68
453 - US BANK TRUSTEE - SUCCESSOR AGENCY DEBT SERVICE	592.61	2,512.62
460 - US BANK - INDIAN WELLS FINANCE AUTHORITY	6,304,516.99	10,721,350.87
560 - INDIAN WELLS GOLF RESORT	985,246.53	562,883.87
601 - INTERNAL TRUST FUND	11,200,768.00	1,099,342.81
TOTAL FISCAL AGENTS	<u>18,827,199.60</u>	<u>12,658,456.03</u>
TOTAL ALL FUNDS & FISCAL AGENTS	<u>\$ 103,989,010.51</u>	<u>\$ 88,793,654.89</u>
UNRESTRICTED FUNDS	21,506,077.82	19,607,125.81
RESTRICTED FUNDS	<u>82,482,932.69</u>	<u>69,186,529.08</u>
	<u>\$ 103,989,010.51</u>	<u>\$ 88,793,654.89</u>

MONTH: July 31, 2024			
Investment #	Investment Type	Investment Description	Book Value
Bank Checking & Sweep			
1		Pacific Western Bank - Sweep **-*1117	1,034,316.58
2		Pacific Western Bank - Accts. Payable **-*3411	0.00
3		Pacific Western Bank - Payroll **-*1752	0.00
6		Pacific Western Bank - Ambulance **-*7937	0.00
7		Pacific Western Bank - Public Funds MMA **-*5064	15,922.30
8		US Bank Money Market - Investment	0.00
9		US Bank Money Market - 4590	5,002,215.21
10		US Bank Money Market - 4591	13,203,622.76
19		Petty Cash	2,000.00
			19,258,076.85
Managed Pool Accounts			
21		Local Agency Investment Fund - City 98-33-385	3,092,880.12
			3,092,880.12
Certificates of Deposit			
512		Certificate of Deposit-BMW Bank North America 05580AVX9	250,000.00
513		Certificate of Deposit-Nicolet Nation Bank 654062J22	250,000.00
514		Certificate of Deposit-Live Oak Banking Company 538036LD4	250,000.00
515		Certificate of Deposit-Alma Bank 020080BX4	250,000.00
516		Certificate of Deposit-State Bank of India 856285TF8	248,000.00
517		Certificate of Deposit-First Natl Bank of McGregor TX 32112UDR9	249,000.00
518		Certificate of Deposit-Centerstate Bank 15201QDE4	248,000.00
519		Certificate of Deposit-Northwest Bank 66736ABV0	249,000.00
522		Certificate of Deposit-Pacific Western Bank 69506YRL5	248,000.00
525		Certificate of Deposit-Bank of Baroda 06063HMS9	249,000.00
548		Certificate of Deposit-Toyota Financial Sgs Bank 89235MKY6	250,000.00
550		Certificate of Deposit-Greenstate Credit Union 39573LBL1	250,000.00
557		Certificate of Deposit-Pentagon Federal Credit Union 70962LAS1	249,000.00
558		Certificate of Deposit-Nelnet Bank, Inc 64034KAG6	250,000.00
561		Certificate of Deposit-Beal Bank 07371AYE7	250,000.00
562		Certificate of Deposit-Beal Bank USA 07371CE88	250,000.00
573		Certificate of Deposit-Capital One NA 14042RUJ8	250,000.00
574		Certificate of Deposit-Austin Telco Fed Credit Union 052392BT3	250,000.00
575		Certificate of Deposit-Synchrony Bank 87164XR65	250,000.00
585		Certificate of Deposit-Liberty First Credit Union 530520AK1	249,000.00
586		Certificate of Deposit-First Guaranty Bank Hammond LA	249,000.00
587		Certificate of Deposit-Medallion Bank Utah 58404DSW2	249,000.00
588		Certificate of Deposit-Pitney Bowes Bank 724468AG8	244,000.00
589		Certificate of Deposit-Bank Five Nine 062119CD2	249,000.00
590		Certificate of Deposit-First Foundation Bank 32026UW51	244,000.00
591		Certificate of Deposit-Summit National Bank 86616RAG0	249,000.00
592		Certificate of Deposit-First National Bank of America 32110YD93	249,000.00
597		Certificate of Deposit-Morgan Stanley Private Bank 61768ET29	244,000.00
598		Certificate of Deposit-Cross River Bank 227563EX7	244,000.00
599		Certificate of Deposit-Universal Bank and Trust Co 91527PCF2	249,000.00
607		Certificate of Deposit-Sallie Mae 795451DM2	244,000.00
			7,703,000.00
Medium Term Corporate Notes			
524		Bank of New York Mellon Corp 06406RAN7	1,002,782.19
526		Montebello CA Pens Oblig AA 612285AE6	1,013,635.12
533		JP Morgan Chase Bank NA 46632FRU1	2,000,000.00
538		JP Morgan Chase 48128G2Q2	1,000,000.00
549		Bank of America MTN 06048WM31	1,000,000.00
556		Bank of America MTN 06048WM72	1,000,000.00
576		John Deere Capital Corp 24422EWR6	1,019,009.75
			8,035,427.06
Federal Agency Issues			
542		Fed. Farm Credit Bank 3130ALJ62	1,000,000.00
544		Fed. Farm Credit Bank 3130ALMM3	2,000,000.00
546		Fed. Farm Credit Bank 3130ALW67	1,000,000.00
551		Fed. Farm Credit Bank 3130AMW57	2,000,000.00
559		Fed. Home Loan Bank 3130AOWF6	1,000,000.00
560		Fed. Home Loan Bank 3130AOWJ8	1,000,000.00
563		Fed. Home Loan Bank 3130AOZ55	1,000,000.00
564		Fed. Home Loan Mtg Corp 3134GXM9	1,000,000.00
566		Fed. Home Loan Bank 3130ARGES	1,000,000.00
567		Fed. Home Loan Mtg Corp 3134GXQP2	1,000,000.00
568		Fed. Home Loan Bank 3130ASS20	1,700,000.00
571		Fed. Home Loan Bank 3130ASS67	1,000,000.00
572		Fed. Home Loan Bank 3130ASS91	1,000,000.00
605		Fed.Home Loan Bank 3130B1UH8	2,000,000.00
			17,700,000.00
Municipal Bonds			
537		Dixon CA Unified School District 255651KY6	500,000.00
531		Natomas CA School District 63877NMM6	300,000.00
			800,000.00
Treasury Discounts-Amortizing			
601		United States Treasury Bill 912797JU2	2,000,000.00
602		United States Treasury Bill 912797KLO	1,986,548.51
603		United States Treasury Bill 912797LF2	1,006,278.05
604		United States Treasury Bill 912797LF2	247,656.20
606		United States Treasury Bill 912797LY1	1,955,282.12
			7,195,764.88
Treasury Securities			
593		United States Treasury Bill 91282CFU0	9,932,091.26
594		United States Treasury Bill 912810FF0	13,523,437.26
			23,455,528.52
Total Pooled Cash and Investments			\$ 87,240,677.43
Fair Value Increase (over cost)			(1,651,238.75)
Outstanding items			
Warrants/Wire Transfers Outstanding (Bank)			(420,479.40)
Outgoing ACH Payments Outstanding (GL)			0.00
Incoming Payments Outstanding (GL)			(14,115.77)
Credit Card in Transit			6,967.40
Total Outstanding Items			(427,627.77)
Reconciled Bank Balance			\$ 85,161,810.91
General Ledger Balance			\$ 85,161,810.91



City of Indian Wells
 44-950 Eldorado Drive
 Indian Wells CA 92210
 (760)346-2489

The City of Indian Wells
Portfolio Management
Portfolio Summary
 July 31, 2024

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Managed Pool Accounts - LAIF	3,092,880.12	3,092,880.12	3,092,880.12	3.55	1	1	4.454	4.516
Money Market Sweep/Checking Account	19,258,076.85	19,258,076.85	19,258,076.85	22.07	1	1	4.868	4.936
Negotiable CD's	7,703,000.00	7,554,120.61	7,703,000.00	8.83	1,825	952	2.326	2.358
Medium Term Corporate Notes	8,000,000.00	7,582,100.00	8,035,427.06	9.21	1,803	611	1.340	1.359
Federal Agency Issues - Callables	17,700,000.00	17,131,676.00	17,700,000.00	20.29	1,655	800	2.459	2.493
Treasury Securities	23,000,000.00	23,706,110.00	23,455,528.52	26.89	1,638	1,406	4.207	4.265
Miscellaneous Securities - Coupon	800,000.00	788,981.00	800,000.00	0.92	1,449	137	0.654	0.663
Treasury Discounts -Amortizing	7,276,000.00	7,193,376.88	7,195,764.88	8.25	162	81	5.090	5.161
Investments	86,829,956.97	86,307,321.46	87,240,677.43	100.00%	1,130	689	3.617	3.667

Cash and Accrued Interest							
Accrued Interest at Purchase		57.49	57.49				
Subtotal		57.49	57.49				
Total Cash and Investments	86,829,956.97	86,307,378.95	87,240,734.92		1,130	689	3.617

Total Earnings	July 31 Month Ending
Current Year	274,646.14
Average Daily Balance	89,044,428.19
Effective Rate of Return	3.63%

The above investments are consistent with the City's investment policy and allowable under current legislation of the State of California. Investments were purchased using safety, liquidity, and yield as criteria. In addition, cash flow from revenue and maturing investments will be sufficient to cover expenditures for the next six months. All securities are "Marked-to-Market" on a monthly basis.

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 on 2024-10-16 15:48:37 PDT

Kevin McCarthy, Finance Director

The City of Indian Wells
 Portfolio Management
 Portfolio Details - Investments
 July 31, 2024

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 360	Days to Maturity	Maturity Date
Managed Pool Accounts - LAIF												
SYS21	21	LAIF - City			3,092,880.12	3,092,880.12	3,092,880.12	4.516		4.454	1	
SYS23	23	LAIF - Redevelopment			0.00	0.00	0.00	0.233		0.230	1	
Subtotal and Average			4,972,644.24		3,092,880.12	3,092,880.12	3,092,880.12			4.454	1	
Money Market Sweep/Checking Account												
SYS1	1	Pacific Western Bank			1,034,316.58	1,034,316.58	1,034,316.58	0.250		0.247	1	
SYS6	6	Pacific Western Bank-Ambulance		07/01/2022	0.00	0.00	0.00			0.000	1	
SYS7	7	Pacific Western-PublicFundsMMA			15,922.30	15,922.30	15,922.30	4.620		4.557	1	
SYS8	8	US Bank Money Market		07/01/2022	0.00	0.00	0.00			0.000	1	
SYS10	10	US Bank Money Market-4591		08/30/2022	13,203,622.76	13,203,622.76	13,203,622.76	5.200		5.129	1	
SYS9	9	US Bank Money Market-4590		08/30/2022	5,002,215.21	5,002,215.21	5,002,215.21	5.210		5.139	1	
SYS2	2	Pacific Western - Acct Payable		07/01/2022	0.00	0.00	0.00			0.000	1	
SYS3	3	Pacific Western-Payroll		07/01/2022	0.00	0.00	0.00			0.000	1	
SYS4	4	Union Bank-Checking			0.00	0.00	0.00	0.200		0.197	1	
SYS19	19	Petty Cash		07/01/2022	2,000.00	2,000.00	2,000.00			0.000	1	
SYS5	5	WestAmerica Bank		07/01/2022	0.00	0.00	0.00			0.000	1	
Subtotal and Average			19,727,859.93		19,258,076.85	19,258,076.85	19,258,076.85			4.868	1	
Negotiable CD's												
020080BX4	515	Alma Bank		03/31/2020	250,000.00	244,187.50	250,000.00	1.400		1.380	239	03/28/2025
052392BT3	574	Austin Telco Fed Credit Union		09/21/2022	250,000.00	245,597.50	250,000.00	3.800		3.748	1,146	09/21/2027
06063HMS9	525	Bank of Baroda		07/22/2020	249,000.00	239,224.26	249,000.00	0.700		0.690	355	07/22/2025
062119CD2	589	Bank Five Nine		07/31/2023	249,000.00	250,969.59	249,000.00	4.500		4.438	1,457	07/28/2028
07371AYE7	561	Beal Bank - Plano TX		02/23/2022	250,000.00	234,797.50	250,000.00	1.900		1.874	930	02/17/2027
07371CE88	562	Beal Bank USA		02/23/2022	250,000.00	234,797.50	250,000.00	1.900		1.874	930	02/17/2027
05580AVX9	512	BMW BANK NORTH AMERICA		03/31/2020	250,000.00	244,395.00	250,000.00	1.550		1.529	242	03/31/2025
14042RUJ8	573	Capital One NA		09/21/2022	250,000.00	246,265.00	250,000.00	3.900		0.000	1,146	09/21/2027
15201QDE4	518	Centerstate Bank NA		04/30/2020	248,000.00	241,279.20	248,000.00	1.250		1.233	272	04/30/2025
227563EX7	598	Cross River Bank		03/07/2024	244,000.00	243,756.00	244,000.00	4.250		4.192	1,679	03/07/2029
320437AD8	586	First Guaranty Bank Hammond LA		08/11/2023	249,000.00	250,989.51	249,000.00	4.500		4.438	1,464	08/04/2028
32110YD93	592	First National Bank of America		08/16/2023	249,000.00	256,265.82	249,000.00	4.450		4.394	1,475	08/15/2028
32026UW51	590	First Foundation Bank		08/16/2023	244,000.00	245,464.00	244,000.00	4.450		0.000	1,469	08/09/2028
32112UDR9	517	First Natl Bank of McGregor TX		04/28/2020	249,000.00	242,453.79	249,000.00	1.350		1.332	270	04/28/2025
39573LBL1	550	Greenstate Credit Union		06/16/2021	250,000.00	233,655.00	250,000.00	0.900		0.888	684	06/16/2026
530520AK1	585	Liberty First Credit Union		08/11/2023	249,000.00	254,692.14	249,000.00	4.700		4.641	1,467	08/07/2028
538036LD4	514	Live Oak Banking Company		03/31/2020	250,000.00	244,152.50	250,000.00	1.400		1.382	242	03/31/2025
58404DSW2	587	Medallion Bank Utah		07/31/2023	249,000.00	250,098.09	249,000.00	4.400		4.406	1,460	07/31/2028
61768ET29	597	Morgan Stanley Private Bank		03/06/2024	244,000.00	244,761.28	244,000.00	4.350		4.290	1,678	03/06/2029

Portfolio CITY
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The City of Indian Wells
 Portfolio Management
 Portfolio Details - Investments
 July 31, 2024

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 360	Days to Maturity	Maturity Date
Negotiable CD's												
64034KAG6	558	Nelnet Bank, Inc.		02/02/2022	250,000.00	232,632.50	250,000.00	1.500		1.479	915	02/02/2027
654062JZ2	513	Nicolet National Bank		03/31/2020	250,000.00	244,152.50	250,000.00	1.400		1.382	242	03/31/2025
66736ABV0	519	Northwest Bank		04/30/2020	249,000.00	242,140.05	249,000.00	1.200		1.184	272	04/30/2025
69506YRL5	522	Pacific Western Bank CA CD		04/30/2020	248,000.00	241,279.20	248,000.00	1.250		1.233	272	04/30/2025
70962LAS1	557	Pentagon Federal Credit Union		09/29/2021	249,000.00	230,611.35	249,000.00	0.900		0.888	789	09/29/2026
724468AG8	588	Pitney Bowes Bank Inc.		07/31/2023	244,000.00	245,066.28	244,000.00	4.400		0.000	1,460	07/31/2028
795451DM2	607	Sallie Mae		07/26/2024	244,000.00	244,419.68	244,000.00	4.300		4.241	1,818	07/24/2029
856285TF8	516	State Bank of India NY, NY CD		04/29/2020	248,000.00	241,924.00	248,000.00	1.600		1.578	271	04/29/2025
86616RAG0	591	Summit National Bank		08/16/2023	249,000.00	253,788.27	249,000.00	4.500		4.443	1,470	08/10/2028
87164XR65	575	Synchrony Bank		09/23/2022	250,000.00	246,627.50	250,000.00	3.950		3.896	1,148	09/23/2027
89235MKY6	548	Toyota Financial Sgs Bk		04/22/2021	250,000.00	234,827.50	250,000.00	0.900		0.888	629	04/22/2026
91527PCF2	599	Universal Bank and Trust Co.		03/13/2024	249,000.00	248,850.60	249,000.00	4.250		4.192	1,685	03/13/2029
Subtotal and Average			7,707,032.26		7,703,000.00	7,554,120.61	7,703,000.00			2.326	952	
Medium Term Corporate Notes												
06048VM31	549	Bank of America MTN A		05/28/2021	1,000,000.00	932,050.00	1,000,000.00	1.250		1.233	665	05/28/2026
06048VM72	556	Bank of America MTN A		07/30/2021	1,000,000.00	917,270.00	1,000,000.00	1.200		1.184	728	07/30/2026
06406RAN7	524	Bank of New York Mellon Corp		05/14/2020	1,000,000.00	974,700.00	1,002,782.19	1.600		1.190	266	04/24/2025
24422EWR6	576	John Deere Capital Corp		05/18/2023	1,000,000.00	1,009,500.00	1,019,009.75	4.750		4.083	1,267	01/20/2028
48128G2Q2	538	JPMorgan Chase & Co		02/26/2021	1,000,000.00	925,350.00	1,000,000.00	0.800		0.789	574	02/26/2026
46632FRU1	533	JP Morgan Chase Bank NA		01/22/2021	2,000,000.00	1,845,460.00	2,000,000.00	0.700		0.690	539	01/22/2026
612285AE6	526	Montebello CA Pens Oblig AA		07/17/2020	1,000,000.00	977,770.00	1,013,635.12	2.503		0.819	304	06/01/2025
Subtotal and Average			8,036,426.84		8,000,000.00	7,582,100.00	8,035,427.06			1.340	611	
Federal Agency Issues - Callables												
3130ALJ62	542	Fed. Home Loan Bank		03/24/2021	1,000,000.00	942,850.00	1,000,000.00	0.875		0.863	600	03/24/2026
3130ALMM3	544	Fed. Home Loan Bank		03/30/2021	2,000,000.00	1,888,540.00	2,000,000.00	1.000		0.986	606	03/30/2026
3130ALW67	546	Fed. Home Loan Bank		04/22/2021	1,000,000.00	943,950.00	1,000,000.00	1.100		1.085	629	04/22/2026
3130AMW57	551	Fed. Home Loan Bank		06/30/2021	2,000,000.00	1,890,620.00	2,000,000.00	1.000		0.799	698	06/30/2026
3130AQWF6	559	Fed. Home Loan Bank		02/25/2022	1,000,000.00	948,030.00	1,000,000.00	2.150		2.121	938	02/25/2027
3130AQWJ8	560	Fed. Home Loan Bank		02/24/2022	1,000,000.00	946,050.00	1,000,000.00	2.050		2.022	937	02/24/2027
3130AQZ55	563	Fed. Home Loan Bank		03/10/2022	1,000,000.00	956,030.00	1,000,000.00	2.500		2.466	951	03/10/2027
3130ARGE5	566	Fed. Home Loan Bank		04/21/2022	1,000,000.00	965,960.00	1,000,000.00	3.000		2.959	993	04/21/2027
3130AS3Z0	568	Fed. Home Loan Bank		05/26/2022	1,700,000.00	1,687,896.00	1,700,000.00	3.000		2.959	117	11/26/2024
3130ASS67	571	Fed. Home Loan Bank		08/16/2022	1,000,000.00	995,550.00	1,000,000.00	4.500		4.438	1,110	08/16/2027
3130ASS91	572	Fed. Home Loan Bank		08/10/2022	1,000,000.00	987,860.00	1,000,000.00	4.000		3.945	1,104	08/10/2027
3130B1UH8	605	Fed. Home Loan Bank		07/03/2024	2,000,000.00	2,012,780.00	2,000,000.00	5.000		4.932	1,790	06/26/2029
3134GXMX9	564	Fed. Home Loan Mtg Corp		03/25/2022	1,000,000.00	980,400.00	1,000,000.00	2.200		2.170	236	03/25/2025

Portfolio CITY
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The City of Indian Wells
 Portfolio Management
 Portfolio Details - Investments
 July 31, 2024

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues - Callables												
3134GXQP2	567	Fed. Home Loan Mtg Corp		04/28/2022	1,000,000.00	985,160.00	1,000,000.00	3.030		2.988	270	04/28/2025
Subtotal and Average			17,700,000.00		17,700,000.00	17,131,676.00	17,700,000.00			2.459	800	
Treasury Securities												
91282CFU0	593	U.S. Treasury		12/12/2023	10,000,000.00	10,026,600.00	9,932,091.26	4.125		4.294	1,186	10/31/2027
912810FF0	594	U.S. Treasury		12/14/2023	13,000,000.00	13,679,510.00	13,523,437.26	5.250		4.143	1,567	11/15/2028
Subtotal and Average			23,459,680.21		23,000,000.00	23,706,110.00	23,455,528.52			4.207	1,406	
Miscellaneous Securities - Coupon												
255651KY6	537	Dixon CA Unified School Dist		02/18/2021	500,000.00	500,000.00	500,000.00	0.672		0.395	0	08/01/2024
63877NMM6	531	Natomas CA Sch Dist AA Insured		10/01/2020	300,000.00	288,981.00	300,000.00	1.100		1.085	365	08/01/2025
Subtotal and Average			800,052.55		800,000.00	788,981.00	800,000.00			0.654	137	
Treasury Discounts -Amortizing												
912797JU2	601	U.S. Treasury		03/28/2024	2,000,000.00	2,000,000.00	2,000,000.00	4.926		5.096	0	08/01/2024
912797KL0	602	U.S. Treasury		03/28/2024	2,000,000.00	1,985,720.00	1,986,548.51	4.941		5.133	49	09/19/2024
912797LF2	603	U.S. Treasury		06/13/2024	1,024,000.00	1,005,957.12	1,006,278.05	4.944		5.136	126	12/05/2024
912797LF2	604	U.S. Treasury		06/21/2024	252,000.00	247,559.76	247,656.20	4.929		5.115	126	12/05/2024
912797LY1	606	U.S. Treasury		07/22/2024	2,000,000.00	1,954,140.00	1,955,282.12	4.828		5.015	168	01/16/2025
Subtotal and Average			6,375,880.32		7,276,000.00	7,193,376.88	7,195,764.88			5.090	81	
Componding Certificates of Deposit												
Subtotal and Average			264,851.85									
Total and Average			89,044,428.19		86,829,956.97	86,307,321.46	87,240,677.43			3.617	689	

The City of Indian Wells
 Portfolio Management
 Portfolio Details - Cash
 July 31, 2024

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 360	Days to Maturity
Average Balance			0.00	Accrued Interest at Purchase		57.49	57.49				0
				Subtotal		57.49	57.49				
Total Cash and Investments			89,044,428.19		86,829,956.97	86,307,378.95	87,240,734.92			3.617	689



City of Indian Wells
 44-950 Eldorado Drive
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**2014, 2015, 2016, 2020 Series
 Portfolio Management
 Portfolio Summary
 July 31, 2024**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Money Market Sweep/Checking Account	583.61	583.61	583.61	100.00	1	1	0.000	0.000
Investments	583.61	583.61	583.61	100.00%	1	1	0.000	0.000

Total Earnings	July 31 Month Ending
Current Year	0.00
Average Daily Balance	581.22
Effective Rate of Return	0.00%

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Kevin McCarthy, Agency Treasurer

**2014, 2015, 2016, 2020 Series
Portfolio Management
Portfolio Details - Investments
July 31, 2024**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 365	Days to Maturity	Maturity Date
Money Market Sweep/Checking Account												
SYS28	28	2014A Bonds Reserve		07/01/2022	0.00	0.00	0.00			0.000	1	
SYS26	26	All Bond Series Principal		07/01/2022	12.06	12.06	12.06			0.000	1	
SYS25	25	All Bond Series Interest		07/01/2022	477.71	477.71	477.71			0.000	1	
SYS27	27	All Bond Series Debt Svc		07/01/2022	93.84	93.84	93.84			0.000	1	
SYS24	1	Cost Of Issuance Escrow		07/01/2022	0.00	0.00	0.00			0.000	1	
Subtotal and Average			581.22		583.61	583.61	583.61			0.000	1	
Total and Average			581.22		583.61	583.61	583.61			0.000	1	

**2015 A Bonds
Portfolio Management
Portfolio Summary
July 31, 2024**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Money Market Sweep/Checking Account	1.00	1.00	1.00	100.00	1	1	0.000	0.000
Investments	1.00	1.00	1.00	100.00%	1	1	0.000	0.000

Total Earnings	July 31 Month Ending
Current Year	0.00
Average Daily Balance	1.00
Effective Rate of Return	0.00%

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on 2024-08-28 19:09:35 PDT

Kevin McCarthy, Agency Treasurer

**2015 A Bonds
Portfolio Management
Portfolio Details - Investments
July 31, 2024**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 365	Days to Maturity	Maturity Date
Money Market Sweep/Checking Account												
SYS27	27	2015 A Reserve		07/01/2022	1.00	1.00	1.00			0.000	1	
SYS22	22	UBC Cost Of Issuance Escrow		07/01/2022	0.00	0.00	0.00			0.000	1	
		Subtotal and Average	1.00		1.00	1.00	1.00			0.000	1	
		Total and Average	1.00		1.00	1.00	1.00			0.000	1	



City of Indian Wells
 44-950 Eldorado Drive
 Indian Wells CA 92210
 (760)346-2489

**2016 A Bonds
 Portfolio Management
 Portfolio Summary
 July 31, 2024**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Money Market Sweep/Checking Account	1.00	1.00	1.00	100.00	1	1	0.000	0.000
Investments	1.00	1.00	1.00	100.00%	1	1	0.000	0.000

Total Earnings	July 31 Month Ending
Current Year	0.00
Average Daily Balance	1.00
Effective Rate of Return	0.00%

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 on 2024-08-28 19:09:40 PDT

Kevin McCarthy, Agency Treasurer

**2016 A Bonds
Portfolio Management
Portfolio Details - Investments
July 31, 2024**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 365	Days to Maturity	Maturity Date
Money Market Sweep/Checking Account												
SYS28	1	UBC Cost Of Issuance Escrow		07/01/2022	0.00	0.00	0.00			0.000	1	
SYS33	2	Union Bank Reserve Account		07/01/2022	1.00	1.00	1.00			0.000	1	
		Subtotal and Average	1.00		1.00	1.00	1.00			0.000	1	
		Total and Average	1.00		1.00	1.00	1.00			0.000	1	



City of Indian Wells
 44-950 Eldorado Drive
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**2020 A Bonds
 Portfolio Management
 Portfolio Summary
 July 31, 2024**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Money Market Sweep/Checking Account	1.00	1.00	1.00	100.00	1	1	0.000	0.000
Investments	1.00	1.00	1.00	100.00%	1	1	0.000	0.000

Total Earnings	July 31 Month Ending
Current Year	0.00
Average Daily Balance	1.00
Effective Rate of Return	0.00%

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 on 2024-08-28 19:09:44 PDT

Kevin McCarthy, Agency Treasurer

Reporting period 07/01/2024-07/31/2024

Run Date: 08/28/2024 - 21:49

No fiscal year history available

Portfolio 20A
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 Report Ver. 7.3.11

**2020 A Bonds
Portfolio Management
Portfolio Details - Investments
July 31, 2024**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 365	Days to Maturity	Maturity Date
Money Market Sweep/Checking Account												
SYS1	1	2020 A Bonds COI		07/01/2022	0.00	0.00	0.00			0.000	1	
SYS2	2	2020 A Bonds Reserve		07/01/2022	1.00	1.00	1.00			0.000	1	
		Subtotal and Average	1.00		1.00	1.00	1.00			0.000	1	
		Total and Average	1.00		1.00	1.00	1.00			0.000	1	



City of Indian Wells
 44-950 Eldorado Drive
 Indian Wells CA 92210
 (760)346-2489

**2022 Bonds
 Portfolio Management
 Portfolio Summary
 July 31, 2024**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Money Market Sweep/Checking Account	6,304,516.99	6,304,516.99	6,304,516.99	100.00	1	1	0.000	0.000
Investments	6,304,516.99	6,304,516.99	6,304,516.99	100.00%	1	1	0.000	0.000

Total Earnings	July 31 Month Ending
Current Year	0.00
Average Daily Balance	6,276,850.24
Effective Rate of Return	0.00%

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 on 2024-08-28 19:09:52 PDT

Kevin McCarthy, Agency Treasurer

**2022 Bonds
Portfolio Management
Portfolio Details - Investments
July 31, 2024**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Fitch	YTM 365	Days to Maturity	Maturity Date
Money Market Sweep/Checking Account												
SYS2	2	2022 Bonds COI		07/01/2022	0.00	0.00	0.00			0.000	1	
SYS4	4	2022 Bonds Interest		03/16/2023	251.61	251.61	251.61			0.000	1	
SYS1	1	2022 Bonds Project Fund		07/01/2022	6,302,874.75	6,302,874.75	6,302,874.75			0.000	1	
SYS5	5	2022 Bonds Redemption Fund		03/16/2023	1,390.62	1,390.62	1,390.62			0.000	1	
SYS3	3	2022 Bonds Payment Fund		09/21/2022	0.01	0.01	0.01			0.000	1	
Subtotal and Average			6,276,850.24		6,304,516.99	6,304,516.99	6,304,516.99			0.000	1	
Total and Average			6,276,850.24		6,304,516.99	6,304,516.99	6,304,516.99			0.000	1	



INDIAN WELLS CITY COUNCIL

November 7, 2024

To: City Council
From: City Manager Department
Prepared by: Angelica Avila, City Clerk
Subject: **Appointments for Coachella Valley Mosquito & Vector Control District and Planning Commission**

RECOMMENDED ACTIONS:

Council **APPROVES** the Council Ad Hoc Committee recommendations for a two-year term beginning on January 1, 2025, through December 31, 2026; and

APPOINTS John Vallat to serve on the CV Mosquito & Vector Control Board; and

APPOINTS Ralph Laks, and Jim Snellenberger on the Planning Commission; and

REAPPOINTS Ken Welch for a second term on the Planning Commission; and

FINDS the action exempt from California Environmental Quality Act (CEQA) review under CEQA guidelines section 15061(b)(3).

DISCUSSION

The Planning Commission and Coachella Mosquito & Vector Control District appointments are on a calendar year basis ending on December 31. The Planning Commission has two seats available for appointment and one re-appointment. Chair Schleimer and Commissioner Conway are completing their second term on the Planning Commission. Commissioner Ken Welch is eligible to be re-appointed per the Council policy for another two-year term ending on December 31, 2026.

The District terms serve either a two-year or four-year term. The District appointment terms permit a maximum of four (4) consecutive terms. The District is comprised of eleven members representing Coachella Valley cities and the County. The Board meets on the second Tuesday of each month at 6:00 p.m. The appointed position does not receive a stipend (www.cvmosquito.org).

The City received 10 applications from interested residents to fill the vacancies, with terms beginning on **January 1, 2025**, and ending on **December 31, 2026**. Candidate applications remain valid and are kept for 6 months should any unexpected vacancies occur. Applications received are available for public review at City Hall, City Clerk

Department during regular business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday (excluding holidays).

The Council Ad-hoc Committee ("Committee") conducted interviews with the applicants between September 30 through October 23, 2024. The Committee consisted of Mayor Sanders and Councilmember Griffith. The Committee is recommending the following appointments: John Vallat for a two-year term on the Mosquito & Vector Control Board. Ken Welch, Jim Snellenberger, and Ralph Laks to be appointed on the Planning Commission.

FISCAL IMPACT:

There is no fiscal impact.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act ("CEQA") Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly; and that the action is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. (14 CCR 15061(b)(3).)



INDIAN WELLS CITY COUNCIL

November 7, 2024

To: City Council
From: City Manager Department
Prepared by: Christopher Freeland, City Manager
Subject: **Players Course Renovation Funding Agreement**

RECOMMENDED ACTIONS:

Council **AUTHORIZES** the City Attorney to finalize and the City Manager to execute the Funding Agreement with Troon Golf to complete the renovation of the Player's Course; and

FINDS the action exempt from California Environmental Quality Act (CEQA) review under CEQA guidelines section 15061(b)(3).

BACKGROUND:

On October 24, 2024, the City Council approved the renovation of the Player's golf course at the Indian Wells Golf Resort. The Council appointed Troon Golf as the owner's representative to oversee the project. Troon Golf will manage contractors and represent the City's interests throughout the renovation.

Troon Golf was selected for its extensive industry experience, which includes managing and consulting on over 750 golf properties worldwide. Troon's team includes professionals with expertise in golf course construction, management, agronomy, and sustainable design, providing the technical skills required to manage the project at each phase.

Troon has a demonstrated track record in market analysis, budgeting, vendor management, and course architecture. These capabilities, coupled with Troon's established network of industry partners, make them a reliable representative for overseeing project execution to meet the City's requirements on time and within budget.

Award of Contracts:

Troon will exercise comprehensive due diligence in contracting a qualified and reputable Contractor to undertake the construction and installation of the Renovation Project, with an obligation to ensure completion by the defined Completion Date. Troon assumes exclusive responsibility for procuring bids and awarding contracts associated with the

construction and installation of the Renovation Project. In doing so, Troon shall solicit bids from contractors who are licensed, insured, bonded, and reasonably approved by the City.

Liquidated Damages:

Troon will require the Contractor to complete the construction of the Renovation Project by September 1, 2025, to provide sufficient time for grass growing of the course. Time is of the essence in this Funding Agreement, and Troon shall ensure that this urgency is explicitly stated in the contract with the Contractor. Contractors will be required to sod the course if it does not meet the deadline for installation of grass sprigs.

In addition, the construction contract will stipulate that the Contractor will be liable for liquidated damages in the amount of \$2,000.00 per calendar day for each day that the Renovation Project extends beyond the substantial Completion Date of (September 1, 2025), as set forth in the contract. Troon shall enforce this provision, either deducting liquidated damages owed from payments to the Contractor or, in cases where the Project is completed, recovering the funds and remitting them to the City. Troon itself will bear no independent liability or obligation to pay liquidated damages to the City beyond amounts recovered from the Contractor.

Other Miscellaneous Provisions:

- Troon will provide frequent reporting on construction activities to the City, at least twice a month to the City Manager. Public Works staff will also attend weekly construction meetings and report back to the City Manager on the construction progress.
- Any material changes to the project scope, cost, or completion date require Troon and City approval. This includes any significant changes to the course that may impact project finances, construction schedule, approved design, playability, etc.
- Costs above the \$12.15 million construction bid must be approved by the City Manager. This includes costs for project consultants (e.g., engineering, tribal monitoring, etc.) or use of contingency funding.

FISCAL IMPACT:

Project Reimbursement:

The City will reimburse Troon for its actual expenses related to the renovation project in an amount not exceeding \$15,000.00. This reimbursement covers Troon's actual costs related to the renovation project, including coordination with contractors, travel and management expenses, and upholding the project's quality standards on behalf of the City. Troon has agreed to waive any project management fee, which typically ranges between 10%-12% of the construction contract (\$1.215 and \$1.36 million).

Construction Costs:

In addition to the Project Reimbursement, the City has agreed to reimburse Troon for actual design and construction costs incurred during the project, with a cap of \$12,150,000. Any city-authorized change orders, to account for adjustments in scope or unforeseen expenses that may arise during the construction process, might be more. The City will have an opportunity to decide whether to authorize each change order. The payment process includes multiple internal funding controls to ensure spending is aligned with the City's financial interests, promoting transparency, accountability, and control over every expenditure.

Internal Funding Controls

1. Vendor Payment Process: Troon will handle vendor payments on behalf of the City but will only make payments after securing the City's explicit approval. This ensures that all project expenses align with City-approved budgets and priorities.
2. Invoice Submission and Review: All vendor invoices will be submitted directly to Troon. Troon will review each invoice to confirm the work is complete and that all materials and quantities meet project requirements. Troon will then submit its assessment to the City for approval, verifying that every expense corresponds with completed, verified work.
3. City Oversight and Approval: Once Troon has vetted an invoice, it will request funds from the City to fulfill the payment. At this stage, the City's Public Works Department will conduct an independent, secondary review of the invoices. This additional level of oversight provides an extra safeguard, enabling the City to validate that all services and materials meet agreed-upon standards and project milestones.
4. Funds Disbursement: The City's Finance Department will initiate the fund transfer to Troon only after Public Works has approved the invoices. This controlled disbursement process ensures that funds are only released when both Troon and the City confirm that each expense is warranted and verified.

By implementing these internal funding controls, the City maintains robust oversight of project spending, ensuring accountability and careful management of public funds. This multi-step approval process minimizes the risk of unauthorized payments, overpayments, or payments for incomplete work, making each expenditure subject to rigorous checks and balances that prioritize the City's financial interests.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act ("CEQA") Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly; and that the action is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. (14 CCR 15061(b)(3).)

ATTACHMENTS:

1. Players Course Renovation Funding Agreement

ATTACHMENT #1

**INDIAN WELLS RESORT
2024 PLAYERS COURSE RENOVATION
FUNDING AGREEMENT**

This *Indian Wells Resort 2024 Players Course Renovation Funding Agreement* (“Funding Agreement”), effective **November 7, 2024** (the “Effective Date”), is between the City of Indian Wells, a California municipal corporation and charter city (“City”) and Troon Golf, L.L.C., a Delaware limited liability company (“Troon”), whose address is 15044 N. Scottsdale Road, Suite 300, Scottsdale, Arizona, 85254, with respect to the following:

RECITALS

- A. The City and Troon entered into a Golf Course Management Agreement, effective September 7, 2023 (“Management Agreement”).¹ Under the Management Agreement, Troon manages the City’s Golf Resort. In that role, Troon sometimes oversees capital replacements and major capital improvements.
- B. The City hired John Fought Design (“John Fought”) to re-design the City’s Players Course; the re-design is further described in the construction plans and technical specifications that were prepared by John Fought and authorized by the City on October 24, 2024 (“Plans”).
- C. Troon has expertise in golf-course construction projects, and Troon has offered to manage and oversee construction of the project described in the Plans (the “Renovation Project”). Given Troon’s expertise and Troon’s familiarity with the Golf Resort and Players Course, the City desires to use Troon to manage and oversee the Renovation Project.
- D. The parties therefore desire to enter into this Funding Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually understood and agreed by City and Troon as follows:

TERMS AND CONDITIONS

1. Incorporation of Recitals; Documents.

- 1.1 The parties hereby agree that the above recitals are true and correct and are therefore incorporated into this Funding Agreement.

¹ Capitalized terms in this Funding Agreement have the same meaning as in the Management Agreement, unless otherwise indicated.

- 1.2 The Management Agreement is hereby incorporated into this Funding Agreement and governs the Renovation Project, except to the extent that there is any conflict between this Funding Agreement and the Management Agreement regarding the Renovation Project, in which case this Funding Agreement governs.
 - 1.3 The Plans are hereby incorporated into this Funding Agreement by this reference.
 - 1.4 The City Council must approve any material change in the Plans or in the Substantial Completion Date or Final Completion Date.
 - 1.5 Troon will provide the City with construction updates at least twice a month and will include City representatives in weekly construction meetings.
2. **Construction of the Renovation Project.** Subject to Funding as set forth herein, Troon will manage, oversee and contract with a selected contractor (“Contractor”) for the Renovation Project, including, but not limited to, all labor, materials, equipment, tools, utility services, and transportation, in accordance with all local, state, and federal laws and regulations, as well as coordinating with the staff of City to arrange the required inspection of the Renovation Project including all costs and expenses therefor. City may, but is not obligated to, monitor the contracting process, and may, but is not obligated to, assist Troon as the City deems appropriate.
 3. **Award of Contracts.** Troon will exercise due diligence in contracting the Contractor for construction and installation of the Renovation Project by the Substantial Completion Date and Final Completion Date (as defined herein). Troon is solely responsible for securing appropriate bids and awarding contracts for construction and installation of the Renovation Project. Troon will obtain bids from qualified and properly licensed, insured, and bonded contractors reasonably approved by City for construction of the Renovation Project. The City will not charge for inspections or permits. In the event Troon is unable to successfully enter into a contract with a contractor to complete the Renovation Project on the terms described herein, this Agreement shall be immediately void and have no legal effect and both parties shall be excused from performing the obligations contained herein.
 4. **Bonds.** Before construction of the Renovation Project starts, Troon will cause the Contractor to provide Troon with a faithful performance bond and a payment bond (and accompanying multiple obligee rider) substantially in the form set forth in Exhibit A, in an amount equal to no less than 100 percent of the total cost of the Renovation Project. The bonds must be provided by an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business in the State of California and reasonably satisfactory to the City. The faithful performance and payment bonds must also expressly list the Troon and City as dual-obligees thereunder. For the avoidance of doubt, Troon has no obligation to obtain a bond for its services under this Funding Agreement.

5. **Renovation Project Completion Dates; Delay Damages.** Through its contract with the Contractor, Troon will require the Contractor to substantially complete the Project (where substantial completion means that all grassing by Contractor has been completed) on or before **September 1, 2025** (“Substantial Completion Date”) and to complete all remaining punch-list items by **October 1, 2025** (“Final Completion Date”). Time is of the essence in this Funding Agreement, and Troon will ensure that time is expressly stated to be of the essence in its contract with the Contractor. Troon will in its contract with the Contractor ensure that the Contractor will be liable to Troon and the City for liquidated damages in an amount of \$2,000.00 per day for each calendar day beyond the Substantial Completion Date that the Renovation Project is not substantially completed per the Plans. Troon will take commercially reasonable efforts, at no cost to Troon, to enforce the liquidated damages provision, and Troon will either deduct liquidated damages that are owed from payments to the Contractor or, if the Project is complete, will recover the liquidated damages and pay them to the City. For the avoidance of doubt, Troon has no liability or obligation to pay liquidated damages to the City independent of what Troon recovers from the Contractor .

6. **Construction Costs and Expense Reimbursement.**
 - 6.1 **Renovation Project Reimbursement.** City will reimburse Troon an amount not to exceed \$15,000.00 for Troon’s actual expenses related to the Renovation Project (“Expense Reimbursement”). City will pay the Expense Reimbursement to Troon upon acceptance of the completed Renovation Project.

 - 6.2 **Construction Costs.** City will fund the actual design and constructions costs of completing the Renovation Project, not to exceed \$12,150,000.00, subject to any authorized change orders (“Funding Agreement Price”). Troon has no obligation to fund or pay the Contractor using its own funds for material or services for the Renovation Project. Any increase in material or other construction costs must be approved by the City through the change-order process described in this Funding Agreement. Troon waives any right to reimbursement for the Renovation Project except as contained in this Funding Agreement.

 - 6.3 **Additional Costs.** Any additional costs for consultation (e.g., engineering and landscape design) or for landscaping beyond the scope of the project or other costs beyond the Funding Agreement Price must be authorized in writing by the City Manager before they are incurred by a contractor engaged by Troon.

(A) **Accurate Invoices.**

- (1) Within one week of Troon's receipt of an invoice from the Contractor for material or a service for the Renovation Project, Troon forward the invoice to the City.
- (2) By sending an invoice to the City, Troon certifies that the invoice is accurate and proper, and that the invoiced material or service is in accordance with the Plans.
- (3) Troon will, through its contract with the Contractor, ensure that the Contractor will provide to Troon and the City any document or information in the Contractor's possession or under the Contractor's control that City may reasonably request with regard to the Renovation Project. Additionally, Troon will require the Contractor to provide Troon and the City with labor and material releases from all contractors performing work on, or furnishing materials for, the Renovation Project prior to final payment by City.

(B) **Funds Transfer.**

- (1) The City will review each invoice submitted by Troon and if there is no dispute as to the accuracy of the invoice, it will transfer the invoiced amount to a new special-projects account for the Golf Resort (to which Troon will have access) within five business days of receipt.
- (2) If Troon or the City disputes the accuracy of an invoice, Troon will give Contractor written notice of the dispute as soon as practicable. Thereafter, Troon will meet and confer with the Contractor in good faith within five days of the notice to resolve the dispute.

7. **Billings; Records.** Troon will maintain complete and accurate records with respect to all costs and expenses pertaining to this Funding Agreement. All such records must be clearly identifiable. Troon will allow a representative of City, during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents, proceedings, and activities related to the Funding Agreement for a period of three years from the termination of this Funding Agreement.

8. **Differing Site Conditions.**

8.1 A Differing Site Condition for purposes of this Funding Agreement means any of the following conditions:

- (A) Material that the Contractor demonstrates may be hazardous waste, as defined in section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law;
- (B) Subsurface or latent physical conditions at the Renovation Project site differing from those indicated in the Plans; or
- (C) Unknown physical conditions at the Renovation Project site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Plans.

8.2 By contract, Troon will ensure that the Contractor notifies Troon and the City within seven calendar days of discovering a Differing Site Condition. City and Troon will promptly investigate the conditions, and if the City finds that the conditions do constitute a Differing Site Condition that causes a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the Renovation Project, the City may issue a change order under the procedures described in this Funding Agreement.

8.3 If a dispute arises between the Contractor and Troon or City as to whether conditions constitute a Differing Site Condition that causes a decrease or increase in Contractor's cost of, or time required for, performance of any part of the Renovation Project, Troon will by contract ensure that the Contractor must use commercially reasonable efforts to proceed with all work to be performed to complete the Renovation Project as soon as possible.

9. Change Orders.

9.1 All changes to the Project scope, cost, or timing, including compensation increases and time extensions, must be through a written change order in accordance with this Section. Troon will by contract ensure that no dispute, disagreement, or failure of the parties to reach agreement on the terms of a change order relieves the Contractor from the obligation to proceed with performance of the work promptly and expeditiously.

9.2 The Funding Agreement Price may not be modified except in the event of the following circumstances:

- (A) The City directs and authorizes a change which is related solely to City discretionary changes (the foregoing excludes changes resulting from the acts, omissions or other conduct of Troon);

- (B) Differing Site Conditions encountered by Contractor;
 - (C) Changes are directed by a governmental agency with jurisdiction over the Renovation Project or portions thereof, that could not have been reasonably foreseen or anticipated by Contractor at prior to entering into the construction agreement;
 - (D) Changes are necessitated by amendment to or enactment of applicable federal, state, or local laws that could not have been reasonably anticipated or foreseen by Troon prior to entering into this Funding Agreement; or
 - (E) Changes resulting from emergencies not caused, in whole or in part, by an act, omission, or other conduct of Troon or its employees, agents, or representatives.
- 9.3 No extension of the Substantial Completion Date or Final Completion Date is allowed unless, and then only to the extent that, the delay is related to the one of the circumstances in Section 9.2 above and extends the critical path beyond the respective Completion Date. Troon will by contract ensure that liability to the Contractor for delays for which the City or Troon is responsible is limited to only an extension of time unless such delays were unreasonable under the circumstances.
- 9.4 City may direct changes in the Renovation Project by delivering a written directive to Troon, which Troon will forward to the Contractor. Troon will by contract ensure that:
- (A) To the extent that a work directive results in a change to compensation or time, the Contractor must request a change order within seven calendar days of the written directive;
 - (B) Notwithstanding issuance of a work directive, the Contractor's failure to timely request a change order constitutes a waiver by the Contractor of any adjustment to compensation or time extension for work performed under the directive;
 - (C) The City is not liable to the Contractor for work performed or omitted by Contractor or Troon in reliance on verbal orders; and
 - (D) The City may order changes in the work by a unilateral change order setting forth City's determination of the reasonable additions or savings in the contract price or contract time.

- 9.5 Troon will by contract ensure that before initiating a change order request the Contractor must provide Troon with written notice of the underlying facts and circumstances that gave rise to the proposed change within seven calendar days of discovering the circumstances that led to the change order request. If Troon agrees that the change order request is proper, Troon will then submit the change order request to the City. If the City denies the change order request, it will notify Troon, and City will provide its opinion of the appropriate price adjustment or time extension, if any.
- 9.6 Troon will by contract require the Contractor to accompany each request for a change order with detailed supporting documentation, including but not limited to payroll records, invoices, schedules, and any other documentation requested by City for the purpose of determining the additional costs or the impact of any delay. Nothing herein prevent the parties from agreeing to a lump sum cost.
- 9.7 Troon will by contract ensure: that the Contractor recognizes and acknowledges that timely submittal of a formal written notice of change or delay and of a change order request, whether or not the circumstances of the change are known to the City or available to the City through other means, is not a mere formality but is of crucial importance to the ability of City to promptly identify, prioritize, evaluate, and mitigate the potential effects of changes; and that a failure to provide a complete and timely notice of change or delay or a change order request, or to comply with any other requirement of this section 9, constitutes a waiver by the Contractor of the right to a contract adjustment on account of such circumstances and a waiver of any right to further recourse or recovery by reason of or related to such change by means of the claims dispute resolution process or by any other legal process otherwise provided for under applicable laws.
- 10. Standard of Care; Safety.** Troon will ensure that the contract with the Contractor requires the following:
- 10.1 All work on the Renovation Project is performed in substantial compliance with the Plans and this Funding Agreement subject to modifications approved by Troon and City, and that all work is performed in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals and contractors in the same discipline in the State of California. For clarity, in accordance with standard practices in golf-course development, and given the aesthetic and design components inherent in such projects, the Project will be developed in substantial compliance with the approved Plans, though not necessarily in exact compliance. Neither Troon nor the City will authorize the golf-course designer to implement any design modification that would increase either

the contract price or the project duration unless the change was first approved in writing by both Troon and the City.

- 10.2 All employees and subcontractors working on the Renovation Project must have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform such work on the Renovation Project, and all such licenses and approvals must be maintained throughout the term of their work on the Renovation Project.
 - 10.3 The Contractor will execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out the work, the Contractor must at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed.
 - 10.4 Any employee who is determined by Troon or the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Renovation Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform his or her work in a manner acceptable to the City, must be promptly removed from the Renovation Project.
- 11. Control and Payment of Subordinates; Independent Contractor.** All work on the Renovation Project must be performed under Troon's supervision. Troon and the Contractor will each determine the means, methods and details of performing its work subject to the requirements of this Funding Agreement. The City retains Troon on an independent-contractor basis and not as an employee. Troon will by contract ensure that the Contractor performs work as an independent contractor and not as an employee of the City. Any additional person performing work under this Funding Agreement on behalf of Troon or the Contractor is also not an employee of City, and must at all times be under the exclusive direction and control of Troon or the Contractor. All wages, salaries and other amounts due such personnel in connection with their performance of work under this Funding Agreement and as required by law must be paid by Troon or the Contractor. Such entities are responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. For the avoidance of doubt, Troon's role in the Renovation Project is that of a project manager and not a general contractor.
- 12. Regular Reporting.** Troon will provide the City with a status report of the Renovation Project at least twice a month.

- 13. Inspection and Transfer of Renovation Project.** City may inspect and test the Renovation Project. City must have access to the Renovation Project site at all times to conduct any tests or inspections. Troon will require its employees, contractors and agents to comply with all instructions given by the City during inspection of the Renovation Project. Any deficiency in the Renovation Project must be corrected by the Contractor at its sole cost and expense. Upon completion of the Renovation Project to the satisfaction of the City, the Renovation Project must be presented to the City for acceptance. The City will accept the Renovation Project if it determines that it was constructed in accordance with the Plans, all unconditional waivers and releases of mechanics' liens have been provided, and that all other requirements of this Funding Agreement have been satisfied. Upon acceptance of the Renovation Project, Troon will assign to City all of Troon's rights and remedies, including warranties, as set forth in the contract documents with the Contractor to complete the Renovation Project.
- 14. Liability for Renovation Project Prior to Renovation Project Acceptance.** Until acceptance of the Renovation Project by City, Troon will by contract ensure that the Contractor remains solely responsible for all damage to the Renovation Project, regardless of cause, and for all damages or injuries to any person or property at the work site, except damage or injury due to the sole or active negligence or willful misconduct of the City, its agents or employees.
- 15. Guarantee.** Troon will by contract ensure the following:

 - 15.1 That the Contractor guarantees all work and materials for the Renovation Project to be free from all defects due to faulty materials or workmanship for a period of one year after the date of the acceptance of the Renovation Project by City.
 - 15.2 That the Contractor will repair or remove and replace any and all such work, together with any other work that may be displaced in so doing, that is found to be defective in workmanship or materials within the one-year period, without any expense whatsoever to the City.
 - 15.3 That if the Contractor fails to comply with the above-mentioned provisions within 30 days after being notified in writing (or in cases of emergency, immediately), City is authorized to proceed to have the defects remedied and made good at the sole cost and expense of the Contractor, who must be contractually bound to pay the costs and charges therefor immediately upon demand. Such action by the City will not relieve the Contractor of the guarantee required by this section. This section does not, in any way, limit the liability of the Contractor or any other party for any latent and patent design or construction defect in the work that is subsequently discovered by City.

16. **Record Drawings.** Troon will by contract require that the Contractor provide the City with one copy of accurate record drawings showing as-built conditions prior to acceptance of the Renovation Project by the City.
17. **Labor/Prevailing Wages.** Troon will by contract ensure that Contractor is aware of the requirements of California Labor Code Sections 1720 *et seq.* and 1770 *et seq.*, and the implementing regulations promulgated thereunder (collectively, “Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements if it is determined that the Renovation Project is a “public works” project under the Prevailing Wage Laws. Troon will by contract ensure that the Contractor and each of its subcontractors hired to construct the Renovation Project complies with all applicable requirements of the Prevailing Wage Laws. Troon will by contract require that the Contractor defend, indemnify, and hold Troon and the City and its officials, officers, employees, and agents free and harmless from any claim or liability including, without limitation, damages, penalties, attorneys’ fees and court costs, arising from Contractor’s failure or alleged failure to comply with these provisions of the Labor Code, including the Prevailing Wage Laws.
18. **Indemnification.**
 - 18.1 Troon will by contract ensure that the Contractor indemnify, defend, and hold harmless Troon and the City and its official, officers, employees, agents and volunteers.
 - 18.2 For the avoidance of doubt, Troon has no indemnity obligations to the City, except as to its own negligence. Nothing in this Funding Agreement limits Troon’s indemnity obligations under the Management Agreement.
19. **Insurance.**
 - 19.1 Troon will by contract require all persons performing work on the Renovation Project, including the Contractor its consultants, contractors, and subcontractors, to procure and maintain, at their expense, until full and adequate completion of the Renovation Project, insurance against claims for injuries to persons or damages to property which may arise out of or in connection with the performance of their work or that of their agents, representatives, employees or subcontractors, pursuant to the insurance requirements in the Management Agreement.
 - 19.2 For the avoidance of doubt, Troon is not required to procure or maintain insurance specific to the Renovation Project, except that Troon will obtain builder’s risk insurance as a Project cost, contingent on the City giving prior written approval of

the associated expense. Nothing in this Funding Agreement limits Troon's insurance obligations under the Management Agreement.

20. **Third-Party Beneficiary.** City will not be a party to any contract between Troon and the Contractor, but Troon must include a short statement in each of its contracts indicating that the City is an expressly intended third-party beneficiary.
21. **Termination.** If either party defaults in the performance of any of its obligations under this Funding Agreement, or materially breaches any of the provisions of this Funding Agreement, the other party has the option to terminate this Funding Agreement giving 30-day prior written notice to the defaulting party.
22. **Integration.** This Funding Agreement represents the entire understanding of City and Troon as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises, or representations with respect to those matters covered hereunder.
23. **Assignment.** In no event may Troon assign or transfer any portion of this Funding Agreement without the prior express written consent of City, which consent may be given or withheld in City's sole discretion.

**SIGNATURE PAGE TO INDIAN WELLS RESORT 2024 PLAYERS COURSE
RENOVATION FUNDING AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Funding Agreement as the dates set forth below.

TROON GOLF, LLC,
a Delaware limited liability company

THE CITY OF INDIAN WELLS,
a California municipal corporation

By: _____

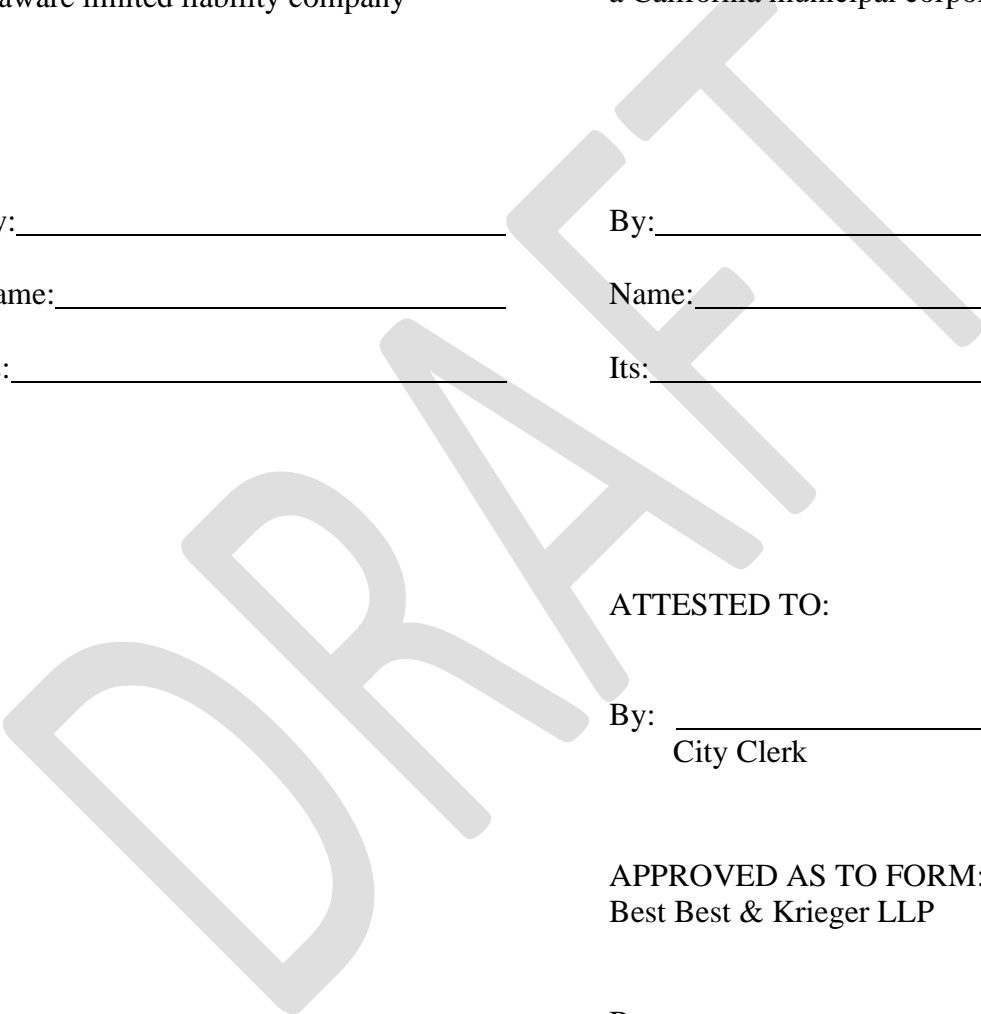
By: _____

Name: _____

Name: _____

Its: _____

Its: _____



ATTESTED TO:

By: _____
City Clerk

APPROVED AS TO FORM:
Best Best & Krieger LLP

By: _____
City Attorney

EXHIBIT A

FORM OF PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Troon Golf, LLC (hereinafter referred to as “Troon”) has awarded to _____, (hereinafter referred to as the “Contractor”) an agreement for _____ (hereinafter referred to as the “Project”).

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as “Contract Documents”), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by the Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of the Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the Troon in the sum of _____ DOLLARS, (\$_____), the sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the Troon, its officers and agents, as stipulated in the Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Project, unless otherwise provided for in the Contract Documents, the guarantee obligation shall hold good for a period of one (1) year after the acceptance of the work by Troon, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect Troon from loss or damage resulting from or caused by defective materials or faulty workmanship the above

obligation in penal sum thereof shall remain in full force and effect. However, anything in this paragraph to the contrary notwithstanding, the obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit Troon's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees including reasonable attorney's fees, incurred by Troon in enforcing such obligation.

Whenever Contractor shall be, and is declared by Troon to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at Troon's option:

1. Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or

2. Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and Troon, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by Troon under the Contract and any modification thereto, less any amount previously paid by Troon to the Contractor and any other set offs pursuant to the Contract Documents.

3. Permit Troon to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by Troon under the Contract and any modification thereto, less any amount previously paid by Troon to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that Troon may reject any contractor or subcontractor that may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if Troon, when declaring the Contractor in default, notifies Surety of Troon's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract to be performed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of Contract. including but not limited to the provisions of Sections 2819 and 2845 of the California Civil Code.

DRAFT

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

CONTRACTOR/PRINCIPAL

Name

By _____

SURETY:

By: _____
Attorney-In-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$_____.

(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety) _____

(Name and Address of Agent or Representative for service of process in California, if different from above) _____

(Telephone number of Surety and Agent or Representative for service of process in California)

DRAFT

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Partner(s) Limited
 General

Attorney-In-Fact

Trustee(s)

Guardian/Conservator

Other:

Title or Type of Document

Number of Pages

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

FORM OF PAYMENT BOND (LABOR AND MATERIALS)

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the Troon Golf, LLC (hereinafter designated as the “Troon”), has awarded to _____ hereinafter designated as the “Principal,” a contract for the work described as follows: Contract No. _____ (the “Project”); and

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as “Contract Documents”), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the Troon in the penal sum of _____ Dollars (\$ _____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Civil Code Section 9100, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Revenue and Taxation Code Section 18663, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by the Troon in such suit, including reasonable attorneys’ fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Civil Code Section 9100 so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating

to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or the Troon and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Civil Code Section 9100, and has not been paid the full amount of his claim.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract to be performed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of Contract, including but not limited to, the provisions of Sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title _____

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s)
 - Limited
 - General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above



INDIAN WELLS CITY COUNCIL

November 7, 2024

To: City Council
From: City Attorney
Prepared by: Todd Leishman, Best, Best, & Krieger LLP
Subject: **Consideration of an Urgency Ordinance Amending Chapter 21.85 of the Indian Wells Municipal Code Regarding Accessory Dwelling Units and Junior Accessory Dwelling Units to Comply with Recent Changes in State Law**

RECOMMENDED ACTIONS:

Council **FINDS** that the adoption of the proposed ordinance is statutorily exempt from review under the California Environmental Quality Act ("CEQA") under Public Resources Code section 21080.17; and

WAIVES full reading and **ADOPTS** by title only an Urgency Ordinance entitled: "An Urgency Ordinance of the City Council of the City of Indian Wells amending Chapter 21.85 of the City of Indian Wells Municipal Code relating to Accessory Dwelling Units and Junior Accessory Dwelling Units to comply with recent changes in State Law."

BACKGROUND AND ANALYSIS:

In recent years, the California Legislature has approved, and the Governor has signed into law, a number of bills that, among other things, amended various sections of the Government Code to impose new limits on local authority to regulate ADUs and JADUs. In 2024, the California Legislature approved, and the Governor signed into law, two new bills — AB 2533 and SB 1211 — that further amend state ADU law as summarized below.

AB 2533 – Unpermitted ADUs and JADUs

Subject to limited exceptions, existing state law prohibits a city from denying a permit to legalize an unpermitted ADU that was constructed before January 1, 2018, if the denial is based on the ADU not complying with applicable building, state, or local ADU standards. One exception allows a city to deny a permit to legalize if the city makes a written finding that correcting the violation is necessary to protect the health and safety of the public or the occupants of the structure.

AB 2533 changes this by: (1) expanding the above prohibition to also include JADUs; (2) moving the construction-cutoff date from January 1, 2018, to January 1, 2020; and

(3) replacing the above exception with a requirement that local agencies find that correcting the violation is necessary to comply with the standards specified in Health and Safety Code section 17920.3 (Substandard Buildings). (See amended Gov. Code, § 66332(a)–(f).)

SB 1211 – Replacement Parking Requirements; Multifamily ADUs

Replacement Parking

Existing state law prohibits the City from requiring off-street parking spaces to be replaced when a garage, carport, or covered parking structure is demolished in conjunction with the construction of, or conversion to, an ADU.

SB 1211 amends this prohibition to now also prohibit a city from requiring replacement parking when an uncovered parking space is demolished for or replaced with an ADU. (See amended Gov. Code, § 66314(d)(11).)

Multifamily ADUs

SB 1211 further defines *livable space* in connection with converted ADUs inside a multifamily dwelling structure. Existing state law requires the City to ministerially approve qualifying building-permit applications for ADUs within “portions of existing multifamily dwelling structures that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages” The term “livable space” is not defined by existing state ADU law.

SB 1211 changes this by adding a new definition: “‘Livable space’ means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.” (See amended Gov. Code, § 66313(e).)

SB 1211 also increases the number of detached ADUs that lots with an existing multifamily dwelling can have. Existing state law allows a lot with an existing or proposed multifamily dwelling to have up to two detached ADUs.

Under SB 1211, a lot with an *existing* multifamily dwelling can have up to eight detached ADUs, or as many detached ADUs as there are primary dwelling units on the lot, whichever is less. (See amended Gov. Code, § 66323(a)(4)(A)(ii).) SB 1211 does not alter the number of ADUs that a lot with a *proposed* multifamily dwelling can have — the limit remains at two. (See amended Gov. Code, § 66323(a)(4).)

Additional Amendments

Section 21.85.090 currently permits discretionary approval for proposed ADUs or JADUs that do not conform to the objective standards set forth in Chapter 21.85 through the Conditional Use Permit process. This provision was originally introduced to offer relief from the requirements outlined in Sections 21.85.010 through 21.85.080. However, as the State continues to enact legislation limiting local authority, the City no longer finds a need for such relief being offered to nonconforming ADUs or JADUs. The

removal of Section 21.85.090 will simply result in nonconforming ADUs or JADUs that fail to meet the City's established standards being denied formal approval.

Next Steps & Recommendation

Both AB 2533 and SB 1211 take effect January 1, 2025. If the City's ADU ordinance does not comply with requirements of both bills by that date, the City's entire existing ADU ordinance becomes null and void as a matter of law, and the City will have to allow ADUs with no regulation except for the few requirements in the state ADU law itself. The approval of ADUs and JADUs based solely on these default statutory standards, without local regulations governing height, setback, landscape, and architectural review, among other things, would threaten the character of existing neighborhoods, and negatively impact property values, personal privacy, and fire safety.

The proposed ordinance is an urgency measure, which means it will take immediate effect upon adoption. Typically, an ordinance affecting planning and zoning is approved by the Council after a planning-agency recommendation, a first reading and introduction before the Council and then a second reading at a regular Council meeting — with the ordinance taking effect 30 days following adoption. But here it is necessary for the City Council to adopt this ordinance as an urgency measure because AB 2533 and SB 1211 will take effect on January 1, 2025, before a non-urgency adoption would take effect. The urgency ordinance will be followed at the earliest possible time by a non-urgency ordinance subject to all normal procedures.

For the above reasons, staffs recommends that the City Council adopt the proposed urgency ordinance (Attachment 1), which will ensure that the City's ADU ordinance remains valid when AB 2533 and SB 1211 take effect on January 1, 2025.

FISCAL IMPACT:

The proposed ordinance will not result in any new cost to the City.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Under California Public Resources Code section 21080.17, CEQA does not apply to the adoption of an ordinance by a city or county implementing the provisions of Article 2 of Chapter 13 of Division 1 of Title 7 of the Government Code, which is California's ADU law and which also regulates JADUs, as defined by section 66313. Therefore, the adoption of the proposed ordinance is statutorily exempt from CEQA in that it implements state ADU law.

ATTACHMENTS:

1. Urgency Ordinance

ATTACHMENT #1
URGENCY ORDINANCE NO. ___

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS AMENDING CHAPTER 21.85 OF THE CITY OF INDIAN WELLS MUNICIPAL CODE RELATING TO ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS AND FINDING THE ACTION TO BE STATUTORILY EXEMPT FROM CEQA UNDER PUBLIC RESOURCES CODE § 21080.17

WHEREAS, the City of Indian Wells, California ("City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, state law authorizes cities to act by ordinance to provide for the creation and regulation of accessory dwelling units ("ADUs") and junior accessory dwelling units ("JADUs"); and

WHEREAS, in recent years, the California Legislature has approved, and the Governor has signed into law, numerous bills that, among other things, amend various sections of the Government Code to impose new limits on local authority to regulate ADUs and JADUs; and

WHEREAS, in 2024, the California Legislature approved, and the Governor signed into law, Assembly Bill 2533 ("AB 2533") and Senate Bill 1211 ("SB 1211"), which further amend state ADU law; and

WHEREAS, AB 2533 and SB 1211 take effect January 1, 2025, and if the City's ADU ordinance does not comply with the requirements imposed by those bills by that date, the City's entire existing ADU ordinance becomes null and void as a matter of law; and

WHEREAS, the City desires to amend its local regulatory scheme for the construction of ADUs and JADUs to reflect AB 2533's and SB 1211's changes to state law; and

WHEREAS, there is a current and immediate threat to the public health, safety, or welfare based on the passage of AB 2533 and SB 1211 because if the City's ordinance does not comply with this legislation by January 1, 2025 — and the City's ADU ordinance becomes null and void — the City would thereafter be required to approve ADUs and JADUs in accordance with the few default standards that are provided in Chapter 13 of Division 1 of Title 7 of the California Government Code, which is the state ADU law; and

WHEREAS, the approval of ADUs and JADUs based solely on the default statutory standards, without local regulations governing height, setback, landscape, and architectural review, among other things, would threaten the character of existing neighborhoods, and negatively impact property values, personal privacy, and fire safety. These threats to public safety, health, and welfare justify adoption of this Ordinance as an urgency ordinance to be effective immediately upon adoption by a four-fifths vote of the City Council; and

WHEREAS, to protect the public safety, health, and welfare, the City Council may adopt this Ordinance as an urgency measure in accordance with Government Code section 36937, subdivision (b).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDIAN WELLS DOES ORDAIN AS FOLLOWS:

Section 1. Incorporation. The recitals above are each incorporated by reference and adopted as findings by the City Council.

Section 2. CEQA. Under California Public Resources Code section 21080.17, the California Environmental Quality Act ("CEQA") does not apply to the adoption of an ordinance by a city or county implementing the provisions of Article 2 of Chapter 13 of Division 1 of Title 7 of the California Government Code, which is California's ADU law and which also regulates JADUs, as defined by section 66313. Therefore, adoption of the Ordinance is statutorily exempt from CEQA in that it implements state ADU law.

Section 3. Code Amendment. Chapter 21.85 of the Indian Wells Municipal Code is hereby amended and restated to read in its entirety as provided in Exhibit "A," attached hereto and incorporated herein by reference.

Section 4. Effective Date. This Ordinance takes effect immediately upon its adoption.

Section 5. HCD Submittal. In accordance with Government Code section 66326, the City Clerk is directed to submit a copy of this Ordinance to the California Department of Housing and Community Development within 60 days after adoption.

Section 6. Publication. The City Clerk directed to certify to the adoption of this Ordinance and post or publish this Ordinance as required by law.

Section 7. Custodian of Records. The custodian of records for this Ordinance is the City Clerk and the records comprising the administrative record are located at 44950 Eldorado Drive, Indian Wells, California 92210.

Section 8. Severability. If any provision of this Ordinance or its application to any person or circumstance is held to be invalid by a court of competent jurisdiction, such invalidity has no effect on the other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this extent, the provisions of this Ordinance are severable. The City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any portion thereof.

City of Indian Wells
Urgency Ordinance No. ____
Page 3

PASSED APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on the 7th day of November 2024.

GREG SANDERS
MAYOR

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF INDIAN WELLS)

CERTIFICATION FOR URGENCY ORDINANCE NO. ____

I, Angelica Avila, City Clerk of the City Council of the City of Indian Wells, California, **DO HEREBY CERTIFY** that Urgency Ordinance No. ____, the reading in full thereof unanimously waived, was duly passed and adopted at a regular meeting of the City Council held on the 7th day of November 2024, and said Ordinance was passed and adopted by the following vote, to wit:

AYES:
NOES:

and was thereafter on said day signed by the Mayor of said City of Indian Wells.

ATTEST:

APPROVED AS TO FORM:

ANGELICA AVILA
CITY CLERK

TODD LEISHMAN FOR
BEST BEST & KRIEGER LLP
CITY ATTORNEY

EXHIBIT A

Amended ADU Regulations

ADU REGULATIONS THAT COMPLY WITH SB 1211 & AB 2553 (2024)

Chapter 21.85 Accessory Dwelling Units

§ 21.85.010. Purpose.

The purpose of this section is to allow and regulate accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) in compliance with Chapter 13 of Division 1 of Title 7 of the California Government Code.

§ 21.85.020. Effect of Conforming.

An ADU or JADU that conforms to the standards in this Chapter will not be:

- (a) Deemed to be inconsistent with the City’s General Plan and zoning designation for the lot on which the ADU or JADU is located.
- (b) Deemed to exceed the allowable density for the lot on which the ADU or JADU is located.
- (c) Considered in the application of any local ordinance, policy, or program to limit residential growth.
- (d) Required to correct a nonconforming zoning condition, as defined in subsection § 21.85.030(h) below. This does not prevent the City from enforcing compliance with applicable building standards in accordance with Health and Safety Code section 17980.12.

§ 21.85.030. Definitions.

As used in this section, terms are defined as follows:

- (a) “Accessory dwelling unit” or “ADU” means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:
 - (1) An efficiency unit, as defined by section 17958.1 of the California Health and Safety Code; and
 - (2) A manufactured home, as defined by section 18007 of the California Health and Safety Code.

- (b) "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.
- (c) "Complete independent living facilities" means permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.
- (d) "Efficiency kitchen" means a kitchen that includes all of the following:
 - (1) A cooking facility with appliances.
 - (2) A food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.
- (e) "Junior accessory dwelling unit" or "JADU" means a residential unit that satisfies all of the following:
 - (1) It is no more than 500 square feet in size.
 - (2) It is contained entirely within an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.
 - (3) It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.
 - (4) If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the existing or proposed single-family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.
 - (5) It includes an efficiency kitchen, as defined in subsection § 21.85.030(d) above.
- (f) "Livable space" means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.
- (g) "Living area" means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.
- (h) "Nonconforming zoning condition" means a physical improvement on a property that does not conform with current zoning standards.
- (i) "Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.
- (j) "Proposed dwelling" means a dwelling that is the subject of a permit application and that meets the requirements for permitting.

- (k) "Public transit" means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.
- (l) "Tandem parking" means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

§ 21.85.040. Approvals.

The following approvals apply to ADUs and JADUs under this Chapter:

- (a) **Building-permit Only.** If an ADU or JADU complies with each of the general requirements in subsection § 21.85.050 below, it is allowed with only a building permit in the following scenarios:
 - (1) **Converted on Single-family Lot:** One ADU as described in this subsection § 21.85.040(a)(1) and (1) JADU on a lot with a proposed or existing single-family dwelling on it, where the ADU or JADU:
 - (i) Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and
 - (ii) Has exterior access that is independent of that for the single-family dwelling; and
 - (iii) Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.
 - (iv) The JADU complies with the requirements of Government Code sections 66333 through 66339.
 - (2) **Limited Detached on Single-family Lot:** One detached, new-construction ADU on a lot with a proposed or existing single-family dwelling (in addition to any JADU that might otherwise be established on the lot under subsection § 21.85.040(a)(1) above), if the detached ADU satisfies each of the following limitations:
 - (i) The side- and rear-yard setbacks are at least four feet.
 - (ii) The total floor area is 800 square feet or smaller.
 - (iii) The peak height above grade does not exceed the applicable height limit in subsection § 21.85.050(b) below.
 - (3) **Converted on Multifamily Lot:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but

not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. Under this subsection § 21.85.040(a)(3), at least one (1) converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.

(4) **Limited Detached on Multifamily Lot:** No more than two (2) detached ADUs on a lot with a proposed multifamily dwelling, or up to eight detached ADUs on a lot with an existing multifamily dwelling, if each detached ADU satisfies all of the following:

- (i) The side- and rear-yard setbacks are at least four (4) feet. If the existing multifamily dwelling has a rear or side yard setback of less than four (4) feet, the City will not require any modification to the multifamily dwelling as a condition of approving the ADU.
- (ii) The peak height above grade does not exceed the applicable height limit provided in subsection § 21.85.050(b) below.
- (iii) If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot.

(b) **ADU Permit.**

- (1) Except as allowed under subsection § 21.85.040(a) above, no ADU may be created without a building permit and an ADU permit in compliance with the standards set forth in subsections § 21.85.050 and § 21.85.060 below.
- (2) The City may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the City's ADU ordinance. The ADU-permit processing fee is determined by the Community Development Director and approved by the City Council by resolution.

(c) **Process and Timing.**

- (1) An ADU permit is considered and approved ministerially, without discretionary review or a hearing.
- (2) The City must approve or deny an application to create an ADU or JADU within 60 days from the date that the City receives a completed application. If the City has not approved or denied the completed application within 60 days, the application is deemed approved unless either:
 - (i) The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or
 - (ii) When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot,

the City may delay acting on the permit application for the ADU or JADU until the City acts on the permit application to create the new single-family or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.

- (3) If the City denies an application to create an ADU or JADU, the City must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period established by subsection § 21.85.040(c)(2) above.
- (4) A demolition permits for a detached garage that is to be replaced with an ADU is reviewed with the application for the ADU and issued at the same time.

§ 21.85.050. General ADU and JADU Requirements.

The following requirements apply to all ADUs and JADUs that are approved under subsections § 21.85.040(a) or § 21.85.040(b) above:

(a) Zoning.

- (1) An ADU subject only to a building permit under subsection § 21.85.040(a) above may be created on a lot in a residential or mixed-use zone.
- (2) An ADU subject to an ADU permit under subsection § 21.85.040(b) above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.
- (3) In accordance with Government Code section 66333(a), a JADU may only be created on a lot zoned for single-family residences.

(b) Height.

- (1) Except as otherwise provided by subsections § 21.85.050(b)(2) and § 21.85.050(b)(3) below, a detached ADU created on a lot with an existing or proposed single family or multifamily dwelling unit may not exceed 16 feet in height.
- (2) A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or high quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit.

- (3) A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height.
 - (4) An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection § 21.85.050(b)(4) may not exceed two stories.
 - (5) For purposes of this subsection § 21.85.050(b), height is measured from existing legal grade or the level of the lowest floor, whichever is lower, to the peak of the structure.
- (c) **Fire Sprinklers.**
- (1) Fire sprinklers are required in an ADU if sprinklers are required in the primary residence.
 - (2) The construction of an ADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.
- (d) **Rental Term.** No ADU or JADU may be rented for a term that is shorter than 30 days. This prohibition applies regardless of when the ADU or JADU was created.
- (e) **No Separate Conveyance.** An ADU or JADU may be rented, but except as otherwise provided in Government Code section 66341, no ADU or JADU may be sold or otherwise conveyed separately from the lot and the primary dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).
- (f) **Septic System.** If the ADU or JADU connects to an onsite wastewater-treatment system, the owner must include with the application a percolation test completed within the last five years or, if the percolation test has been recertified, within the last 10 years.
- (g) **Owner Occupancy.**
- (1) ADUs created under this section on or after January 1, 2020, are not subject to any owner-occupancy requirement.
 - (2) As required by state law, all JADUs are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the person's legal domicile and permanent residence. However, the owner-occupancy requirement in this subsection § 21.85.050(g)(2) does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.
- (h) **Deed Restriction.** Prior to issuance of a certificate of occupancy for an ADU or JADU, a deed restriction must be recorded against the title of the property in the County Recorder's office and a copy filed with the Community Development Director. The deed restriction

must run with the land and bind all future owners. The form of the deed restriction will be provided by the City and must provide that:

- (1) Except as otherwise provided in Government Code section 66341, the ADU or JADU may not be sold separately from the primary dwelling.
 - (2) The ADU or JADU is restricted to the approved size and to other attributes allowed by this section.
 - (3) The deed restriction runs with the land and may be enforced against future property owners.
 - (4) The deed restriction may be removed if the owner eliminates the ADU or JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a written request of the Community Development Director, providing evidence that the ADU or JADU has in fact been eliminated. The Community Development Director may then determine whether the evidence supports the claim that the ADU or JADU has been eliminated. Appeal may be taken from the Community Development Director's determination consistent with other provisions of this Code. If the ADU or JADU is not entirely physically removed but is only eliminated by virtue of having a necessary component of an ADU or JADU removed, the remaining structure and improvements must otherwise comply with applicable provisions of this Code.
 - (5) The deed restriction is enforceable by the Community Development Director or his or her designee for the benefit of the City. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the City is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the ADU or JADU in violation of the recorded restrictions or abatement of the illegal unit.
- (i) **Income Reporting.** In order to facilitate the City's obligation to identify adequate sites for housing in accordance with Government Code sections 65583.1 and 66330, the following requirements must be satisfied:
- (1) With the building-permit application, the applicant must provide the City with an estimate of the projected annualized rent that will be charged for the ADU or JADU.
 - (2) Within 90 days after each January 1 following issuance of the building permit, the owner must report the actual rent charged for the ADU or JADU during the prior year. If the City does not receive the report within the 90-day period, the owner is in violation of this Code, and the City may send the owner a notice of violation and allow the owner another 30 days to submit the report. If the owner fails to submit the report within the 30-day period, the City may enforce this provision in accordance with applicable law.

(j) **Building & Safety.**

- (1) **Must comply with building code.** Subject to subsection § 21.85.050(j)(2) below, all ADUs and JADUs must comply with all local building code requirements.
- (2) **No change of occupancy.** Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the building official or Code Enforcement Division officer makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection § 21.85.050(j)(2) prevents the City from changing the occupancy code of a space that was uninhabitable space or that was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.

§ 21.85.060. Specific ADU Requirements.

The following requirements apply only to ADUs that require an ADU permit under subsection § 21.85.040(b) above.

(a) **Maximum Size.**

- (1) The maximum size of a detached or attached ADU subject to this subsection § 21.85.060 is 850 square feet for a studio or one-bedroom unit and 1,000 square feet for a unit with two (2) or more bedrooms.
- (2) An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling.
- (3) Application of other development standards in this subsection § 21.85.060, such as FAR or lot coverage, might further limit the size of the ADU, but no application of the percent-based size limit in subsection § 21.85.060(a)(2) above or of an FAR, front setback, lot coverage limit, or open-space requirement may require the ADU to be less than 800 square feet.

(b) **Floor Area Ratio (FAR).** No ADU subject to this subsection § 21.85.060 may cause the total FAR of the lot to exceed 45 percent, subject to subsection § 21.85.060(a)(3) above.

(c) **Setbacks.**

- (1) An ADU that is subject to this subsection § 21.85.060 must conform to 4-foot side and rear setbacks. ADUs that are subject to this subsection § 21.85.060 must conform to 25-foot front setbacks, subject to subsection § 21.85.060(a)(3) above.
- (2) No setback is required for an ADU that is subject to this subsection § 21.85.060 if the ADU is constructed in the same location and to the same dimensions as an existing structure.

- (d) **Lot Coverage.** No ADU subject to this subsection § 21.85.060 may cause the total lot coverage of the lot to exceed 50 percent, subject to subsection § 21.85.060(a)(3) above.
- (e) **Minimum Open Space.** No ADU subject to this subsection § 21.85.060 may cause the total percentage of open space of the lot to fall below 50 percent, subject to subsection § 21.85.060(a)(3) above.
- (f) **Passageway.** No passageway, as defined by subsection § 21.85.030(i) above, is required for an ADU.
- (g) **Parking.**
 - (1) Generally. One off-street parking space is required for each ADU. The parking space may be provided in setback areas or as tandem parking, as defined by subsection § 21.85.030(l) above.
 - (2) Exceptions. No parking under subsection § 21.85.060(g)(1) is required in the following situations:
 - (i) The ADU is located within one-half mile walking distance of public transit, as defined in subsection § 21.85.030(k) above.
 - (ii) The ADU is located within an architecturally and historically significant historic district.
 - (iii) The ADU is part of the proposed or existing primary residence or an accessory structure under subsection § 21.85.040(a)(1) above.
 - (iv) When on-street parking permits are required but not offered to the occupant of the ADU.
 - (v) When there is an established car share vehicle stop located within one (1) block of the ADU.
 - (vi) When the permit application to create an ADU is submitted with an application to create a new single-family or new multifamily dwelling on the same lot, provided that the ADU or the lot satisfies any other criteria listed in subsections § 21.85.060(g)(2)(i) through (v) above.
 - (3) No Replacement. When a garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an ADU, those off-street parking spaces are not required to be replaced.
- (h) **Architectural Requirements.**
 - (1) The materials and colors of the exterior walls, roof, windows and doors must be the same as those of the primary dwelling.

- (2) The roof slope must match that of the dominant roof slope of the primary dwelling. The dominant roof slope is the slope shared by the largest portion of the roof.
 - (3) The exterior lighting must be limited to down-lights or as otherwise required by the building or fire code.
 - (4) The ADU must have an independent exterior entrance, apart from that of the primary dwelling.
 - (5) The interior horizontal dimensions of an ADU must be at least ten (10) feet wide in every direction, with a minimum interior wall height of seven (7) feet.
 - (6) No window or door of the ADU may have a direct line of sight to an adjoining residential property. Each window and door must either be located where there is no direct line of sight or screened using fencing, landscaping, or privacy glass to prevent a direct line of sight.
 - (7) All windows and doors in an ADU less than 30 feet from a property line that is not a public right-of-way line must either be (for windows) clerestory with the bottom of the glass at least six feet above the finished floor, or (for windows and for doors) utilize frosted or obscure glass.
- (i) **Landscape Requirements.** Evergreen landscape screening must be planted and maintained between the ADU and adjacent parcels as follows:
 - (1) At least one 15-gallon size plant must be provided for every five linear feet of exterior ADU wall. Alternatively, at least one 24" box size plant must be provided for every ten linear feet of exterior ADU wall.
 - (2) Plant specimens must be at least six feet tall when installed. As an alternative, a solid fence of at least six feet in height may be installed.
 - (3) All landscaping must be drought tolerant.
 - (4) All landscaping must be from the City's approved plant list.
 - (j) **Historical Protections.** An ADU that is on or within 600 feet of real property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.
 - (k) **Allowed Stories.** No ADU subject to this subsection § 21.85.060 may have more than one story, except that an ADU that is attached to the primary dwelling may have the stories allowed under subparagraph § 21.85.050(b)(4) of this section.

§ 21.85.070. Fees.

The following requirements apply to all ADUs that are approved under subsections § 21.85.040(a) or § 21.85.040(b) above.

(a) Impact Fees.

- (1) No impact fee is required for an ADU that is less than 750 square feet in size. For purposes of this subsection § 21.85.070(a), "impact fee" means a "fee" under the Mitigation Fee Act (Gov. Code § 66000(b)) and a fee under the Quimby Act (Gov. Code § 66477). "Impact fee" here does not include any connection fee or capacity charge for water or sewer service.
- (2) Any impact fee that is required for an ADU that is 750 square feet or larger in size must be charged proportionately in relation to the square footage of the primary dwelling unit. (E.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling.)

(b) Utility Fees.

- (1) If an ADU is constructed with a new single-family home, a separate utility connection directly between the ADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.
- (2) Except as described in subsection § 21.85.070(b)(1), converted ADUs on a single-family lot that are created under subsection § 21.85.040(a)(1) above are not required to have a new or separate utility connection directly between the ADU and the utility. Nor is a connection fee or capacity charge required.
- (3) Except as described in subsection § 21.85.070(b)(1), all ADUs that are not covered by subsection § 21.85.070(b)(2) require a new, separate utility connection directly between the ADU and the utility.
 - (i) The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixture units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.
 - (ii) The portion of the fee or charge that is charged by the City may not exceed the reasonable cost of providing this service.

§ 21.85.080. Nonconforming Zoning Code Conditions, Building Code Violations, and Unpermitted Structures.

- (a) **Generally.** The City will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.

(b) **Unpermitted ADUs and JADUs constructed before 2020.**

- (1) **Permit to Legalize.** As required by state law, the City may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if denial is based on either of the following grounds:
 - (i) The ADU or JADU violates applicable building standards, or
 - (ii) The ADU or JADU does not comply with state ADU or JADU law or this ADU ordinance (Chapter 21.85).
- (2) **Exceptions:**
 - (i) Notwithstanding subsection § 21.85.080(b)(1) above, the City may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if the City makes a finding that correcting a violation is necessary to comply with the standards specified in California Health and Safety Code section 17920.3.
 - (ii) Subsection § 21.85.080(b)(1) above does not apply to a building that is deemed to be substandard in accordance with California Health and Safety Code section 17920.3.



INDIAN WELLS CITY COUNCIL November 7, 2024

To: City Council
From: City Attorney
Prepared by: Todd Leishman, Best, Best, & Krieger LLP
Subject: **Consideration of an Ordinance Amending Chapter 21.85 of the Indian Wells Municipal Code Regarding Accessory Dwelling Units and Junior Accessory Dwelling Units to Comply with Recent Changes in State Law**

RECOMMENDED ACTIONS:

Council **OPENS** the Public Hearing, takes any public testimony, **CLOSES** the Public Hearing, and by motion:

FINDS that the adoption of the proposed ordinance is statutorily exempt from review under the California Environmental Quality Act ("CEQA") under Public Resources Code section 21080.17; and

WAIVES full reading and **INTRODUCES** for first reading by title only an Ordinance entitled: "An Ordinance of the City Council of the City of Indian Wells amending Chapter 21.85 of the City of Indian Wells Municipal Code relating to Accessory Dwelling Units and Junior Accessory Dwelling Units to comply with recent changes in State Law."

ANALYSIS:

In recent years, the California Legislature has approved, and the Governor has signed into law, a number of bills that, among other things, amended various sections of the Government Code to impose new limits on local authority to regulate Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs). In 2024, the California Legislature approved, and the Governor signed into law, two new bills — AB 2533 and SB 1211 — that further amend state ADU law as summarized below.

AB 2533 – Unpermitted ADUs and JADUs

Subject to limited exceptions, existing state law prohibits a city from denying a permit to legalize an unpermitted ADU that was constructed before January 1, 2018, if the denial is based on the ADU not complying with applicable building, state, or local ADU standards. One exception allows a city to deny a permit to legalize if the city makes a

written finding that correcting the violation is necessary to protect the health and safety of the public or the occupants of the structure.

AB 2533 changes this by: (1) expanding the above prohibition to also include JADUs; (2) moving the construction-cutoff date from January 1, 2018, to January 1, 2020; and (3) replacing the above exception with a requirement that local agencies find that correcting the violation is necessary to comply with the standards specified in Health and Safety Code section 17920.3 (Substandard Buildings). (See amended Gov. Code, § 66332(a)–(f).)

SB 1211 – Replacement Parking Requirements; Multifamily ADUs

Replacement Parking

Existing state law prohibits the City from requiring off-street parking spaces to be replaced when a garage, carport, or covered parking structure is demolished in conjunction with the construction of, or conversion to, an ADU.

SB 1211 amends this prohibition to now also prohibit a city from requiring replacement parking when an uncovered parking space is demolished for or replaced with an ADU. (See amended Gov. Code, § 66314(d)(11).)

Multifamily ADUs

SB 1211 further defines *livable space* in connection with converted ADUs inside a multifamily dwelling structure. Existing state law requires the City to ministerially approve qualifying building-permit applications for ADUs within “portions of existing multifamily dwelling structures that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages” The term “livable space” is not defined by existing state ADU law.

SB 1211 changes this by adding a new definition: “‘Livable space’ means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.” (See amended Gov. Code, § 66313(e).)

SB 1211 also increases the number of detached ADUs that lots with an existing multifamily dwelling can have. Existing state law allows a lot with an existing or proposed multifamily dwelling to have up to two detached ADUs.

Under SB 1211, a lot with an *existing* multifamily dwelling can have up to eight detached ADUs, or as many detached ADUs as there are primary dwelling units on the lot, whichever is less. (See amended Gov. Code, § 66323(a)(4)(A)(ii).) SB 1211 does not alter the number of ADUs that a lot with a *proposed* multifamily dwelling can have — the limit remains at two. (See amended Gov. Code, § 66323(a)(4).)

Additional Amendments

Section 21.85.090 currently permits discretionary approval for proposed ADUs or JADUs that do not conform to the objective standards set forth in Chapter 21.85 through the Conditional Use Permit process. This provision was originally introduced to offer relief from the requirements outlined in Sections 21.85.010 through 21.85.080. However, as the State continues to enact legislation limiting local authority, the City no longer finds a need for such relief being offered to nonconforming ADUs or JADUs. The removal of Section 21.85.090 will simply result in nonconforming ADUs or JADUs that fail to meet the City's established standards being denied formal approval.

Next Steps & Recommendation

Both AB 2533 and SB 1211 take effect January 1, 2025. To remain valid, the City's ADU ordinance must comply with requirements imposed by AB 2533 and SB 1211. Adopting the proposed ordinance (Exhibit A to Attachment 1) ensures that the City's ADU ordinance will be valid under AB 2533 and SB 1211.

On October 31, 2024, the Planning Commission held a public hearing to consider the proposed ordinance, and thereafter voted to forward the ordinance to the City Council with a recommendation in favor of its adoption (Attachment 1). Staff recommends that the City Council proceed in accordance with the recommended actions set forth above.

FISCAL IMPACT:

The proposed ordinance will not result in any new cost to the City.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Under California Public Resources Code section 21080.17, CEQA does not apply to the adoption of an ordinance by a city or county implementing the provisions of Article 2 of Chapter 13 of Division 1 of Title 7 of the Government Code, which is California's ADU law and which also regulates JADUs, as defined by section 66313. Therefore, the adoption of the proposed ordinance is statutorily exempt from CEQA in that it implements state ADU law.

ATTACHMENTS:

1. Resolution No. PC 2024-08
2. Ordinance
3. Redline of Current Code

ATTACHMENT #1

RESOLUTION NO. PC 2024-08

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF INDIAN WELLS, CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE AMENDING CHAPTER 21.85 OF THE INDIAN WELLS MUNICIPAL CODE RELATING TO ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS IN THE CITY, AND FINDING THE ACTION TO BE STATUTORILY EXEMPT FROM CEQA UNDER PUBLIC RESOURCES CODE § 21080.17

WHEREAS, the Planning and Zoning Law authorizes cities to act by ordinance to provide for the creation and regulation of accessory dwelling units ("ADUs") and junior accessory dwelling units ("JADUs"); and

WHEREAS, in recent years, the California Legislature has approved, and the Governor has signed into law, a number of bills that, among other things, amend various sections of the Government Code to impose new limits on local authority to regulate ADUs and JADUs; and

WHEREAS, in 2024, the California Legislature approved, and the Governor signed into law, Assembly Bill 2533 ("AB 2533") and Senate Bill 1211 ("SB 1211"), which further amend state ADU law;

WHEREAS, AB 2533 and SB 1211 take effect on January 1, 2025, and for the City's ADU ordinance to remain valid, it must be amended to reflect the requirements of AB 2533 and SB 1211; and

WHEREAS, the City desires to amend its local regulatory scheme for the construction of ADUs and JADUs to reflect AB 2533's and SB 1211's changes to state law; and

WHEREAS, on October 31, 2024, the Planning Commission held a duly-noticed public hearing to consider the attached Ordinance; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the Planning Commission of the City of Indian Wells does resolve, determine, find, and order as follows:

SECTION 1. Incorporation. The recitals above are true and correct and are each incorporated by reference and adopted as findings by the Planning Commission.

SECTION 2. CEQA. The Planning Commission recommends that the City Council find that, under California Public Resources Code section 21080.17, the California Environmental Quality Act ("CEQA") does not apply to the adoption of an ordinance by a city or county implementing the provisions of Article 2 of Chapter 13 of Division 1 of Title 7 of the California

City of Indian Wells
Resolution No. PC 2024-08
Page 2

Government Code, which is California's ADU law and which also regulates JADUs, as defined by section 66313. Therefore, adoption of the proposed ordinance is statutorily exempt from CEQA in that it implements state ADU law.

SECTION 3. General Plan. The Planning Commission hereby finds that the adoption of the Ordinance is consistent with the General Plan as a matter of law under Government Code section 66314(c).

SECTION 4. Recommendation. Given the foregoing, and based on the entire record before the Planning Commission, the Planning Commission hereby recommends that the City Council adopt the ordinance attached hereto as Exhibit "A."

SECTION 5. Effective Date. This Resolution takes effect immediately upon adoption.

SECTION 6. Certification; Records. The Community Development Director shall attest as to the adoption of this Resolution and cause the same to be maintained in the permanent records of the City.

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PASSED, APPROVED, AND ADOPTED by the Planning Commission of the City of Indian Wells, California, at a regular meeting held on this 31st day of October 2024.

E-SIGNED by John Schleimer
on 2024-11-01 20:54:28 GMT

JOHN SCHLEIMER
CHAIR

CERTIFICATION FOR RESOLUTION NO. PC 2024-08

I, Jon Berg, Community Development Director of the Planning Department of the City of Indian Wells, California, **DO HEREBY CERTIFY** that the whole number of the members of the Planning Commission is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted at a regular meeting of the Planning Commission of the City of Indian Wells on the 31st day of October, 2024, by the following vote:

AYES: 5 – Bahneman, Conway, Schleimer, Schubert, Welch
NOES: 0 – None

ATTEST:

APPROVED AS TO FORM:

JON BERG
COMMUNITY DEVELOPMENT DIRECTOR

FOR
BEST, BEST, & KRIEGER LLP,
CITY ATTORNEY

Exhibit "A"

Proposed Ordinance

[Attached]

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS AMENDING CHAPTER 21.85 OF THE CITY OF INDIAN WELLS MUNICIPAL CODE RELATING TO ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS AND FINDING THE ACTION TO BE STATUTORILY EXEMPT FROM CEQA UNDER PUBLIC RESOURCES CODE § 21080.17

WHEREAS, the City of Indian Wells, California (“City”) is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, state law authorizes cities to act by ordinance to provide for the creation and regulation of accessory dwelling units (“ADUs”) and junior accessory dwelling units (“JADUs”); and

WHEREAS, in recent years, the California Legislature has approved, and the Governor has signed into law, numerous bills that, among other things, amend various sections of the Government Code to impose new limits on local authority to regulate ADUs and JADUs; and

WHEREAS, in 2024, the California Legislature approved, and the Governor signed into law, Assembly Bill 2533 (“AB 2533”) and Senate Bill 1211 (“SB 1211”), which further amend state ADU law; and

WHEREAS, AB 2533 and SB 1211 take effect on January 1, 2025, and for the City’s ADU ordinance to remain valid, it must be amended to reflect the requirements of AB 2533 and SB 1211; and

WHEREAS, the City desires to amend its local regulatory scheme for the construction of ADUs and JADUs to reflect AB 2533’s and SB 1211’s changes to state law; and

WHEREAS, on October 31, 2024, the Planning Commission held a duly-noticed public hearing and considered the staff report, recommendations by staff, and public testimony concerning this proposed Ordinance. Following the public hearing, the Planning Commission voted to forward the Ordinance to the City Council with a recommendation in favor of its adoption; and

WHEREAS, on November ____, 2024, the City Council held a duly-noticed public hearing to consider the Ordinance, including: (1) the public testimony and agenda reports prepared in connection with the Ordinance, (2) the policy considerations discussed therein, and (3) the consideration and recommendation by the City’s Planning Commission; and

WHEREAS, all legal prerequisites to the adoption of the Ordinance have occurred.

NOW, THEREFORE, the City Council of the City of Indian Wells does ordain as follows:

SECTION 1. Incorporation. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. CEQA. Under California Public Resources Code section 21080.17, the California Environmental Quality Act ("CEQA") does not apply to the adoption of an ordinance by a city or county implementing the provisions of Article 2 of Chapter 13 of Division 1 of Title 7 of the California Government Code, which is California's ADU law and which also regulates JADUs, as defined by section 66313. Therefore, adoption of the Ordinance is statutorily exempt from CEQA in that it implements state ADU law.

SECTION 3. General Plan. The City Council hereby finds that the adoption of the Ordinance is consistent with the General Plan as a matter of law under Government Code section 66314(c).

SECTION 4. Code Amendment. Chapter 21.85 of the Indian Wells Municipal Code is hereby amended and restated to read in its entirety as provided in Exhibit "A-1," attached hereto and incorporated herein by reference.

SECTION 5. Effective Date. This Ordinance takes effect 30 days after its adoption.

SECTION 6. HCD Submittal. In accordance with Government Code section 66326, the City Clerk is directed to submit a copy of this Ordinance to the California Department of Housing and Community Development within 60 days after adoption.

SECTION 7. Publication. The City Clerk is directed to certify to the adoption of this Ordinance and post or publish this Ordinance as required by law.

SECTION 8. Custodian of Records. The custodian of records for this Ordinance is the City Clerk and the records comprising the administrative record are located at 44950 Eldorado Drive, Indian Wells, California 92210.

SECTION 9. Severability. If any provision of this Ordinance or its application to any person or circumstance is held to be invalid by a court of competent jurisdiction, such invalidity has no effect on the other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this extent, the provisions of this Ordinance are severable. The City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any portion thereof.

(Continues on next page)

PASSED APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on the ___ day of November, 2024.

**GREG SANDERS
MAYOR**

**STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF INDIAN WELLS)**

CERTIFICATION FOR ORDINANCE NO. _____

I, Angelica Avila, City Clerk of the City Council of the City of Indian Wells, California, **DO HEREBY CERTIFY** that Ordinance No. __ , having been regularly introduced at a regular meeting of January 18, 2024 was again introduced, the reading in full thereafter unanimously waived, and duly passed and adopted at a regular meeting of the City Council held on January __, 2024 and said Ordinance was passed and adopted by the following stated vote, to wit:

AYES:
NOES:

and was thereafter on said day signed by the Mayor of said City of Indian Wells.

ATTEST:

APPROVED AS TO FORM:

**ANGELICA AVILA
CITY CLERK**

**TODD LEISHMAN FOR
BEST BEST & KRIEGER LLP
CITY ATTORNEY**

EXHIBIT A-1

Amended ADU Regulations

(follows this page)

DRAFT

EXHIBIT A1 - ADU REGULATIONS THAT COMPLY WITH SB 1211 & AB 2553 (2024)

Chapter 21.85 Accessory Dwelling Units

§ 21.85.010. Purpose.

The purpose of this section is to allow and regulate accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) in compliance with Chapter 13 of Division 1 of Title 7 of the California Government Code.

§ 21.85.020. Effect of Conforming.

An ADU or JADU that conforms to the standards in this Chapter will not be:

- (a) Deemed to be inconsistent with the City's General Plan and zoning designation for the lot on which the ADU or JADU is located.
- (b) Deemed to exceed the allowable density for the lot on which the ADU or JADU is located.
- (c) Considered in the application of any local ordinance, policy, or program to limit residential growth.
- (d) Required to correct a nonconforming zoning condition, as defined in subsection § 21.85.030(h) below. This does not prevent the City from enforcing compliance with applicable building standards in accordance with Health and Safety Code section 17980.12.

§ 21.85.030. Definitions.

As used in this section, terms are defined as follows:

- (a) "Accessory dwelling unit" or "ADU" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:
 - (1) An efficiency unit, as defined by section 17958.1 of the California Health and Safety Code; and
 - (2) A manufactured home, as defined by section 18007 of the California Health and Safety Code.
- (b) "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.

- (c) “Complete independent living facilities” means permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.
- (d) “Efficiency kitchen” means a kitchen that includes all of the following:
 - (1) A cooking facility with appliances.
 - (2) A food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.
- (e) “Junior accessory dwelling unit” or “JADU” means a residential unit that satisfies all of the following:
 - (1) It is no more than 500 square feet in size.
 - (2) It is contained entirely within an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.
 - (3) It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.
 - (4) If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the existing or proposed single-family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.
 - (5) It includes an efficiency kitchen, as defined in subsection § 21.85.030(d) above.
- (f) “Livable space” means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.
- (g) “Living area” means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.
- (h) “Nonconforming zoning condition” means a physical improvement on a property that does not conform with current zoning standards.
- (i) “Passageway” means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.
- (j) “Proposed dwelling” means a dwelling that is the subject of a permit application and that meets the requirements for permitting.
- (k) “Public transit” means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

- (l) “Tandem parking” means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

§ 21.85.040. Approvals.

The following approvals apply to ADUs and JADUs under this Chapter:

- (a) **Building-permit Only.** If an ADU or JADU complies with each of the general requirements in subsection § 21.85.050 below, it is allowed with only a building permit in the following scenarios:

- (1) **Converted on Single-family Lot:** One ADU as described in this subsection § 21.85.040(a)(1) and (1) JADU on a lot with a proposed or existing single-family dwelling on it, where the ADU or JADU:

- (i) Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and
- (ii) Has exterior access that is independent of that for the single-family dwelling; and
- (iii) Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.
- (iv) The JADU complies with the requirements of Government Code sections 66333 through 66339.

- (2) **Limited Detached on Single-family Lot:** One detached, new-construction ADU on a lot with a proposed or existing single-family dwelling (in addition to any JADU that might otherwise be established on the lot under subsection § 21.85.040(a)(1) above), if the detached ADU satisfies each of the following limitations:

- (i) The side- and rear-yard setbacks are at least four feet.
- (ii) The total floor area is 800 square feet or smaller.
- (iii) The peak height above grade does not exceed the applicable height limit in subsection § 21.85.050(b) below.

- (3) **Converted on Multifamily Lot:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. Under this subsection § 21.85.040(a)(3), at least one (1) converted

ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.

(4) **Limited Detached on Multifamily Lot:** No more than two (2) detached ADUs on a lot with a proposed multifamily dwelling, or up to eight detached ADUs on a lot with an existing multifamily dwelling, if each detached ADU satisfies all of the following:

- (i) The side- and rear-yard setbacks are at least four (4) feet. If the existing multifamily dwelling has a rear or side yard setback of less than four (4) feet, the City will not require any modification to the multifamily dwelling as a condition of approving the ADU.
- (ii) The peak height above grade does not exceed the applicable height limit provided in subsection § 21.85.050(b) below.
- (iii) If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot.

(b) **ADU Permit.**

- (1) Except as allowed under subsection § 21.85.040(a) above, no ADU may be created without a building permit and an ADU permit in compliance with the standards set forth in subsections § 21.85.050 and § 21.85.060 below.
- (2) The City may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the City's ADU ordinance. The ADU-permit processing fee is determined by the Community Development Director and approved by the City Council by resolution.

(c) **Process and Timing.**

- (1) An ADU permit is considered and approved ministerially, without discretionary review or a hearing.
- (2) The City must approve or deny an application to create an ADU or JADU within 60 days from the date that the City receives a completed application. If the City has not approved or denied the completed application within 60 days, the application is deemed approved unless either:
 - (i) The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or
 - (ii) When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the City may delay acting on the permit application for the ADU or JADU until the City acts on the permit application to create the new single-family or multifamily dwelling, but the application to create

the ADU or JADU will still be considered ministerially without discretionary review or a hearing.

- (3) If the City denies an application to create an ADU or JADU, the City must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period established by subsection § 21.85.040(c)(2) above.
- (4) A demolition permit for a detached garage that is to be replaced with an ADU is reviewed with the application for the ADU and issued at the same time.

§ 21.85.050. General ADU and JADU Requirements.

The following requirements apply to all ADUs and JADUs that are approved under subsections § 21.85.040(a) or § 21.85.040(b) above:

(a) Zoning.

- (1) An ADU subject only to a building permit under subsection § 21.85.040(a) above may be created on a lot in a residential or mixed-use zone.
- (2) An ADU subject to an ADU permit under subsection § 21.85.040(b) above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.
- (3) In accordance with Government Code section 66333(a), a JADU may only be created on a lot zoned for single-family residences.

(b) Height.

- (1) Except as otherwise provided by subsections § 21.85.050(b)(2) and § 21.85.050(b)(3) below, a detached ADU created on a lot with an existing or proposed single family or multifamily dwelling unit may not exceed 16 feet in height.
- (2) A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or high quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit.
- (3) A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height.

- (4) An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection § 21.85.050(b)(4) may not exceed two stories.
- (5) For purposes of this subsection § 21.85.050(b), height is measured from existing legal grade or the level of the lowest floor, whichever is lower, to the peak of the structure.
- (c) **Fire Sprinklers.**
 - (1) Fire sprinklers are required in an ADU if sprinklers are required in the primary residence.
 - (2) The construction of an ADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.
- (d) **Rental Term.** No ADU or JADU may be rented for a term that is shorter than 30 days. This prohibition applies regardless of when the ADU or JADU was created.
- (e) **No Separate Conveyance.** An ADU or JADU may be rented, but, except as otherwise provided in Government Code section 66341, no ADU or JADU may be sold or otherwise conveyed separately from the lot and the primary dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).
- (f) **Septic System.** If the ADU or JADU will connect to an onsite wastewater-treatment system, the owner must include with the application a percolation test completed within the last five years or, if the percolation test has been recertified, within the last 10 years.
- (g) **Owner Occupancy.**
 - (1) ADUs created under this section on or after January 1, 2020 are not subject to any owner-occupancy requirement.
 - (2) As required by state law, all JADUs are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the person's legal domicile and permanent residence. However, the owner-occupancy requirement in this subsection § 21.85.050(g)(2) does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.
- (h) **Deed Restriction.** Prior to issuance of a certificate of occupancy for an ADU or JADU, a deed restriction must be recorded against the title of the property in the County Recorder's office and a copy filed with the Community Development Director. The deed restriction must run with the land and bind all future owners. The form of the deed restriction will be provided by the City and must provide that:

- (1) Except as otherwise provided in Government Code section 66341, the ADU or JADU may not be sold separately from the primary dwelling.
 - (2) The ADU or JADU is restricted to the approved size and to other attributes allowed by this section.
 - (3) The deed restriction runs with the land and may be enforced against future property owners.
 - (4) The deed restriction may be removed if the owner eliminates the ADU or JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a written request of the Community Development Director, providing evidence that the ADU or JADU has in fact been eliminated. The Community Development Director may then determine whether the evidence supports the claim that the ADU or JADU has been eliminated. Appeal may be taken from the Community Development Director's determination consistent with other provisions of this Code. If the ADU or JADU is not entirely physically removed, but is only eliminated by virtue of having a necessary component of an ADU or JADU removed, the remaining structure and improvements must otherwise comply with applicable provisions of this Code.
 - (5) The deed restriction is enforceable by the Community Development Director or his or her designee for the benefit of the City. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the City is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the ADU or JADU in violation of the recorded restrictions or abatement of the illegal unit.
- (i) **Income Reporting.** In order to facilitate the City's obligation to identify adequate sites for housing in accordance with Government Code sections 65583.1 and 66330, the following requirements must be satisfied:
- (1) With the building-permit application, the applicant must provide the City with an estimate of the projected annualized rent that will be charged for the ADU or JADU.
 - (2) Within 90 days after each January 1 following issuance of the building permit, the owner must report the actual rent charged for the ADU or JADU during the prior year. If the City does not receive the report within the 90-day period, the owner is in violation of this Code, and the City may send the owner a notice of violation and allow the owner another 30 days to submit the report. If the owner fails to submit the report within the 30-day period, the City may enforce this provision in accordance with applicable law.

(j) **Building & Safety.**

- (1) **Must comply with building code.** Subject to subsection § 21.85.050(j)(2) below, all ADUs and JADUs must comply with all local building code requirements.
- (2) **No change of occupancy.** Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the building official or Code Enforcement Division officer makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection § 21.85.050(j)(2) prevents the City from changing the occupancy code of a space that was uninhabitable space or that was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.

§ 21.85.060. Specific ADU Requirements.

The following requirements apply only to ADUs that require an ADU permit under subsection § 21.85.040(b) above.

(a) **Maximum Size.**

- (1) The maximum size of a detached or attached ADU subject to this subsection § 21.85.060 is 850 square feet for a studio or one-bedroom unit and 1,000 square feet for a unit with two (2) or more bedrooms.
- (2) An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling.
- (3) Application of other development standards in this subsection § 21.85.060, such as FAR or lot coverage, might further limit the size of the ADU, but no application of the percent-based size limit in subsection § 21.85.060(a)(2) above or of an FAR, front setback, lot coverage limit, or open-space requirement may require the ADU to be less than 800 square feet.

(b) **Floor Area Ratio (FAR).** No ADU subject to this subsection § 21.85.060 may cause the total FAR of the lot to exceed 45 percent, subject to subsection § 21.85.060(a)(3) above.

(c) **Setbacks.**

- (1) An ADU that is subject to this subsection § 21.85.060 must conform to 4-foot side and rear setbacks. ADUs that are subject to this subsection § 21.85.060 must conform to 25-foot front setbacks, subject to subsection § 21.85.060(a)(3) above.
- (2) No setback is required for an ADU that is subject to this subsection § 21.85.060 if the ADU is constructed in the same location and to the same dimensions as an existing structure.

- (d) **Lot Coverage.** No ADU subject to this subsection § 21.85.060 may cause the total lot coverage of the lot to exceed 50 percent, subject to subsection § 21.85.060(a)(3) above.
- (e) **Minimum Open Space.** No ADU subject to this subsection § 21.85.060 may cause the total percentage of open space of the lot to fall below 50 percent, subject to subsection § 21.85.060(a)(3) above.
- (f) **Passageway.** No passageway, as defined by subsection § 21.85.030(i) above, is required for an ADU.
- (g) **Parking.**
 - (1) Generally. One off-street parking space is required for each ADU. The parking space may be provided in setback areas or as tandem parking, as defined by subsection § 21.85.030(l) above.
 - (2) Exceptions. No parking under subsection § 21.85.060(g)(1) is required in the following situations:
 - (i) The ADU is located within one-half mile walking distance of public transit, as defined in subsection § 21.85.030(k) above.
 - (ii) The ADU is located within an architecturally and historically significant historic district.
 - (iii) The ADU is part of the proposed or existing primary residence or an accessory structure under subsection § 21.85.040(a)(1) above.
 - (iv) When on-street parking permits are required but not offered to the occupant of the ADU.
 - (v) When there is an established car share vehicle stop located within one (1) block of the ADU.
 - (vi) When the permit application to create an ADU is submitted with an application to create a new single-family or new multifamily dwelling on the same lot, provided that the ADU or the lot satisfies any other criteria listed in subsections § 21.85.060(g)(2)(i) through (v) above.
 - (3) No Replacement. When a garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an ADU, those off-street parking spaces are not required to be replaced.
- (h) **Architectural Requirements.**
 - (1) The materials and colors of the exterior walls, roof, and windows and doors must be the same as those of the primary dwelling.

- (2) The roof slope must match that of the dominant roof slope of the primary dwelling. The dominant roof slope is the slope shared by the largest portion of the roof.
 - (3) The exterior lighting must be limited to down-lights or as otherwise required by the building or fire code.
 - (4) The ADU must have an independent exterior entrance, apart from that of the primary dwelling.
 - (5) The interior horizontal dimensions of an ADU must be at least ten (10) feet wide in every direction, with a minimum interior wall height of seven (7) feet.
 - (6) No window or door of the ADU may have a direct line of sight to an adjoining residential property. Each window and door must either be located where there is no direct line of sight or screened using fencing, landscaping, or privacy glass to prevent a direct line of sight.
 - (7) All windows and doors in an ADU less than 30 feet from a property line that is not a public right-of-way line must either be (for windows) clerestory with the bottom of the glass at least six feet above the finished floor, or (for windows and for doors) utilize frosted or obscure glass.
- (i) **Landscape Requirements.** Evergreen landscape screening must be planted and maintained between the ADU and adjacent parcels as follows:
- (1) At least one 15-gallon size plant must be provided for every five linear feet of exterior ADU wall. Alternatively, at least one 24" box size plant must be provided for every ten linear feet of exterior ADU wall.
 - (2) Plant specimens must be at least six feet tall when installed. As an alternative, a solid fence of at least six feet in height may be installed.
 - (3) All landscaping must be drought-tolerant.
 - (4) All landscaping must be from the City's approved plant list.
- (j) **Historical Protections.** An ADU that is on or within 600 feet of real property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.
- (k) **Allowed Stories.** No ADU subject to this subsection § 21.85.060 may have more than one story, except that an ADU that is attached to the primary dwelling may have the stories allowed under subparagraph § 21.85.050(b)(4) of this section.

§ 21.85.070. Fees.

The following requirements apply to all ADUs that are approved under subsections § 21.85.040(a) or § 21.85.040(b) above.

(a) Impact Fees.

- (1) No impact fee is required for an ADU that is less than 750 square feet in size. For purposes of this subsection § 21.85.070(a), “impact fee” means a “fee” under the Mitigation Fee Act (Gov. Code § 66000(b)) and a fee under the Quimby Act (Gov. Code § 66477). “Impact fee” here does not include any connection fee or capacity charge for water or sewer service.
- (2) Any impact fee that is required for an ADU that is 750 square feet or larger in size must be charged proportionately in relation to the square footage of the primary dwelling unit. (E.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling.)

(b) Utility Fees.

- (1) If an ADU is constructed with a new single-family home, a separate utility connection directly between the ADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.
- (2) Except as described in subsection § 21.85.070(b)(1), converted ADUs on a single-family lot that are created under subsection § 21.85.040(a)(1) above are not required to have a new or separate utility connection directly between the ADU and the utility. Nor is a connection fee or capacity charge required.
- (3) Except as described in subsection § 21.85.070(b)(1), all ADUs that are not covered by subsection § 21.85.070(b)(2) require a new, separate utility connection directly between the ADU and the utility.
 - (i) The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixture units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.
 - (ii) The portion of the fee or charge that is charged by the City may not exceed the reasonable cost of providing this service.

§ 21.85.080. Nonconforming Zoning Code Conditions, Building Code Violations, and Unpermitted Structures.

- (a) Generally.** The City will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.

(b) **Unpermitted ADUs and JADUs constructed before 2020.**

(1) **Permit to Legalize.** As required by state law, the City may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if denial is based on either of the following grounds:

- (i) The ADU or JADU violates applicable building standards, or
- (ii) The ADU or JADU does not comply with state ADU or JADU law or this ADU ordinance (Chapter 21.85).

(2) **Exceptions:**

- (i) Notwithstanding subsection § 21.85.080(b)(1) above, the City may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if the City makes a finding that correcting a violation is necessary to comply with the standards specified in California Health and Safety Code section 17920.3.
- (ii) Subsection § 21.85.080(b)(1) above does not apply to a building that is deemed to be substandard in accordance with California Health and Safety Code section 17920.3.

ATTACHMENT #2

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS AMENDING CHAPTER 21.85 OF THE CITY OF INDIAN WELLS MUNICIPAL CODE RELATING TO ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS AND FINDING THE ACTION TO BE STATUTORILY EXEMPT FROM CEQA UNDER PUBLIC RESOURCES CODE § 21080.17

WHEREAS, the City of Indian Wells, California ("City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, state law authorizes cities to act by ordinance to provide for the creation and regulation of accessory dwelling units ("ADUs") and junior accessory dwelling units ("JADUs"); and

WHEREAS, in recent years, the California Legislature has approved, and the Governor has signed into law, numerous bills that, among other things, amend various sections of the Government Code to impose new limits on local authority to regulate ADUs and JADUs; and

WHEREAS, in 2024, the California Legislature approved, and the Governor signed into law, Assembly Bill 2533 ("AB 2533") and Senate Bill 1211 ("SB 1211"), which further amend state ADU law; and

WHEREAS, AB 2533 and SB 1211 take effect on January 1, 2025, and for the City's ADU ordinance to remain valid, it must be amended to reflect the requirements of AB 2533 and SB 1211; and

WHEREAS, the City desires to amend its local regulatory scheme for the construction of ADUs and JADUs to reflect AB 2533's and SB 1211's changes to state law; and

WHEREAS, on October 31, 2024, the Planning Commission held a duly-noticed public hearing and considered the staff report, recommendations by staff, and public testimony concerning this proposed Ordinance. Following the public hearing, the Planning Commission voted to forward the Ordinance to the City Council with a recommendation in favor of its adoption; and

WHEREAS, on November 7, 2024, the City Council held a duly-noticed public hearing to consider the Ordinance, including: (1) the public testimony and agenda reports prepared in connection with the Ordinance, (2) the policy considerations discussed therein, and (3) the consideration and recommendation by the City's Planning Commission; and

WHEREAS, all legal prerequisites to the adoption of the Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDIAN WELLS DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. CEQA. Under California Public Resources Code section 21080.17, the California Environmental Quality Act ("CEQA") does not apply to the adoption of an ordinance by a city or county implementing the provisions of Article 2 of Chapter 13 of Division 1 of Title 7 of the California Government Code, which is California's ADU law and which also regulates JADUs, as defined by section 66313. Therefore, adoption of the Ordinance is statutorily exempt from CEQA in that it implements state ADU law.

SECTION 3. General Plan. The City Council hereby finds that the adoption of the Ordinance is consistent with the General Plan as a matter of law under Government Code section 66314(c).

SECTION 4. Code Amendment. Chapter 21.85 of the Indian Wells Municipal Code is hereby amended and restated to read in its entirety as provided in Exhibit "A-1," attached hereto and incorporated herein by reference.

SECTION 5. Effective Date. This Ordinance takes effect 30 days after its adoption.

SECTION 6. HCD Submittal. In accordance with Government Code section 66326, the City Clerk is directed to submit a copy of this Ordinance to the California Department of Housing and Community Development within 60 days after adoption.

SECTION 7. Publication. The City Clerk is directed to certify to the adoption of this Ordinance and post or publish this Ordinance as required by law.

SECTION 8. Custodian of Records. The custodian of records for this Ordinance is the City Clerk and the records comprising the administrative record are located at 44950 Eldorado Drive, Indian Wells, California 92210.

SECTION 9. Severability. If any provision of this Ordinance or its application to any person or circumstance is held to be invalid by a court of competent jurisdiction, such invalidity has no effect on the other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this extent, the provisions of this Ordinance are severable. The City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any portion thereof.

(Continues on next page)

City of Indian Wells
Ordinance No. ____
Page 3

PASSED APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on the ____ of ____ 2025.

GREG SANDERS
MAYOR

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF INDIAN WELLS)

CERTIFICATION FOR ORDINANCE NO. _____

I, Angelica Avila, City Clerk of the City Council of the City of Indian Wells, California, **DO HEREBY CERTIFY** that Ordinance No.____ , having been regularly introduced at a regular meeting of November 7, 2024 was again introduced, the reading in full thereafter unanimously waived, and duly passed and adopted at a regular meeting of the City Council held on January ____, 2025 and said Ordinance was passed and adopted by the following stated vote, to wit:

AYES:
NOES:

and was thereafter on said day signed by the Mayor of said City of Indian Wells.

ATTEST:

APPROVED AS TO FORM:

ANGELICA AVILA
CITY CLERK

TODD LEISHMAN FOR
BEST BEST & KRIEGER LLP
CITY ATTORNEY

EXHIBIT A-1: ADU REGULATIONS THAT COMPLY WITH SB 1211 & AB 2553 (2024)

Chapter 21.85 Accessory Dwelling Units

§ 21.85.010. Purpose.

The purpose of this section is to allow and regulate accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) in compliance with Chapter 13 of Division 1 of Title 7 of the California Government Code.

§ 21.85.020. Effect of Conforming.

An ADU or JADU that conforms to the standards in this Chapter will not be:

- (a) Deemed to be inconsistent with the City's General Plan and zoning designation for the lot on which the ADU or JADU is located.
- (b) Deemed to exceed the allowable density for the lot on which the ADU or JADU is located.
- (c) Considered in the application of any local ordinance, policy, or program to limit residential growth.
- (d) Required to correct a nonconforming zoning condition, as defined in subsection § 21.85.030(h) below. This does not prevent the City from enforcing compliance with applicable building standards in accordance with Health and Safety Code section 17980.12.

§ 21.85.030. Definitions.

As used in this section, terms are defined as follows:

- (a) "Accessory dwelling unit" or "ADU" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:
 - (1) An efficiency unit, as defined by section 17958.1 of the California Health and Safety Code; and
 - (2) A manufactured home, as defined by section 18007 of the California Health and Safety Code.
- (b) "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.

- (c) "Complete independent living facilities" means permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.
- (d) "Efficiency kitchen" means a kitchen that includes all of the following:
 - (1) A cooking facility with appliances.
 - (2) A food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.
- (e) "Junior accessory dwelling unit" or "JADU" means a residential unit that satisfies all of the following:
 - (1) It is no more than 500 square feet in size.
 - (2) It is contained entirely within an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.
 - (3) It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.
 - (4) If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the existing or proposed single-family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.
 - (5) It includes an efficiency kitchen, as defined in subsection § 21.85.030(d) above.
- (f) "Livable space" means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.
- (g) "Living area" means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.
- (h) "Nonconforming zoning condition" means a physical improvement on a property that does not conform with current zoning standards.
- (i) "Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.
- (j) "Proposed dwelling" means a dwelling that is the subject of a permit application and that meets the requirements for permitting.
- (k) "Public transit" means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

- (1) "Tandem parking" means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

§ 21.85.040. Approvals.

The following approvals apply to ADUs and JADUs under this Chapter:

- (a) **Building-permit Only.** If an ADU or JADU complies with each of the general requirements in subsection § 21.85.050 below, it is allowed with only a building permit in the following scenarios:
- (1) **Converted on Single-family Lot:** One ADU as described in this subsection § 21.85.040(a)(1) and (1) JADU on a lot with a proposed or existing single-family dwelling on it, where the ADU or JADU:
- (i) Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and
 - (ii) Has exterior access that is independent of that for the single-family dwelling; and
 - (iii) Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.
 - (iv) The JADU complies with the requirements of Government Code sections 66333 through 66339.
- (2) **Limited Detached on Single-family Lot:** One detached, new-construction ADU on a lot with a proposed or existing single-family dwelling (in addition to any JADU that might otherwise be established on the lot under subsection § 21.85.040(a)(1) above), if the detached ADU satisfies each of the following limitations:
- (i) The side- and rear-yard setbacks are at least four feet.
 - (ii) The total floor area is 800 square feet or smaller.
 - (iii) The peak height above grade does not exceed the applicable height limit in subsection § 21.85.050(b) below.
- (3) **Converted on Multifamily Lot:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. Under this subsection § 21.85.040(a)(3), at least one (1) converted ADU

is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.

- (4) **Limited Detached on Multifamily Lot:** No more than two (2) detached ADUs on a lot with a proposed multifamily dwelling, or up to eight detached ADUs on a lot with an existing multifamily dwelling, if each detached ADU satisfies all of the following:

- (i) The side- and rear-yard setbacks are at least four (4) feet. If the existing multifamily dwelling has a rear or side yard setback of less than four (4) feet, the City will not require any modification to the multifamily dwelling as a condition of approving the ADU.
- (ii) The peak height above grade does not exceed the applicable height limit provided in subsection § 21.85.050(b) below.
- (iii) If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot.

(b) **ADU Permit.**

- (1) Except as allowed under subsection § 21.85.040(a) above, no ADU may be created without a building permit and an ADU permit in compliance with the standards set forth in subsections § 21.85.050 and § 21.85.060 below.
- (2) The City may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the City's ADU ordinance. The ADU-permit processing fee is determined by the Community Development Director and approved by the City Council by resolution.

(c) **Process and Timing.**

- (1) An ADU permit is considered and approved ministerially, without discretionary review or a hearing.
- (2) The City must approve or deny an application to create an ADU or JADU within 60 days from the date that the City receives a completed application. If the City has not approved or denied the completed application within 60 days, the application is deemed approved unless either:
 - (i) The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or
 - (ii) When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the City may delay acting on the permit application for the ADU or JADU until the City acts on the permit application to create the new single-family

or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.

- (3) If the City denies an application to create an ADU or JADU, the City must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period established by subsection § 21.85.040(c)(2) above.
- (4) A demolition permit for a detached garage that is to be replaced with an ADU is reviewed with the application for the ADU and issued at the same time.

§ 21.85.050. General ADU and JADU Requirements.

The following requirements apply to all ADUs and JADUs that are approved under subsections § 21.85.040(a) or § 21.85.040(b) above:

(a) Zoning.

- (1) An ADU subject only to a building permit under subsection § 21.85.040(a) above may be created on a lot in a residential or mixed-use zone.
- (2) An ADU subject to an ADU permit under subsection § 21.85.040(b) above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.
- (3) In accordance with Government Code section 66333(a), a JADU may only be created on a lot zoned for single-family residences.

(b) Height.

- (1) Except as otherwise provided by subsections § 21.85.050(b)(2) and § 21.85.050(b)(3) below, a detached ADU created on a lot with an existing or proposed single family or multifamily dwelling unit may not exceed 16 feet in height.
- (2) A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or high quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit.
- (3) A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height.

- (4) An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection § 21.85.050(b)(4) may not exceed two stories.
- (5) For purposes of this subsection § 21.85.050(b), height is measured from existing legal grade or the level of the lowest floor, whichever is lower, to the peak of the structure.
- (c) **Fire Sprinklers.**
 - (1) Fire sprinklers are required in an ADU if sprinklers are required in the primary residence.
 - (2) The construction of an ADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.
- (d) **Rental Term.** No ADU or JADU may be rented for a term that is shorter than 30 days. This prohibition applies regardless of when the ADU or JADU was created.
- (e) **No Separate Conveyance.** An ADU or JADU may be rented, but, except as otherwise provided in Government Code section 66341, no ADU or JADU may be sold or otherwise conveyed separately from the lot and the primary dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).
- (f) **Septic System.** If the ADU or JADU will connect to an onsite wastewater-treatment system, the owner must include with the application a percolation test completed within the last five years or, if the percolation test has been recertified, within the last 10 years.
- (g) **Owner Occupancy.**
 - (1) ADUs created under this section on or after January 1, 2020 are not subject to any owner-occupancy requirement.
 - (2) As required by state law, all JADUs are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the person's legal domicile and permanent residence. However, the owner-occupancy requirement in this subsection § 21.85.050(g)(2) does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.
- (h) **Deed Restriction.** Prior to issuance of a certificate of occupancy for an ADU or JADU, a deed restriction must be recorded against the title of the property in the County Recorder's office and a copy filed with the Community Development Director. The deed restriction must run with the land and bind all future owners. The form of the deed restriction will be provided by the City and must provide that:

- (1) Except as otherwise provided in Government Code section 66341, the ADU or JADU may not be sold separately from the primary dwelling.
 - (2) The ADU or JADU is restricted to the approved size and to other attributes allowed by this section.
 - (3) The deed restriction runs with the land and may be enforced against future property owners.
 - (4) The deed restriction may be removed if the owner eliminates the ADU or JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a written request of the Community Development Director, providing evidence that the ADU or JADU has in fact been eliminated. The Community Development Director may then determine whether the evidence supports the claim that the ADU or JADU has been eliminated. Appeal may be taken from the Community Development Director's determination consistent with other provisions of this Code. If the ADU or JADU is not entirely physically removed, but is only eliminated by virtue of having a necessary component of an ADU or JADU removed, the remaining structure and improvements must otherwise comply with applicable provisions of this Code.
 - (5) The deed restriction is enforceable by the Community Development Director or his or her designee for the benefit of the City. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the City is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the ADU or JADU in violation of the recorded restrictions or abatement of the illegal unit.
- (i) **Income Reporting.** In order to facilitate the City's obligation to identify adequate sites for housing in accordance with Government Code sections 65583.1 and 66330, the following requirements must be satisfied:
- (1) With the building-permit application, the applicant must provide the City with an estimate of the projected annualized rent that will be charged for the ADU or JADU.
 - (2) Within 90 days after each January 1 following issuance of the building permit, the owner must report the actual rent charged for the ADU or JADU during the prior year. If the City does not receive the report within the 90-day period, the owner is in violation of this Code, and the City may send the owner a notice of violation and allow the owner another 30 days to submit the report. If the owner fails to submit the report within the 30-day period, the City may enforce this provision in accordance with applicable law.
- (j) **Building & Safety.**
- (1) **Must comply with building code.** Subject to subsection § 21.85.050(j)(2) below, all ADUs and JADUs must comply with all local building code requirements.

- (2) **No change of occupancy.** Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the building official or Code Enforcement Division officer makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection § 21.85.050(j)(2) prevents the City from changing the occupancy code of a space that was uninhabitable space or that was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.

§ 21.85.060. Specific ADU Requirements.

The following requirements apply only to ADUs that require an ADU permit under subsection § 21.85.040(b) above.

(a) **Maximum Size.**

- (1) The maximum size of a detached or attached ADU subject to this subsection § 21.85.060 is 850 square feet for a studio or one-bedroom unit and 1,000 square feet for a unit with two (2) or more bedrooms.
- (2) An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling.
- (3) Application of other development standards in this subsection § 21.85.060, such as FAR or lot coverage, might further limit the size of the ADU, but no application of the percent-based size limit in subsection § 21.85.060(a)(2) above or of an FAR, front setback, lot coverage limit, or open-space requirement may require the ADU to be less than 800 square feet.

- (b) **Floor Area Ratio (FAR).** No ADU subject to this subsection § 21.85.060 may cause the total FAR of the lot to exceed 45 percent, subject to subsection § 21.85.060(a)(3) above.

(c) **Setbacks.**

- (1) An ADU that is subject to this subsection § 21.85.060 must conform to 4-foot side and rear setbacks. ADUs that are subject to this subsection § 21.85.060 must conform to 25-foot front setbacks, subject to subsection § 21.85.060(a)(3) above.
- (2) No setback is required for an ADU that is subject to this subsection § 21.85.060 if the ADU is constructed in the same location and to the same dimensions as an existing structure.

- (d) **Lot Coverage.** No ADU subject to this subsection § 21.85.060 may cause the total lot coverage of the lot to exceed 50 percent, subject to subsection § 21.85.060(a)(3) above.

- (e) **Minimum Open Space.** No ADU subject to this subsection § 21.85.060 may cause the total percentage of open space of the lot to fall below 50 percent, subject to subsection § 21.85.060(a)(3) above.
- (f) **Passageway.** No passageway, as defined by subsection § 21.85.030(i) above, is required for an ADU.
- (g) **Parking.**
 - (1) Generally. One off-street parking space is required for each ADU. The parking space may be provided in setback areas or as tandem parking, as defined by subsection § 21.85.030(l) above.
 - (2) Exceptions. No parking under subsection § 21.85.060(g)(1) is required in the following situations:
 - (i) The ADU is located within one-half mile walking distance of public transit, as defined in subsection § 21.85.030(k) above.
 - (ii) The ADU is located within an architecturally and historically significant historic district.
 - (iii) The ADU is part of the proposed or existing primary residence or an accessory structure under subsection § 21.85.040(a)(1) above.
 - (iv) When on-street parking permits are required but not offered to the occupant of the ADU.
 - (v) When there is an established car share vehicle stop located within one (1) block of the ADU.
 - (vi) When the permit application to create an ADU is submitted with an application to create a new single-family or new multifamily dwelling on the same lot, provided that the ADU or the lot satisfies any other criteria listed in subsections § 21.85.060(g)(2)(i) through (v) above.
 - (3) No Replacement. When a garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an ADU, those off-street parking spaces are not required to be replaced.
- (h) **Architectural Requirements.**
 - (1) The materials and colors of the exterior walls, roof, and windows and doors must be the same as those of the primary dwelling.
 - (2) The roof slope must match that of the dominant roof slope of the primary dwelling. The dominant roof slope is the slope shared by the largest portion of the roof.

- (3) The exterior lighting must be limited to down-lights or as otherwise required by the building or fire code.
 - (4) The ADU must have an independent exterior entrance, apart from that of the primary dwelling.
 - (5) The interior horizontal dimensions of an ADU must be at least ten (10) feet wide in every direction, with a minimum interior wall height of seven (7) feet.
 - (6) No window or door of the ADU may have a direct line of sight to an adjoining residential property. Each window and door must either be located where there is no direct line of sight or screened using fencing, landscaping, or privacy glass to prevent a direct line of sight.
 - (7) All windows and doors in an ADU less than 30 feet from a property line that is not a public right-of-way line must either be (for windows) clerestory with the bottom of the glass at least six feet above the finished floor, or (for windows and for doors) utilize frosted or obscure glass.
- (i) **Landscape Requirements.** Evergreen landscape screening must be planted and maintained between the ADU and adjacent parcels as follows:
 - (1) At least one 15-gallon size plant must be provided for every five linear feet of exterior ADU wall. Alternatively, at least one 24" box size plant must be provided for every ten linear feet of exterior ADU wall.
 - (2) Plant specimens must be at least six feet tall when installed. As an alternative, a solid fence of at least six feet in height may be installed.
 - (3) All landscaping must be drought-tolerant.
 - (4) All landscaping must be from the City's approved plant list.
 - (j) **Historical Protections.** An ADU that is on or within 600 feet of real property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.
 - (k) **Allowed Stories.** No ADU subject to this subsection § 21.85.060 may have more than one story, except that an ADU that is attached to the primary dwelling may have the stories allowed under subparagraph § 21.85.050(b)(4) of this section.

§ 21.85.070. Fees.

The following requirements apply to all ADUs that are approved under subsections § 21.85.040(a) or § 21.85.040(b) above.

- (a) **Impact Fees.**

- (1) No impact fee is required for an ADU that is less than 750 square feet in size. For purposes of this subsection § 21.85.070(a), "impact fee" means a "fee" under the Mitigation Fee Act (Gov. Code § 66000(b)) and a fee under the Quimby Act (Gov. Code § 66477). "Impact fee" here does not include any connection fee or capacity charge for water or sewer service.
- (2) Any impact fee that is required for an ADU that is 750 square feet or larger in size must be charged proportionately in relation to the square footage of the primary dwelling unit. (E.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling.)

(b) **Utility Fees.**

- (1) If an ADU is constructed with a new single-family home, a separate utility connection directly between the ADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.
- (2) Except as described in subsection § 21.85.070(b)(1), converted ADUs on a single-family lot that are created under subsection § 21.85.040(a)(1) above are not required to have a new or separate utility connection directly between the ADU and the utility. Nor is a connection fee or capacity charge required.
- (3) Except as described in subsection § 21.85.070(b)(1), all ADUs that are not covered by subsection § 21.85.070(b)(2) require a new, separate utility connection directly between the ADU and the utility.
 - (i) The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixture units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.
 - (ii) The portion of the fee or charge that is charged by the City may not exceed the reasonable cost of providing this service.

§ 21.85.080. Nonconforming Zoning Code Conditions, Building Code Violations, and Unpermitted Structures.

- (a) **Generally.** The City will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.
- (b) **Unpermitted ADUs and JADUs constructed before 2020.**
 - (1) **Permit to Legalize.** As required by state law, the City may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if denial is based on either of the following grounds:

- (i) The ADU or JADU violates applicable building standards, or
- (ii) The ADU or JADU does not comply with state ADU or JADU law or this ADU ordinance (Chapter 21.85).

(2) **Exceptions:**

- (i) Notwithstanding subsection § 21.85.080(b)(1) above, the City may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if the City makes a finding that correcting a violation is necessary to comply with the standards specified in California Health and Safety Code section 17920.3.
- (ii) Subsection § 21.85.080(b)(1) above does not apply to a building that is deemed to be substandard in accordance with California Health and Safety Code section 17920.3.

ATTACHMENT #3

ADU REGULATIONS THAT COMPLY WITH SB 1211 & AB 2553 (2024)

Chapter 21.85 Accessory Dwelling Units

§ 21.85.010. Purpose.

The purpose of this section is to allow and regulate accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) in compliance with [Chapter 13 of Division 1 of Title 7 of the California Government Code Sections 65852.2 and 65852.22](#).

§ 21.85.020. Effect of Conforming.

An ADU or JADU that conforms to the standards in this Chapter will not be:

- (a) Deemed to be inconsistent with the City’s General Plan and zoning designation for the lot on which the ADU or JADU is located.
- (b) Deemed to exceed the allowable density for the lot on which the ADU or JADU is located.
- (c) Considered in the application of any local ordinance, policy, or program to limit residential growth.
- (d) Required to correct a nonconforming zoning condition, as defined in subsection § 21.85.030(h) below. This does not prevent the City from enforcing compliance with applicable building standards in accordance with Health and Safety Code section 17980.12.

§ 21.85.030. Definitions.

As used in this section, terms are defined as follows:

- (a) “Accessory dwelling unit” or “ADU” means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:
 - (1) An efficiency unit, as defined by section 17958.1 of the California Health and Safety Code; and
 - (2) A manufactured home, as defined by section 18007 of the California Health and Safety Code.
- (b) “Accessory structure” means a structure that is accessory and incidental to a dwelling located on the same lot.
- (c) “Complete independent living facilities” means permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.

- (d) "Efficiency kitchen" means a kitchen that includes all of the following:
 - (1) A cooking facility with appliances.
 - (2) A food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.
- (e) "Junior accessory dwelling unit" or "JADU" means a residential unit that satisfies all of the following:
 - (1) It is no more than 500 square feet in size.
 - (2) It is contained entirely within an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.
 - (3) It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.
 - (4) If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the existing or proposed single-family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.
 - (5) It includes an efficiency kitchen, as defined in subsection § 21.85.030(d) above.
- (f) ["Livable space" means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.](#)
- (g) "Living area" means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.
- (h) "Nonconforming zoning condition" means a physical improvement on a property that does not conform with current zoning standards.
- (i) "Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.
- (j) "Proposed dwelling" means a dwelling that is the subject of a permit application and that meets the requirements for permitting.
- (k) "Public transit" means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.
- (l) "Tandem parking" means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

§ 21.85.040. Approvals.

The following approvals apply to ADUs and JADUs under this Chapter:

- (a) **Building-permit Only.** If an ADU or JADU complies with each of the general requirements in subsection § 21.85.050 below, it is allowed with only a building permit in the following scenarios:
 - (1) **Converted on Single-family Lot:** One ADU as described in this subsection § 21.85.040(a)(1) and (1) JADU on a lot with a proposed or existing single-family dwelling on it, where the ADU or JADU:
 - (i) Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and
 - (ii) Has exterior access that is independent of that for the single-family dwelling; and
 - (iii) Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.
 - (iv) The JADU complies with the requirements of Government Code sections ~~65852.22~~ [66333 through 66339](#).
 - (2) **Limited Detached on Single-family Lot:** One detached, new-construction ADU on a lot with a proposed or existing single-family dwelling (in addition to any JADU that might otherwise be established on the lot under subsection § 21.85.040(a)(1) above), if the detached ADU satisfies each of the following limitations:
 - (i) The side- and rear-yard setbacks are at least four feet.
 - (ii) The total floor area is 800 square feet or smaller.
 - (iii) The peak height above grade does not exceed the applicable height limit in subsection § 21.85.050(b) below.
 - (3) **Converted on Multifamily Lot:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. Under this subsection § 21.85.040(a)(3), at least one (1) converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.
 - (4) **Limited Detached on Multifamily Lot:** No more than two (2) detached ADUs on a lot ~~that has an existing or~~ [with](#) a proposed multifamily dwelling, [or up to eight detached ADUs on a lot with an existing multifamily dwelling](#), if each detached ADU satisfies ~~both~~ [all](#) of the following:

- (i) The side- and rear-yard setbacks are at least four (4) feet. If the existing multifamily dwelling has a rear or side yard setback of less than four (4) feet, the City will not require any modification to the multifamily dwelling as a condition of approving the ADU.
- (ii) The peak height above grade does not exceed the applicable height limit provided in subsection § 21.85.050(b) below.
- (iii) If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot.

(b) **ADU Permit.**

- (1) Except as allowed under subsection § 21.85.040(a) above, no ADU may be created without a building permit and an ADU permit in compliance with the standards set forth in subsections § 21.85.050 and § 21.85.060 below.
- (2) The City may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the City's ADU ordinance. The ADU-permit processing fee is determined by the Community Development Director and approved by the City Council by resolution.

(c) **Process and Timing.**

- (1) An ADU permit is considered and approved ministerially, without discretionary review or a hearing.
- (2) The City must approve or deny an application to create an ADU or JADU within 60 days from the date that the City receives a completed application. If the City has not approved or denied the completed application within 60 days, the application is deemed approved unless either:
 - (i) The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or
 - (ii) When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the City may delay acting on the permit application for the ADU or JADU until the City acts on the permit application to create the new single-family or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.
- (3) If the City denies an application to create an ADU or JADU, the City must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period established by subsection § 21.85.040(c)(2) above.

- (4) A demolition permit for a detached garage that is to be replaced with an ADU is reviewed with the application for the ADU and issued at the same time.

§ 21.85.050. General ADU and JADU Requirements.

The following requirements apply to all ADUs and JADUs that are approved under subsections § 21.85.040(a) or § 21.85.040(b) above:

(a) Zoning.

- (1) An ADU subject only to a building permit under subsection § 21.85.040(a) above may be created on a lot in a residential or mixed-use zone.
- (2) An ADU subject to an ADU permit under subsection § 21.85.040(b) above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.
- (3) [In accordance with Government Code section 66333\(a\), a JADU may only be created on a lot zoned for single-family residences.](#)

(b) Height.

- (1) Except as otherwise provided by subsections § 21.85.050(b)(2) and § 21.85.050(b)(3) below, a detached ADU created on a lot with an existing or proposed single family or multifamily dwelling unit may not exceed 16 feet in height.
- (2) A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or high quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit.
- (3) A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height.
- (4) An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection § 21.85.050(b)(4) may not exceed two stories.
- (5) For purposes of this subsection § 21.85.050(b), height is measured from existing legal grade or the level of the lowest floor, whichever is lower, to the peak of the structure.

(c) **Fire Sprinklers.**

- (1) Fire sprinklers are required in an ADU if sprinklers are required in the primary residence.
- (2) The construction of an ADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.

(d) **Rental Term.** No ADU or JADU may be rented for a term that is shorter than 30 days. This prohibition applies regardless of when the ADU or JADU was created.

(e) **No Separate Conveyance.** An ADU or JADU may be rented, but, except as otherwise provided in Government Code section ~~65852.26~~ [66341](#), no ADU or JADU may be sold or otherwise conveyed separately from the lot and the primary dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).

(f) **Septic System.** If the ADU or JADU will connect to an onsite wastewater-treatment system, the owner must include with the application a percolation test completed within the last five years or, if the percolation test has been recertified, within the last 10 years.

(g) **Owner Occupancy.**

- (1) ADUs ~~permitted~~ [created under this section on or](#) after January 1, 2020, ~~but before January 1, 2025, is~~ [are](#) not subject to any owner-occupancy requirement.

- (2) ~~Unless applicable law requires otherwise, all ADUs are permitted on or after January 1, 2025 are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property as the person's legal domicile and permanent residence.~~

- (2) As required by state law, all JADUs are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the person's legal domicile and permanent residence. However, the owner-occupancy requirement in this subsection § 21.85.050(g)(2) does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.

(h) **Deed Restriction.** Prior to issuance of a certificate of occupancy for an ADU or JADU, a deed restriction must be recorded against the title of the property in the County Recorder's office and a copy filed with the Community Development Director. The deed restriction must run with the land and bind all future owners. The form of the deed restriction will be provided by the City and must provide that:

- (1) Except as otherwise provided in Government Code section ~~65852.26~~ [66341](#), the ADU or JADU may not be sold separately from the primary dwelling.
- (2) The ADU or JADU is restricted to the approved size and to other attributes allowed by this section.

- (3) The deed restriction runs with the land and may be enforced against future property owners.
 - (4) The deed restriction may be removed if the owner eliminates the ADU or JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a written request of the Community Development Director, providing evidence that the ADU or JADU has in fact been eliminated. The Community Development Director may then determine whether the evidence supports the claim that the ADU or JADU has been eliminated. Appeal may be taken from the Community Development Director's determination consistent with other provisions of this Code. If the ADU or JADU is not entirely physically removed, but is only eliminated by virtue of having a necessary component of an ADU or JADU removed, the remaining structure and improvements must otherwise comply with applicable provisions of this Code.
 - (5) The deed restriction is enforceable by the Community Development Director or his or her designee for the benefit of the City. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the City is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the ADU or JADU in violation of the recorded restrictions or abatement of the illegal unit.
- (i) **Income Reporting.** In order to facilitate the City's obligation to identify adequate sites for housing in accordance with Government Code sections 65583.1 and ~~65852.2~~ [66330](#), the following requirements must be satisfied:
- (1) With the building-permit application, the applicant must provide the City with an estimate of the projected annualized rent that will be charged for the ADU or JADU.
 - (2) Within 90 days after ~~the end of each calendar year~~ [each January 1](#) following issuance of the building permit, the owner must report the actual rent charged for the ADU or JADU during the prior year. If the City does not receive the report within the 90-day period, the owner is in violation of this Code, and the City may send the owner a notice of violation and allow the owner another 30 days to submit the report. If the owner fails to submit the report within the 30-day period, the City may enforce this provision in accordance with applicable law.
- (j) **Building & Safety.**
- (1) **Must comply with building code.** Subject to subsection § 21.85.050(j)(2) below, all ADUs and JADUs must comply with all local building code requirements.
 - (2) **No change of occupancy.** Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the building official or Code Enforcement Division officer makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection § 21.85.050(j)(2) prevents the City from changing the occupancy code of a space that was uninhabitable space or that

was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.

§ 21.85.060. Specific ADU Requirements.

The following requirements apply only to ADUs that require an ADU permit under subsection § 21.85.040(b) above.

(a) **Maximum Size.**

- (1) The maximum size of a detached or attached ADU subject to this subsection § 21.85.060 is 850 square feet for a studio or one-bedroom unit and 1,000 square feet for a unit with two (2) or more bedrooms.
- (2) An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling.
- (3) Application of other development standards in this subsection § 21.85.060, such as FAR or lot coverage, might further limit the size of the ADU, but no application of the percent-based size limit in subsection § 21.85.060(a)(2) above or of an FAR, front setback, lot coverage limit, or open-space requirement may require the ADU to be less than 800 square feet.

(b) **Floor Area Ratio (FAR).** No ADU subject to this subsection § 21.85.060 may cause the total FAR of the lot to exceed 45 percent, subject to subsection § 21.85.060(a)(3) above.

(c) **Setbacks.**

- (1) [An ADU that is subject to this subsection § 21.85.060 must conform to 4-foot side and rear setbacks.](#) ADUs that are subject to this subsection § 21.85.060 must conform to 25-foot front setbacks, subject to subsection § 21.85.060(a)(3) above.
- ~~(2) — An ADU that is subject to this Section must conform to four (4) foot side and rear yard setbacks.~~
- (2) No setback is required for an ADU that is subject to this subsection § 21.85.060 if the ADU is constructed in the same location and to the same dimensions as an existing structure.

(d) **Lot Coverage.** No ADU subject to this subsection § 21.85.060 may cause the total lot coverage of the lot to exceed 50 percent, subject to subsection § 21.85.060(a)(3) above.

(e) **Minimum Open Space.** No ADU subject to this subsection § 21.85.060 may cause the total percentage of open space of the lot to fall below 50 percent, subject to subsection § 21.85.060(a)(3) above.

(f) **Passageway.** No passageway, as defined by subsection § 21.85.030(i) above, is required for an ADU.

(g) **Parking.**

- (1) Generally. One off-street parking space is required for each ADU. The parking space may be provided in setback areas or as tandem parking, as defined by subsection § 21.85.030(l) above.
- (2) Exceptions. No parking under subsection § 21.85.060(g)(1) is required in the following situations:
 - (i) The ADU is located within one-half mile walking distance of public transit, as defined in subsection § 21.85.030(k) above.
 - (ii) The ADU is located within an architecturally and historically significant historic district.
 - (iii) The ADU is part of the proposed or existing primary residence or an accessory structure under subsection § 21.85.040(a)(1) above.
 - (iv) When on-street parking permits are required but not offered to the occupant of the ADU.
 - (v) When there is an established car share vehicle stop located within one (1) block of the ADU.
 - (vi) When the permit application to create an ADU is submitted with an application to create a new single-family or new multifamily dwelling on the same lot, provided that the ADU or the lot satisfies any other criteria listed in subsections § 21.85.060(g)(2)(i) through (v) above.
- (3) No Replacement. When a garage, carport, covered parking structure, [or uncovered parking space](#) is demolished in conjunction with the construction of an ADU or converted to an ADU, those off-street parking spaces are not required to be replaced.

(h) **Architectural Requirements.**

- (1) The materials and colors of the exterior walls, roof, and windows and doors must be the same as those of the primary dwelling.
- (2) The roof slope must match that of the dominant roof slope of the primary dwelling. The dominant roof slope is the slope shared by the largest portion of the roof.
- (3) The exterior lighting must be limited to down-lights or as otherwise required by the building or fire code.
- (4) The ADU must have an independent exterior entrance, apart from that of the primary dwelling.
- (5) The interior horizontal dimensions of an ADU must be at least ten (10) feet wide in every direction, with a minimum interior wall height of seven (7) feet.

- (6) No window or door of the ADU may have a direct line of sight to an adjoining residential property. Each window and door must either be located where there is no direct line of sight or screened using fencing, landscaping, or privacy glass to prevent a direct line of sight.
- (7) All windows and doors in an ADU less than 30 feet from a property line that is not a public right-of-way line must either be (for windows) clerestory with the bottom of the glass at least six feet above the finished floor, or (for windows and for doors) utilize frosted or obscure glass.
- (i) **Landscape Requirements.** Evergreen landscape screening must be planted and maintained between the ADU and adjacent parcels as follows:
 - (1) At least one 15-gallon size plant must be provided for every five linear feet of exterior ADU wall. Alternatively, at least one 24" box size plant must be provided for every ten linear feet of exterior ADU wall.
 - (2) Plant specimens must be at least six feet tall when installed. As an alternative, a solid fence of at least six feet in height may be installed.
 - (3) All landscaping must be drought-tolerant.
 - (4) All landscaping must be from the City's approved plant list.
- (j) **Historical Protections.** An ADU that is on or within 600 feet of real property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.
- (k) [Allowed Stories. No ADU subject to this subsection § 21.85.060 may have more than one story, except that an ADU that is attached to the primary dwelling may have the stories allowed under subparagraph § 21.85.050\(b\)\(4\) of this section.](#)

§ 21.85.070. Fees.

The following requirements apply to all ADUs that are approved under subsections § 21.85.040(a) or § 21.85.040(b) above.

- (a) **Impact Fees.**
 - (1) No impact fee is required for an ADU that is less than 750 square feet in size. For purposes of this subsection § 21.85.070(a), "impact fee" means a "fee" under the Mitigation Fee Act (Gov. Code § 66000(b)) and a fee under the Quimby Act (Gov. Code § 66477). "Impact fee" here does not include any connection fee or capacity charge for water or sewer service.
 - (2) Any impact fee that is required for an ADU that is 750 square feet or larger in size must be charged proportionately in relation to the square footage of the primary dwelling unit. (E.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling.)

(b) **Utility Fees.**

- (1) If an ADU is constructed with a new single-family home, a separate utility connection directly between the ADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.
- (2) Except as described in subsection § 21.85.070(b)(1), converted ADUs on a single-family lot that are created under subsection § 21.85.040(a)(1) above are not required to have a new or separate utility connection directly between the ADU and the utility. Nor is a connection fee or capacity charge required.
- (3) Except as described in subsection § 21.85.070(b)(1), all ADUs that are not covered by subsection § 21.85.070(b)(2) require a new, separate utility connection directly between the ADU and the utility.
 - (i) The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixture units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.
 - (ii) The portion of the fee or charge that is charged by the City may not exceed the reasonable cost of providing this service.

§ 21.85.080. Nonconforming Zoning Code Conditions, Building Code Violations, and Unpermitted Structures.

- (a) **Generally.** The City will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.
- (b) **Unpermitted ADUs and JADUs constructed before ~~2018~~ 2020.**
 - (1) **Permit to Legalize.** As required by state law, the City may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, ~~2018~~ 2020, if denial is based on either of the following grounds:
 - (i) The ADU or JADU violates applicable building standards, or
 - (ii) The ADU or JADU does not comply with state ADU or JADU law or this ADU ordinance (Chapter 21.85).
 - (2) **Exceptions:**
 - (i) Notwithstanding subsection § 21.85.080(b)(1) above, the City may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, ~~2018~~ 2020, if the City makes a finding that correcting a violation is necessary to ~~protect the health and safety of the~~

~~public or of occupants of the structure~~ [comply with the standards specified in California Health and Safety Code section 17920.3.](#)

- (ii) Subsection § 21.85.080(b)(1) above does not apply to a building that is deemed to be substandard in accordance with California Health and Safety Code section 17920.3.

~~**§ 21.85.090. Nonconforming ADUs and Discretionary Approval**~~

~~Any proposed ADU or JADU that does not conform to the objective standards set forth in Sections 21.85.010 through 21.85.080 of this Chapter may be allowed by the City with a conditional use permit, in accordance with the other provisions of this Title~~



INDIAN WELLS CITY COUNCIL November 7, 2024

To: City Council
From: City Attorney
Prepared by: Todd Leishman, Best, Best, & Krieger LLP
Subject: **Ordinance Amending Chapter 21.32 Relating to Time-Share Provisions of the Municipal Code**

RECOMMENDED ACTIONS:

Council **INTRODUCES** and **DISCUSSES** an ordinance adding Chapter 21.32 "Time-Share Uses" and deleting Section 21.04.090 from Title 21 of the Indian Wells Municipal Code reinforcing the City's prohibition against time-share uses within the City; and

APPROVES the ordinance to be brought back for second reading and adoption; and

FINDS the action to be exempt from the provisions of the California Environmental Quality Act ("CEQA") under state CEQA Guidelines sections 15060(c)(2), 15060(c)(3), and 15061(b)(3).

BACKGROUND:

Since 1996, the City had a broad definition of *timeshare* and has generally prohibited timeshare uses, with the only exception being for two expressly exempted legacy timeshare projects.

In recent years, a "co-ownership" model of using a home has become more common. When it first came to the City's attention, the City determined that this model was a timeshare under the City's ordinance. But at around the same time, application of St. Helena's a similar timeshare ordinance to this same "co-ownership" model was challenged in court, so the City waited to learn the outcome of the litigation before applying its timeshare prohibition to this kind of use in Indian Wells.

The St. Helena litigation settled recently, and to avoid needless misunderstandings and litigation about Indian Well's restrictions, the city attorney's office recommended clarifying amendments to the City's existing timeshare restrictions. The amendments would not change the prohibition or narrow the definition of *timeshare* in any way; they were drafted to maintain the status quo and current policy direction, while making their application to all forms of timeshare uses more obvious.

The Planning Commission considered and recommended approval of the proposed amendments, along with a recommendation that the Council consider whether and how to “grandfather” two existing “co-ownership” timeshares that have already been established in the City.

There are two “co-ownership” timeshares already established in Indian Wells, at 77003 Iroquois Drive and at 45655 Apache Road. The Pacaso company bought the homes, formed a single-purpose LLC for each, and sold one-eighth interests in each of the LLCs to unrelated buyers. The buyers have separate ownership interests in the LLC and the right to periodic exclusive use of the respective property. Pacaso manages each of the properties for the LLCs, and the LLC members’ rights to exclusive use of the properties are dependent on compliance with strict use-related rules.

Each of these Pacaso properties constitutes a timeshare under the City’s existing timeshare regulations, and they will remain so under the proposed amendments.

The City has not received any nuisance complaint regarding the use of either of the Pacaso properties.

Prior Direction: At the October 24 Council meeting, the Council directed the city attorney to revise the ordinance to include the two existing Pacaso timeshares in the list of “grandfathered” timeshares, subject to appropriate operational standards, and to bring the revised ordinance back for re-introduction and first reading.

This staff report and the attached revised ordinance respond to that request.

DISCUSSION

The draft ordinance proposed here includes a revised section 21.32.030, which now includes the two Pacaso timeshare properties at 77003 Iroquois Drive and at 45655 Apache Road as permitted timeshares, along with the two legacy timeshare projects that were “grandfathered” in 1996. The ordinance also includes operational restrictions for the two properties that reflect the “Home Policies” that already govern users of the properties through their management and operational agreements with each other and Pacaso.

The operational restrictions in the proposed ordinance include the following:

1. Rental of any part of the dwelling or property for fewer than 30 days is prohibited.
2. Commercial events are prohibited.
3. Large gatherings are prohibited. For purposes of this paragraph, “large gathering” means a gathering with more people than the twice the number of bedrooms in the dwelling.
4. All violations of the city’s noise ordinance or any other part of the city’s code are

prohibited.

5. All vehicles for users of the dwelling must be parked in the garage or driveway or otherwise legally parked.
6. Weapons at the property are prohibited.
7. Unlawful substances are prohibited.
8. Unlawful activities are prohibited.

Adherence to these operational standards will help ensure that the properties are used in a way that prevents nuisances and adverse external impacts.

Because there have been substantive changes to the ordinance that was introduced and given a first reading at the October 24 Council meeting, the current draft of the ordinance is offered here for re-introduction and another first reading.

FISCAL IMPACT:

The proposed ordinance will not result in any new cost to the City.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This action has been reviewed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the environmental regulations of the City. The City, acting as Lead Agency, has determined this action is not subject to CEQA because the adoption of this ordinance is not a "project" pursuant to Sections 15060(c)(2) and 15060(c)(3) of Title 14 of the California Code of Regulations. Specifically, this ordinance only affirms and clarifies existing regulations regarding time-share uses within the City and merely authorizes administrative and implementation activities which will not result in a direct or reasonably foreseeable indirect physical change to the environment.

Moreover, under Section 15061(b)(3) of the State CEQA Guidelines, this ordinance is exempt from the requirements of CEQA because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment.

ATTACHMENTS:

1. Ordinance

ATTACHMENT #1

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, ADDING CHAPTER 21.32 "TIME-SHARE USES" TO TITLE 21 OF THE INDIAN WELLS MUNICIPAL CODE; DELETING SECTION 21.04.090; AND FINDING THE ACTION TO BE EXEMPT FROM CEQA UNDER CEQA GUIDELINES SECTIONS 15060(C)(2), 15060(C)(3), AND 15061(B)(3)

WHEREAS, the City of Indian Wells is a popular tourist destination, known for its world-class resorts and small town residential-resort character; and

WHEREAS, preserving the quality and character of the City has been a focal point of the City's land use planning for decades; and

WHEREAS, the City stands out in the Coachella Valley for its ability to attract visitors while also supporting the needs of its resident population. Maintaining the balance between the quality of life for residents and those who work in the City and the visitors who help to sustain the City's tourist economy is key to maintaining a sustainable community and a stable economy; and

WHEREAS, the City values and welcomes all visitors to the City and recognizes their contributions to the City's economy, but finds that in order to maintain the City's long-term viability as a community where people not only come to visit, but also live, work, and contribute to the long-term betterment of the community through participation in the City's schools, local community groups, civic government, and local serving businesses, the City must maintain a balance between residential land uses and visitor-serving uses; and

WHEREAS, the City's existing housing stock is significantly impacted, with demand outweighing supply, resulting in extremely high housing prices as detailed in the accompanying staff report. A limited supply of suitable vacant land, exorbitantly high land costs, and limitations in the City's existing infrastructure, among other factors, can constrain the construction of additional housing in the City; and

WHEREAS, as noted in the Housing Element of the City's General Plan, which was certified in July 2024, the City is actively seeking to address the City's housing challenges and facilitate the development of affordable housing; and

WHEREAS, these efforts have highlighted the challenge of providing sufficient housing to meet demand, particularly at more affordable levels, due to the significant costs of acquiring housing or land for the development of housing in the City and the limited supply of such land; and

WHEREAS, the conversion of existing residential units to uses other than long-term residential use will further reduce the City's existing long-term housing supply, causing further imbalance between the demand for housing in the City and the existing supply, not only altering the character of the City's residential neighborhoods, but also presenting further challenges to the City's efforts to provide affordable housing within the community; and

WHEREAS, the City additionally has, for many years, worked to preserve its existing housing stock for long-term residential use, both to maintain the character of its residential neighborhoods and prevent residential districts from becoming visitor- and tourist-serving districts, and to ensure that the housing stock would not be converted to uses other than long-term residential uses; and

WHEREAS, to this end, in 1996, the City adopted Ordinance No. 387, which prohibited the creation of time-share projects as a use within any zone of the City, with only two exceptions for legacy projects. The City imposes this restriction because (a) the use of land and the conversion of residential dwelling units to time-share projects would reduce the availability of residential dwelling units that would otherwise be available for long-term occupancies and (b) time-share projects are inappropriate in residential areas because those uses have the same character as commercial hotels, motels, and other transient-occupancy uses and would result in increased traffic generation and multiple occupancies disturbing the peace and quiet of residential neighborhoods; and

WHEREAS, the City has historically not received complaints about time-sharing uses in residential neighborhoods (because they are clearly prohibited). In recent years, however, the City began receiving complaints regarding single-family homes in the City that were being marketed and sold as "fractional ownership" or "co-ownership" homes, wherein each buyer may acquire a one-eighth interest in a limited liability company that owns the home. Under the structure through which these dwelling units are marketed and sold, each owner gets a one-eighth share along with the right to use the home for one-eighth of each year indefinitely. During each owner's usage period, that owner has exclusive use of the entire house. All rentals are prohibited; only owners and their guests are permitted to use the house. Each owner pays regular assessments to fund the operating costs of the home and maintenance reserves; and

WHEREAS, this arrangement, which provides that each purchaser is entitled to exclusive use of the property for a fixed number of days each year, is a "time-share plan" as defined in Business and Professions Code section 11212, and a "time share project" as defined in Section 21.08.462 and a "time share program" as defined in Section 3.12.020 of the City's Municipal Code; and

WHEREAS, the City is aware of numerous complaints regarding these properties in the City and elsewhere, including parking impacts from large numbers of people staying at these properties; excessive noise late into the evening due to frequent outdoor parties; traffic due to frequent visitor turnover; traffic, noise and parking concerns due to frequent visits from cleaning, landscape maintenance and pool cleaning services that come to the properties in between each stay to prepare the home for the next guest; and an inability to maintain lines of communication to set community expectations with the users of the unit, as visitors only frequent the homes for short term stays of 2 to 14 days; and

WHEREAS, the complaints received by the City and other jurisdictions are reflective of the reasons that the City prohibited time-share projects within residential areas of the City. The time-share uses provide a short-term, high-impact, vacation-oriented use of property, where those that buy into the time-share use the home for entertaining and short-term stays while

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visiting golf courses and other tourist-oriented locations in Indian Wells and the surrounding Coachella Valley; and

WHEREAS, this high-impact use, combined with the frequent turnover and commercial management of these properties is not consistent with the residential districts in which they are located. It is commercial in nature, in that these time-share uses are structured as a short-term, tourist-oriented, visitor-serving use of the subject properties. The use of these properties as time-shares adds excessive noise and traffic to residential districts by using these properties for high-impact tourist-oriented uses more appropriately located in commercial districts of the City; and

WHEREAS, expanded use of residential properties for time-share uses will further reduce the availability of housing stock for long-term residential use, and create a new demand for time-share uses of residential properties; and

WHEREAS, this encroachment of tourist-oriented, visitor-serving uses in residential neighborhoods will not only compromise the residential character of these areas, but will also further increase the costs for housing in the City, undermining the City's efforts to provide a balance of housing for all income levels in the City; and

WHEREAS, the City's authority to enact zoning ordinances is based on the powers accorded cities and counties under the state constitution to make and enforce police regulations. This police power grants the City broad authority to regulate the development and use of real property within its jurisdiction to promote the public welfare; and

WHEREAS, in accordance with this authority, the City Council desires to reaffirm its restrictions on time-share uses in residential areas, and to update the language of the Zoning Code to provide consistency with the terminology used to define time-share uses in state law; and

WHEREAS, the Planning Commission of the City of Indian Wells held a duly noticed public hearing on August 29, 2024, as required by law to consider all the information presented by staff, and public testimony presented in writing and at the meeting; and

WHEREAS, on August 29, 2024, the Planning Commission of the City of Indian Wells held a duly noticed public hearing, as required by law, to consider all the information presented by staff, and public testimony presented in writing and recommended the City Council approve this Ordinance amending the Municipal Code as described herein; and

WHEREAS, on September 5, 2024, the City Council held a duly noticed public hearing, accepted testimony from the public, considered the Planning Commission's recommendation, and discussed the proposed amendments and staff's recommended approval of this ordinance; and

WHEREAS, on October 24, 2024, the City Council held a second hearing on the ordinance and directed the city attorney to revise the draft ordinance and bring it back for re-introduction; and

WHEREAS, the proposed zoning amendments are consistent with the General Plan goals, policies and implementation programs as the ordinance will continue to preserve the small-scale residential-resort character of the City of Indian Wells; will preserve the City's residential districts for residential uses; and will help to preserve the City's existing housing stock for long-term residential uses to avoid further exacerbating the existing impacts on the City's housing supply; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDIAN WELLS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are hereby incorporated as though set forth in this section.

SECTION 2. Chapter 21.32 is hereby added to Title 21 of the Indian Wells Municipal Code, to read in its entirety as follows:

"Chapter 21.32 TIME-SHARE USES

21.32.010 Purpose and Findings

21.32.020 Definitions

21.32.030 Time-share Uses Restricted

21.32.040 Violations, Enforcement and Civil Penalties

21.32.010 Purpose and Findings

- A. There is a critical shortage of permanent, long-term housing in the City of Indian Wells.
- B. A limited supply of suitable vacant land, land values, and market demand for land for other uses have limited the construction of additional housing in the City.
- C. The City is a popular tourist destination known for its scenic Coachella Valley location, exceptional resorts, and small-town character.
- D. The City stands out in the Coachella Valley for its ability to attract visitors while also supporting the needs of its resident population. Maintaining the balance between the quality of life for residents and those who work in the City and the visitors who help to sustain the City's tourist economy is key to maintaining a sustainable community and a stable economy.
- E. Time-share uses are not an appropriate land use in the City's residential districts due to the multiple transitory occupancy of time-share properties, the short-term tourist-oriented use of such property, and commercial management of time-share facilities, all of which create increased traffic generation, excessive noise, disruption to residential communities through commercial-level maintenance of the time-share facilities, and therefore are appropriately confined to commercial zoning districts.

F. Conversion of permanent housing to time-share facilities removes existing housing units from the City's existing stock and exacerbates an already severe housing shortage.

G. It is therefore in the public interest to prohibit conversions of existing housing units into time-share facilities, as to do so eliminates needed housing stock by diverting those units to tourist-oriented, commercial use.

21.32.020 Definitions

For purposes of this Chapter, the following words and phrases have the meaning respectively ascribed to them by this Section:

"Accommodation" means any dwelling unit, apartment, condominium, condominium hotel or hotel unit, hotel or motel room, or other structure constructed for residential use and occupancy, including but not limited to a single-family dwelling, or unit within a multifamily dwelling, all as defined in Chapter 21.08.

"Building" shall have the meaning ascribed to it by Chapter 21.08.

"Dwelling unit" shall have the meaning ascribed to it by Chapter 21.08.

"Managing entity" means the person who undertakes the duties, responsibilities and obligations of the management of a time-share plan.

"Person" means a natural person, corporation, limited liability company, partnership, joint venture, association, estate, trust, or other legal entity, or any combination thereof.

"Time-share instrument" means one or more documents, by whatever name denominated, creating or governing the operation of a time-share plan and includes the declaration dedicating accommodations to the time-share plan.

"Time-share interest" means the right to exclusively occupy a time-share property for a period of time on a recurring basis pursuant to a time-share plan, regardless of whether or not such right is coupled with a property interest in the time-share property or a specified portion thereof.

"Time-share plan" means any arrangement, plan, scheme, or similar device, whether by membership agreement, bylaws, shareholder agreement, partnership agreement, sale, lease, deed, license, right to use agreement, or by any other means, whereby a purchaser, in exchange for consideration, receives the right to exclusive use of an accommodation or accommodations, whether through the granting of ownership rights, possessory rights or otherwise, for a period of time less than a full year during any given year, on a recurring basis for more than one year, but not necessarily for consecutive years.

"Time-share property" means one or more accommodations subject to the same time-share plan, together with any other property or rights to property appurtenant to those accommodations.

"Time-share use" means the use of one or more accommodations or any part thereof, as a time-share property pursuant to a time-share plan.

21.32.030 Time-share Uses Restricted

- A. Except as hereinafter provided, time-share uses are prohibited in all zones within the City.
- B. The following two time-share uses (previously referred to as time share projects), which were in existence as of October 16, 1980, shall be permitted subject to the following limitations:
1. Sweetwater Condoshare. The forty-four (44) condominium units designated in a document filed with the City Clerk's office as Palm Springs Condoshare Project I; and
 2. Worldwide Vacations. The forty-eight (48) hotel rooms are currently in existence and located at 75-188 Highway 111.
- C. The following two time-share uses, which were in existence as of January 1, 2024, shall be permitted subject to the limitations in subsection D below:
1. The "co-owned home" located at 77003 Iroquois Drive; and
 2. The "co-owned home" located at 45655 Apache Road.
- D. The two time-share uses identified in subsection C above are permitted subject to the following restrictions:
1. Rental of any part of the dwelling or property for fewer than 30 days is prohibited.
 2. Commercial events are prohibited.
 3. Large gatherings are prohibited. For purposes of this paragraph, "large gathering" means a gathering with more people than the twice the number of bedrooms in the dwelling.
 4. All violations of the city's noise ordinance or any other part of the city's code are prohibited.
 5. All vehicles for users of the dwelling must be parked in the garage or driveway or otherwise legally parked.
 6. Weapons at the property are prohibited.
 7. Unlawful substances are prohibited.
 8. Unlawful activities are prohibited.

21.32.040 Violations, Enforcement, and Civil Penalties

- A. Any responsible person, including but not limited to an owner of a time-share interest, management entity, agent, or broker who uses, or allows the use of, or advertises or causes to be printed, published, advertised or disseminated in any way and through any medium, the

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availability for sale or use of an accommodation in violation of this chapter is guilty of a misdemeanor for each day in which such accommodation is used, allowed to be used, or advertised for sale or use in violation of this chapter. Such violation punishable in accordance with Chapter 1.16.

B. Time-share use or advertisement for time-share use of an accommodation in violation of this chapter is a threat to public health, safety, or welfare and is thus declared to be unlawful and a public nuisance. Any such nuisance may be abated or restored by the enforcement official and also may be abated in accordance with Chapter 1.16, except that the civil penalty for a violation is \$1,000.00 for each offence. Each day the violation occurs constitutes a separate offense.

C. Any responsible person who violates this chapter is liable and responsible for a civil penalty of \$1,000.00 per violation per day that such violation occurs. The City may recover such civil penalty by either civil action or administrative citation. Such penalty is in addition to all other costs incurred by the City, including without limitation the City's staff time, investigation expenses, and attorney's fees.

1. When the City proceeds by civil action, the court has discretion to reduce the civil penalty based on evidence presented by the responsible person that such a reduction is warranted by mitigating factors including, without limitation, lack of culpability or inability to pay. Provided, however, that in exercising its discretion the court should consider the purpose of this chapter to prevent and deter violations and whether the reduction of civil penalties will frustrate that purpose by resulting in the responsible person's enrichment or profit as a result of the violation of this chapter. In any such civil action the City also may abate or enjoin any violation of this chapter.

2. When the City proceeds by administrative citation, Chapter 1.20 governs.

D. Any violation of this chapter may also be abated or restored by the enforcement official and also may be abated in accordance with Chapter 1.16, except that the civil penalty under Chapter 1.16 for a violation is \$1,000.00.

E. Each day the violation of this chapter occurs constitutes a separate offense.

F. The remedies under this chapter are cumulative and in addition to any and all other remedies available at law and equity."

SECTION 3: Deletion of Section 21.04.090. Section 21.04.090 is hereby deleted in its entirety.

SECTION 4: CEQA. This ordinance was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (the "Guidelines"), and the environmental regulations of the City. The City Council hereby finds that this ordinance is not subject to CEQA because the adoption of this ordinance is not a "project" under Sections 15060(c)(2) and 15060(c)(3) of Title 14 of the California Code of Regulations.

Moreover, under Section 15061(b)(3) of the State CEQA Guidelines, this ordinance is exempt from the requirements of CEQA because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment.

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SECTION 5: Effective Date. This ordinance takes effect 30 days after adoption.

SECTION 6: Custodian of Records. The documents and materials that constitute the record of proceedings on which this Ordinance is based are located at the City Clerk's office located at 44950 Eldorado Drive, Indian Wells, CA 92210. The custodian of these records is the City Clerk.

SECTION 7: Severability. If any section, sentence, clause, or phrase of this ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality does not affect other provisions or applications of this ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance and each section, sentence, clause, or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 8: Publication. The City Clerk is hereby directed to certify the adoption of this ordinance. Not later than 15 days following the passage of this ordinance, the ordinance, or a summary thereof, along with the names of the City Council members voting for and against the ordinance, must be published in a newspaper of general circulation in the City of Indian Wells.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on the ____ day of _____, 2025.

GREG SANDERS
MAYOR

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STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF INDIAN WELLS)

CERTIFICATION FOR ORDINANCE NO. _____

I, Angelica Avila, City Clerk of the City Council of the City of Indian Wells, California, **DO HEREBY CERTIFY** that Ordinance No. ____, having been regularly introduced at the meeting of November 7, 2024, was again introduced, the reading in full thereof unanimously waived, and duly passed and adopted at a regular meeting of the City Council held on the ___ of _____, 2025 said ordinance was passed and adopted by the following stated vote, to wit:

and was thereafter on said day signed by the Mayor of the City of Indian Wells.

AYES:
NOES:

ATTEST:

APPROVED AS TO FORM:

ANGELICA AVILA
CITY CLERK

TODD LEISHMAN FOR
BEST BEST & KRIEGER LLP
CITY ATTORNEY



INDIAN WELLS CITY COUNCIL November 7, 2024

To: City Council
From: City Manager Department
Prepared by: Christopher Freeland, City Manager
Subject: **Purchase and Sale Agreement between Pacific Silver Partners and the City of Indian Wells for the Sale of Hole #17 of the Players Course**

RECOMMENDED ACTIONS:

Council **AUTHORIZES** and **DIRECTS** the City Attorney to prepare and the City Manager to execute a purchase and sale agreement between the City of Indian Wells and Pacific Silver Partners for the sale of Hole #17 of the Players Course (APN 633-150-077); and

FINDS the action is exempt from the provisions of the California Environmental Quality Act ("CEQA") under state CEQA Guidelines section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment.

BACKGROUND:

The Indian Wells Golf Resort was built to serve as a tourist attraction for the benefit of the local hotels. The project was done by the former Indian Wells Redevelopment Agency. When redevelopment was dissolved by the State of California in February 2012, that same month, the Indian Wells Redevelopment Agency transferred ownership of the land where Hole #17 is located to the City of Indian Wells.

Over the past several years, the City of Indian Wells has been evaluating the redesign of the Players Course at the Indian Wells Golf Resort. The purpose of the redesign is to address much needed rehabilitation of the course, protect and improve golf course economics, and improve golfer experience. Currently, players must travel through the Whitewater Channel via a low-flow golf cart path between Hole #16 and Hole #17. Holes #17 & 18 are not currently connected to existing Players Course, but rather are located on the southern side of the Whitewater Channel, and adjacent to the Renaissance Esmerelda Resort & Spa (Renaissance). Holes #17 & 18 were placed in their current location to provide guests of the Renaissance with views of the golf course from their hotel rooms.

At the October 24, 2024, City Council meeting, the City Council authorized the construction of a newly designed Players Course that will relocate Holes #17 & 18 north of the Whitewater Channel with the balance of golf holes on Players Course. Included in the approval of the project is a funding strategy utilizing \$4.3 million in land sales to offset the costs of the redesigned golf course. This purchase and sale agreement with Pacific Silver Partners generates \$4.3 million in land sales for the golf course redesign.

DISCUSSION:

Hole #17 of the Players Course is located north of Highway 111, and a short distance west of Miles Avenue, wedged between the Renaissance Hotel. The property is 3.04 acres in size and is zoned Open Space for Golf and Recreation purposes. The property's Riverside County Assessor's Office parcel number is APN 633-150-077. Attachment No. 1 provides an aerial view of the property's location and parcel map.

The property was appraised in July 2022, with its highest and best use with zoning of Resort Commercial, consistent with the zoning of the Renaissance and adjacent property to the east. The appraised value of the land was \$2.45 million.

The City and Pacific Silver Partners have negotiated the following terms for the sale of Hole #17.

- Purchase Price of \$4.3 million
- Sold in its "as is" condition
- City to lease Hole #17 at \$1.00/month through July 2026, unless terminated earlier by the City. This will allow for completion of Players Course.
- Land is currently being recommended for rezoning to Resort Commercial in the City's General Plan Update to be completed in 2025. If rezoning is not approved with General Plan Update, City to refund \$1.3 million to Pacific Silver Partners.
- Escrow costs to be shared equally.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This action has been assessed in accordance with the authority and criteria contained in CEQA, the state and local CEQA Guidelines, and the environmental regulations of the City. The City, acting as Lead Agency, has determined the action is exempt from CEQA in that the transfer of land under the existing land use is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment (14 CCR 15061(b)(3)). Any future development of the site will be subject to the appropriate CEQA analysis and mitigation, as warranted.

ATTACHMENTS:

1. Aerial Site Location (APN 633-150-077)

Attachment No. 1

Aerial and Assessor Map of Site Location (Hole #17)

APN: 633-150-077

