Special Housing Authority

Meeting Agenda

Thursday, January 7, 2016

9:00 AM

City Hall Council Chamber

The Indian Wells Housing Authority welcomes and encourages participation at Authority meetings. The Board requests speakers present their remarks in a respectful manner, within the 3 minute time limit, and focus on issues which directly affect the Housing Authority or which are within the subject jurisdiction of the Authority. Please fill out a blue Speaker Request form and give it to the Secretary, preferably before the start of the meeting.

Any public record, relating to an open session agenda item, that is distributed within 72 hours of the meeting is available for public inspection at City Hall reception, 44-950 Eldorado Drive, Indian Wells during normal business hours.

1. CONVENE THE INDIAN WELLS HOUSING AUTHORITY, AND ROLL CALL

CHAIRMAN DANA REED
VICE CHAIRMAN RICHARD BALOCCO
COMMISSIONER DOUGLAS HANSON
COMMISSIONER TED J. MERTENS
COMMISSIONER TY PEABODY
COMMISSIONER BOB MITCHELL
COMMISSIONER BOBBI FLETCHER

2. APPROVAL OF THE FINAL AGENDA

3. PUBLIC COMMENTS

All persons wishing to address the Housing Authority should fill out a Blue Public Comment Request form in advance and hand it to the Authority Secretary. At the appropriate time, please come forward to the podium and state your name for the record. A three-minute limit is customary. Please note that you may address the Authority on an agenda item at the time it is discussed, but only after being recognized by the Chairman.

Under the Brown Act, the Authority should not take action on or discuss matters raised during public comment portion of the agenda which are not listed on the agenda. Commissioners may refer such matters to staff for factual information or to be placed on a subsequent agenda for consideration. Notwithstanding the foregoing, Commissioners and staff may briefly respond to statements made or questions posed during public comment, as long as such responses do not constitute any deliberation of the item.

4. CLOSED SESSION

A. 1329-15 **Conference with Legal Counsel Regarding Anticipated Litigation. Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2). Number of Potential Cases: 2.**

2

5. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the Authority or audience request that specific items be removed from the Consent Calendar for separate discussion and action. If you wish to address the Authority, please fill out a Public Comment Request form in advance and hand it to the Authority Secretary. Please state your name for the public record. Financial matters will be indicated as budgeted or non-budgeted below.

A. 1304-15 **November 19, 2015 Special Housing Authority Meeting Minutes**

RECOMMENDED ACTION:

Housing Authority **APPROVES** the November 19, 2015 Special Housing Authority Meeting minutes.

Attachments: 11-19-15 Minutes

B. 1325-15 **South of Miles Indemnification Agreement**

RECOMMENDED ACTION:

Housing Authority **APPROVES** Amendment No. 5 to the South of Miles Indemnification Agreement, extending the date to April 30, 2017.

Attachments: Amendment

C. 1327-15 **Quarterly Senior Housing Update**

RECOMMENDATION ACTION:

Housing Authority **RECEIVES** and **FILES** the quarterly senior housing update report.

6. GENERAL BUSINESS

A. 1330-15 **Vacant Property Strategy in Response to Senate Bill 341 and Housing Authority Financial Sustainability**

RECOMMENDED ACTIONS:

Housing Authority **DISCUSSES** and provides **DIRECTION** to staff regarding alternative strategies in response to Senate Bill 341 and financial sustainability.

Attachments: Attachment 1
Attachment 2
Attachment 3
Attachment 4
Attachment 5
Attachment 6
Attachment 7

7. EXECUTIVE DIRECTOR'S COMMENTS AND MATTERS FROM STAFF

8. COMMISSIONERS' COMMENTS

A. Commissioner Bobbi Fletcher
B. Commissioner Bob Mitchell
C. Commissioner Ty Peabody
D. Commissioner Ted Mertens
E. Commissioner Douglas Hanson
F. Vice Chairman Richard Balocco
G. Chairman Dana Reed

9. ADJOURNMENT

To a regularly scheduled meeting of the Indian Wells Housing Authority to be held at 1:00 p.m. on March 3, 2016 in the City Hall Council Chambers.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE SENIOR BUILDING INSPECTOR OR THE RISK MANAGER AT (760) 346-2489. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING. 128 CFR 35.102.35.104 ADA TITLE III

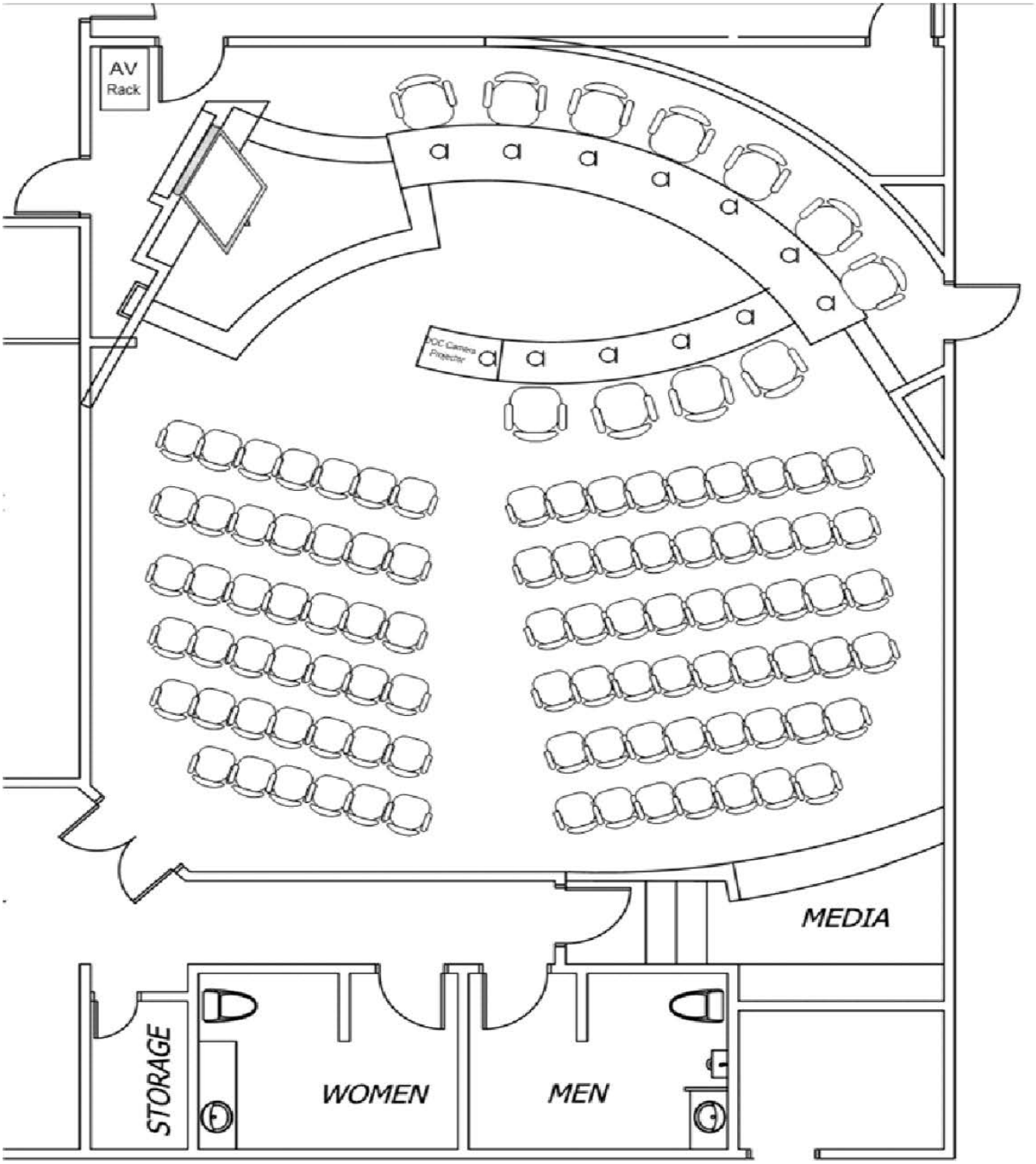
AFFIDAVIT OF POSTING

I, Anna Grandys, certify that on December 31, 2015, I caused to be posted a notice of a Indian Wells Housing Authority Special Meeting to be held on Thursday, January 7, 2016 at 9:00 a.m. in the City Hall Council Chambers.

Notices were posted at Indian Wells Civic Center, Village 1 [Ralph's], and Indian Wells Plaza [Indian Wells Chamber of Commerce].

Anna Grandys, Deputy Authority Secretary

5



6

1/7/2016

File #: 1329-15 **Item #:** A.

Conference with Legal Counsel Regarding Anticipated Litigation. Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2). Number of Potential Cases: 2.

1/7/2016

File #: 1304-15 **Item #:** A.

November 19, 2015 Special Housing Authority Meeting Minutes

RECOMMENDED ACTION:

Housing Authority **APPROVES** the November 19, 2015 Special Housing Authority Meeting minutes.

Unofficial

Special Housing Authority

Meeting Minutes

Thursday, November 19, 2015

11:00 AM

City Hall Executive Conference Room

The Indian Wells Housing Authority welcomes and encourages participation at Authority meetings. The Board requests speakers present their remarks in a respectful manner, within the 3 minute time limit, and focus on issues which directly affect the Housing Authority or which are within the subject jurisdiction of the Authority. Please fill out a blue Speaker Request form and give it to the Secretary, preferably before the start of the meeting.

Any public record, relating to an open session agenda item, that is distributed within 72 hours of the meeting is available for public inspection at City Hall reception, 44-950 Eldorado Drive, Indian Wells during normal business hours.

Unofficial

1. CONVENE THE INDIAN WELLS HOUSING AUTHORITY, AND ROLL CALL

Chairman Peabody convened the Special Housing Authority Meeting of the City of Indian Wells at 11:00 a.m. on November 19, 2015 in the City Hall Executive Conference Room.

2. APPROVAL OF THE FINAL AGENDA

A motion was made by Commissioner Mitchell, seconded by Commissioner Balocco, to Approve the Agenda as Submitted. The motion carried by the following vote:

AYES	7 -	Peabody, Reed, Balocco, Hanson, Mertens, Mitchell, Fletcher
NOES	0	

3. PUBLIC COMMENTS

None.

4. CLOSED SESSION

At 11:05 a.m. Chairman Peabody stated the Housing Authority would hold a Closed Session to discuss the following agenda item.

A. **Conference with City's Real Property Negotiator Pursuant to Government Code Section 54956.8. Property: APN's 604-630-032, Generally Located South of Miles and Directly South of Indian Wells Tennis Garden. Housing Authority's Negotiator: Wade G. McKinney, Executive Director. Other Negotiating Parties: Ray Moore, CEO Garden of Champions LLC. Under Negotiation: Price and Terms of Payment.**

At 3:03 p.m. Authority Counsel Stephen Deitsch stated no action was taken which, under the Brown Act, would be required to be publicly reported.

5. ADJOURNMENT

At 11:11 a.m. Chairman Peabody ADJOURNED to Special Meeting of the Indian Wells Housing Authority to be held at 9:00 a.m. on January 7, 2016 in the City Hall Council Chambers.

Respectfully submitted,

_____

Anna Grandys, City Clerk

1/7/2016

File #: 1325-15 **Item #:** B.

Indian Wells Housing Authority

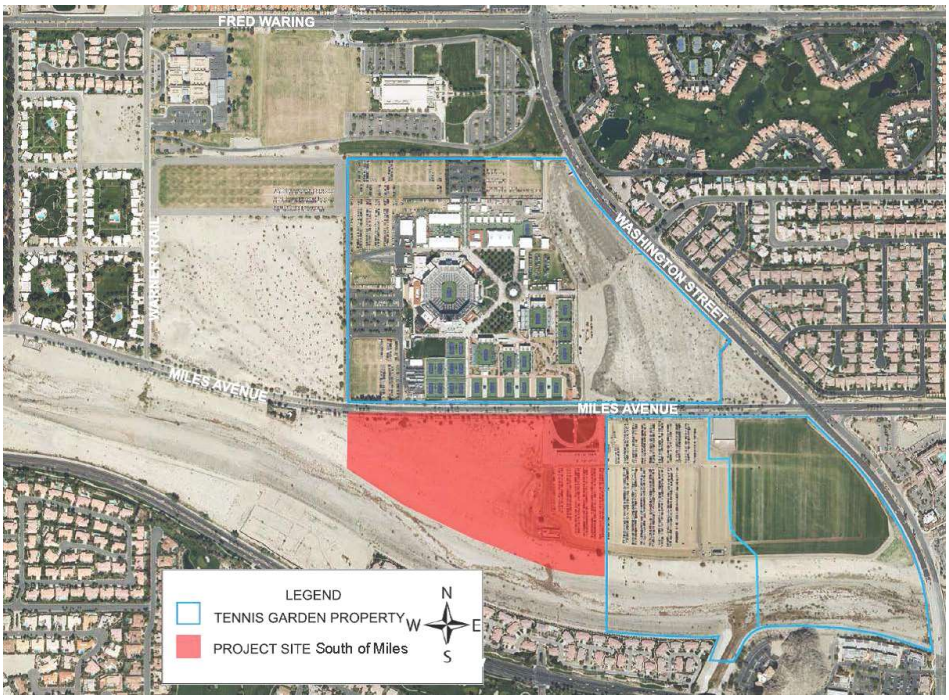
Staff Report - Executive Director

South of Miles Indemnification Agreement

RECOMMENDED ACTION:

Housing Authority **APPROVES** Amendment No. 5 to the South of Miles Indemnification Agreement, extending the date to April 30, 2017.

BACKGROUND:



Staff has prepared a summary of the relevant property transactions for the South of Miles property (Miles Property). The City/Redevelopment Agency (RDA) acquired a 32-acre parcel of land south of Miles Avenue in July, 2000 for $2.7 million. An appraisal of the site completed eighteen months ealier, in January of 1999 gave an appraised value at $965,000.

In March 2003, the City/RDA exchanged the 32-acre Miles Property for a 12.64-acre parcel on Warner Trail owned by Garden of Champions (GOC). The City and GOC mutually agreed to value each property at $2.7 million. An Exchange Agreement and Joint Escrow Instructions dated October 14, 2002* documents the sale.

In 2006, GOC recorded a Lot Line Adjustment expanding the Miles Property from 32-acres to 50-acres.
In 2006, the City/RDA was concerned with losing the tennis tournament to another location and the Tennis Garden's fiscal stability. The City/RDA and GOC structured a series of agreements for the City/RDA to acquire back the Miles Property, lease the Warner Trail property to GOC for parking and acquire certain benefits from the tournament. Sponsorship Agreement 5 - Letter Agreement dated March 23, 2006* identifies three agreements and ties them together. The Letter Agreement collectively refers to them as the "City Agreements", they include:

1. Purchase and Sale Agreement and Joint Escrow Instructions dated March 23, 2006
2. Agreement Regarding Tournaments dated March 23, 2006 *
3. Ground Lease dated March 23, 2006 *

Pursuant to the 2006 Letter Agreement, the City/RDA acquired the 50-acre Miles Property from the GOC in March 2006 for $15 million. Approximately 18 acres are constrained as the Whitewater Wash. An appraisal completed in June 2005 indicated the value at $15.2 million. A Purchase and Sale Agreement and Joint Escrow Instructions dated March 23, 2006* documents the transfer and references reducing the GOC debt.

At the time of the 2006 purchase, the eastern 10 acres of the 50-acre parcel operated as a Turf Farm. Improvements to the property include a water well used to irrigate the Turf Farm and Indian Wells Tennis Garden (IWTG), and the access to the tunnel that runs underneath Miles Avenue and connects to the IWTG.

As part of the 2006 purchase, the City and GOC entered into a number of agreements as conditions to the City's purchase of the 50-acre Miles Property. These included:

- Covenant and Agreement dated March 23, 2006 *
- Partial Assignment of Turf Maintenance Agreement dated March 23, 2006 *
- Naming Rights Agreement - Third Amendment to City of Indian Wells Sponsorship Agreement dated March 23, 2006 *
- General Assignment Agreement by Garden of Champions dated March 23, 2006 *

The City/RDA sold the Miles Property to the RDA Low and Moderate Income Housing Fund for $15 million in 2008. The property was then transferred to the City's Housing Authority upon elimination of the RDA.

DISCUSSION:

The Indian Wells Housing Authority (Authority) now owns the Miles Property and the GOC continues to use the property for event parking. West Coast Turf operates a sod farm on the property pursuant to an agreement with GOC. A water well on the property supplies water for irrigation of the sod farm and Indian Wells Tennis Garden (IWTG). The Coachella Valley Water District (CVWD) assesses production of groundwater from the well and invoices GOC for the water produced from the well. GOC is responsible for operation and maintenance costs of the well.

GOC has continuously used the Miles Property since 2006 without any fee/s from the City/RDA or Housing Authority. The City/RDA and Authority discussed opportunities for revenue from the parcel; however, no action has been taken.

GOC does receive revenue from parking on the property. Parking typically occurs on the Miles Property for 6 or 7 days during the BNP Paribas Open. GOC controls the adjacent parcels located east of the parcel to Washington Street. ACE Parking estimates 115 parking spaces per acre. Subtracting the tunnel access area and the well site from the 10 acres used by IWTG, 7.3 acres are available for parking, which equates to 840 parking spaces. Assuming the parking is full for both day and evening sessions for 6 days, gross revenue at $20 per parking space would be $201,600.

GOC/DC uses the well water versus potable water for irrigation and the Sod Farm. Staff discussed operation of the well and potential "access fees" for the water with CVWD. CVWD indicated there is an increment between what IWTG pays for well water and what they would pay for other sources. CVWD offered no advice as to a recommended access fee. If the Authority did not allow GOC utilization of the well, GOC options for water are to drill a well, connect to the Mid Valley Pipeline or use potable water, all are relatively expensive options.

The City receives significant revenue from the BNP Paribas Open. Last year's admission tax revenue was $2,742,840; $317,740 higher than projected. The tournament also pays sales tax on the various concessions and rents approximately 14,000-guest rooms a season. The Admissions Tax alone represents 16% of the City's Operating Budget.

At the time of the last extension (late 2013), the Indian Wells Tennis Garden Ad Hoc Committee analyzed the various agreements connecting the City and its various affiliated agencies with the GOC and found the City receives significant benefit from the BNP Paribas Open and the relationship with GOC. This information is documented in a report entitled *Indian Wells Tennis Garden Agreements - Valuation,* released to the City Council and community in Novembers 2013. The Ad Hoc Committee recommended the relationship stay the same and the Indemnification Agreement be extended for two years at no fee.

CEQA:

The California Environment Quality Act is not applicable to this action as there is no potential for causing a significant effect on the environment.

ATTACHMENT:

1. Amendment

AMENDMENT NO. 5 TO
SOUTH OF MILES INDEMNIFICATION

This Amendment No. 5 ("Amendment No. 5") is entered into as of the ___ day of January, 2016, concerning that certain South of Miles Indemnification ("Indemnification") made and effective as of March 1, 2013 by and between the City of Indian Wells, a charter city duly organized under the Constitution and laws of the State of California ("City"), and the City of Indian Wells Housing Authority ("Authority" and, collectively with City, "City Parties"), a housing authority established under the laws of the State of California, and Garden of Champions LLC, a California limited liability company ("GOC"), and Desert Champions LLC, a California limited liability company ("DC" and, collectively with GOC, "GOC/DC"), as amended by Amendment No. 1 entered into on or about June 13, 2013 and amended by Amendment No. 2 entered into on or about August 8, 2013 and amended by Amendment No. 3 entered into on or about October 3, 2013 and amended by Amendment No. 4 entered into on or about January 16, 2014.

City Parties and GOC/DC agree as follows:

1. Section 3 of the Indemnification, as amended by Amendment No. 4, is amended by deleting "January 31, 2016", and by substituting therefor "April 30, 2017".

2. City Parties and GOC/DC reaffirm all terms and provisions set forth in the Indemnification except insofar as they are expressly amended by this Amendment No. 5.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 5 to the Indemnification, as previously amended, as of the dates first above written.

"CITY"

City of Indian Wells, a charter city duly
organized under the Constitution and laws of
the State of California

By: _____
Name: Dana W. Reed
Its: Mayor

"Authority"

City of Indian Wells Housing Authority, a housing authority established under the laws of the State of California

By: _____
Name: Dana W. Reed
Its: Chair

"GOC"

Garden of Champions LLC, a California Limited Liability Company

By: _____
Name: Raymond Moore
Its: Chief Executive Officer

"DC"

Desert Champions LLC, a California Limited Liability Company

By: _____
Name: Raymond Moore
Its: Chief Executive Officer

1/7/2016

File #: 1327-15 **Item #:** C.

Indian Wells Housing Authority
Staff Report - Community Development

Quarterly Senior Housing Update

RECOMMENDATION ACTION:

Housing Authority **RECEIVES** and **FILES** the quarterly senior housing update report.

DISCUSSION:

Financials

Staff has reviewed the financial information for both communities through November and concluded expenditures are in line with budgeted expectations. Staff continues to monitor revenues and expenditures for both communities on a monthly basis to ensure compliance with the budget.

Unit Occupancy

A total of 2 move ins and 1 move out occurred at Mountain View Villas, and 2 move ins and 1 move out at Indian Wells Villas since October. Each community is currently 100% occupied.

Property Maintenance

The following is a list of property maintenance items completed this quarter at each community:

Mountain View Villas

- Three new computers in Computer Lab
- Interior of the community mailroom was painted
- New landscape material consisting of shrubs was planted around the clubhouse

Indian Wells Villas

- All dryer vent lines cleaned throughout community
- Interior of leasing office and clubhouse was painted
- New big screen television installed in clubhouse

WinnResidential (Winn) has scheduled two projects at the Indian Wells Villas community next quarter: update of the gate entry system and update of solar monitoring software system. The current gate entry system cannot be updated and does not allow input of cell phones. The updated system is re-programmable and will allow cell phones to open the front gate. The upgraded solar monitoring software allows Winn to track the output of the solar panels so the panels are functioning at their full potential, in turn saving utility costs for the residents.

For the Mountain View Villas community, Winn will replace missing plants and install new drip irrigation heads throughout the community.

Unit Maintenance

Winn completed 319 work orders at Mountain View Villas and 198 at Indian Wells Villas since October. This averages out to approximately 3.5 and 2.2 work orders completed per day, respectively. Most work orders were completed within 5 days.

A question regarding flooring replacement was brought up at the last meeting and Winn determined eight residents at Mountain View Villas requested flooring replacement. Winn inspected the eight units, determined the flooring for all eight should be replaced due to wear and tear, and replaced the flooring. As part of the February 2016 semi-annual unit inspections, Winn will inspect the flooring in the remaining units at both communities. At that time, those units that need new flooring will be identified and scheduled for replacement.

Miscellaneous Updates:

- Winn will meet with Desert Recreation District (District) at the beginning of 2016 to discuss establishment of new recreational activities at both communities. Winn and the District will explore both onsite and offsite opportunities for activities. The District is looking forward to work effectively with Winn to establish activities that meet the needs of the Mountain View Villas and Indian Wells Villas residents.

- Winn completed the two outstanding items from their first 90-day performance requirements, i.e., hiring one additional maintenance person and completing an Emergency Response Plan.

1/7/2016

File #: 1330-15 **Item #:** A.

Indian Wells Housing Authority

Staff Report - Executive Director's Office

Vacant Property Strategy in Response to Senate Bill 341 and Housing Authority Financial Sustainability

RECOMMENDED ACTIONS:

Housing Authority **DISCUSSES** and provides **DIRECTION** to staff regarding alternative strategies in response to Senate Bill 341 and financial sustainability.

REPORT-IN-BRIEF:

This report provides information requested by the Board in two areas:

1. Response to questions and requests for more information from the Housing Authority Board of Commissioners ("Board") relating to Senate Bill 341 ("SB341") and vacant land use strategies; and

2. Updated financial pro forma analysis for the two existing senior housing properties, Indian Wells Villas and Mountain View Villas.

This report additionally provides background information from prior Board meetings focused on an SB341 response strategy. **Attachment 1** provides the prior staff report for the October 15, 2015 Board meeting.

DISCUSSION:

At the October 15, 2015 Board meeting, the Board discussed various strategies for responding to changes in State law from SB341. The Board chose to hold a work session on January 7, 2016, after Staff had time to prepare additional information. Following in question (Q) and answer (A) format is the information requested by the Board.

Vacant Land Strategy Discussion:

Q: Is the Housing Authority required to build any affordable housing units?

A: There is no specific law or regulation which requires the Authority to develop affordable units. However, there are general provisions in State law and the City's Housing Element of the General Plan concerning affordable housing.

Q: Can the Housing Authority sell vacant land and use proceeds to assist a neighboring jurisdiction with the development of affordable housing as stated in SB341?

A: Yes. To do so, the Housing Authority needs to establish substantial evidence (a legal standard) that the transfer would not cause or exacerbate racial, ethnic, or economic segregation.

Q: Can the five-year sell or build requirement in SB341 be extended?

A: Yes. The Housing Authority could extend up to an additional five years. However, there are further limitations on eligible use of the property if extended.

Q: Does the zoning code allow for development of buildings higher than one story on the 4.2 acre parcel adjacent to Warner Trail?

A: The site is zoned Low Density Residential. Code Section 21.23.070(a) states that "In no case shall the building exceed one (1) living story above the pad elevation of the building site," and is restricted to no more than 4.5 dwelling units per acre.

However, the City's Housing Element of the General Plan provides for the ability to allow additional building height and density, upon Council approval for the development of affordable housing units, up to 20 dwelling units per acre.

Therefore, two-story buildings, though not specifically permitted outright in the Low Density Residential zone, are allowed by Council action in order to create ability to meet affordable housing development targets identified in the Housing Element.

Q: What documentation determined that archaeological findings on the property south of Miles Avenue included human remains?

A: A Historical/Archaeological Resources Survey completed on 17 acres of the Miles Avenue parcel in August of 2014. **Attachment 2** provides the report from CRM TECH.
The report states:

"A small cluster of suspected human cremation remains were also encountered during the survey. On August 1, 2014, Deborah Gray of the Coroner's Bureau, Riverside County Sheriff's Department, determined the remains to be human and of prehistoric origin, and identified some of the bones as portions of a hand and a foot (Case No. 2014-07189)."

Q: What infrastructure exists for the Housing Authority owned parcels along Highway 111 to the West of Mountain View Villas?

A: The aerial below details the subject parcels owned by the Housing Authority.

Parcel N, known as Mountain View Villas Phase II, has rough grading of pads and streets, a perimeter block wall, channel lining improvements along the north edge of the parcel beside the Whitewater Channel, and landscaping frontage improvements along Highway 111. No paving or utility underground stubs are installed.

Parcel O has no improvements. One possible project, in coordination with Brixton Capital (owner of the parcel to the west, running to Miles Avenue), is to extend the property width and install concrete channel lining to prepare the property for development. The estimated cost of channel lining is $650,000.

Q: Can the South of Miles site be expanded into the Whitewater Channel?

A: According to the Coachella Valley Water District, the flood channel would not support extension of property given planned improvements to the south side of the channel (Brixton & Authority parcels along Hwy 111).

Q: Provide a chart that details all of the timeframes that exist in SB341.

A: **Attachment 3** graphically details the timeframes implemented under Redevelopment Dissolution, SB341, and future reporting requirements with the State Housing and Community Development.

Existing Senior Housing Financials:

Q: Provide a revised financial pro forma that does not include an annual rent inflator.

A: **Attachment 4** provides an updated financial pro forma for both properties that does not include any rent increase inflator. This cash flow estimate assumes annual replacement reserve set asides of 10% of rent revenues. **Attachment 5** shows cash flow at the properties without capital replacement reserves.

Q: How would Housing Authority subsidy, from existing $2.6 million cash reserves, affect the properties' cash flow?

A: **Attachment 6** splits the current $2.6 million Housing Authority cash reserve between the two properties equally, to subsidize capital replacement costs.

When considering any Housing Authority subsidy to the existing senior properties, alternative uses need consideration. A variety of options exist for use of the cash reserve, including further channel-lining improvements to the property along Highway 111 (parcel O in Figure 1), estimated at a cost of $650,000. That estimate includes all work necessary to extend the parcel northerly into the channel and armor it from erosion.

Q: One option to address the grandfathered leases at Indian Wells Villas is termination of the grandfathered leases through attrition. Provide an actuarial assumption of all grandfathered lease tenants at Indian Wells Villas to find out an estimation of the cost of those leases through anticipated life span?

A: **Attachment 7** provides an actuarial assumption of grandfathered tenants based on Social Security Administration Actuarial Life Expectancy. Indian Wells Villas annual revenue loss compared to normal monthly rent for the grandfathered rents is $62,184. Based on actuarially estimated life span of each tenant, the total revenue loss to the property through forecasted total attrition is estimated at more than $458,000.

FISCAL IMPACT:

Staff will provide further fiscal impact analysis upon Board direction after further discussion.

ATTACHMENTS:

1. October 15, 2015 Board Meeting Staff Report Relating to SB341 Recommended Strategy
2. Cultural Resources Report on Miles Avenue Parcel
3. SB341 Timeframe Chart
4. Cash Flow at Current Rents without Rent Increases
5. Cash Flow at Current Rents without Rent Increases without Capital Reserves
6. Cash Flow at Current Rents with Housing Authority Capital Subsidy
7. Actuarial Estimate of Grandfathered Leases

File #: 1245-15 **Item #:** A.

Indian Wells Housing Authority *October 15, 2015*

Staff Report -Executive Director

Property Usage Strategies in Response to SB341

RECOMMENDED ACTIONS:

Housing Authority **DISCUSSION** on Staff presented strategies for response to SB341 with Housing Authority Assets; and

DIRECTION to Staff to undertake further action to implement the recommended strategy to comply with requirements of SB341

REPORT-IN-BRIEF:

The Housing Authority Board previously directed Staff to return with a recommended vacant property usage strategy to comply with SB341, along with analysis for fiscal sustainability of existing affordable housing properties. This report presents the following:

1. A strategy to comply with SB341 by:

    - Developing Warner Trail with affordable housing;
    - Splitting Miles Parking into four lots, two for sale, with proceeds going to the Warner Trail development; and
    - Using Highway 111 properties as economic incentive for mixed-use development that includes some affordable housing.

2. Analysis of current rent revenues and fiscal sustainability of both Indian Wells Villas and Mountain View Villas, with a comparison of ongoing operating expenses to the 5% administrative expenditure cap imposed by SB341 and follow-up legislation.

Attachment #1

DISCUSSION:

Summary:

The City of Indian Wells Housing Authority is designated as the Low and Moderate Income Housing Fund Successor Entity, as a result of elimination of the Redevelopment Agency. As such, provisions of Senate Bill 341 ("SB341") require the Housing Authority to use existing assets for the development of affordable housing within five years from the date of Department of Finance ("DOF") approval of all housing assets (Low & Moderate Fund Due Diligence Review). Indian Wells was approved by DOF in August of 2012. As such, the Housing Authority is required to develop or sell vacant land and use cash assets by August 2017.

Background:

At the July 2015 Housing Authority Board meeting, the Board directed Staff to come back to the Board with the following:

1. A strategic plan to respond to SB341 as it relates to the four vacant properties owned by the Housing Authority. The Board indicated they wanted to maximize revenues and build additional affordable housing in compliance with SB341. The Board asked Staff to develop a specific strategy to address the issue.

2. Create a financial pro forma for the ongoing operational sustainability of the two existing senior housing properties within the 5% administrative expenditure cap imposed by SB341.

Housing Authority Goals:

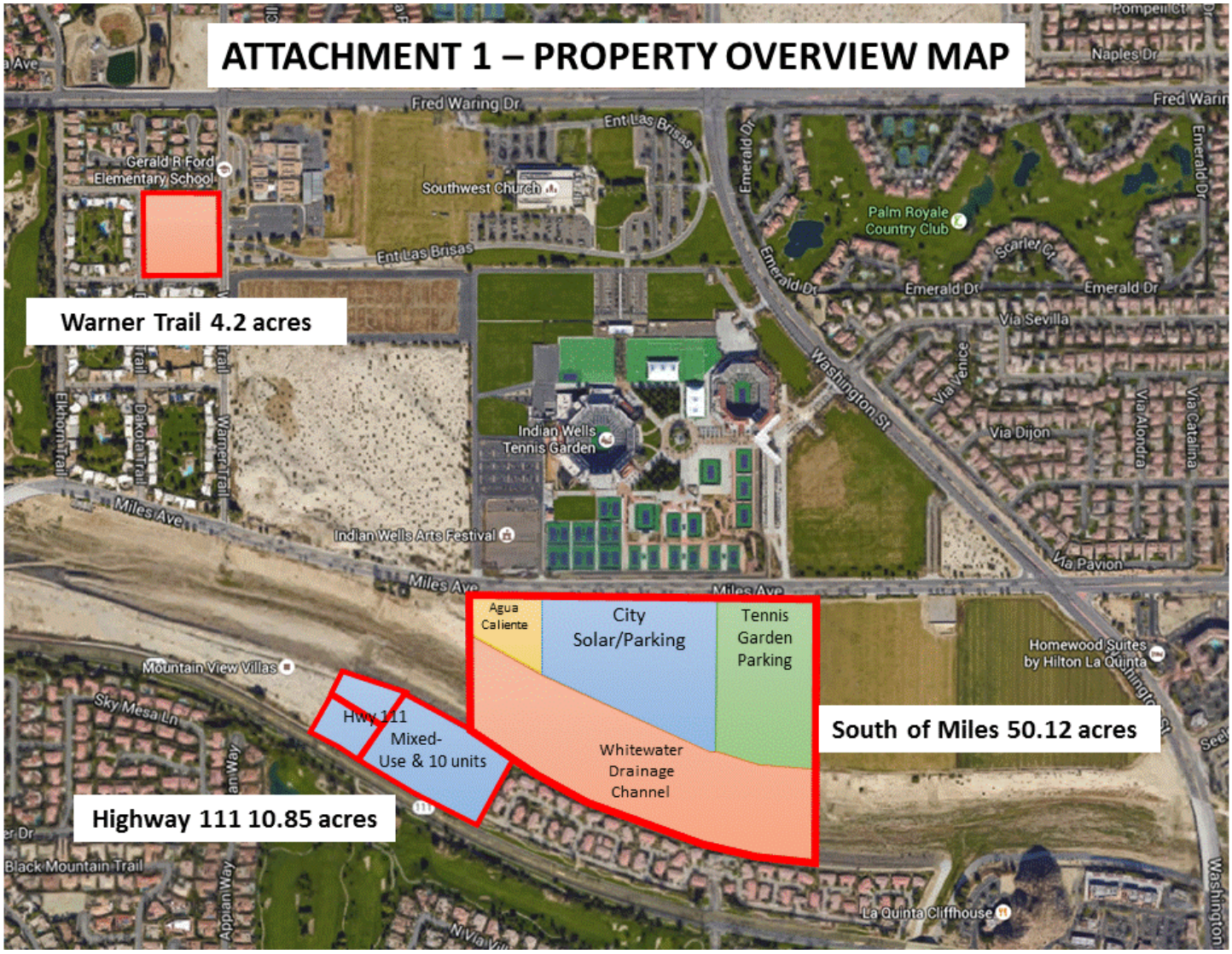
The Board's direction to Staff included a primary goal to maximize revenues with the use of property. In pursuit of strategies to comply with SB341, while maximizing revenue, three additional criteria were established:

- To maximize the amount of land transferred to City ownership;
- To maximize the number of affordable housing units to be developed, up to the 65 units required to satisfy inclusionary housing requirements; and
- To ensure fiscal sustainability under the 5% administrative expenditure cap.

Recommended Strategy:

With the Housing Authority Goals in mind, Staff developed the following strategy. The breakdown is by vacant property. **Attachment 1** includes an overview map of the properties discussed throughout this report.

Warner Trail (4.2 acres) - Appraised Valuation: $1,200,000



Strategy: Through a public/private partnership with an affordable housing developer, build up to 56 affordable rental units (13.3 units/acre) for families. Construction would be two-story, townhouse style, with off-street parking. Under this plan, the Housing Authority would donate the land to the development, provide cash to the project, and the private development partner would seek remaining financing from Low-income Housing Tax Credits or grant funds in order to close the funding gap necessary for the build.

Estimated Finances:

Housing Authority donated land	$1,200,000
Housing Authority donated cash	$3,100,000
Housing Authority 20-year subsidy	$3,900,000
Permanent mortgage loan to project	$2,300,000
Federal Low-income housing tax credits	$9,500,000
Total Estimated Project Cost	*$20,000,000*

The Housing Authority land, cash, and 20-year subsidy dollars come from other assets discussed later.

Ownership: Continued ownership of the property is recommended to stay with the Housing Authority through a 55-year land lease to the affordable housing developer. The developer would own and operate the project for the duration of the affordability provision. At the conclusion of the 55-year affordability period, the property would revert full ownership to the Housing Authority.

This recommended ownership structure is a typical tax-credit development structure. Should the Board desire, there are multiple variations of how the ownership could be structured. However, the development will require ownership in majority by the developer in order to qualify for tax-credit dollars.

Miles Parking (50.12 acres) - Appraised Valuation $7,060,000

Strategy: The appraised valuation of this parcel is based on restricted use of approximately 23.12 acres. Staff's recommendation is to split the lot into four separate parcels to approximately include:

- 18.12 acres of the Whitewater channel. This portion of the parcel is highly constrained with little ability for development. Ownership may be transferable to the City at little cost or could the property be utilized in trade with CVWD.

- 5 acres transferred to Agua Caliente Tribe of Cahuilla Indians. Significant cultural resources and artifacts have been found on the western five acres of the parcel. Given the environmental findings, this portion of the parcel has limited developable use. The Tribe has requested to have the site maintained in current condition for historical preservation.

- 12 acres to be sold to the Tennis Gardens for continuation as overflow parking. This portion of the site has parking infrastructure developed including the tunnel under Miles Avenue, a well pump that serves the sod farm and Tennis Garden facility, and parking lot entrances.

This portion of the parcel has an estimated value of $3.1 million. Proceeds from sale of the Tennis Garden parking parcel provides necessary funding for the Warner Trail affordable housing development previously discussed.

- 15 acres to be sold to the City of Indian Wells through a twenty-year note. Ten acres of this site would be developed as a City-owned, gravel parking lot, with approximately 6 acres of the lot covered by solar.

  This portion of the parcel has an estimated value of $3.9 million. Accounting for interest on a twenty-year note, annual payments from the City to the Housing Authority would be approximately $265,000. Annual proceeds from the note would be provided to the Warner Trail affordable housing development previously discussed.

  The solar installation would offset approximately $75,000 of annual electrical costs from the Indian Wells Golf Resort. Conservative estimates on parking revenues are another $130,000 annually.

  Savings on golf operations costs minus estimated parking lot revenues during the BNP Paribas Tournament would reduce the total twenty-year net cost of purchase to the City to approximately $1.2 million, including interest.

Highway 111 (10.85 acres) - Appraised Valuation $3,090,000

Strategy: Remove existing affordable housing covenants of 65 units and use as an economic incentive to potential developers of a mixed-use project. The primary goal for this property would be to help to move a bigger commercial/retail project forward in coordination with Brixton Capital.

Additional Consideration: In recent months, City Staff have been working to find viable economic development projects along the Highway 111 corridor from the Renaissance to Mountain View Villas. Conversations with the development community indicate the likely timeframe for a project within this area of the City is 18-30 months, given current economic conditions. Such a timeframe bumps up against the SB341 deadlines to sell or develop.

Therefore, Staff recommends putting a timeframe on the prospects of this strategy. If unsuccessful in finding a developer by December 2016, then Staff would return to the Board for direction on an outright sale.

Existing Housing Authority Cash Assets - Approximately $2,600,000

Strategy: Utilize current cash assets, not including capital replacement reserves of the two existing senior housing properties, for all activities necessary to implement the plan recommendation, including:

- Miles Parking - lot split, reappraisal for final sale, grading, and frontage improvements (as needed).
- Hwy 111 -channel lining improvements, infrastructure improvements, code amendments, and frontage improvements (as needed).
- Warner Trail - remaining funds to the cost of development of affordable housing project.

Financial Sustainability Pro Forma:

The second Board request was for a financial pro forma showing the sustainability of the two existing senior affordable housing properties, Indian Wells Villas and Mountain View Villas ("Properties"). Recent legislation signed by the Governor increased the SB341 administrative expenditure cap from 2% to 5%. Based on that increase, the Properties are sustainable, albeit with caveats.

Mountain View Villas: **Attachment 1** shows fiscal sustainability for the next 15 years at Mountain View Villas, at current rents. Including capital expenditures, this property is sustainable with proper management of capital expenditures.

This analysis starts at the current rents charged for each unit type and assumes an annualized rent increase of 2.5%. It also assumes an annualized vacancy loss of 3%, which is lower than our historical loss, and operating expense increases at 3.5%.

However, the Housing Authority has not raised rents at Mountain View Villas in more than 4 years. Without any annualized inflation in rent revenues, the property would go negative (cease having enough funding for operations) in year 6 (approx. 2021).

Attachment 2 conducts the same analysis, but assumes rents taken to the HUD allowed maximum rent level, as calculated by Riverside County. In this situation, the property is again sustainable assuming an annualized rent increase of 2.5%.

Indian Wells Villas: **Attachment 3** shows fiscal sustainability for the next 15 years at Indian Wells Villas, at current rents. Even with annualized rent increases of 2.5%, Indian Wells Villas will go negative (cease having enough funding for operations) within the next 3 years. Accounting for capital expenditures and use of existing capital reserves, the property would be insolvent within 7 years (approx. 2022).

This analysis starts at the current rents charged, including 22 "grandfathered" leases which have had lower than allowable rent rates locked in since 2004 (staff believes the grandfathered leases stemmed from a number of residents who sought to move from Indian Wells Villas to Mountain View Villas after opening of Mountain View Villas in 2004. To incentivize residents from applying to move, then City Staff provided for lowered rents at

Indian Wells Villas. Staff has found no documentation describing the program or whether those rents were lowered in perpetuity, or for a time certain). The grandfathered rents are substantially lower than current rent rates and represent approximately $74,000 per year of revenue loss to the property.
Attachment 4 conducts the same analysis, but assumes all rents taken to the HUD allowed maximum rent level, as calculated by Riverside County. In this situation, the property is actually sustainable with proper management of capital expenditures. Again, this also assumes an annualized rent increase of 2.5%.

Attachment 5 compares both properties to the 5% administrative expenditure cap allowance. This analysis utilizes the maximum rent incomes and expenditures, plus capital expenditure projections, from the Properties individual pro forma analysis. When accounting for assumed operation expense increases of 3.5% annually, plus major capital expenditure items such as roof and asphalt replacements, both properties stay under the admin cap in all but two years. Therefore, the properties are sustainable under the administrative cap, so long as prudent management of expenditures annually to ensure the Housing Authority does not exceed the cap.

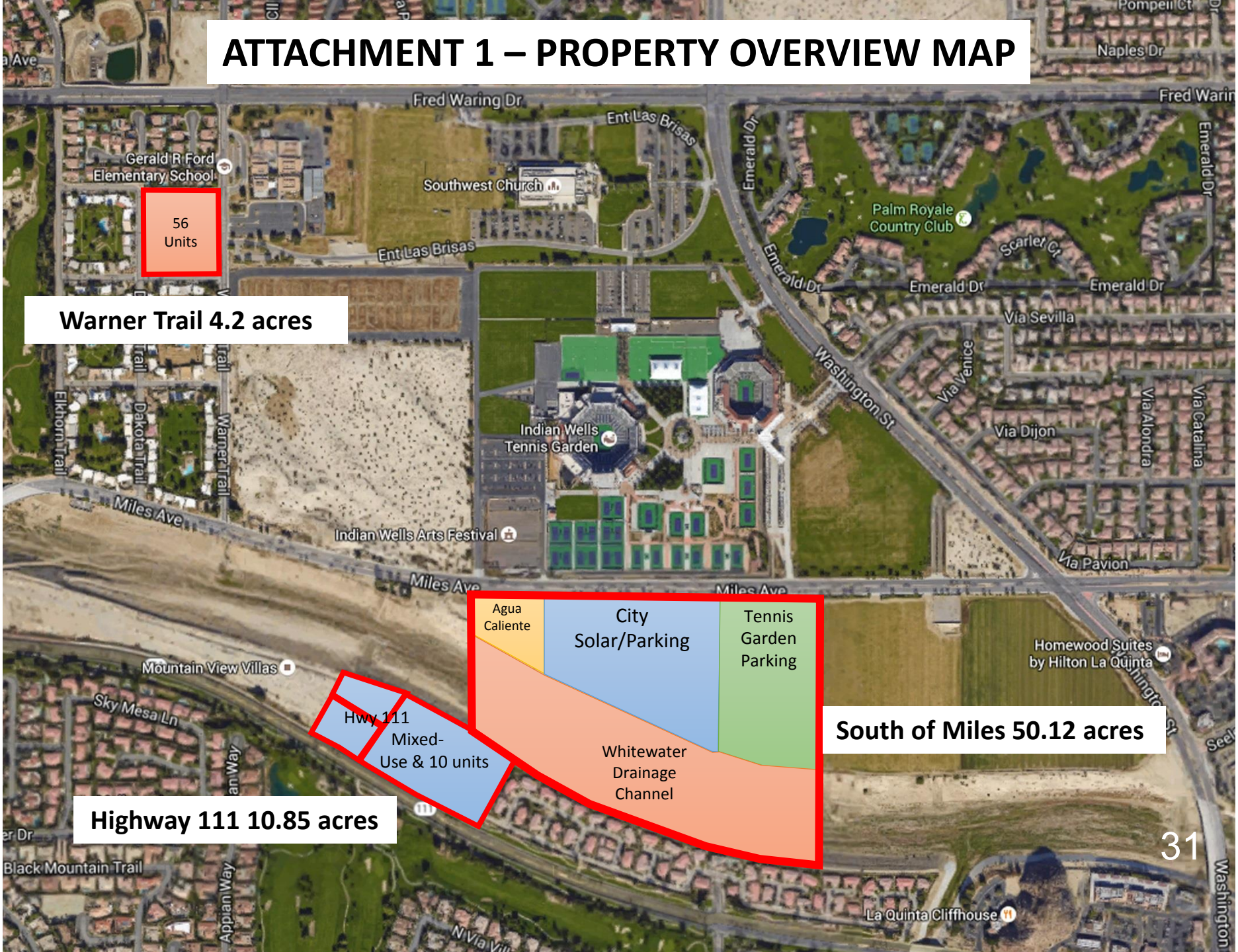
ALTERNATIVES:

A myriad of alternatives are possible with the vacant parcels. However, Staff feels the recommended approach best meets the Board's direction, creating opportunity for revenue generation, while still developing affordable housing, maximizing the City's potential to purchase vacant property, and ensuring fiscal sustainability of the Housing Authority.

ATTACHMENTS:

1. Overview of properties
2. Mountain View Villas Cash Flow Analysis - Current Rents
3. Mountain View Villas Cash Flow Analysis - Maximum Rents
4. Indian Wells Villas Cash Flow Analysis - Current Rents
5. Indian Wells Villas Cash Flow Analysis - Maximum Rents
6. Administrative Cap Clearance Analysis

ATTACHMENT 1 – PROPERTY OVERVIEW MAP



MOUNTAIN VIEW VILLAS CASH FLOW ANALYSIS - AT CURRENT RENTS

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Restricted Unit Rents	2.5%	993,204	1,018,034	1,043,485	1,069,572	1,096,311	1,123,719	1,151,812	1,180,607	1,210,123	1,240,376	1,271,385	1,303,170	1,335,749	1,369,143	1,403,371
Application/Background Fees	2.5%	2,725	2,793	2,863	2,935	3,008	3,083	3,160	3,239	3,320	3,403	3,488	3,575	3,665	3,756	3,850
GROSS POTENTIAL INCOME - HOUSING		**995,929**	**1,020,827**	**1,046,348**	**1,072,507**	**1,099,319**	**1,126,802**	**1,154,972**	**1,183,847**	**1,213,443**	**1,243,779**	**1,274,873**	**1,306,745**	**1,339,414**	**1,372,899**	**1,407,222**
GROSS POTENTIAL INCOME - TOTAL		**995,929**	**1,020,827**	**1,046,348**	**1,072,507**	**1,099,319**	**1,126,802**	**1,154,972**	**1,183,847**	**1,213,443**	**1,243,779**	**1,274,873**	**1,306,745**	**1,339,414**	**1,372,899**	**1,407,222**
TOTAL VACANCY LOSS		**29,932**	**30,681**	**31,448**	**32,234**	**33,040**	**33,866**	**34,712**	**35,580**	**36,470**	**37,381**	**38,316**	**39,274**	**40,256**	**41,262**	**42,294**
EFFECTIVE GROSS INCOME		**965,997**	**990,147**	**1,014,900**	**1,040,273**	**1,066,280**	**1,092,937**	**1,120,260**	**1,148,266**	**1,176,973**	**1,206,397**	**1,236,557**	**1,267,471**	**1,299,158**	**1,331,637**	**1,364,928**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate Taxes)	3.5%	745,235	771,318	798,314	826,255	855,174	885,105	916,084	948,147	981,332	1,015,679	1,051,228	1,088,021	1,126,101	1,165,515	1,206,308
Replacement Reserve	0.0%	99,320	101,803	104,348	106,957	109,631	112,372	115,181	118,061	121,012	124,038	127,139	130,317	133,575	136,914	140,337
TOTAL EXPENSES & RESERVES		**844,555**	**873,122**	**902,663**	**933,213**	**964,805**	**997,477**	**1,031,265**	**1,066,208**	**1,102,344**	**1,139,716**	**1,178,366**	**1,218,338**	**1,259,676**	**1,302,429**	**1,346,645**
NET OPERATING INCOME		**121,441**	**117,025**	**112,237**	**107,060**	**101,474**	**95,459**	**88,995**	**82,059**	**74,629**	**66,681**	**58,191**	**49,134**	**39,482**	**29,208**	**18,283**
CAPX Est. Expenditures			99,787	393,725	272,376	543,890	887,163	122,382	106,946	117,723	83,328	908,310				
CAPX Reserves w/ est. Use		**1,059,320**	**1,178,362**	**1,001,223**	**942,864**	**610,079**	**(69,253)**	**12,541**	**105,714**	**183,632**	**291,023**	**(431,957)**				

MOUNTAIN VIEW VILLAS CASH FLOW ANALYSIS - AT MAX RENTS

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Restricted Unit Rents	2.5%	1,013,748	1,039,092	1,065,069	1,091,696	1,118,988	1,146,963	1,175,637	1,205,028	1,235,154	1,266,032	1,297,683	1,330,125	1,363,378	1,397,463	1,432,399
Application/Background Fees	2.5%	2,725	2,793	2,863	2,935	3,008	3,083	3,160	3,239	3,320	3,403	3,488	3,575	3,665	3,756	3,850
GROSS POTENTIAL INCOME - HOUSING		**1,016,473**	**1,041,885**	**1,067,932**	**1,094,630**	**1,121,996**	**1,150,046**	**1,178,797**	**1,208,267**	**1,238,474**	**1,269,435**	**1,301,171**	**1,333,701**	**1,367,043**	**1,401,219**	**1,436,250**
VACANCY ASSUMPTIONS																
Restricted Units	3.0%	30,412	31,173	31,952	32,751	33,570	34,409	35,269	36,151	37,055	37,981	38,930	39,904	40,901	41,924	42,972
Commercial Income	50.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL VACANCY LOSS		**30,549**	**31,312**	**32,095**	**32,898**	**33,720**	**34,563**	**35,427**	**36,313**	**37,221**	**38,151**	**39,105**	**40,083**	**41,085**	**42,112**	**43,164**
EFFECTIVE GROSS INCOME		**985,924**	**1,010,572**	**1,035,837**	**1,061,733**	**1,088,276**	**1,115,483**	**1,143,370**	**1,171,954**	**1,201,253**	**1,231,284**	**1,262,066**	**1,293,618**	**1,325,959**	**1,359,108**	**1,393,085**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate Taxes)	3.5%	745,235	771,318	798,314	826,255	855,174	885,105	916,084	948,147	981,332	1,015,679	1,051,228	1,088,021	1,126,101	1,165,515	1,206,308
Replacement Reserve	0.0%	101,375	103,909	106,507	109,170	111,899	114,696	117,564	120,503	123,515	126,603	129,768	133,013	136,338	139,746	143,240
Other Reserves	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES & RESERVES		**846,610**	**875,227**	**904,821**	**935,425**	**967,073**	**999,802**	**1,033,648**	**1,068,650**	**1,104,848**	**1,142,282**	**1,180,996**	**1,221,033**	**1,262,439**	**1,305,261**	**1,349,548**
NET OPERATING INCOME		**139,315**	**135,345**	**131,015**	**126,308**	**121,203**	**115,681**	**109,722**	**103,304**	**96,406**	**89,002**	**81,071**	**72,585**	**63,519**	**53,846**	**43,537**
CASH FLOW		**139,315**	**135,345**	**131,015**	**126,308**	**121,203**	**115,681**	**109,722**	**103,304**	**96,406**	**89,002**	**81,071**	**72,585**	**63,519**	**53,846**	**43,537**
CAPX Est. Expenditures			99,787	393,725	272,376	543,890	887,163	122,382	106,946	117,723	83,328	908,310				
CAPX Reserves w/ est. Use		**1,061,375**	**1,200,842**	**1,044,639**	**1,007,741**	**696,952**	**40,167**	**145,071**	**261,932**	**364,130**	**496,407**	**(201,064)**				

INDIAN WELLS VILLAS CASH FLOW ANALYSIS - AT CURRENT RENTS (GRANDFATHERED)

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Restricted Unit Rents	2.5%	619,764	635,258	651,140	667,418	684,103	701,206	718,736	736,705	755,122	774,000	793,350	813,184	833,514	854,352	875,710
Application/Background Fees	2.5%	715	733	751	770	789	809	829	850	871	893	915	938	962	986	1,010
GROSS POTENTIAL INCOME - HOUSING		**620,479**	**635,991**	**651,891**	**668,188**	**684,893**	**702,015**	**719,565**	**737,555**	**755,993**	**774,893**	**794,266**	**814,122**	**834,475**	**855,337**	**876,721**
VACANCY ASSUMPTIONS																
Restricted Units	3.0%	18,593	19,058	19,534	20,023	20,523	21,036	21,562	22,101	22,654	23,220	23,801	24,396	25,005	25,631	26,271
Commercial Income	50.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL VACANCY LOSS		**18,629**	**19,094**	**19,572**	**20,061**	**20,563**	**21,077**	**21,604**	**22,144**	**22,697**	**23,265**	**23,846**	**24,442**	**25,053**	**25,680**	**26,322**
EFFECTIVE GROSS INCOME		**601,850**	**616,897**	**632,319**	**648,127**	**664,330**	**680,938**	**697,962**	**715,411**	**733,296**	**751,629**	**770,419**	**789,680**	**809,422**	**829,657**	**850,399**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate Taxes)	3.5%	533,473	552,145	571,470	591,471	612,173	633,599	655,775	678,727	702,482	727,069	752,516	778,854	806,114	834,328	863,530
Replacement Reserve	0.0%	61,976	63,526	65,114	66,742	68,410	70,121	71,874	73,670	75,512	77,400	79,335	81,318	83,351	85,435	87,571
Other Reserves	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES & RESERVES		**595,449**	**615,670**	**636,584**	**658,213**	**680,583**	**703,719**	**727,648**	**752,397**	**777,994**	**804,469**	**831,851**	**860,173**	**889,466**	**919,763**	**951,101**
NET OPERATING INCOME		**6,401**	**1,226**	**(4,265)**	**(10,086)**	**(16,253)**	**(22,781)**	**(29,686)**	**(36,986)**	**(44,698)**	**(52,840)**	**(61,432)**	**(70,493)**	**(80,044)**	**(90,106)**	**(100,702)**
CASH FLOW after all debt service		**6,401**	**1,226**	**(4,265)**	**(10,086)**	**(16,253)**	**(22,781)**	**(29,686)**	**(36,986)**	**(44,698)**	**(52,840)**	**(61,432)**	**(70,493)**	**(80,044)**	**(90,106)**	**(100,702)**
CAPX Est. Expenditures			111,668	103,785	679,170	243,433	90,220	135,926	55,313	557,437	235,351	64,475				
CAPX Reserves w/ est. Use		**1,021,976**	**975,060**	**932,125**	**309,611**	**118,335**	**75,455**	**(18,283)**	**(36,912)**	**(563,535)**	**(774,326)**	**(820,898)**				

INDIAN WELLS VILLAS CASH FLOW ANALYSIS - AT MAX RENTS

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Restricted Unit Rents	2.5%	747,684	766,376	785,536	805,174	825,303	845,936	867,084	888,761	910,980	933,755	957,099	981,026	1,005,552	1,030,691	1,056,458
Application/Background Fees	2.5%	715	733	751	770	789	809	829	850	871	893	915	938	962	986	1,010
GROSS POTENTIAL INCOME - HOUSING		**748,399**	**767,109**	**786,287**	**805,944**	**826,092**	**846,745**	**867,913**	**889,611**	**911,852**	**934,648**	**958,014**	**981,964**	**1,006,513**	**1,031,676**	**1,057,468**
VACANCY ASSUMPTIONS																
Restricted Units	3.0%	22,431	22,991	23,566	24,155	24,759	25,378	26,013	26,663	27,329	28,013	28,713	29,431	30,167	30,921	31,694
Commercial Income	50.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL VACANCY LOSS		**22,466**	**23,028**	**23,604**	**24,194**	**24,799**	**25,419**	**26,054**	**26,705**	**27,373**	**28,057**	**28,759**	**29,478**	**30,215**	**30,970**	**31,744**
EFFECTIVE GROSS INCOME		**725,933**	**744,081**	**762,683**	**781,750**	**801,294**	**821,326**	**841,859**	**862,906**	**884,479**	**906,591**	**929,255**	**952,487**	**976,299**	**1,000,706**	**1,025,724**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate Taxes)	3.5%	533,473	552,145	571,470	591,471	612,173	633,599	655,775	678,727	702,482	727,069	752,516	778,854	806,114	834,328	863,530
Replacement Reserve	0.0%	74,768	76,638	78,554	80,517	82,530	84,594	86,708	88,876	91,098	93,375	95,710	98,103	100,555	103,069	105,646
Other Reserves	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES & RESERVES		**608,241**	**628,782**	**650,023**	**671,988**	**694,703**	**718,192**	**742,483**	**767,603**	**793,580**	**820,444**	**848,226**	**876,957**	**906,670**	**937,397**	**969,176**
NET OPERATING INCOME		**117,691**	**115,299**	**112,660**	**109,762**	**106,591**	**103,134**	**99,376**	**95,303**	**90,898**	**86,146**	**81,029**	**75,530**	**69,629**	**63,309**	**56,548**
CASH FLOW after all debt service		**117,691**	**115,299**	**112,660**	**109,762**	**106,591**	**103,134**	**99,376**	**95,303**	**90,898**	**86,146**	**81,029**	**75,530**	**69,629**	**63,309**	**56,548**
CAPX Est. Expenditures			111,668	103,785	679,170	243,433	90,220	135,926	55,313	557,437	235,351	64,475				
CAPX Reserves w/ est. Use		**1,034,768**	**1,115,037**	**1,202,465**	**713,574**	**659,263**	**756,770**	**806,929**	**935,796**	**560,355**	**504,526**	**616,790**				

HOUSING AUTHORITY ADMINISTRATIVE CAP CLEARANCE - AT MAX RENTS Pg. 1

DOF APPROVED ASSETS		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Mountain View Villas		$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31
MVV CAPX Reserves		$ 1,061,374.80	$ 1,200,841.99	$ 1,044,639.36	$ 1,007,740.64	$ 696,952.30	$ 40,166.76	$ 145,070.60	$ 261,931.74
Indian Wells Villas		$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85
IWV CAPX Reserves		$ 1,034,768.40	$ 1,115,036.89	$ 1,202,465.35	$ 713,574.45	$ 659,262.82	$ 756,770.50	$ 806,929.38	$ 935,795.64
TOTAL VALUATION OF ASSETS		$ 54,485,709.36	$ 54,705,445.05	$ 54,636,670.87	$ 54,110,881.25	$ 53,745,781.28	$ 53,186,503.41	$ 53,341,566.14	$ 53,587,293.54
ADMINISTRATIVE CAP	5%	**$ 2,724,285.47**	**$ 2,735,272.25**	**$ 2,731,833.54**	**$ 2,705,544.06**	**$ 2,687,289.06**	**$ 2,659,325.17**	**$ 2,667,078.31**	**$ 2,679,364.68**
OPERATION ASSUMPTIONS									
MVV Gross Expenditures		$ 846,609.80	$ 975,014.40	$ 1,298,546.26	$ 1,207,800.94	$ 1,510,963.11	$ 1,886,964.69	$ 1,156,029.78	$ 1,106,747.69
IWV Gross Expenditures		$ 608,241.40	$ 740,450.17	$ 753,808.16	$ 1,351,158.44	$ 938,135.86	$ 808,412.16	$ 878,408.95	$ 773,505.16
TOTAL PROPERTY EXPENDITURES		$ 1,454,851.20	$ 1,715,464.56	$ 2,052,354.43	$ 2,558,959.38	$ 2,449,098.98	$ 2,695,376.84	$ 2,034,438.73	$ 1,880,252.84
ADMIN CAP CLEARANCE		**$ 1,269,434.27**	**$ 1,019,807.69**	**$ 679,479.12**	**$ 146,584.69**	**$ 238,190.09**	**$ (36,051.67)**	**$ 632,639.58**	**$ 799,111.83**

HOUSING AUTHORITY ADMINISTRATIVE CAP CLEARANCE - AT MAX RENTS Pg. 2

DOF APPROVED ASSETS	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Mountain View Villas	$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31	$ 42,095,599.31
MVV CAPX Reserves	$ 364,129.59	$ 496,407.15	$ (201,063.95)	$ -	$ -	$ -	$ -
Indian Wells Villas	$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85	$ 10,293,966.85
IWV CAPX Reserves	$ 560,355.11	$ 504,525.68	$ 616,789.59	$ -	$ -	$ -	$ -
TOTAL VALUATION OF ASSETS	$ 53,314,050.87	$ 53,390,498.99	$ 52,805,291.80	$ 52,389,566.16	$ 52,389,566.16	$ 52,389,566.16	$ 52,389,566.16
ADMINISTRATIVE CAP	**$ 2,665,702.54**	**$ 2,669,524.95**	**$ 2,640,264.59**	**$ 2,619,478.31**	**$ 2,619,478.31**	**$ 2,619,478.31**	**$ 2,619,478.31**
OPERATION ASSUMPTIONS							
MVV Gross Expenditures	$ 1,222,570.53	$ 1,225,610.04	$ 2,089,305.88	$ 1,221,033.05	$ 1,262,439.09	$ 1,305,261.08	$ 1,349,547.75
IWV Gross Expenditures	$ 1,351,017.10	$ 1,055,795.43	$ 912,701.23	$ 876,957.05	$ 906,669.52	$ 937,397.40	$ 969,175.61
TOTAL PROPERTY EXPENDITURES	$ 2,573,587.64	$ 2,281,405.47	$ 3,002,007.11	$ 2,097,990.10	$ 2,169,108.60	$ 2,242,658.47	$ 2,318,723.37
ADMIN CAP CLEARANCE	**$ 92,114.91**	**$ 388,119.48**	**$ (361,742.52)**	**$ 521,488.21**	**$ 450,369.71**	**$ 376,819.84**	**$ 300,754.94**

Historical/Archaeological Resources Survey of

17 ACRES IN THE NORTHWESTERN PORTION OF APN 604-640-001

City of Indian Wells
Riverside County, California

For Submittal to:

City of Indian Wells
44-950 Eldorado Drive
Indian Wells, CA 92210-7497

Prepared for:

MSA Consulting, Inc.
34200 Bob Hope Drive
Rancho Mirage, CA 92270

Prepared by:

CRM TECH
1016 East Cooley Drive, Suite A/B
Colton, CA 92324

Bai "Tom" Tang, Principal Investigator
Michael Hogan, Principal Investigator

August 20, 2014
CRM TECH Contract No. 2829

Title: Historical/Archaeological Resources Survey of 17 Acres in the Northwestern Portion of APN 604-640-001, City of Indian Wells, Riverside County, California

Author(s): Bai "Tom" Tang, Principal Investigator/Historian
Daniel Ballester, Archaeologist

Consulting Firm: CRM TECH
1016 East Cooley Drive, Suite A/B
Colton, CA 92324
(909) 824-6400

Date: August 20, 2014

For Submittal to: Planning Division
City of Indian Wells
44-950 Eldorado Drive
Indian Wells, CA 92210-7497
(760) 346-2489

Prepared for: Paul DePalatis, AICP, Director of Planning Services
MSA Consulting, Inc.
34200 Bob Hope Drive
Rancho Mirage, CA 92270
(760) 320-9811

USGS Quadrangle: La Quinta, Calif., 7.5' quadrangle (Sections 24, T5S R6E, San Bernardino Baseline and Meridian)

Keywords: Coachella Valley, Riverside County; Phase I historical/archaeological resources survey; Sites 33-001530 (CA-RIV-1530) and 33-007924 (CA-RIV-5876); prehistoric artifact scatters and human cremation remains; archaeological testing recommended at Site 33-001530

EXECUTIVE SUMMARY

In July and August 2014, at the request of MSA Consulting, Inc., CRM TECH performed a Phase I cultural resources survey on approximately 17 acres of vacant land in the City of Indian Wells, Riverside County, California. The subject property of the survey consists of the northwestern portion of Assessor's Parcel Number 604-640-001, located on the southern side of Miles Avenue between its intersections with State Route 111 and Washington Street, within the southeast quarter of Section 24, T5S R6E, San Bernardino Baseline and Meridian.

The study is part of the environmental review process for the proposed grading of the City-owned property to create a sod farm and a special event parking area. The City of Indian Wells, as the lead agency for the project, required the study in compliance with the California Environmental Quality Act (CEQA). The purpose of the study is to provide the City with the necessary information and analysis to determine whether the proposed project would cause substantial adverse changes to any "historical resources," as defined by CEQA, that may exist in or around the project area.

In order to identify and evaluate such resources, CRM TECH conducted a historical/archaeological resources records search, pursued historical background research, contacted Native American representatives, and carried out an intensive-level field survey of the entire project area. The results of the records search indicate that two previously recorded archaeological sites of prehistoric–i.e., Native American–origin, 33-001530 (CA-RIV-1530) and 33-007924 (CA-RIV-5876), were located partially within the project area. The portions of the sites lying within the present project boundaries were treated with an archaeological testing and evaluation program in 2002-2003. As a result, the portion of Site 33-007924 in the project area was found not to meet CEQA's definition of a "historical resource." Site 33-001530, on the other hand, was determined to qualify as a "historical resource," but any potential impacts to the site were deemed to have been adequately mitigated through data recovery accomplished during that study.

During the field survey, additional cultural materials were found to have been exposed, evidently due to sand dune migration, in areas both within and outside the previously delineated boundaries of Site 33-001530. While most of the artifacts are common for prehistoric sites in the Indian Wells area and elsewhere throughout the Coachella Valley, the discovery of human cremation remains warrants further archaeological investigation, including subsurface excavation. Scattered artifacts were also observed in the area of Site 33-007924, but the quality and quantity of these finds do not call for the previous significance evaluation of the site to be revisited.

Based on the research results summarized above, CRM TECH recommends the following alternatives regarding the treatment of Site 33-001530:

- Alternative 1: The area around the newly discovered cultural remains at the site be preserved in situ by capping and avoidance during the project.
- Alternative 2: An archaeological testing/mitigation program be implemented at the locations of the newly discovered cultural remains in order to ascertain the presence or absence of additional, potentially significant materials in subsurface deposits and, if such materials are encountered, complete data recovery. The scope of the testing/mitigation program should include surface collection, subsurface excavations, proper reinterment of human remains, laboratory analysis of recovered artifacts, and permanent curation of the artifacts at an appropriate facility. At the completion of the archaeological fieldwork, barring any discoveries of extraordinary significance, the proposed project will be cleared to proceed. Further recommendations on future treatment of the site, if any, will be formulated upon that time.

No further cultural resources investigations are recommended for Site 33-007924. If either of the alternatives recommended above is adopted, CRM TECH concludes that the proposed project will be in compliance with CEQA provisions on cultural resources.

TABLE OF CONTENTS

EXECUTIVE SUMMARY i
INTRODUCTION 1
SETTING 3
Current Natural Setting 3
Cultural Setting 4
Prehistoric Context 4
Ethnohistoric Context 4
Historic Context 5
RESEARCH METHODS 6
Records Search 6
Historical Background Research 6
Native American Participation 7
Field Survey 7
RESULTS AND FINDINGS 7
Records Search 7
Historical Background Research 10
Native American Participation 11
Field Survey 12
MANAGEMENT CONSIDERATIONS 13
Regulatory Guidelines 13
Conclusions 14
Recommendations 14
REFERENCES 16
APPENDIX 1: Personnel Qualifications 18
APPENDIX 2: Correspondence with Native American Representatives 21

LIST OF FIGURES

Figure 1. Project vicinity 1
Figure 2. Project area 2
Figure 3. Overview of the current natural setting of the project area 3
Figure 4. Previous cultural resources studies 8
Figure 5. The project area and vicinity in 1855-1856 10
Figure 6. The project area and vicinity in 1901 10
Figure 7. The project area and vicinity in 1941 11
Figure 8. The project area and vicinity in 1954-1959 11
Figure 9. Artifacts found at Site 33-007924 12
Figure 10. Artifacts found at Site 33-001530 13

INTRODUCTION

In July and August 2014, at the request of MSA Consulting, Inc., CRM TECH performed a Phase I cultural resources survey on approximately 17 acres of vacant land in the City of Indian Wells, Riverside County, California (Fig. 1). The subject property of the survey consists of the northwestern portion of Assessor's Parcel Number (APN) 604-640-001, located on the southern side of Miles Avenue between its intersections with State Route 111 and Washington Street, within the southeast quarter of Section 24, T5S R6E, San Bernardino Baseline and Meridian (Fig. 2).

The study is part of the environmental review process for the proposed grading of the City-owned property to create a sod farm and a special event parking area. The City of Indian Wells, as the lead agency for the project, required the study in compliance with the California Environmental Quality Act (CEQA). The purpose of the study is to provide the City with the necessary information and analysis to determine whether the proposed project would cause substantial adverse changes to any "historical resources," as defined by CEQA, that may exist in or around the project area.

In order to identify and evaluate such resources, CRM TECH conducted a historical/ archaeological resources records search, pursued historical background research, contacted Native American representatives, and carried out an intensive-level field survey of the entire project area. The following report is a complete account of the methods, results, and final conclusion of the study.

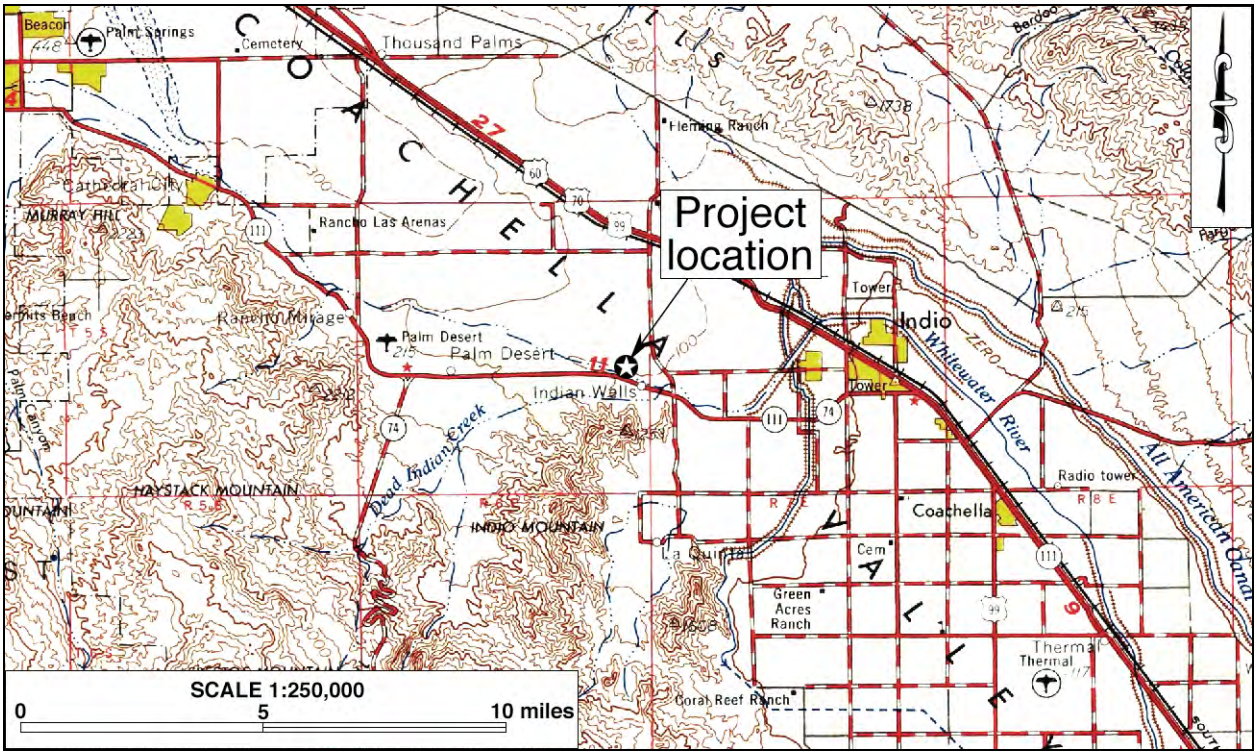


Figure 1. Project vicinity. (Based on USGS Santa Ana, Calif., 1:250,000 quadrangle [USGS 1979])

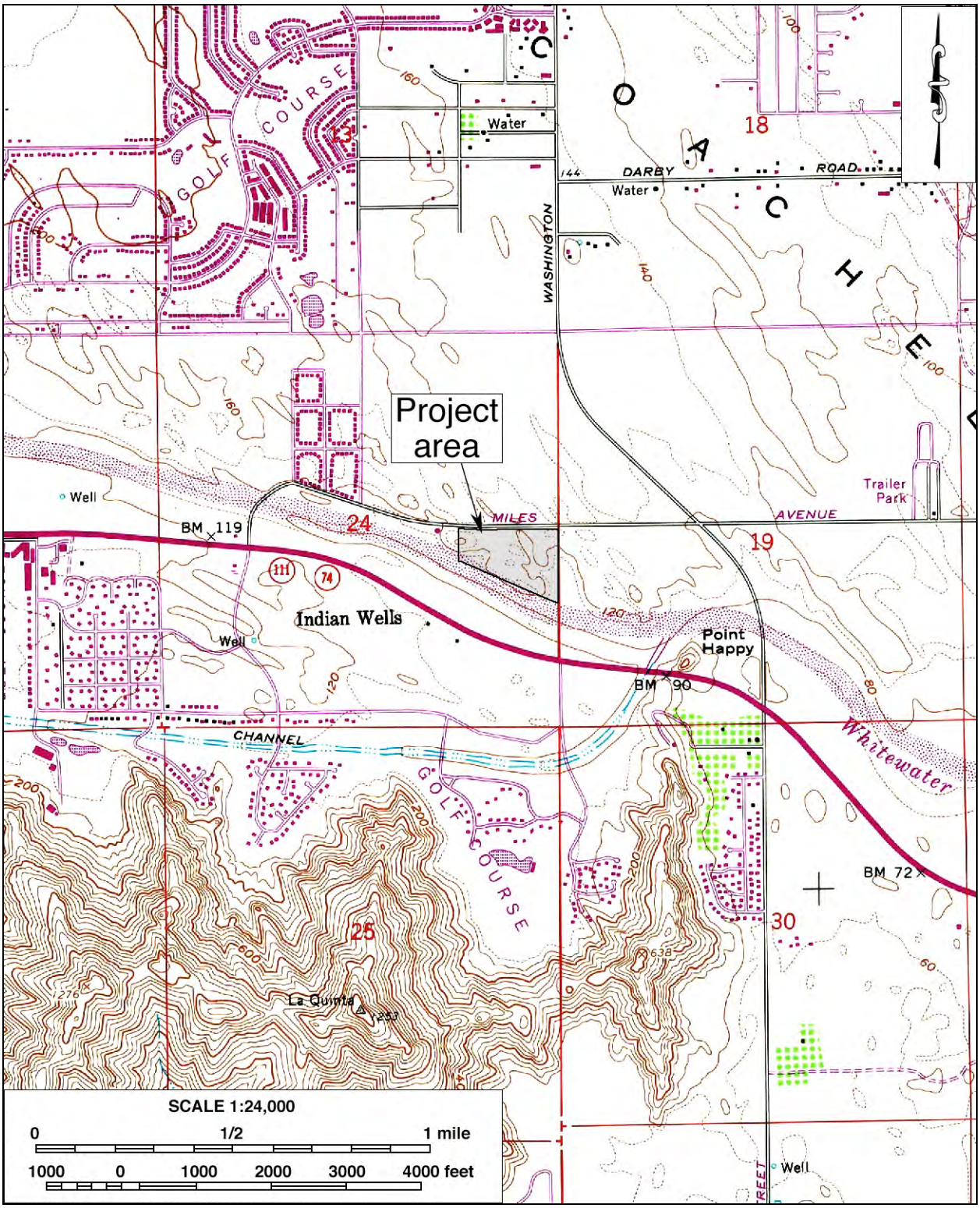


Figure 2. Project area. (Based on USGS La Quinta, Calif., 1:24,000 quadrangle [USGS 1980])

SETTING

CURRENT NATURAL SETTING

The City of Indian Wells is situated in the Coachella Valley, a northwest-southeast trending desert valley that constitutes the western end of the Colorado Desert. Dictated by this geographic setting, the climate and environment of the project area and its surrounding region are typical of southern California's desert country, marked by extremes in temperature and aridity. Temperatures in the region reach over 120 degrees in summer, and dip to near freezing in winter. Average annual precipitation is less than five inches, and the average annual evaporation rate exceeds three feet.

The project area is located in the northeastern portion of the City of Indian Wells, and is part of a stretch of undeveloped land along the northern bank of the Whitewater River (Coachella Valley Stormwater Channel) that is surrounded by residential neighborhoods, golf courses, and a shopping center. It lies on the south side of Miles Avenue, across the street from the Indian Wells Tennis Garden, and adjacent to an existing special event parking lot to the east.

The terrain in the project area is relatively level except along the southern edge, where the ground surface slopes sharply to the Whitewater riverbed. Elevations on the property range around 120-140 feet above mean sea level. The eastern portion of the project area has been disturbed in the past by refuse dumping, and some areas have evidently been leveled. Soils in the project area consist of light grayish-brown, fine- to medium-grained alluvial sands, and the vegetation includes creosote bushes, brittle brush, and other small desert shrubs and grasses (Fig. 3).

Figure 3. Overview of the current natural setting of the project area. (Photo taken on July 30, 2014; view to the southwest)

CULTURAL SETTING

Prehistoric Context

Numerous investigations on the history of cultural development in southern California have led researchers to propose a number of cultural chronologies for the desert regions. A specific cultural sequence for the Colorado Desert was offered by Schaefer (1994) on the basis of the many archaeological studies conducted in the area. The earliest time period identified is the Paleoindian (ca. 8,000 to 10,000-12,000 years ago), when "small, mobile bands" of hunters and gatherers, who relied on a variety of small and large game animals as well as wild plants for subsistence, roamed the region (*ibid*.:63). These small groups settled "on mesas and terraces overlooking larger washes" (*ibid*.:64). The artifact assemblage of that period typically consists of very simple stone tools, "cleared circles, rock rings, [and] some geoglyph types" (*ibid*.).

The Early Archaic Period follows and dates to ca. 8,000 to 4,000 years ago. It appears that a decrease in population density occurred at this time and that the indigenous groups of the area relied more on foraging than hunting. Very few archaeological remains have been identified to this time period. The ensuing Late Archaic Period (ca. 4,000 to 1,500 years ago) is characterized by continued low population densities and groups of "flexible" sizes that settled near available seasonal food resources and relied on "opportunistic" hunting of game animals. Groundstone artifacts for food processing were prominent during this time period.

The most recent period in Schaefer's scheme, the Late Prehistoric, dates from ca. 1,500 years ago to the time of the Spanish missions, and saw the continuation of the seasonal settlement pattern. Peoples of the Late Prehistoric Period were associated with the Patayan cultural pattern and relied more heavily on the availability of seasonal "wild plants and animal resources" (Schaefer 1994:66). It was during this period that brown and buff ware ceramics were introduced into the region.

The shores of Holocene Lake Cahuilla, during times of its presence, attracted much settlement and resource procurement; but in times of the lake's desiccation around 1700, according to Schaefer (1994:66), the Native people moved away from its receding shores towards rivers, streams, and mountains. Numerous archaeological sites dating to this time period have been identified along the shoreline of Holocene Lake Cahuilla. Testing and mitigative excavations at these sites have recovered brown and buff ware ceramics, a variety of groundstone and projectile point types, ornaments, and cremations.

Ethnohistoric Context

The Coachella Valley is a historical center of Native American settlement, where U.S. surveyors noted large numbers of Indian villages and *rancherías*, occupied by the Cahuilla people, in the mid-19th century. The Takic-speaking Cahuilla are generally divided by anthropologists into three groups, according to their geographic setting: the Pass Cahuilla of the San Gorgonio Pass-Palm Springs area, the Mountain Cahuilla of the San Jacinto and Santa Rosa Mountains and the Cahuilla Valley, and the Desert Cahuilla of the eastern Coachella Valley. The basic written sources on Cahuilla culture and history include Kroeber (1925), Strong (1929), and Bean (1978). The following ethnohistoric discussion is based primarily on these sources.

The Cahuilla did not have a single name that referred to an all-inclusive tribal affiliation. Instead, membership was in terms of lineages or clans. Each lineage or clan belonged to one of two main divisions of the people, known as moieties. Members of clans in one moiety had to marry into clans from the other moiety. Individual clans had villages, or central places, and territories they called their own, for purposes of hunting game, gathering food, or utilizing other necessary resources. They interacted with other clans through trade, intermarriage, and ceremonies.

The Cahuilla people were primarily hunters and gatherers who exploited nearly all of the resources available in a highly developed seasonal mobility system. They were adapted to the arid conditions of the desert floor, the lacustral cycles of Holocene Lake Cahuilla, and the environments of the nearby mountains. When the lake was full, or nearly full, the Cahuilla would take advantage of the resources presented by the body of fresh water. Once the lake had desiccated, they utilized the available terrestrial resources. They also migrated to the higher elevations of the nearby mountains to take advantage of the resources and cooler temperatures available in that environment.

The Cahuilla collected seeds, roots, wild fruits and berries, acorns, wild onions, piñon nuts, and mesquite and screw beans. Common game animals included deer, antelope, big horn sheep, rabbits, wood rats and, when Holocene Lake Cahuilla was present, fish and waterfowls. The Cahuilla hunted with throwing sticks, clubs, nets, traps, snares, as well as bows and arrow (Bean 1978; CSRI 2002). Common tools and utensils included manos and metates, mortars and pestles, hammerstones, fire drills, awls, arrow-straighteners, and stone knives and scrapers. These lithic tools were made from locally available material as well as exotic material procured through trade or travel. They also used wood, horn, and bone spoons and stirrers; baskets for winnowing, leaching, grinding, transporting, parching, storing, and cooking; and pottery vessels for carrying water, storage, cooking, and serving food and drink (*ibid.*).

Population data prior to European contact are almost impossible to obtain, but estimates range from 3,600 to as high as 10,000 persons. During the 19th century, however, the Cahuilla population was decimated as a result of European diseases, most notably smallpox, for which the Native peoples had no immunity. Today, Native Americans of Pass or Desert Cahuilla heritage are mostly affiliated with one or more of the Indian reservations in and near the Coachella Valley, including Agua Caliente, Cabazon, Torres Martinez, Augustine, and Morongo.

Historic Context

In 1823-1825, José Romero, José Maria Estudillo, and Romualdo Pacheco became the first noted European explorers to travel through the Coachella Valley when they led a series of expeditions in search of a route to Yuma (Johnston 1987:92-95). Due to its harsh environment, few non-Indians ventured into the desert valley during the Mexican and early American periods, except those who traveled along the established trails. The most important of these trails was the Cocomaricopa Trail, an ancient Indian trading route that was “discovered” in 1862 by William David Bradshaw and known after that as the Bradshaw Trail (Gunther 1984:71; Ross 1992:25). In much of the Coachella Valley, this historic wagon road traversed a similar course to that of present-day Highway 111. During the 1860s-1870s, the Bradshaw Trail served as the main thoroughfare between coastal southern California and the Colorado River, until the completion of the Southern Pacific Railroad in 1876-1877 brought an end to its heyday (Johnston 1987:185).

Non-Indian settlement in the Coachella Valley began in the 1870s with the establishment of railroad stations along the Southern Pacific Railroad, and spread further in the 1880s after public land was opened for claims under the Homestead Act, the Desert Land Act, and other federal land laws (Laflin 1998:35-36; Robinson 1948:169-171). Farming became the dominant economic activity in the valley thanks to the development of underground water sources, often in the form of artesian wells. Around the turn of the century, the date palm was introduced into the Coachella Valley, and by the late 1910s dates were the main agricultural crop and the tree an iconic image celebrating the region as the "Arabia of America" (Shields Date Gardens 1957). Then, starting in the 1920s, a new industry featuring equestrian camps, resorts, hotels, and eventually country clubs began to spread throughout the Coachella Valley, transforming it into southern California's premier winter retreat.

The City of Indian Wells, one of the fast-growing resort communities along Highway 111, derived its name from an old Cahuilla walk-in well that once existed in the vicinity. Known as Palma Seca ("dry palm"), the well was a famous desert landmark during the 19th and early 20th centuries among both the Cahuillas and the non-Indians. Located near the well was a Cahuilla village, which has been identified by modern scholars as Kavinish (Bean et al. 1991:45). During the stage coach days of the 1860s-1870s, it served as an important stop on the Bradshaw Trail (Johnston 1987:115). By the turn of the century, however, the village had been abandoned (Barrows 1900:33), while the area was increasingly settled by Euroamericans. The Indian Wells post office was first established in 1915, signaling the emergence of the community (Gunther 1984:250). In 1967, Indian Wells was incorporated as a city.

RESEARCH METHODS

RECORDS SEARCH

On July 24-25, 2014, CRM TECH archaeologist Nina Gallardo (see App. 1 for qualifications) conducted the historical/archaeological resources records search at the Eastern Information Center (EIC), University of California, Riverside. During the records search, Gallardo examined maps and records on file at the EIC for previously identified cultural resources in or near the project area and existing cultural resources reports pertaining to the vicinity. Previously identified cultural resources include properties designated as California Historical Landmarks, Points of Historical Interest, or Riverside County Landmarks, as well as those listed in the National Register of Historic Places, the California Register of Historical Resources, or the California Historical Resources Inventory.

HISTORICAL BACKGROUND RESEARCH

Historical background research for this study was conducted by CRM TECH historian Bai "Tom" Tang (see App. 1 for qualifications) on the basis of published literature in local and regional history, archival records of the U.S. Bureau of Land Management (BLM), and historic maps of the Coachella Valley region. Among maps consulted for this study were the U.S. General Land Office's (GLO) land survey plat maps dated 1856-1914 and the U.S. Geological Survey's (USGS) topographic maps dated 1904-1980. These maps are collected at the Science Library of the University of California, Riverside, and the California Desert District of the BLM, located in Moreno Valley.

NATIVE AMERICAN PARTICIPATION

On July 23, 2014, CRM TECH submitted a written request to the State of California's Native American Heritage Commission for a records search in the commission's sacred lands file. Following the Native American Heritage Commission's recommendations, CRM TECH further contacted a total of 17 tribal representatives in the region in writing on July 29 to solicit local Native American input regarding any potential cultural resources concerns over the proposed project. The correspondences between CRM TECH and the Native American representatives are attached to this report in Appendix 2.

FIELD SURVEY

On July 30, 2014, CRM TECH field director Daniel Ballester (see App. 1 for qualifications) and project archaeologist Nina Gallardo carried out the intensive-level, on-foot field survey of the project area. The survey was completed by walking a system of parallel north-south and east-west transects spaced 15 meters (approx. 50 feet) apart. In this way, the ground surface in the entire project area was systematically and carefully examined for any evidence of human activities dating to the prehistoric or historic period (i.e., 50 years ago or older). Ground visibility was poor (approx. 30%) within the Whitewater River wash due to the presence of dense vegetation, but was excellent (approx. 90%) over most of the property.

RESULTS AND FINDINGS

RECORDS SEARCH

According to EIC records, the project area was included in at least two Phase I cultural resources surveys completed in 1985 and 1998 (Sutton 1985; Bissell 1998), while a third survey covered a small portion of the project area in 1997 (Brock 1997; Fig. 4). As a result of these and other similar studies in the vicinity, two prehistoric–i.e., Native American–archaeological sites, designated 33-001530 (CA-RIV-1530) and 33-007924 (CA-RIV-5876) in the California Historical Resources Inventory, were previously recorded as lying partially within the project boundaries.

Site 33-001530 was first recorded in 1978 as a "deflating midden" consisting of a fire hearth, groundstone pieces, ceramic sherds, shell, animal bone, and chipped stone pieces (Baldwin 1978). In 1985, Sutton (1985:4-5) found the site to be "reasonably intact," and recommended archaeological testing in order to determine its significance. Three years later, it was noted that the integrity of the site was being compromised by relic collectors, pedestrian and vehicle traffic, and natural erosion of the sand dune containing the cultural materials (Alexandrowicz 1998:116; Bissell 1998:15).

In the 1998 survey of the project area, Bissell (1998:18) again recommended archaeological testing at 33-001530, and further stated that if the site was found to be significant, it should be "capped with a minimum of three feet of sterile fill material and native vegetation be planted." Meanwhile, Alexandrowicz (1998:v) suggested that the site be avoided during development activities and that a security fence be installed around the site boundaries to preserve it for future research.

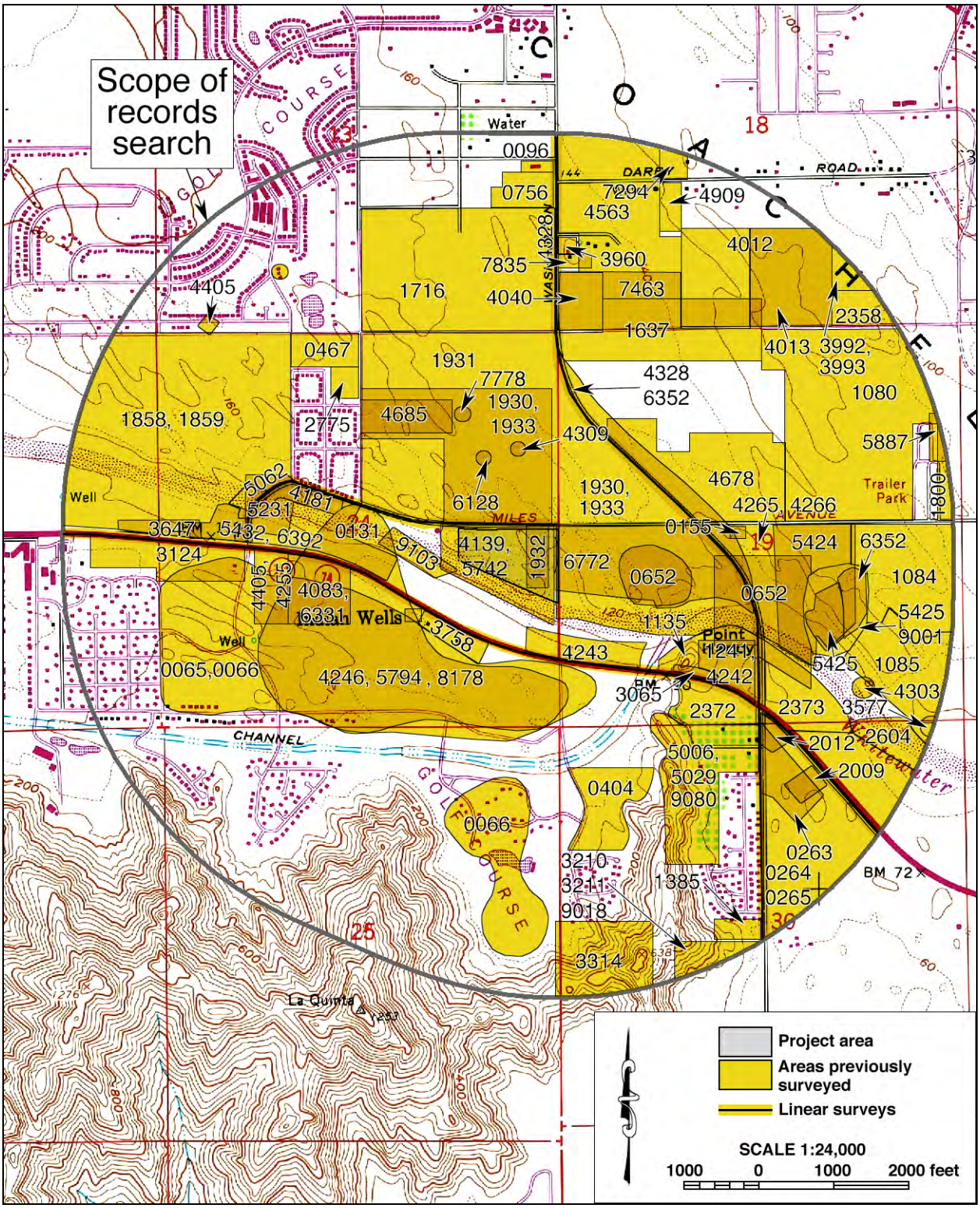


Figure 4. Previous cultural resources studies in the vicinity of the project area, listed by EIC file number. Locations of known historical/archaeological sites are not shown as a protective measure.

Site 33-007924 was first recorded in 1997 as a ceramic scatter with interspersed chipped-stone pieces, fire-affected rocks, and animal bones. The following year, Alexandrowicz (1998) conducted archaeological testing at the site, including site mapping, surface collection of artifacts, and the excavation of test units. As a result, three loci were identified at the site, containing chipped-stone, groundstone, and ceramic artifacts (*ibid.*:iii). The extent of the site, however, could not be accurately determined because the artifact scatter was found to extend well beyond of the boundaries of that study (*ibid.*:116).

A second testing program and a monitoring program were carried out in 2000 on the portion of 33-007924 lying to the east of the current project area (Brown and Bissell 2000). Findings from these efforts deemed the site to be significant, but sufficient archaeological data were recovered and preserved during these studies to constitute mitigation of project effects (*ibid.*). However, during the 1998 survey of the project area, Bissell (1998) found additional ceramic artifact to the west of the portion of 33-007924 that Alexandrowicz excavated, further expanding the site boundary. As this newly discovered portion of the site had not been evaluated, Bissell (*ibid.*:18) recommended surface collection, excavation of test units, and monitoring for that location.

In 2002-2003, CRM TECH performed a testing and evaluation program at 33-001530 and the westernmost portion of 33-007924 pursuant to Bissell's 1998 recommendations, including a systematic re-survey, site mapping, surface collection of artifacts, and the excavation of surface scrapes, test units, and backhoe trenches (Dahdul et al. 2003). During that study, 33-007924 yielded only a few ceramic sherds, some of which were recovered from a highly disturbed portion of the site. Consequently, the westernmost portion of 33-007924 was determined not to meet CEQA's definition of a "historical resource" (*ibid.*:i).

Site 33-001530, on the other hand, was found to contain an area with scattered human cremation remains, and the field procedures at the site yielded numerous ceramic sherds, along with chipped stone pieces, groundstone fragments, fire-affected rocks, animal bone fragments, and fire-affected clay (Dahdul et al. 2003:i). Laboratory analysis of the artifacts recovered at the site revealed that this was a locality of intensive aboriginal use over a long period of time (*ibid.*). Because of the important archaeological data it had yielded, 33-001530 was found to qualify as a "historical resource" under CEQA, but any potential impacts to the site were deemed to have been adequately mitigated through data recovery accomplished during that study (*ibid.*:ii).

In summary, based on the results and findings from the past studies referenced above, neither of the two sites lying partially within the project area, or at least the portions of the sites within, required further archaeological treatment in the absence of potentially significant new findings. Outside the project area but within a one-mile radius, EIC records show nearly 100 previous cultural resources studies on various tracts of land and linear features, which together covered well over half of the land surface within the scope of the records search (Fig. 4). Also within the one-mile radius, EIC records indicate that 54 prehistoric sites and isolates—i.e., localities with fewer than three artifacts—have been identified and recorded previously, along with 12 historic-period sites.

The historic-period sites recorded in the project vicinity were primarily residential and commercial buildings dating to the early and mid-20th century. The prehistoric sites were typically similar in nature to 33-001530 and 33-007924, consisting of scattered ceramic, lithic, and/or faunal artifacts, in

some cases representing habitation remains from both permanent villages and temporary campsites. One large site among them, 33-000064, contained both prehistoric and historic-period elements associated with the Cahuilla village of Kavinish and the early 20th century Euroamerican settlement known today as the Old Indian Wells Village, and is considered one of the most significant archaeological sites in the Coachella Valley. None of these sites or isolates, however, was found within or adjacent to the project area, and thus none of them requires further consideration during this study.

HISTORICAL BACKGROUND RESEARCH

Historical sources consulted for this study demonstrate that the project area appears to have remained unsettled and undeveloped throughout the historic period despite its location in close proximity to the village of Kavinish and the famed "Indian Well." In 1855-1856, when the U.S. government conducted the earliest systematic land surveys in the Coachella Valley, the village, identified as an "Indian Ranchería," and the accompanying Palma Seca Well were noted within a mile to the west of the project location, while a small segment of the Cocomaricopa-Bradshaw Trail apparently crossed the southeastern corner of the project area (Fig. 5). No other man-made features were observed in or near the project area at that time.

By the early 20th century, the village of Kavinish was no longer found in the project vicinity (Fig. 6), confirming Barrows' (1900:33) contemporary report that its Cahuilla occupants had abandoned that location. Between 1901 and 1941, no cultural features were known to be present within or adjacent to the project area (Figs. 6, 7). The Cocomaricopa-Bradshaw Trail and its successor,

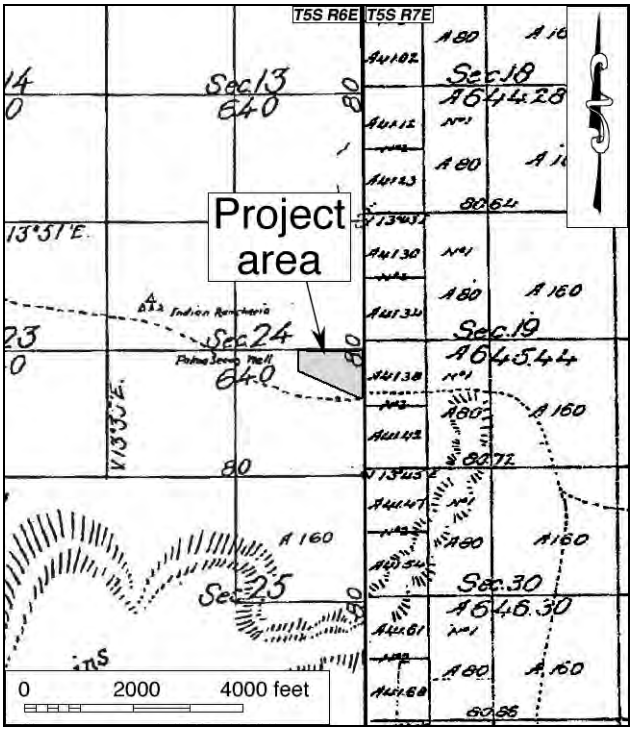


Figure 5. The project area and vicinity in 1855-1856. (Source: GLO 1856a; 1856b)

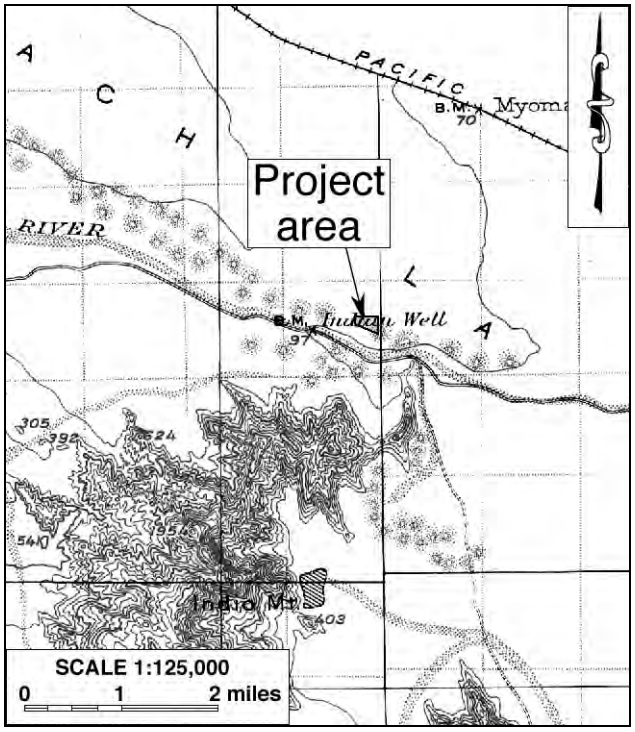


Figure 6. The project area and vicinity in 1901. (Source: USGS 1904)

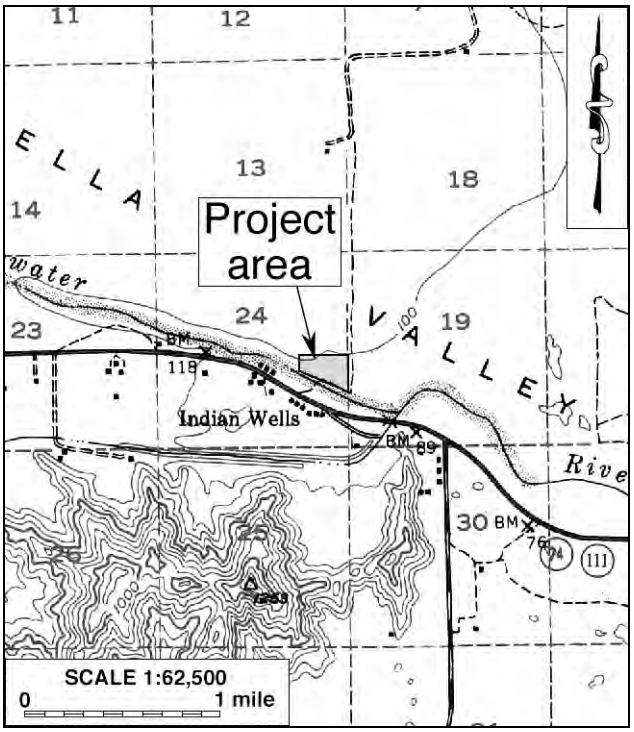


Figure 7. The project area and vicinity in 1941. (Source: USGS 1941)

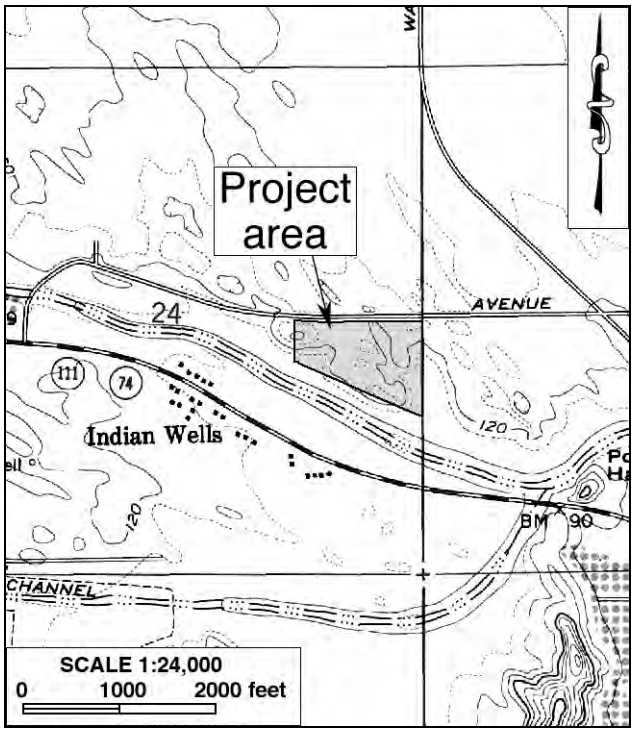


Figure 8. The project area and vicinity in 1954-1959. (Source: USGS 1959)

Highway 111, were shown to run a short distance to the south, across the Whitewater River from the project location (Figs. 6, 7).

In 1913, the project area became part of a 160-acre homestead claim patented to Melvin Harmon (BLM n.d.). By 1941 the town of Indian Wells had sprung up with a number of buildings scattered along Highway 111, and by the 1950s Miles Avenue had become the earliest man-made feature that survives today in the immediate vicinity of the project area (Figs. 7, 8). Throughout these developments, however, no evidence of any settlement or land development activities was observed within the project boundaries (Figs. 6-8). Based on its depiction in the historic maps, the project area appears to be relatively low in sensitivity for cultural resources from the historic period, in contrast to its demonstrated sensitivity for prehistoric archaeological remains.

NATIVE AMERICAN PARTICIPATION

In response to CRM TECH's inquiry, the Native American Heritage Commission reports in a letter dated July 24, 2014, that the sacred lands record search identified no Native American cultural resources within the project area, but recommends that local Native American groups be consulted for further information. For that purpose, the commission provided a list of potential contacts in the region (see App. 2). Upon receiving the commission's reply, CRM TECH initiated consultation in writing with all 12 individuals on the referral list and the organizations they represent. In addition, as referred by these tribal representatives or the appropriate tribal government staff, the following five individuals were also contacted (see App. 2):

- Katie Eskew, Archaeologist with the Agua Caliente Tribal Office of Historic Preservation;
- Yvonne Markle, Environmental Office Manager for the Cahuilla Band of Indians;
- John Gomez, Jr., Cultural Resources Coordinator for the Ramona Band of Cahuilla Indians;
- Gabriella Rubalcava, Environmental Director for Santa Rosa Band of Cahuilla Indians;
- Alicia Reed, Interim Cultural Resources Coordinator/Tribal Secretary for the Torres Martinez Desert Cahuilla Indians.

As of this time, four of the tribal representatives have responded in writing (see App. 2). Among them, Alicia Reed of Torres Martinez states that her tribe would defer to the Agua Caliente Band of Cahuilla Indians for this location. Judy Stapp, Director of Cultural Affairs for the Cabazon Band of Mission Indians, indicates that the tribe has no specific information regarding any sacred, religious, or culturally significant sites in or near the project area.

Mary Ann Green, Chairperson of the Augustine Band of Cahuilla Indians, similarly expresses no specific cultural resources concerns regarding this project, but encourages consultation with other tribes in the area and the implementation of Native American monitoring during the project. In addition, she requests immediate notification of any discovery of cultural resources during the project.

In her letter, Agua Caliente Tribal Historic Preservation Officer Pattie Garcia identifies the project location as a part of the tribe's Traditional Use Area, and states that tribal records show the presence of known cultural resources at this location. Therefore, Ms. Garcia requests copies of all cultural resources documentation related to the project area for tribal review, including the records search results, past studies on the property, the present report, and any newly generated site record forms. In the meantime, she also requests a consultation meeting with the City of Indian Wells, a site visit before the commencement of any ground disturbance, and the presence of an Approved Native American Cultural Resources Monitor during all ground-disturbing activities in the project area.

FIELD SURVEY

During the field survey, additional artifacts were discovered on the ground surface in and near the previously established boundaries of both Site 33-1530 and Site 33-007924 in the project area. At 33-007924, seven scattered ceramic sherds were found within the site boundary (Fig. 9). At 33-

Figure 9. Artifacts found at Site 33-007924 during the field survey. (Photographs taken on July 30, 2014)

Figure 10. Artifacts found at Site 33-001530 during the field survey. *Left*: cottonwood triangular point; *right*: granitic metate fragment. (Photographs taken on July 30, 2014)

001530, a much larger number of artifacts were encountered on the windward side of a sand dune complex, suggesting that they may have been exposed by the gradual east-southeast migration of the dunes. Some of the artifacts were located outside the previously established site boundary. As a result, 33-001530 was expanded towards the south, onto the slope leading to the Whitewater River wash.

Artifacts found at 33-001530 during the field survey include a complete cottonwood triangular point, a mano fragment, two granitic metate fragments, a schist metate fragment, more than 40 ceramic sherds, fire-affected rocks, fish bones, and mammal bones (Fig. 10). A small cluster of suspected human cremation remains were also encountered during the survey. On August 1, 2014, Deborah Gray of the Coroner's Bureau, Riverside County Sheriff's Department, determined the remains to be human and of prehistoric origin, and identified some of the bones as portions of a hand and a foot (Case No. 2014-07189).

MANAGEMENT CONSIDERATIONS

REGULATORY GUIDELINES

CEQA establishes that "a project that may cause a substantial adverse change in the significance of a historical resource is a project that may have a significant effect on the environment" (PRC §21084.1). "Substantial adverse change," according to PRC §5020.1(q), "means demolition, destruction, relocation, or alteration such that the significance of a historical resource would be impaired."

Pursuant to PRC §5020.1(j), "'historical resource' includes, but is not limited to, any object, building, site, area, place, record, or manuscript which is historically or archaeologically significant, or is significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California." More specifically, CEQA guidelines state that the term "historical resources" applies to any such resources listed in or determined to be eligible for listing in the California Register of Historical Resources, included in a local register of historical resources, or determined to be historically significant by the Lead Agency (Title 14 CCR §15064.5(a)(1)-(3)).

Regarding the proper criteria for the evaluation of historical significance, CEQA guidelines mandate that "a resource shall be considered by the lead agency to be 'historically significant' if the resource meets the criteria for listing on the California Register of Historical Resources" (Title 14 CCR §15064.5(a)(3)). A resource may be listed in the California Register if it meets any of the following criteria:

(1) Is associated with events that have made a significant contribution to the broad patterns of California's history and cultural heritage.
(2) Is associated with the lives of persons important in our past.
(3) Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values.
(4) Has yielded, or may be likely to yield, information important in prehistory or history. (PRC §5024.1(c))

CONCLUSIONS

In summary of the research results presented above, two previously recorded archaeological sites of prehistoric origin, 33-001530 and 33-007924, were located partially within the current project area. The portions of the sites lying within the present project boundaries were treated with an archaeological testing and evaluation program in 2002-2003. As a result, Site 33-007924 was found not to meet CEQA's definition of a "historical resource." Site 33-001530, on the other hand, was determined to qualify as a 'historical resource," but any potential impacts to the site were deemed to have been adequately mitigated through data recovery accomplished during that study.

During the present survey, additional cultural materials were found to have been exposed, evidently due to sand dune migration, in areas both within and outside the previously delineated boundaries of Site 33-001530. While most of the artifacts are common for prehistoric sites in the Indian Wells area and elsewhere throughout the Coachella Valley, the discovery of human cremation remains warrants further archaeological investigation, including subsurface excavation. In particular, the presence or absence of more cultural materials in subsurface deposits in the areas newly added to the site as a result of these discoveries is currently unknown.

Scattered artifacts were also observed in the area of Site 33-007924, but the quality and quantity of these finds do not call for the previous significance evaluation of the site to be revisited. Therefore, the previous conclusion that 33-007924 does not constitute a "historical resource" remains unchanged by the results of this study, while a full assessment of the archaeological data potential–and thus the historic significance–of the newly discovered components of 33-001530 cannot be made at this time, pending further archaeological investigations.

RECOMMENDATIONS

Based on the findings from the various avenues of research and the conclusions of the study, CRM TECH recommends the following alternatives regarding the treatment of Site 33-001530:

- Alternative 1: The area around the newly discovered cultural remains at the site be preserved in situ by capping and avoidance during the project.

- Alternative 2: An archaeological testing/mitigation program be implemented at the locations of the newly discovered cultural remains in order to ascertain the presence or absence of additional, potentially significant materials in subsurface deposits and, if such materials are encountered, complete data recovery. The scope of the testing/mitigation program should include surface collection, subsurface excavations, proper reinterment of human remains, laboratory analysis of recovered artifacts, and permanent curation of the artifacts at an appropriate facility. At the completion of the archaeological fieldwork, barring any discoveries of extraordinary significance, the proposed project will be cleared to proceed. Further recommendations on future treatment of the site, if any, will be formulated upon that time.

No further cultural resources investigations are recommended for Site 33-007924. If either of the alternatives recommended above is adopted, CRM TECH further concludes that the proposed project will be in compliance with CEQA provisions on cultural resources.

REFERENCES

Alexandrowicz, John Stephen

1998 Late Prehistoric Campsites along the Whitewater River: Archaeological Data Recovery at Site CA-RIV-5876, in the vicinity of Indian Wells, Riverside County, California. On file, Eastern Information Center, University of California, Riverside.

Baldwin, J.

1978 California Historical Resources Inventory site record forms, 33-001530 (CA-RIV-1530). On file, Eastern Information Center, University of California, Riverside.

Barrows, David Prescott

1900 *The Ethno-Botany of the Coahuilla Indians of Southern California*. University of Chicago Press, Chicago.

Bean, Lowell John

1978 Cahuilla. In Robert F. Heizer (ed.): *Handbook of North American Indians*, Vol. 8: *California*; pp. 575-587. Smithsonian Institution, Washington, D.C.

Bean, Lowell John, Sylvia Brakke Vane, and Jackson Young

1991 *The Cahuilla Landscape: The Santa Rosa and San Jacinto Mountains*. Ballena Press, Menlo Park, California.

Bissell, Ronald M.

1998 Cultural Resources Reconnaissance of the "Stop-N-Sock" Property, Located near Indian Wells, Riverside County, California. On file, Eastern Information Center, University of California, Riverside.

BLM (Bureau of Land Management, U.S. Department of the Interior)

n.d. Online database of U.S. land patents. Http://www.glorecords.blm.gov.

Brock, James

1997 Cultural Resources Assessment for a Proposed Golf Driving Range South of Miles in Unincorporated Riverside County near Indian Wells. On file, Eastern Information Center, University of California, Riverside.

Brown, Joan C., and Ronald Bissell

2000 Evaluation and Data Recovery from CA-RIV-3005, CA-RIV-3008, and CA-RIV-5876, Located near Indian Wells, Riverside County, California. On file, Eastern Information Center, University of California, Riverside.

CSRI (Cultural Systems Research, Inc.)

2002 The Native Americans of Joshua Tree National Park: An Ethnographic Overview and Assessment Study. Http://www.cr.nps.gov/history/online_books/jotr/history6.htm.

Dahdul, Mariam, Harry M. Quinn, and Adrián Sánchez Moreno

2003 Final Cultural Resources Report: Archaeological Testing and Evaluation at CA-RIV-1530 and a Portion of CA-RIV-5876, City of Indian Wells, Riverside County, California. On file, Eastern Information Center, University of California, Riverside.

GLO (General Land Office, U.S. Department of the Interior)

1856a Plat Map: Township No. 5 South Range No. 6 East, San Bernardino Meridian; surveyed in 1855-1856.

1856b Plat Map: Township No. 5 South Range No. 7 East, San Bernardino Meridian; surveyed in 1855-1856.

Gunther, Jane Davies
1984 *Riverside County, California, Place Names: Their Origins and Their Stories*. J. D. Gunther, Riverside.
Johnston, Francis J.
1987 *The Bradshaw Trail*; revised edition. Historical Commission Press, Riverside.
Kroeber, Alfred L.
1925 *Handbook of the Indians of California*. Bureau of American Ethnology Bulletin 78. Government Printing Office, Washington, D.C.
Laflin, Patricia
1998 *Coachella Valley California: A Pictorial History*. The Donning Company, Virginia Beach, Virginia.
Robinson, W. W.
1948 *Land in California*. University of California Press, Berkeley.
Ross, Delmer G.
1992 *Gold Road to La Paz: An Interpretive Guide to the Bradshaw Trail*. Tales of the Mojave Road Publishing Company, Essex, California.
Schaefer, Jerry
1994 The Challenge of Archaeological Research in the Colorado Desert: Recent Approaches and Discoveries. *Journal of California and Great Basin Anthropology* 16(1):60-80.
Shields Date Gardens
1957 *Coachella Valley Desert Trails and the Romance and Sex Life of the Date*. Shields Date Gardens, Indio.
Strong, William Duncan
1929 *Aboriginal Society in Southern California*. University of California Publications in American Archaeology and Ethnology, Vol. 26. Reprinted by Malki Museum Press, Banning, California, 1972.
Sutton, Mark Q.
1985 Environmental Impact Evaluation: An Archaeological Assessment of the Desert Classic Resort, Indian Wells, Riverside County, California. On file, Eastern Information Center, University of California, Riverside.
USGS (United States Geological Survey, U.S. Department of the Interior)
1904 Map: Indio, Calif. (30’, 1:125,000); surveyed in 1901.
1941 Map: Toro Peak, Calif. (15’, 1:62,500); aerial photographs taken in 1941.
1959 Map: La Quinta, Calif. (7.5’, 1:24,000); aerial photographs taken in 1954, field-checked in 1957 and 1959.
1979 Map: Santa Ana, Calif. (1:250,000); 1959 edition revised.
1980 Map: La Quinta, Calif. (7.5’, 1:24,000); 1959 edition photorevised in 1978.

APPENDIX 1:
PERSONNEL QUALIFICATIONS

PRINCIPAL INVESTIGATOR/HISTORIAN
Bai "Tom" Tang, M.A.

Education

1988-1993	Graduate Program in Public History/Historic Preservation, UC Riverside.
1987	M.A., American History, Yale University, New Haven, Connecticut.
1982	B.A., History, Northwestern University, Xi'an, China.

2000	"Introduction to Section 106 Review," presented by the Advisory Council on Historic Preservation and the University of Nevada, Reno.
1994	"Assessing the Significance of Historic Archaeological Sites," presented by the Historic Preservation Program, University of Nevada, Reno.

Professional Experience

2002-	Principal Investigator, CRM TECH, Riverside/Colton, California.
1993-2002	Project Historian/Architectural Historian, CRM TECH, Riverside, California.
1993-1997	Project Historian, Greenwood and Associates, Pacific Palisades, California.
1991-1993	Project Historian, Archaeological Research Unit, UC Riverside.
1990	Intern Researcher, California State Office of Historic Preservation, Sacramento.
1990-1992	Teaching Assistant, History of Modern World, UC Riverside.
1988-1993	Research Assistant, American Social History, UC Riverside.
1985-1988	Research Assistant, Modern Chinese History, Yale University.
1985-1986	Teaching Assistant, Modern Chinese History, Yale University.
1982-1985	Lecturer, History, Xi'an Foreign Languages Institute, Xi'an, China.

Honors and Awards

1988-1990	University of California Graduate Fellowship, UC Riverside.
1985-1987	Yale University Fellowship, Yale University Graduate School.
1980, 1981	President's Honor List, Northwestern University, Xi'an, China.

Cultural Resources Management Reports

Preliminary Analyses and Recommendations Regarding California's Cultural Resources Inventory System (With Special Reference to Condition 14 of NPS 1990 Program Review Report). California State Office of Historic Preservation working paper, Sacramento, September 1990.

Numerous cultural resources management reports with the Archaeological Research Unit, Greenwood and Associates, and CRM TECH, since October 1991.

PRINCIPAL INVESTIGATOR/ARCHAEOLOGIST
Michael Hogan, Ph.D., RPA*

Education

1991	Ph.D., Anthropology, University of California, Riverside.
1981	B.S., Anthropology, University of California, Riverside; with honors.
1980-1981	Education Abroad Program, Lima, Peru.
2002	Section 106—National Historic Preservation Act: Federal Law at the Local Level. UCLA Extension Course #888.
2002	"Recognizing Historic Artifacts," workshop presented by Richard Norwood, Historical Archaeologist.
2002	"Wending Your Way through the Regulatory Maze," symposium presented by the Association of Environmental Professionals.
1992	"Southern California Ceramics Workshop," presented by Jerry Schaefer.
1992	"Historic Artifact Workshop," presented by Anne Duffield-Stoll.

Professional Experience

2002-	Principal Investigator, CRM TECH, Riverside/Colton, California.
1999-2002	Project Archaeologist/Field Director, CRM TECH, Riverside.
1996-1998	Project Director and Ethnographer, Statistical Research, Inc., Redlands.
1992-1998	Assistant Research Anthropologist, University of California, Riverside
1992-1995	Project Director, Archaeological Research Unit, U. C. Riverside.
1993-1994	Adjunct Professor, Riverside Community College, Mt. San Jacinto College, U.C. Riverside, Chapman University, and San Bernardino Valley College.
1991-1992	Crew Chief, Archaeological Research Unit, U. C. Riverside.
1984-1998	Archaeological Technician, Field Director, and Project Director for various southern California cultural resources management firms.

Research Interests

Cultural Resource Management, Southern Californian Archaeology, Settlement and Exchange Patterns, Specialization and Stratification, Culture Change, Native American Culture, Cultural Diversity.

Cultural Resources Management Reports

Author and co-author of, contributor to, and principal investigator for numerous cultural resources management study reports since 1986.

Memberships

* Register of Professional Archaeologists; Society for American Archaeology; Society for California Archaeology; Pacific Coast Archaeological Society; Coachella Valley Archaeological Society.

PROJECT ARCHAEOLOGIST/FIELD DIRECTOR
Daniel Ballester, M.S.

Education

2013	M.S., Geographic Information System (GIS), University of Redlands, California.
1998	B.A., Anthropology, California State University, San Bernardino.
1997	Archaeological Field School, University of Las Vegas and University of California, Riverside.
1994	University of Puerto Rico, Rio Piedras, Puerto Rico.
2007	Certificate in Geographic Information Systems (GIS), California State University, San Bernardino.
2002	"Historic Archaeology Workshop," presented by Richard Norwood, Base Archaeologist, Edwards Air Force Base; presented at CRM TECH, Riverside, California.

Professional Experience

2002-	Field Director/GIS Specialist, CRM TECH, Riverside/Colton, California.
1999-2002	Project Archaeologist, CRM TECH, Riverside, California.
1998-1999	Field Crew, K.E.A. Environmental, San Diego, California.
1998	Field Crew, A.S.M. Affiliates, Encinitas, California.
1998	Field Crew, Archaeological Research Unit, University of California, Riverside.

PROJECT ARCHAEOLOGIST
Nina Gallardo, B.A.

Education

2004	B.A., Anthropology/Law and Society, University of California, Riverside.

Professional Experience

2004-	Project Archaeologist, CRM TECH, Riverside/Colton, California.

Honors and Awards

2000-2002	Dean's Honors List, University of California, Riverside.

APPENDIX 2

CORRESPONDENCE WITH NATIVE AMERICAN REPRESENTATIVES*

* A total of 17 local Native American representatives were contacted; a sample letter is included in this report.

SACRED LANDS FILE & NATIVE AMERICAN CONTACTS LIST REQUEST

NATIVE AMERICAN HERITAGE COMMISSION
915 Capitol Mall, RM 364
Sacramento, CA 95814
(916) 653-4082
(916) 657-5390 – Fax
nahc@pacbell.net

Project: APN 604-640-001, The Indian Wells Borrow Area and Haul Roads Project (CRM TECH Contract No. 2829)

County: Riverside

USGS Quadrangle Name: La Quinta, Calif.

Township 5 South **Range** 6 East SB **BM; Section(s)** 23 and 24

Company/Firm/Agency: CRM TECH

Contact Person: Nina Gallardo

Street Address: 1016 E. Cooley Drive, Suite A/B

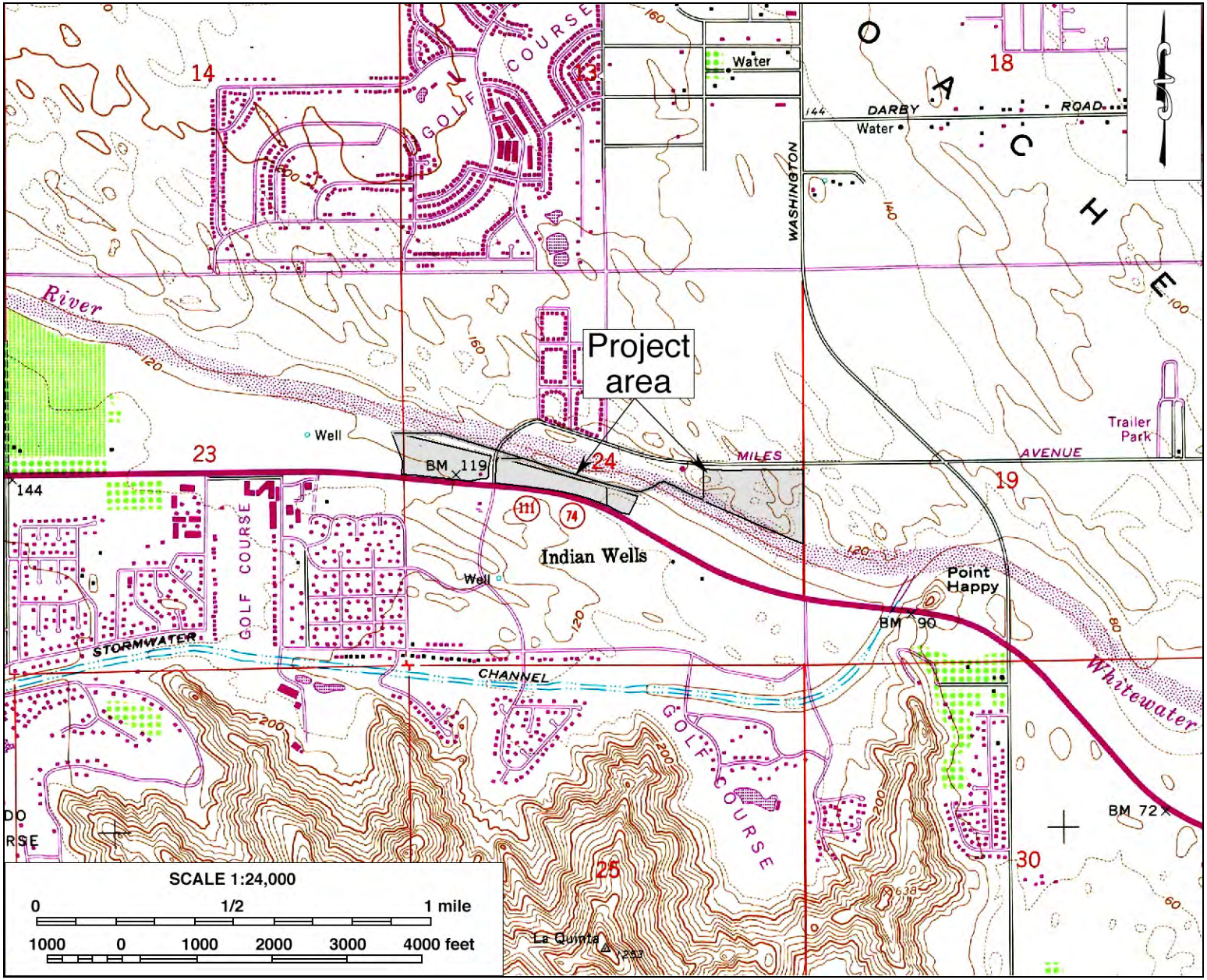
City: Colton, CA **Zip:** 92324

Phone: (909) 824-6400 **Fax:** (909) 824-6405

Email: Ngallardo@crmtech.us

Project Description: The primary component of the project is to construct a parking lot in the City of Indian Wells, Riverside County, California. The project area also includes two borrowing areas and haul roads.

July 23, 2014



Note: The project area has since been reduced to a total of 17 acres (cf. Fig. 2)

STATE OF CALIFORNIA Edmund G. Brown, Jr., Governor

NATIVE AMERICAN HERITAGE COMMISSION
1550 Harbor Boulevard, Suite 100
West Sacramento, CA 95691
(916) 373-3715
Fax (916) 373-5471
Web Site www.nahc.ca.gov
ds_nahc@pacbell.net

July 24, 2014

Ms. Nina Gallardo, RPA
CRM TECH
1016 East Cooley Drive, Suite A/B
Colton, CA 92324

Sent by FAX to: 909-824-6405
No. of Pages: 4

RE: Sacred Lands File Search and Native American Contacts list for the **"Indian Well Borrow Area and Haul Roads Project (#2829);"** located in the Coachella Valley; Riverside County, California

Dear Ms. Gallardo:

A record search of the NAHC Sacred Lands Inventory **failed to indicate** the presence of Native American traditional sites/places of the Project site(s) or 'areas of Potential effect' (APEs), submitted to this office. Note also that the absence of archaeological features, Native American cultural resources does not preclude their existence at the subsurface level.

In the 1985 Appellate Court decision (170 Cal App 3rd 604), the Court held that the NAHC has jurisdiction and special expertise, as a state agency, over affected Native American resources impacted by proposed projects, including archaeological places of religious significance to Native Americans, and to Native American burial sites.

When the project becomes public, please inform the Native American contacts as to the nature of the project (e.g. residential, renewable energy, infrastructure or other appropriate type). Attached is a list of Native American tribes, Native American individuals or organizations that may have knowledge of cultural resources in or near the proposed project area (APE). As part of the consultation process, the NAHC recommends that local government and project developers contact the tribal governments and Native American individuals on the list in order to determine if the proposed action might impact any cultural places or sacred sites. If a response from those listed on the attachment is not received in two weeks of notification, the NAHC recommends that a follow-up telephone call be made to ensure the project information has been received.

California Government Code Sections 65040.12(e) defines 'environmental justice' to provide "fair treatment of people...with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations and policies." Also,

Executive Order B-10-11 requires that state agencies "consult with Native American tribes, their elected officials and other representatives of tribal governments in order to provide meaningful input into...the development of legislation, regulations, rules and policies on matter that may affect tribal communities."

If you have any questions or need additional information, please contact me at (916) 373-3715.

Sincerely,

Dave Singleton
Program Analyst

Attachments

Native American Contacts
Riverside County, California
July 24, 2014

Cabazon Band of Mission Indians
Doug Welmas, Chairperson
84-245 Indio Springs Cahuilla
Indio , CA 92203
(760) 342-2593
(760) 347-7880 Fax

Santa Rosa Band of Mission Indians
John Marcus, Chairman
P.O. Box 391820 Cahuilla
Anza , CA 92539
(951) 659-2700
(951) 659-2228 Fax

Los Coyotes Band of Mission Indians
Shane Chapparosa, Chairman
P.O. Box 189 Cahuilla
Warner , CA 92086
(760) 782-0711
(760) 782-2701 Fax

Augustine Band of Cahuilla Mission Indians
Mary Ann Green, Chairperson
P.O. Box 846 Cahuilla
Coachella , CA 92236
(760) 398-4722
(760) 369-7161Fax

Ramona Band of Cahuilla Mission Indians
Joseph Hamilton, Chairman
P.O. Box 391670 Cahuilla
Anza , CA 92539
admin@ramonatribe.com
(951) 763-4105
(951) 763-4325 Fax

Morongo Band of Mission Indians
William Madrigal, Jr.,Cultural Resources Manager
12700 Pumarra Road Cahuilla
Banning , CA 92220 Serrano
wmadrigal@morongo-nsn.gov
(951) 201-1866 Cell
(951) 572-6004 Fax

Torres-Martinez Desert Cahuilla Indians
Mary Resvaloso, Chairperson
P.O. Box 1160 Cahuilla
Thermal , CA 92274
mresvaloso@torresmartinez.
(760) 397-0300
(760) 397-8146 Fax

Torres-Martinez Desert Cahuilla Indians
Matthew Krystal, Cultural Resources Manager
P.O. Box 1160 Cahuilla
Thermal , CA 92274
mkrystall@tmdci-nsn.gov
(760) 397-0300
(760) 409-2987 Cell
(760) 397-8146 Fax

This list is current only as of the date of this document.

Distribution of this list does not relieve any person of the statutory responsibility as defined in Section 7050.5 of the Health and Safety Code, Section 5097.94 of the Public Resources Code and Section 5097.98 of the Public Resources Code.

This list s only applicable for contacting locative Americans with regard to cultural resources for the proposed Indian Wells Borrow Area and Haul Roads Project; located in the Coachella Valley; Riverside County, California for which a Sacred Lands File search and Native American Contacts list were requested

Native American Contacts
Riverside County, California
July 24, 2014

Cabazon Band of Mission Indians
Judy Stapp, Director of Cultural Affairs
84-245 Indio Springs Cahuilla
Indio , CA 92203
jstapp@cabazonindians-nsn.gov
(760) 342-2593
(760) 347-7880 Fax

Agua Caliente Band of Cahuilla Indians THPO
Patricia Garcia, Tribal Historic Perservation Officer
5401 Dinah Shore Drive Cahuilla
Palm Springs, CA 92264
ptuck@augacaliente-nsn.gov
(760) 699-6907
(760) 699-6924 Fax

Augustine Band of Cahuilla Mission Indians
Karen Kupcha
P.O. Box 849 Cahuilla
Coachella , CA 92236
(760) 398-4722
(916) 369-7161 Fax

Cahuilla Band of Indians
Luther Salgado, Chairperson
P.O. Box 391760 Cahuilla
Anza , CA 92539
Chairman@cahuilla.net
(760) 763-5549
(760) 763-2631Tribal EPA

This list is current only as of the date of this document.

Distribution of this list does not relieve any person of the statutory responsibility as defined in Section 7050.5 of the Health and Safety Code, Section 5097.94 of the Public Resources Code and Section 5097.98 of the Public Resources Code.

This list s only applicable for contacting locative Americans with regard to cultural resources for the proposed Indian Wells Borrow Area and Haul Roads Project; located in the Coachella Valley; Riverside County, California for which a Sacred Lands File search and Native American Contacts list were requested

July 29, 2014

Joseph Hamilton, Chairman
Ramona Band of Cahuilla Indians
P.O. Box 391670
Anza, CA 92539

RE: Indian Wells Parking Lot, Disposal Sites and Haul Roads Project
Approximately 50 Acres and 1 Linear Mile
City of Indian Wells, Riverside County, California
CRM TECH Contract #2829

Dear Mr. Hamilton:

MSA Consulting, Inc. will be conducting environmental studies under CEQA for the Indian Wells Parking Lot, Disposal Sites and Haul Roads Project in the City of Indian Wells, Riverside County, California. The project area encompasses approximately 50 acres of land located along the both sides of the Whitewater River, south and east of Miles Avenue. The proposed project involves the grading and seeding of 17 acres of City-owned land in APN 604-640-001 that will be used as a sod farm and an occasional special events parking area. The excess graded earth materials will be taken via new haul roads to one of the two proposed disposal sites within the project area. The accompanying map, based on the USGS La Quinta, Calif., 7.5' quadrangle, depicts the location of the project area in Section 24, T5S R6E, and Section 19, T5S R7E, SBBM. CRM TECH has been hired to conduct a cultural resource study, including the Native American scoping, for this project.

In a letter dated July 24, 2014, the Native American Heritage Commission reports that the sacred lands record search identified no Native American cultural resources within the project area, but recommends that local Native American groups be contacted for further information. Therefore, as part of the cultural resources study for this project, I am writing to request your input on potential Native American cultural resources in or near the project area.

According to records on file at the Eastern Information Center, located on the campus of the University of California, Riverside, there are three known prehistoric archaeological sites within the boundaries of the project area. The boundaries of Site 33-000064 (CA-RIV-64), consisting of the historic Cahuilla village of *Kavinish*, extend into the middle of the project area. The boundaries of Site 33-001530 (CA-RIV-1530), consisting of a deflating midden with both lithic and ceramic scatters, extend to the western edge of the proposed grading area. Site 33-001530 was first recorded in 1978 and again in 1985. In 2003, CRM TECH conducted archaeological testing and determined Site 33-001530 to qualify as a "historical resource". However, mitigation to reduce the project's potential effects on the site to a level less than significant has been fulfilled through data recovery accomplished by the testing program.

The boundaries of Site 33-007924 (CA-RIV-5876) extend into the eastern part of the proposed grading area, on the north side of Whitewater River. Site 33-007924 (CA-RIV-5876) consists of a large ceramic scatter with some fire-affected rocks and faunal material, and testing was conducted for this site in 2000 by RMW Paleo Associates. Subsequently, in 2003 CRM TECH conducted

archaeological testing on the westernmost portion of 33-007924 and found it not to qualify as a "historical resource."

Outside of the project area but within a one-mile radius, 25 prehistoric sites and 28 isolates have been recorded. These sites consist mainly of ceramic and lithic scatters, village sites, temporary campsites and several burial sites. Additionally, sixteen historic-period sites have been recorded within the one-mile radius, consisting mostly of residential and commercial buildings.

Please respond at your earliest convenience if you have any specific knowledge of sacred/religious sites or other sites of Native American traditional cultural value within or near the project area that need to be taken into consideration as part of the cultural resources investigation. Any information or concerns may be forwarded to CRM TECH by telephone, e-mail, facsimile, or standard mail. Requests for documentation or information we cannot provide will be forwarded to our client and/or the lead agency, which is the City of Indian Wells for CEQA-compliance purposes. We would also like to clarify that CRM TECH, as the cultural resources consultant for the project, is not the appropriate entity to initiate government-to-government consultations. Thank you for the time and effort in addressing this important matter.

Respectfully,

Nina Gallardo
CRM TECH
Email: ngallardo@crmtech.us

Encl.: project area map

July 30, 2014

Nina Gallardo
CRM TECH
1016 E. Cooley Drive, Suite A/B
Colton, CA 92324

Re.: Indian Wells Parking Lot, Disposal Sites anf Haul Roads Project
Approximately 50 acres and 1 linear mile
City of Indian Wells, Riverside County, California
CRM TECH Contract #2829

Dear Ms. Gallardo:

Thank you for contacting the Cabazon Band of Mission Indians concerning cultural resource information relative to the above referenced project.

The project is located outside of the Tribe's current reservation boundaries. The Tribe has no specific archival information on the site indicating that it may be a sacred/religious site or other site of Native American traditional cultural value within the project area

We look forward to continued collaboration in the preservation of cultural resources or areas of traditional cultural importance.

Best regards,

Judy Stapp
Director of Cultural Affairs

RECEIVED
AUG 02 2014

84-245 INDIO SPRINGS PARKWAY • INDIO, CALIFORNIA 92203-3499 • (760) 342-2593 FAX (760) 347-7880

AUGUSTINE BAND OF CAHUILLA INDIANS

P.O. Box 846 • Coachella, CA 92236 • (760) 398-4722 • Fax (760) 398-4252
Tribal Chairperson: MaryAnn Green

August 6, 2014

Nina Gallardo
CRM Tech
1016 E. Cooley Drive, Suite A/B
Colton, CA 92324

RE: Indian Wells Parking Lot, Disposal Sites and Haul Roads Project (Indian Wells, CA)

Dear Ms. Gallardo:

Thank you for the opportunity to offer input concerning the development of the above-identified project. We appreciate your sensitivity to the cultural resources that may be impacted by your project, and the importance of these cultural resources to the Native American peoples that have occupied the land surrounding the area of your project for thousands of years. Unfortunately, increased development and lack of sensitivity to cultural resources has resulted in many significant cultural resources being destroyed or substantially altered and impacted. Your invitation to consult on this project is greatly appreciated.

At this time we are unaware of specific cultural resources that may be affected by the proposed project. We encourage you to contact other Native American Tribes and individuals within the immediate vicinity of the project site that may have specific information concerning cultural resources that may be located in the area. We also encourage you to contract with a monitor who is qualified in Native American cultural resources identification and who is able to be present on-site full-time during the pre-construction and construction phase of the project. Please notify us immediately should you discover any cultural resources during the development of this project.

Very truly yours,

Augustine Band of Cahuilla Indians

Mary Ann Green

Mary Ann Green
Tribal Chairperson

RECEIVED
AUG 09 2014
BY: .....

AGUA CALIENTE BAND OF CAHUILLA INDIANS

TRIBAL HISTORIC PRESERVATION

03-001-2014-001

August 06, 2014

[VIA EMAIL TO:ngallardo@crmtech.us]
CRM TECH
Ms. Nina Gallardo
1016 E. Cooley Drive, Suite A/B
Colton, CA 92324

Re: Indian Wells Parking Lot, Disposal Sites, and Haul Roads Project

Dear Ms. Nina Gallardo,

The Agua Caliente Band of Cahuilla Indians (ACBCI) appreciates your efforts to include the Tribal Historic Preservation Office (THPO) in the Indian Wells Parking Lot, Disposal Sites and Haul Roads project. The project area is not located within the boundaries of the ACBCI Reservation. However, it is within the Tribe's Traditional Use Area (TUA). A records check of the ACBCI registry identified previous surveys in the area that were positive for the presence of cultural resources. For this reason, the ACBCI THPO requests the folllowing:

*A copy of the records search with associated survey reports and site records from the information center.

*Copies of any cultural resource documentation (report and site records) generated in connection with this project.

*The presence of an approved Native American Cultural Resource Monitor(s) during any ground disturbing activities (including archaeological testing and surveys). Should buried cultural deposits be encountered, the Monitor may request that destructive construction halt and the Monitor shall notify a Qualified Archaeologist (Secretary of the Interior's Standards and Guidelines) to investigate and, if necessary, prepare a mitigation plan for submission to the State Historic Preservation Officer and the Agua Caliente Tribal Historic Preservation Office.

* A consultation meeting with the City of Indian Wells.

* Copies of all previous studies in this area completed by CRM Tech.

* A site visit before any ground disturbing activities begin.

Again, the Agua Caliente appreciates your interest in our cultural heritage. If you have questions or require additional information, please call me at (760)699-6907. You may also email me at ptuck@aguacaliente.net.

Cordially,

5401 DINAH SHORE DRIVE, PALM SPRINGS, CA 92264
T 760.699.6800 F 760.699.6924 WWW.AGUACALIENTE.MSN.GOV

AGUA CALIENTE BAND OF CAHUILLA INDIANS

TRIBAL HISTORIC PRESERVATION

PL 62-12

Pattie Garcia
Director
Tribal Historic Preservation Office
AGUA CALIENTE BAND
OF CAHUILLA INDIANS

5401 DINAH SHORE DRIVE, PALM SPRINGS, CA 92264
T 760.699.6800 F 760.699.6924 WWW.AGUACALIENTE.NSN.GOV

THE TORRES MARTINEZ DESERT CAHUILLA INDIANS
P.O. Box 1160
Thermal, CA 92274
(760) 397-0300 – FAX (760) 397-8146

August 7, 2014

Nina Gallardo
CRM TECH
1016 E. Cooley Drive, Suite A/B
Colton, CA 92324

Re: Indian Wells Parking Lot, Disposal Sites and Haul Roads Project
Approximately 50 acres and 1 linear mile;
City of Indian Wells, Riverside County, California; CRM TECH Contract #2829

Dear Ms. Gallardo,

On behalf of the Torres Martinez Desert Cahuilla Indians (TMDCI) I appreciate your efforts to include the Tribe on Cultural Resources matters. The proposed project is within the Agua Caliente Band of Mission Indians' traditional use area. Please contact Patricia Tuck, 5401 Dinah Shore Dr. Palm Springs, CA 92264.

Sincerely,

Alesia Reed

Alesia Reed
Interim Cultural Resources Coordinator/Tribal Secretary

cc: Patricia Tuck, Agua Caliente Band of Cahuilla Indians

RECEIVED
AUG 12 2014
BY: .....

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Redevelopment Dissolution signed into law												
Housing Authority Established as Housing Successor Entity												
Housing Asset Transfer (HAT) Approved by DOF												
SB341 Adopted and Placed Into Law												
Five Year SB341 Timeframe (from HAT approval)			5-year to Develop of Sell Vacant Parcels									
Housing & Community Development (HCD) Compliance Reporting					5-year Reporting Period					5-Year Reporting Period		
Excess Surplus Expenditure Timeframe (detailed further below)								3-years to Spend Excess Surplus				
$450,000 annual SERAF Payment to Housing Authority												
Housing Element Update Requirement												

ATTACHMENT 4 --INDIAN WELLS VILLAS CASH FLOW ANALYSIS - AT CURRENT RENTS (GRANDFATHERED) WITH CAPITAL REPLACEMENT RESERVE

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Restricted Unit Rents	0.0%	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764
Application/Background Fees	0.0%	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
GROSS POTENTIAL INCOME - HOUSING		**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**
GROSS POTENTIAL INCOME - TOTAL		**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**
TOTAL VACANCY LOSS		18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629
EFFECTIVE GROSS INCOME		**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate Taxes)	3.5%	533,473	552,145	571,470	591,471	612,173	633,599	655,775	678,727	702,482	727,069	752,516	778,854	806,114	834,328	863,530
Replacement Reserve [1]	10.0%	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976
TOTAL EXPENSES & RESERVES		**595,449**	**614,121**	**633,446**	**653,447**	**674,149**	**695,575**	**717,751**	**740,703**	**764,458**	**789,045**	**814,493**	**840,831**	**868,091**	**896,305**	**925,506**
NET OPERATING INCOME [2]		**6,401**	**(12,271)**	**(31,596)**	**(51,597)**	**(72,299)**	**(93,725)**	**(115,901)**	**(138,853)**	**(162,608)**	**(187,195)**	**(212,642)**	**(238,980)**	**(266,240)**	**(294,454)**	**(323,656)**
CAPX Reserves w/out Use [3]		960,000	1,028,377	966,415	893,011	224,220	(29,535)	(151,503)	(341,354)	(473,543)	(1,131,612)	(1,492,181)	(1,707,322)	(1,884,326)	(2,088,590)	(2,321,068)
CAPX Reserves w/ Operating Income		1,028,377	1,078,083	996,796	903,390	213,898	(61,283)	(205,428)	(418,230)	(574,175)	(1,256,830)	(1,642,847)	(1,884,326)	(2,088,590)	(2,321,068)	(2,582,748)
CAPX Est. Expenditures [4]			111,668	103,785	679,170	243,433	90,220	135,926	55,313	557,437	235,351	64,475				
CAPX Reserves w/ est. Use [5]		**1,028,377**	**966,415**	**893,011**	**224,220**	**(29,535)**	**(151,503)**	**(341,354)**	**(473,543)**	**(1,131,612)**	**(1,492,181)**	**(1,707,322)**	**(1,884,326)**	**(2,088,590)**	**(2,321,068)**	**(2,582,748)**

NOTES:

1. Operating Expenses include a capital replacement reserve set aside annualy of 10% of Restricted Unit Rent revenue.
2. Net Operating Income includes restricted unit rent revenue and application/background fees, minus total vacancy loss, operating expenses, and replacement reserve set asides.
3. CAPX Reserves includes existing capital reserves plus prior year's replacement reserve and any net operating income from prior year minus prior year's projected capital replacement expenditures as provided in the CAPX report.
4. CAPX estimated expenditures provided as supplement to January 7, 2016 Staff report.
5. CAPX Reserves w/ estimated use equal total reserves plus operating income, minus operating expenses, capital replacement reserve set asides, and annual estimated capital expenditure requirements.

ATTACHMENT 4 -- MOUNTAIN VIEW VILLAS CASH FLOW ANALYSIS - AT CURRENT RENTS WITH CAPITAL REPLACEMENT RESERVES

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Restricted Unit Rents	0.0%	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204
Application/Background Fees	0.0%	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725
GROSS POTENTIAL INCOME - HOUSING		**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**
GROSS POTENTIAL INCOME - TOTAL		**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**
TOTAL VACANCY LOSS		29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932
EFFECTIVE GROSS INCOME		**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate Taxes)	3.5%	745,235	771,318	798,314	826,255	855,174	885,105	916,084	948,147	981,332	1,015,679	1,051,228	1,088,021	1,126,101	1,165,515	1,206,308
Replacement Reserve [1]	10.0%	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320
TOTAL EXPENSES & RESERVES		**844,555**	**870,639**	**897,635**	**925,576**	**954,495**	**984,426**	**1,015,404**	**1,047,467**	**1,080,653**	**1,114,999**	**1,150,548**	**1,187,341**	**1,225,422**	**1,264,835**	**1,305,628**
NET OPERATING INCOME [2]		**121,441**	**95,358**	**68,362**	**40,421**	**11,502**	**(18,429)**	**(49,408)**	**(81,471)**	**(114,656)**	**(149,003)**	**(184,551)**	**(221,344)**	**(259,425)**	**(298,839)**	**(339,632)**
CAPX Reserves w/out Use [3]		960,000	1,180,762	1,275,653	1,049,610	916,976	483,908	(322,364)	(394,833)	(483,930)	(616,988)	(749,998)	(1,743,539)	(1,865,563)	(2,025,668)	(2,225,186)
CAPX Reserves w/ Operating Income		1,180,762	1,375,440	1,443,335	1,189,352	1,027,798	564,799	(272,451)	(376,984)	(499,265)	(666,670)	(835,229)	(1,865,563)	(2,025,668)	(2,225,186)	(2,465,497)
CAPX Est. Expenditures [4]			99,787	393,725	272,376	543,890	887,163	122,382	106,946	117,723	83,328	908,310				
CAPX Reserves w/ est. Use [5]		**1,180,762**	**1,275,653**	**1,049,610**	**916,976**	**483,908**	**(322,364)**	**(394,833)**	**(483,930)**	**(616,988)**	**(749,998)**	**(1,743,539)**	**(1,865,563)**	**(2,025,668)**	**(2,225,186)**	**(2,465,497)**

NOTES:

1. Operating Expenses includes a capital replacement reserve set aside annualy of 10% of Restricted Rent revenue.
2. Net Operating Income includes restricted unit rent revenue and application/background fees, minus total vacancy loss, operating expenses, and replacement reserve set asides.
3. CAPX Reserves includes existing capital reserves plus prior year's replacement reserve and any net operating income from prior year minus prior year's projected capital replacement expenditures as provided in the CAPX report.
4. CAPX estimated expenditures provided as supplement to January 7, 2016 Staff report.
5. CAPX Reserves w/ estimated use equal total reserves plus operating income, minus operating expenses, capital replacement reserve set asides, and annual estimated capital expenditure requirements.

ATTACHMENT 5 --INDIAN WELLS VILLAS CASH FLOW ANALYSIS - AT CURRENT RENTS (GRANDFATHERED) WITHOUT CAPITAL REPLACEMENT RESERVE

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Restricted Unit Rents	2.5%	619,764	635,258	651,140	667,418	684,103	701,206	718,736	736,705	755,122	774,000	793,350	813,184	833,514	854,352	875,710
Application/Background Fees	0.0%	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
GROSS POTENTIAL INCOME - HOUSING		**620,479**	**635,973**	**651,855**	**668,133**	**684,818**	**701,921**	**719,451**	**737,420**	**755,837**	**774,715**	**794,065**	**813,899**	**834,229**	**855,067**	**876,425**
GROSS POTENTIAL INCOME - TOTAL		**620,479**	**635,973**	**651,855**	**668,133**	**684,818**	**701,921**	**719,451**	**737,420**	**755,837**	**774,715**	**794,065**	**813,899**	**834,229**	**855,067**	**876,425**
TOTAL VACANCY LOSS		18,629	19,093	19,570	20,058	20,559	21,072	21,598	22,137	22,689	23,256	23,836	24,431	25,041	25,666	26,307
EFFECTIVE GROSS INCOME		**601,850**	**616,880**	**632,285**	**648,075**	**664,260**	**680,849**	**697,853**	**715,283**	**733,148**	**751,460**	**770,229**	**789,468**	**809,188**	**829,400**	**850,118**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate Taxes)	3.5%	533,473	552,145	571,470	591,471	612,173	633,599	655,775	678,727	702,482	727,069	752,516	778,854	806,114	834,328	863,530
Replacement Reserve	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES & RESERVES		**533,473**	**552,145**	**571,470**	**591,471**	**612,173**	**633,599**	**655,775**	**678,727**	**702,482**	**727,069**	**752,516**	**778,854**	**806,114**	**834,328**	**863,530**
NET OPERATING INCOME [2]		**68,377**	**64,735**	**60,815**	**56,604**	**52,087**	**47,251**	**42,079**	**36,556**	**30,666**	**24,391**	**17,713**	**10,613**	**3,073**	**(4,928)**	**(13,412)**
CAPX Reserves w/out Use [3]		960,000	1,028,377	981,444	938,474	315,908	124,562	81,593	(12,254)	(31,011)	(557,782)	(768,743)	(815,505)	(804,892)	(801,819)	(806,747)
CAPX Reserves w/ Operating Income		1,028,377	1,093,112	1,042,259	995,078	367,995	171,813	123,672	24,302	(345)	(533,392)	(751,030)	(804,892)	(801,819)	(806,747)	(820,158)
CAPX Est. Expenditures [4]			111,668	103,785	679,170	243,433	90,220	135,926	55,313	557,437	235,351	64,475				
CAPX Reserves w/ est. Use [5]		**1,028,377**	**981,444**	**938,474**	**315,908**	**124,562**	**81,593**	**(12,254)**	**(31,011)**	**(557,782)**	**(768,743)**	**(815,505)**	**(804,892)**	**(801,819)**	**(806,747)**	**(820,158)**

NOTES:

2. Net Operating Income includes restricted unit rent revenue and application/background fees, minus total vacancy loss, operating expenses, and replacement reserve set asides.
3. CAPX Reserves includes existing capital reserves plus prior year's replacement reserve and any net operating income from prior year minus prior year's projected capital replacement expenditures as provided in the CAPX report.
4. CAPX estimated expenditures provided as supplement to January 7, 2016 Staff report.
5. CAPX Reserves w/ estimated use equal total reserves plus operating income, minus operating expenses, capital replacement reserve set asides, and annual estimated capital expenditure requirements.

ATTACHMENT 5 -- MOUNTAIN VIEW VILLAS CASH FLOW ANALYSIS - AT CURRENT RENTS WITHOUT CAPITAL REPLACEMENT RESERVES

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Restricted Unit Rents	0.0%	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204
Application/Background Fees	0.0%	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725
GROSS POTENTIAL INCOME - HOUSING		**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**
GROSS POTENTIAL INCOME - TOTAL		**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**
TOTAL VACANCY LOSS		29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932
EFFECTIVE GROSS INCOME		**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate Taxes)	3.5%	745,235	771,318	798,314	826,255	855,174	885,105	916,084	948,147	981,332	1,015,679	1,051,228	1,088,021	1,126,101	1,165,515	1,206,308
Replacement Reserve	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES & RESERVES		**745,235**	**771,318**	**798,314**	**826,255**	**855,174**	**885,105**	**916,084**	**948,147**	**981,332**	**1,015,679**	**1,051,228**	**1,088,021**	**1,126,101**	**1,165,515**	**1,206,308**
NET OPERATING INCOME [2]		**220,762**	**194,678**	**167,682**	**139,741**	**110,822**	**80,891**	**49,913**	**17,850**	**(15,336)**	**(49,682)**	**(85,231)**	**(122,024)**	**(160,105)**	**(199,518)**	**(240,311)**
CAPX Reserves w/out Use [3]		960,000	1,180,762	1,275,653	1,049,610	916,976	483,908	(322,364)	(394,833)	(483,930)	(616,988)	(749,998)	(1,743,539)	(1,865,563)	(2,025,668)	(2,225,186)
CAPX Reserves w/ Operating Income		1,180,762	1,375,440	1,443,335	1,189,352	1,027,798	564,799	(272,451)	(376,984)	(499,265)	(666,670)	(835,229)	(1,865,563)	(2,025,668)	(2,225,186)	(2,465,497)
CAPX Est. Expenditures [4]			99,787	393,725	272,376	543,890	887,163	122,382	106,946	117,723	83,328	908,310				
CAPX Reserves w/ est. Use [5]		**1,180,762**	**1,275,653**	**1,049,610**	**916,976**	**483,908**	**(322,364)**	**(394,833)**	**(483,930)**	**(616,988)**	**(749,998)**	**(1,743,539)**	**(1,865,563)**	**(2,025,668)**	**(2,225,186)**	**(2,465,497)**

NOTES:

2. Net Operating Income includes restricted unit rent revenue and application/background fees, minus total vacancy loss, operating expenses, and replacement reserve set asides.
3. CAPX Reserves includes existing capital reserves plus prior year's replacement reserve and any net operating income from prior year minus prior year's projected capital replacement expenditures as provided in the CAPX report.
4. CAPX estimated expenditures provided as supplement to January 7, 2016 Staff report.
5. CAPX Reserves w/ estimated use equal total reserves plus operating income, minus operating expenses, capital replacement reserve set asides, and annual estimated capital expenditure requirements.

ATTACHMENT 6 --INDIAN WELLS VILLAS CASH FLOW ANALYSIS - AT CURRENT RENTS (GRANDFATHERED), WITH HOUSING AUTHORITY SUBSIDY, WITH CAPITAL REPLACEMENT RESERVE

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Restricted Unit Rents	0.0%	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764	619,764
Application/Background Fees	0.0%	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
GROSS POTENTIAL INCOME - HOUSING		**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**
GROSS POTENTIAL INCOME - TOTAL		**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**	**620,479**
TOTAL VACANCY LOSS		18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629
EFFECTIVE GROSS INCOME		**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**	**601,850**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate Taxes)	3.5%	533,473	552,145	571,470	591,471	612,173	633,599	655,775	678,727	702,482	727,069	752,516	778,854	806,114	834,328	863,530
Replacement Reserve [1]	10.0%	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976	61,976
TOTAL EXPENSES & RESERVES		**595,449**	**614,121**	**633,446**	**653,447**	**674,149**	**695,575**	**717,751**	**740,703**	**764,458**	**789,045**	**814,493**	**840,831**	**868,091**	**896,305**	**925,506**
NET OPERATING INCOME [2]		**6,401**	**(12,271)**	**(31,596)**	**(51,597)**	**(72,299)**	**(93,725)**	**(115,901)**	**(138,853)**	**(162,608)**	**(187,195)**	**(212,642)**	**(238,980)**	**(266,240)**	**(294,454)**	**(323,656)**
CAPX Reserves w/out Use [3]		960,000	2,336,265	2,321,342	2,291,418	1,662,476	1,444,868	1,355,269	1,193,935	1,086,333	448,843	104,764	(98,057)	(266,994)	(467,530)	(700,008)
HA Annual Capital Contribution [4]		1,307,888	47,039	43,480	39,849	36,146	32,369	28,517	24,587	20,579	16,490	12,320	8,067	3,728	0	0
CAPX Reserves w/ Operating Income		2,336,265	2,433,010	2,395,203	2,341,646	1,688,301	1,445,489	1,329,861	1,141,646	1,006,280	340,115	(33,582)	(266,994)	(467,530)	(700,008)	(961,688)
CAPX Est. Expenditures [5]			111,668	103,785	679,170	243,433	90,220	135,926	55,313	557,437	235,351	64,475				
CAPX Reserves w/ est. Use [6]		**2,336,265**	**2,321,342**	**2,291,418**	**1,662,476**	**1,444,868**	**1,355,269**	**1,193,935**	**1,086,333**	**448,843**	**104,764**	**(98,057)**	**(266,994)**	**(467,530)**	**(700,008)**	**(961,688)**

NOTES:

1. Operating Expenses include a capital replacement reserve set aide annually of 10% of Restricted Rent revenue.
2. Net Operating Income includes restricted unit rent revenue and application/background fees, minus total vacancy loss, operating expenses, and replacement reserve set asides.
3. CAPX Reserves includes existing capital reserves plus prior year's replacement reserve and any net operating income from prior year minus prior year's projected capital replacement expenditures as provided in the CAPX report.
4. HA Annual Capital Contribution equals half of the existing Housing Authority cash reserves in year one, and half of the annual SERAF payment (net administrative costs) annually.
5. CAPX estimated expenditures provided as supplement to January 7, 2016 Staff report.
6. CAPX Reserves w/ estimated use equal total reserves plus operating income, minus operating expenses, capital replacement reserve set asides, and annual estimated capital expenditure requirements.

ATTACHMENT 6 -- MOUNTAIN VIEW VILLAS CASH FLOW ANALYSIS - AT CURRENT RENTS, WITH HOUSING AUTHORITY SUBSIDY, WITH CAPITAL REPLACEMENT RESERVES

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Restricted Unit Rents	0.0%	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204	993,204
Application/Background Fees	0.0%	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725
GROSS POTENTIAL INCOME - HOUSING		**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**
GROSS POTENTIAL INCOME - TOTAL		**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**	**995,929**
TOTAL VACANCY LOSS		29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932	29,932
EFFECTIVE GROSS INCOME		**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**	**965,997**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate Taxes)	3.5%	745,235	771,318	798,314	826,255	855,174	885,105	916,084	948,147	981,332	1,015,679	1,051,228	1,088,021	1,126,101	1,165,515	1,206,308
Replacement Reserve [1]	10.0%	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320	99,320
TOTAL EXPENSES & RESERVES		**844,555**	**870,639**	**897,635**	**925,576**	**954,495**	**984,426**	**1,015,404**	**1,047,467**	**1,080,653**	**1,114,999**	**1,150,548**	**1,187,341**	**1,225,422**	**1,264,835**	**1,305,628**
NET OPERATING INCOME [2]		**121,441**	**95,358**	**68,362**	**40,421**	**11,502**	**(18,429)**	**(49,408)**	**(81,471)**	**(114,656)**	**(149,003)**	**(184,551)**	**(221,344)**	**(259,425)**	**(298,839)**	**(339,632)**
CAPX Reserves w/out Use [3]		960,000	2,488,650	2,630,580	2,448,017	2,355,232	1,958,311	1,184,408	1,140,456	1,075,946	963,467	846,947	(134,274)	(248,231)	(404,608)	(604,126)
HA Annual Capital Contribution [4]		1,307,888	47,039	43,480	39,849	36,146	32,369	28,517	24,587	20,579	16,490	12,320	8,067	3,728	0	0
CAPX Reserves w/ Operating Income		2,488,650	2,730,367	2,841,742	2,627,608	2,502,201	2,071,571	1,262,838	1,182,892	1,081,190	930,275	774,036	(248,231)	(404,608)	(604,126)	(844,437)
CAPX Est. Expenditures [5]			99,787	393,725	272,376	543,890	887,163	122,382	106,946	117,723	83,328	908,310				
CAPX Reserves w/ est. Use [6]		**2,488,650**	**2,630,580**	**2,448,017**	**2,355,232**	**1,958,311**	**1,184,408**	**1,140,456**	**1,075,946**	**963,467**	**846,947**	**(134,274)**	**(248,231)**	**(404,608)**	**(604,126)**	**(844,437)**

NOTES:

1. Operating Expenses include a capital replacement reserve set aide annually of 10% of Restricted Rent revenue.
2. Net Operating Income includes restricted unit rent revenue and application/background fees, minus total vacancy loss, operating expenses, and replacement reserve set asides.
3. CAPX Reserves includes existing capital reserves plus prior year's replacement reserve and any net operating income from prior year minus prior year's projected capital replacement expenditures as provided in the CAPX report.
4. HA Annual Capital Contribution equals half of the existing Housing Authority cash reserves in year one, and half of the annual SERAF payment (net administrative costs) annually.
5. CAPX estimated expenditures provided as supplement to January 7, 2016 Staff report.
6. CAPX Reserves w/ estimated use equal total reserves plus operating income, minus operating expenses, capital replacement reserve set asides, and annual estimated capital expenditure requirements.

Attachment 7 - Indian Wells Villas Actuarial Estimate of Grandfathered Rent Tenants

	Age	Social Security Administration Actuarial Life Expectancy (yrs)	Prob. Of Death in 1 Year	Grandfathered Rent	Income Category	Normal Rent	Monthly Revenue Loss	Annual Revenue Loss	Est. Lifetime Rent Loss through Attrition
FEMALE Grandfathered Tenants	69	17.09	0.014529	$332	50%	$503	$171	$2,052	$35,068.68
	76	12.09	0.029159	$332	50%	$503	$171	$2,052	$24,808.68
	78	10.8	0.035725	$200	50%	$503	$303	$3,636	$39,268.80
	79	10.18	0.039469	$483	50%	$503	$20	$240	$2,443.20
	80	9.58	0.043828	$200	50%	$503	$303	$3,636	$34,832.88
	82	8.43	0.054577	$200	50%	$503	$303	$3,636	$30,651.48
	84	7.37	0.068019	$332	50%	$503	$171	$2,052	$15,123.24
	84	7.37	0.068019	$344	80%	$655	$311	$3,732	$27,504.84
	85	6.87	0.076054	$332	50%	$503	$171	$2,052	$14,097.24
	86	6.4	0.085148	$200	80%	$655	$455	$5,460	$34,944.00
	86	6.4	0.085148	$332	50%	$503	$171	$2,052	$13,132.80
	87	5.94	0.095395	$332	50%	$503	$171	$2,052	$12,188.88
	87	5.94	0.095395	$200	50%	$503	$303	$3,636	$21,597.84
	90	4.75	0.133502	$332	50%	$503	$171	$2,052	$9,747.00
	91	4.4	0.148685	$332	50%	$503	$171	$2,052	$9,028.80
MALE Grandfathered Tenants	79	8.66	0.054844	$335	50%	$503	$168	$2,016	$17,458.56
	81	7.62	0.067509	$320	50%	$503	$183	$2,196	$16,733.52
	81	7.62	0.067509	$332	50%	$503	$171	$2,052	$15,636.24
	82	7.14	0.074779	$244	50%	$503	$259	$3,108	$22,191.12
	83	6.68	0.082589	$595	80%	$655	$60	$720	$4,809.60
	85	5.81	0.10068	$200	50%	$503	$303	$3,636	$21,125.16
	85	5.81	0.10068	$332	50%	$503	$171	$2,052	$11,922.12
	88	4.65	0.137126	$332	50%	$503	$171	$2,052	$9,541.80
	89	4.31	0.152092	$332	50%	$503	$171	$2,052	$8,844.12
	95	2.78	0.266884	$344	50%	$503	$159	$1,908	$5,304.24
						SUBTOTAL	$5,182	$62,184	$458,005