

INDIAN WELLS CITY COUNCIL

October 24, 2024



To: City Council
From: City Manager Department
Prepared by: Christopher Freeland, City Manager
Subject: **Extension of Exclusive Negotiation Agreements with Abode Communities and Summit Development for Affordable Housing Development in Indian Wells**

RECOMMENDED ACTIONS:

Council **AUTHORIZES** and **DIRECTS** the City Attorney to prepare and the City Manager to execute a 120-day extension to the exclusive-negotiation agreements with Adobe Communities and Summit Developers (Genton Developers) regarding potential development of an affordable housing project in the City of Indian Wells; and

FINDS 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 to result 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).)

BACKGROUND:

Government Code section 65302(c) mandates that cities adequately plan, through a Council-adopted Housing Element, for their existing and projected housing needs, including its share of the regional housing need allocation ("RHNA"). The City of Indian Wells has been assigned an allocation of 382 new housing units as its share of the RHNA in Southern California for the 6th Housing Element cycle (2021–2029). This includes 117 very-low-income units, 81 low-income units, 91 moderate-income units, and 93 above-moderate-income units. The City's current Housing Element has been adopted by the City Council and certified by the State Department of Housing and Community Development.

The City's adopted Housing Element includes a program to rezone the vacant 34-acre parcel at the northeast corner of Miles Avenue and Warner Trail. This site is identified as an inventory site in the City's Housing Element to accommodate additional affordable housing units on 8 to 10 acres of the site to help satisfy the City's RHNA requirements.

The City is in the process of acquiring this parcel for affordable housing, park, recreation, open space, and associated parking.

Summit Developers (a.k.a. Genton Development) has submitted a preliminary application for the development of a wellness resort hotel consisting of a wellness sanctuary, hotel rooms, condominiums, detached bungalows, and luxury villas on the vacant 15-acre property located at the northwest corner of Highway 111 and Miles Avenue. This project will generate hundreds of new employment positions within the City and Summit desires to develop a workforce-housing project as an incentive to attract and retain staff for its new resort and wellness center.

In 2020, the City entered into an exclusive-negotiation agreement (“ENA”)¹ with Abode Communities for the development of affordable housing on another property elsewhere in the community. Development of that property project has been delayed due to infrastructure needs in the Whitewater Channel. Abode Communities was previously selected by the City after a competitive Request for Proposals process. Abode Communities has been in business for over 50 years, producing more than 45 affordable housing developments with approximately 3,000 units.

DISCUSSION:

At the June 20, 2024, City Council meeting, the City authorized ENAs with Summit Developers and Abode Communities to facilitate discussions on the potential development of workforce housing on the vacant parcel at the northeast corner of Miles Avenue and Warner Trail. This will afford both potential developers the opportunity to conduct the necessary studies of the property and develop initial designs of workforce housing, park, recreation, open space, and associated parking. This in turn will provide the City with competitive options for ultimately selecting the final developer or developers to develop the site. It is important to note that this site has been identified as having Native American artifacts and will require additional site investigations and consultation with the affected tribe to determine the extent of developable area.

The initial term of the ENA was 120-days, which expires in November 2024. Staff is recommending a 120-day extension to both ENAs to afford Summit and Abode additional time to conduct their due diligence, including site review for Native American artifacts. There is a court hearing in November, which may provide the city the needed opportunity to gain access to the site for additional analysis of site conditions.

¹ An ENA is legal document utilized by the City to provide parties the opportunity to discuss a potential project with specific developers who have expressed a willingness to work together on a potential development. It is not a development approval. Nor is it a promise to approve any project in the future.

Residents and other stakeholders will have ample opportunity to comment on any development at future community meetings. It is also important to note that entering into an ENA does not commit the City to do a development with Summit Developers or with Abode Communities.

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 not a project within the meaning of Section 15378 of the State of CEQA Guidelines, because it has no potential to result 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).) Any future development of the site will be subject to the appropriate CEQA analysis and mitigation.