

INDIAN WELLS CITY COUNCIL

April 6, 2023



To: City Council
From: Public Works Department
Prepared by: Ken Seumalo, Public Works Director
Subject: **City Turf Rebate Program Update**

RECOMMENDED ACTION:

Council **APPROVES** funding of turf rebate applications received between February 1, 2023, and February 16, 2023; and

PROVIDES direction on funding turf rebate applications received after February 16, 2023; and

DIRECTS staff to maintain a list of turf rebate applicants through the end of the Fiscal Year 2022-23 for consideration if funding is approved for the Turf Rebate Program in Fiscal Year 2023-25 Budget.

BACKGROUND:

At the October 6, 2022, City Council Meeting, the Council implemented a \$500,000 turf rebate program for residential and Homeowner Association (HOA) properties. This program was developed in response to the drought declaration by the State of California requesting a reduction in water used for landscaping. The Coachella Valley Water District (CVWD) implemented their own turf rebate program to incentivize the replacement of turf with drought tolerant landscaping. The intent of this program is to reduce the amount of potable water being used for landscape irrigation.

The CVWD Turf Rebate Program provides the following:

- \$3 per Square Foot (\$3/SF) for a minimum area of 200-SF and maximum area of 10,000-SF of removal for residential applications.
- \$3/SF for a maximum of 25,000 square feet for commercial applications.

City of Indian Wells Turf Rebate Program provides the following:

- \$3 per Square Foot (\$3/SF) for a minimum area of 200-SF and maximum area of 5,000-SF of removal for residential applications. (Funding of \$300,000 for this program).
- \$1/SF for a maximum of 15,000 square feet for HOA applications. (Funding of \$200,000 for this program).

Eligibility for the program requires approval from the City and CVWD before any work has been completed:

At the October 6, 2022, City Council meeting, Council requested staff to monitor the program and provide the Council updates. In addition, Council expressed interest to modify funding based upon use.

At the February 1, 2023, City Council Strategic Planning meeting, staff provided a status report on the Turf Rebate Program. It was conveyed that the original allocation of \$300,000 for residential turf reduction projects was exhausted, and approximately \$176,000 of the initial \$200,000 earmarked for HOA projects remained. In addition, there were 23 projects on a waiting list, including an HOA project that had been submitted as of January 31, 2023. Council instructed staff to bring forth recommendations to fund those outstanding applications to the February 16, 2023, City Council meeting.

At the February 16, 2023, City Council meeting, Council was provided an update on the turf rebate program. At the meeting the City Council authorized the following:

- Funding for Fiscal Year 2022-23 ended on February 16, 2023.
- Fund all existing turf rebate applications through January 31, 2023, by combining the residential and HOA funding sources and an appropriation of \$105,000. As a result, the City Council approved total funding of \$605,000 for the Turf Rebate Program.
- Any application received between February 1-February 16, 2023, would be held until the March City Council meeting where the Finance Director could provide an update on the City's Transient Occupancy Taxes (TOT) received through January 2023 and use that information to determine if additional funding may be available for applications received between February 1-February 16, 2023.
- Any application received after February 16, 2023, would be added to the list for funding if turf rebate funds were made available as part of the Fiscal Year 2023-25 Budget.

DISCUSSION:

The Turf Rebate Program was not agendized for the March City Council meeting, as TOT data from Indian Wells hotels through January had not been received prior to the March meeting. As such, staff agendized the Turf Rebate Program for the April City Council meeting.

As requested at the February 16, 2023, City Council meeting, the City’s revised General Fund budget projection is a surplus of \$842,370, which includes TOT revenue projections through February 2023. Consistent with Council Policy, the City must achieve a minimum surplus of \$600,000 to fully fund the City’s Grants-In-Aid during the Fiscal Year 2023-24.

The City’s residential turf rebate program has proven to be very successful. Through January 31, 2023, 76 residential and 6 HOA projects have been funded, totaling over \$405,671. This is considerably less than the \$605,000 that the City Council approved at its February 16, 2023, City Council meeting. Over the past several weeks, estimates were converted to actuals, applications withdrawn, or deemed to be ineligible.

Currently the City has 9 residential applications (estimated at \$53,301) received from February 1-February 16, 2023. In addition, the City has 13 residential and 1 HOA application (estimated at \$80,801) received after February 16, 2023 through March 31, 2023.

After funding all Turf Rebate Program applications through January 31, 2023, a balance of \$199,329 is remaining. No additional funding is needed at this time.

Based on Council’s discussion at the February 16, 2023, City Council meeting, staff recommends the 9 residential applications (\$53,301) from February 1-February 16, 2023, be funded.

In addition, staff is seeking Council’s direction on funding any rebate applications after February 17, 2023. There are sufficient funds available from the current appropriation to cover all pending applications as of March 29, 2023.

Application Statistics:

Date	Residential	HOA	Total Funding
10/06/2022 to 01/31/2023	76	6	\$ 405,671
02/01/2023 to 02/16/2023	9	0	\$ 53,301
02/17/2023 to March 29, 2023	13	1	\$ 80,801
			\$ 539,773

Staff does recommend Council continue developing a waitlist for those interested in funding, should the Council provide additional funding in the Fiscal Year 2023-2025 Budget.

ALTERNATIVE:

Council can fund all turf rebate applications received through March 29, 2023, or provide direction to fund all turf rebate applications until existing funds have been exhausted.

FISCAL IMPACT:

No Fiscal Impact at this time.