

PLANNING COMMISSION

AGENDA

REGULAR MEETING OF THE HEMET PLANNING COMMISSION
City Council Chambers
450 East Latham Avenue, Hemet CA 92543

October 16, 2012
6:00 PM

If you wish to make a statement regarding any item on the agenda, please complete a Speaker Card and hand it to the clerk. When the Chairman calls for comments from the public on the item you wish to address, step forward to the lectern and state your name and address. Only testimony given from the lectern will be heard by the Planning Commission and included in the record.

1. CALL TO ORDER:

Roll Call: Chairman John Gifford, Vice Chairman Vince Overmyer, and Commissioners Nasser Moghadam, Michael Perciful, and Greg Vasquez

Invocation and Flag Salute: Commissioner Moghadam

2. APPROVAL OF MINUTES:

A. Minutes of the September 18, 2012 Meeting

3. PUBLIC COMMENTS:

*Anyone who wishes to address the Commission regarding items **not on the agenda** may do so at this time. Please line up at the lectern when the Chairman asks if there are any communications from the public. When you are recognized, please give your name and address. Please complete a Speaker Card and hand it to the Clerk so that we have an accurate recording of your name and address for the minutes.*

□ CITY OF HEMET PLANNING COMMISSION MEETING □
OCTOBER 16, 2012

PUBLIC HEARING ITEMS

Meeting Procedure for Public Hearing Items:

1. Receive Staff Report Presentation
2. Commissioners Report Regarding Any Site Visit or Applicant Contact, and ask questions of staff
3. Open the Public Hearing and receive comments from the applicant and the public.
4. Close the Public Hearing
5. Planning Commission Discussion and Motion

4. CONDITIONAL USE PERMIT NO. 12-006 (WALGREENS SALE OF ALCOHOL)

APPLICANT: WalGreens
AGENT: Michael Shaw, Store Manager
LOCATION: 1311 E. Florida Avenue
PLANNER: Soledad Carrisoza – (951) 765-2375

DESCRIPTION: A request for Planning Commission review of a Conditional Use Permit for the sale of beer, wine and spirits after 9 p.m. and Finding of Public Convenience and Necessity for the WalGreens located on the southeast corner of Florida Avenue and San Jacinto Street.

Recommended Action:

That the Planning Commission table this item, per the request of the applicant, for review at a later date.

5. SPECIFIC PLAN NO. 11-001 & DRAFT ENVIRONMENTAL IMPACT REPORT (NORTH HEMET SPECIFIC PLAN)

APPLICANT: Housing Authority of the County of Riverside
LOCATION: Northwest corner of North State Street and Oakland Avenue
PLANNER: Ron Running – (951) 765-2375

DESCRIPTION: A request for Planning Commission review and recommendation to the City Council regarding the establishment of a Specific Plan for a 28.6± acre site and the proposed Draft Environmental Impact Report establishing a maximum of 525 multi-family residential units (100 units within mixed-use areas), 118,919 square-feet of retail commercial, and 16,335 square feet of office space.

Recommended Action:

That the Planning Commission:

1. Take public testimony regarding the proposed project and Draft EIR; and,
2. Provide initial review and comment regarding the Draft EIR and Draft North Hemet Specific Plan; and,
3. Continue the public hearing to the December 4, 2012 Planning Commission meeting for formal action on the Final EIR and SP 11-001.

REVIEW AND ACTION ITEMS

The following agenda item does not require a public hearing, but the Planning Commission may accept public testimony in accordance with the normal public hearing procedure.

6. **REQUEST TO INITIATE PRE-ZONING FOR A PORTION OF THE WEST HEMET AREA** – Community Development Director Elliano

Request for Planning Commission initiation of a pre-zoning application for 940.63 acres of property located east of California Ave. to the city limits, generally south of Stetson Ave., and north of Domenigoni Parkway, and within the City's adopted Sphere of Influence.

Recommended Action:

That the Planning Commission direct Staff to initiate a Pre-Zoning application for the 940.63 acre area within West Hemet as part of the City's comprehensive General Plan Consistency Zoning Program.

WORK STUDY ITEMS

Work Study items are not public hearings and do not require prior notice to the public, although notice may be given to interested persons depending upon the subject matter. The purpose of the Work Study session is to allow the Planning Commission to engage in an open, preliminary review and discussion of issues, ordinances, procedures, or projects prior to the formal public hearing process. The Planning Commission has the option to receive public comment, and may also provide direction to staff at the conclusion of the work study session.

7. **WORK STUDY REGARDING ALCOHOLIC BEVERAGE LAND USE REGULATIONS** – Community Development Director Elliano

Work Study to review existing and proposed zoning code requirements for the sale of alcoholic beverages.

Recommended Action:

That the Planning Commission discuss and provide direction to staff regarding the preparation of a draft ordinance establishing a review process and standards for uses that sell alcoholic beverages.

DEPARTMENT REPORTS

8. **CITY ATTORNEY REPORTS:** *Verbal reports from Assistant City Attorney Steven McEwen on items of interest to the Planning Commission.*

9. COMMUNITY DEVELOPMENT DIRECTOR REPORTS:

- A. Verbal Report on City Council actions from the September 25, 2012 and October 9, 2012 meetings
- B. Schedule for November and December 2012 Planning Commission Meetings
- C. Inland Empire Quarterly Economic Report

10. HEMET ROCS CITIZEN ADVISORY COMMITTEE REPORT – *Chairman John Gifford*

11. PLANNING COMMISSIONER REPORTS: *Commissioner reports on meetings attended or other matters of Planning interest*

- A. Chairman Gifford
- B. Vice Chair Overmyer
- C. Commissioner Moghadam
- D. Commissioner Perciful
- E. Commissioner Vasquez

12. FUTURE AGENDA ITEMS: *Items to be scheduled for upcoming Planning Commission Meetings*

- A. Report on Industrial Development Opportunities
- B. Proposed Fence Ordinance – Part II
- C. Temporary Sign Provisions – Part II

13. ADJOURNMENT: To the meeting of the City of Hemet Planning Commission scheduled for ***November 6, 2012 at 6:00 P.M.*** to be held at the City of Hemet Council Chambers located at 450 E. Latham Avenue, Hemet, California 92543.

NOTICE TO THE PUBLIC:

Any writings or documents provided to a majority of the Planning Commission regarding any item on this agenda will be made available for public inspection at the Planning Department counter of City Hall located at 445 E. Florida Avenue during normal business hours. Agendas for Planning Commission meetings are posted at least 72 hours prior to the meeting. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact the Planning Department office at (951) 765-2375. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to insure accessibility to the meeting. (28 CFR 35.102-35.104 ADA Title II).

AGENDA #2A

PLANNING COMMISSION

MEETING MINUTES

DATE: September 18, 2012

CALLED TO ORDER: 6:00 P.M.

MEETING LOCATION: City Council Chambers
450 East Latham Avenue
Hemet, CA 92543

1. CALL TO ORDER:

PRESENT: Chairman John Gifford, Vice Chairman Vince Overmyer, and Commissioners Nassar Moghadam, Michael Perciful, and Greg Vasquez

Invocation and Flag Salute: Chairman John Gifford

2. APPROVAL OF MINUTES:

A. Minutes of the July 17, 2012 Meeting

It was **MOVED** by Vice Chairman Overmyer and **SECONDED** by Commissioner Moghadam to approve the minutes of the July 17, 2012 Planning Commission meeting, as presented.

The MOTION was carried by the following vote:

AYES: Chairman Gifford, Vice Chairman Overmyer, and Commissioners Moghadam, Perciful, and Vasquez

NOES: None

ABSTAIN: None

ABSENT: None

B. Minutes of the August 21, 2012 Meeting

It was **MOVED** by Vice Chairman Overmyer and **SECONDED** by Commissioner Moghadam to approve the minutes of the August 21, 2012 Planning Commission meeting as presented.

1 The MOTION was carried by the following vote:

- 2
3 **AYES:** Chairman Gifford, Vice Chairman Overmyer, and Commissioners
4 Moghadam, Perciful, and Vasquez
5 **NOES:** None
6 **ABSTAIN:** None
7 **ABSENT:** None
8

9 **3. PUBLIC COMMENTS:**

10
11 There were no members of the public who wished to address the Commission
12 regarding items not on the agenda.
13

14 **PUBLIC MEETING ITEMS**

15
16
17 **4. SITE DEVELOPMENT REVIEW NO. 12-001 (PULTE DEL WEB HOMES AT**
18 **SOLERA DIAMOND VALLEY)**

19
20 **APPLICANT:** Pulte Group, Inc.
21 **LOCATION:** Northeast corner of Mustang Way and Warren Road
22 **PLANNER:** Carole L. Kendrick — (951) 765-2375
23

24 **DESCRIPTION:** A request for Planning Commission review and approval of
25 a Site Development Review application for the design of 161 single-family
26 residential homes within Tract Nos. 31807-1, 31808 and 31808-1 located on
27 the northeast corner of Mustang Way and Warren Road and a Notice of
28 Exemption under the Subsequent Environmental Impact Report (EIR) that was
29 adopted for the underlying projects, GPA No. 05-03, SPA No. 04-01, and TTM
30 Nos. 31807 and 31808 on November 22, 2005.
31

32 Commissioner Vasquez, in the interest of disclosure, indicated that he lived at the Del
33 Webb Community where the proposal for this project is located and asked to be
34 recused if the city attorney felt it appropriate. He requested to be allowed to remain in
35 the audience to hear the presentation.
36

37 City Attorney McEwen responded that he was not aware of any conflict in terms of him
38 living within 500 feet, but felt it appropriate that Commissioner Vasquez exit the room
39 to avoid any appearance of a potential common law conflict.
40

41 A brief discussion regarding what might constitute a legal conflict of interest followed.
42 City Attorney McEwen clarified that any appearance of a conflict of interest should be
43 avoided and that the personal decision of Commissioner Vasquez to leave the room
44 was his own.
45

46 Chairman Gifford indicated he would call Commissioner Vasquez back when the item
47 was concluded.
48

49 The staff report was presented by Assistant Planner Carole Kendrick, who provided a
50 PowerPoint presentation regarding the project.

1 Chairman Gifford noted that after seeing five different plans with backup material, he
2 did not see any indication of the number of units or the mix of these units and how they
3 would be distributed amongst the lots.
4

5 Assistant Planner Kendrick responded that the pick-a-lot program for this project would
6 have certain percentages of certain plans within the tracts limited to 40% of one plan,
7 and they would have to meet certain requirements under this program. She indicated
8 that they had provided staff with a typical layout, but reminded the Commission that
9 this would be the customer's choice.
10

11 Chairman Gifford commented that staff had wisely not put a number in there because
12 this might change and asked if 40% would be the maximum.
13

14 Assistant Planner Kendrick responded affirmatively.
15

16 Chairman Gifford asked if there were any questions for the staff regarding this project.
17

18 Commissioner Overmyer inquired regarding whether Plan Nos. 70, 71, and 72, since
19 they are the smallest, could make up for all of the lots in the 40% requirement.
20

21 Assistant Planner Kendrick explained that there are other requirements indicated on
22 page four of the staff report which show that they can't have two of the same plans
23 adjacent to one another and would have to have variation of colors, etc.
24

25 Commissioner Overmyer expressed his thought that this would work even if the
26 smallest three made up the entire area.
27

28 Assistant Planner Kendrick responded that this would be very hard to do.
29

30 Commissioner Moghadam inquired regarding the average square footage of the lots, to
31 which Assistant Planner Kendrick responded 5,000 square feet.
32

33 Chairman Gifford thanked Assistant Planner Kendrick, opened the public hearing and
34 requested that the applicant respond to questions.
35

36 Kevin Paul of Pulte Group, 27901 Puerta Real, Mission Viejo, CA approached the
37 lectern as a representative for the applicant.
38

39 Chairman Gifford acknowledged that this project had been brought before previous
40 Planning Commissions and approved in general. Since this Commission is making
41 some changes to the project based on the staff report, he asked if economic or other
42 market-driven reasons were responsible for encouraging the requested changes.
43

44 Mr. Paul responded that livability and design were the primary reasons, along with
45 changing market demands.
46

47 Chairman Gifford asked if salability and layout also played a role rather than simply
48 less expensive housing.
49

50 Mr. Paul responded that they did.

1
2 Commissioner Overmyer wondered if exterior design and additions, such as granite,
3 might be driving the changes.
4

5 Mr. Paul responded that they had done some pattern engineering with what we call the
6 "behind the walls" type items, including an effort to take out the excess framing, etc.,
7 but did not go overboard on anything unnecessary."
8

9 Commissioner Overmyer asked if solar would be offered.
10

11 Mr. Paul indicated he was uncertain regarding that issue. He proceeded to show some
12 examples of proposed changes, including stone on pillars and columns in the Spanish,
13 early California and Ranch Hacienda elevations.
14

15 Commissioner Moghadam asked about the color, styles and schemes of the project.
16

17 Mr. Paul indicated there were three different styles and color schemes per elevation
18 style, which would total nine style types.
19

20 Commissioner Moghadam wondered what would happen if five people wanted a
21 certain approved color. Would there be five different houses with the same color
22 scheme?
23

24 Mr. Paul indicated that there were restrictions regarding a color scheme being adjacent
25 to a like color scheme.
26

27 Community Development Director (CDD) Elliano shared that the pick-a-lot program
28 requires variation in the housing.
29

30 Mr. Bakari, a representative of Del Webb, 27101 Puerta Real, Suite 300, Mission Viejo,
31 CA indicated that he had reviewed the condition of approval and had no objection to it.
32

33 Chairman Gifford asked if there were any others who would like to speak and seeing
34 none, closed the public meeting. He further queried Assistant Planner Kendrick
35 regarding whether the pads were already graded and prepared.
36

37 Assistant Planner Kendrick responded that they were.
38

39 Chairman Gifford then questioned the applicability of Condition No. 9 and was assured
40 by CDD Elliano that all conditions on the first SDR have been included in case there is
41 some need for additional changes in the grading or drainage.
42

43 Chairman Gifford re-opened the public meeting to inquire of the applicant regarding
44 grading of ungraded property.
45

46 Mr. Bakari commented that he understood the issue and had no objections. He
47 indicated that there was one portion of the project to the northeast of the overall site
48 which had not yet been finalized or mapped, and noted that this particular area is blue
49 topped and rough graded, and that when the map is finalized Condition No. 9 would
50 apply to it.

1 Mr. Brian Egger, 598 North Hemet Street, Hemet, wondered what the actual market
2 demands were for this project.
3
4 Chairman Gifford indicated that they have perceived the demand and adapted the
5 construction and layouts needed to make them more salable.
6
7 Assistant Planner Kendrick advised that construction has been progressing as long as
8 she's been with the City, and noted that the senior projects were not hit as hard as
9 standard single-family units in the economic downfall. She added that the homes are
10 selling, and that some single-family homes are still being constructed.
11
12 Chairman Gifford closed the public meeting and requested the thoughts of other
13 commissioners regarding this agenda item.
14
15 Commissioner Perciful commented that the supply for this type of product in the city is
16 limited, so there is a demand. He stated that homes in the area are selling within
17 weeks, noting that prices tended to be a selling factor. If the price point on these
18 properties is comparable to other homes available now, there will be a demand, but the
19 price must be right.
20
21 Chairman Overmyer indicated that he was aware of the construction of more tracts, or
22 at least graded lots being built on, so there is empirical evidence available.
23
24 CDD Elliano shared that Pulte is an excellent builder and has done a very good job on
25 this project. Pulte did not lower their product, but looked at more options as well as
26 viewing the market regarding pricing. Their master plan includes senior and single
27 story units.
28
29 Chairman Gifford entertained a motion on Site Development Review No. 12-001 and
30 Resolution Bill 12-003.
31
32 It was **MOVED** by Vice Chairman Overmyer and **SECONDED** by Commissioner
33 Perciful to adopt Resolution Bill No. 12-003 approving Site Development Review No.
34 12-001 as presented.
35
36 The MOTION was carried by the following vote:
37
38 **AYES:** Chairman Gifford, Vice Chairman Overmyer, and Commissioners
39 Moghadam and Perciful
40
41 **NOES:** None
42
43 **ABSTAIN:** None
44
45 **ABSENT:** None
46
47 Commissioner Vasquez was invited to return to the dais.
48
49
50

1
2 **DEPARTMENT REPORTS**
3

4 **5. CITY ATTORNEY REPORTS:**
5

6 City Attorney McEwen reported on AB 2314 recently signed into law by Governor
7 Brown. This legislation addresses the maintenance of foreclosed properties as well as
8 other conditions regarding receiverships. He indicated that the main focus of AB 2314
9 was on the maintenance of these foreclosed properties, adding that it extends a prior
10 statute which has been in effect for a number of years and was due to expire in January
11 2013. That statute allows the city to impose civil fines of \$1,000 on properties that have
12 gone into the foreclosure process and have not been kept up. He explained that the bill
13 is a tool that the city can use, which does not require an implementing ordinance. It
14 sets forth a procedure to follow. The city must give notice to the owner that they are in
15 violation and give them a period of time to fix those violations. If they fail to do so, the
16 city then can impose fines. There is an appeal process that the city must allow to give
17 the property owner an opportunity to come in and challenge the issue, but overall it is an
18 effective tool for cities to use in dealing with blighted foreclosures. Many properties are
19 in the hands of banks that are not in the neighborhood, or even the community, and who
20 don't have the best interest of the city at heart in keeping these properties maintained.
21 Banks want to hold on to the homes until they can sell them and make a profit. This
22 legislation is something the city can use to get their attention. Some cities have gone
23 forward to adopt ordinances to implement this, but an ordinance is not required.
24

25 Chairman Gifford asked if this assembly bill defines what is dilapidated or what an
26 unacceptable property might look like.
27

28 City Attorney McEwen responded that the basic property standards would be applied,
29 noting that if the property has overgrown grass and weeds, it would qualify. In addition,
30 structural problems can also be considered.
31

32 CDD Elliano stated that the city would be implementing this bill.
33

34 City Attorney McEwen added that the statute requires a 14-day notice be given to the
35 lien holder and then that a period of time not less than 30 days to fix the property be
36 given. However, once that period expires, the city would implement and impose fines.
37

38
39 **6. COMMUNITY DEVELOPMENT DIRECTOR REPORTS:**
40

41 **A. Verbal Report on City Council actions from the September 11, 2012 meeting**
42

43 CDD Elliano advised that the new Building Official and Code Compliance Manager had
44 been introduced to the City Council at their meeting of September 11th, and that a short
45 presentation on the Hemet ROCS program had occurred. The parolee probationer
46 ordinance had its final reading, and the tobacco ordinance, which was recommended for
47 approval by the Planning Commission with the provision regarding whether an applicant
48 had to come back and get a new CUP, was introduced. She clarified that the Council
49 had left that requirement in the ordinance.
50

1 Commissioner Vasquez accepted another appointment from the mayor and is now a
2 member of the Oversight Board for the dissolved Hemet Redevelopment Agency, taking
3 the seat of former Board member, Brian Nakamura.

4
5 The new Interim City Manager, Mark Orme, while recognizing the Council's focus, is
6 now always going to have an economic development update and Hemet ROCS update
7 at the close of each City Council meeting.

8
9 **B. Hemet ROCS Update at September 25, 2012 Council meeting – Hemet**
10 **Public Library**

11
12 CDD Elliano reported that the City Council meeting scheduled for September 25, 2012
13 is expected to be large and will be held on the 2nd floor of the library. As part of their
14 regular agenda, the City Council will have a Hemet ROCS presentation that will bring
15 back answers to the many questions and comments raised at two community meetings
16 and at the last Citizens Advisory Committee meeting. Of the 111 comments received,
17 they were divided into seven different categories with selected respondents: (1) Public
18 Safety Resources (Chief Brown); (2) Public Policy and Administration (City Manager); (3)
19 Blight/Graffiti and Property Maintenance (CDD Elliano); (4) Infrastructure Needs of City
20 (Director of Engineering and Public Works); (5) Economic Development Needs
21 (Community Investment Director); (6) Legal Considerations; and (7) Community
22 Participation and Volunteerism.

23
24 CDD Elliano also mentioned that there will be reporting on the implementation teams
25 and the field operations task force to move the information from the ordinance stage into
26 the community in order to make a real difference. There will be regular reports that
27 provide additional information on the status of all of the above and how we are
28 developing things to better respond to the community and implement the Hemet ROCS
29 program.

30
31 **C. General Plan Housing Element-5th Cycle Update & Consistency Zoning**

32
33 CDD Elliano provided information regarding the General Plan Housing Element update.
34 She explained that the General Plan Update adopted earlier this year had included a
35 State mandated component, which is the Housing Element. The next Housing Element
36 cycle is due in October of 2013. In order to process it in time, the City of Hemet should
37 take it through to hearings in the spring so it can be reviewed with the State Department
38 of Housing and Community Development in order to have it adopted in time for the
39 October deadline. She wants the Planning Commission to be informed that it will be
40 coming before them. The firm selected to assist in its development was RBF from
41 Temecula. They were the best firm in terms of technical abilities and understanding the
42 city's local needs.

43
44
45 **7. HEMET ROCS CITIZEN ADVISORY COMMITTEE REPORT — *Chairman John***
46 ***Gifford***

47
48 Chairman Gifford reminded the Planning Commission of the community interest
49 regarding the Hemet ROCS Citizens Advisory Committee. Over 100 community
50 members participated and energized the committee. The following issues emerged as
central concerns: Graffiti and vandalism — it is important for citizens to get accurate

1 and readily available information; placement of the old Swat vehicle to deter incidence
2 of crime in the city; placement of cameras in high crime areas; website changes
3 regarding code enforcement and blight elimination in the city; and finally, funding more
4 police officers was an important discussion as well as the possibility of assessing a fee
5 the city would collect from each of the rental units to assist in police funding.
6

7 CDD Elliano continued on the last point made by Chairman Gifford. She clarified the
8 rental registration program, which might be assessed as a fee versus a tax, and which
9 would need to be a cost recovery for services performed. If it is a tax, then it can be
10 used for general purposes. This will need to be evaluated and, if a tax, would be a
11 citywide ballot measure. CDD Elliano discussed the ways that communication can be
12 enhanced to the citizens of Hemet in regards to some of these issues. For example, the
13 City-wide Newsletter is about to be released and will go to every resident in the city of
14 Hemet with informational items about different city departments and what they handle,
15 and also information on Hemet ROCS. In addition, the development of the Hemet
16 ROCS hotline is being launched, which will allow citizens an avenue to report graffiti or
17 other specific concerns to the city. The City's website will have a news flash area with a
18 clear bar that can be clicked on to reach the Hemet ROCS portion of the website, which
19 would then have interactive forms that can be filled in by citizens regarding items of
20 which they would like the city to become aware.
21

22 Chairman Gifford asked for questions from the Commissioners.
23

24 Commissioner Overmyer had concerns regarding the fees that may be proposed. His
25 questions included issues about who would pay the fees, each address, each door, or
26 each unit? He pointed out that if the fee was \$300 as suggested, landlords with 10 units,
27 who are already doing their best to keep up their properties would have a \$3,000 charge
28 that might take away from the upkeep of the rental units themselves.
29

30 Chairman Gifford responded that this had not yet been discussed by the committee. He
31 stated that his feeling was that the city would need to find an equitable way for the
32 members of the community to share the load and make sure that government agencies
33 are carrying out and making the best use of it. He advised that the committee believed
34 that they were willing to pay something for a positive result. \$300 was the number
35 thrown out, but this amount has not been ascertained. The City, however, is looking at
36 this as a possibility and will have to come back with some thoughtful suggestions.
37

38 Commissioner Moghadam suggested that in deciding the fee or tax, whichever it may
39 be, consideration should be granted to units that rent for \$1,500 a month or more, and
40 those that rent for a lesser amount so that the burden is equally shared. He noted that
41 he was in favor of the fee being established as a percentage of the rent versus a fixed
42 fee because that seemed to make more sense than a fixed price.
43

44 Chairman Gifford commented that there may be no perfect answer to this issue now,
45 and Commissioner Perciful saw this as a serious issue that may not have an easy
46 answer.
47

48 Chairman Gifford discussed another issue regarding the city's marketing efforts to
49 businesses outside of the city, such as to conventions and the like. He suggested that it
50

1 is important for business people to talk to other business people as a way of marketing
2 the city.

3
4 **8. PLANNING COMMISSIONER REPORTS:** *Commissioner reports on meetings*
5 *attended or other matters of Planning interest*

6
7 **A.** Chairman Gifford – Nothing to report

8
9 **B.** Vice Chair Overmyer

10
11 Commissioner Overmyer expressed concern regarding bringing in business to the city.
12 Looking at the General Plan, the industrial plan area that Hemet has reserved for
13 business is on the west side of town. He was wondering where the current industrial
14 area for the city is located.

15
16 CDD Elliano responded that the current industrial areas of the city are located near the
17 airport and Wentworth Plaza. Other industrial areas include North State Street and
18 portions of Sanderson Avenue.

19
20 Commissioner Overmyer wondered what Hemet has at its disposal to invite businesses
21 to come to the city.

22
23 **C.** Commissioner Moghadam

24
25 Commissioner Moghadam asked if the shopping carts at Walmart include wheel locks
26 that cause the cart to lock up when they reach a certain distance from the store.

27
28 CDD Elliano responded that Walmart's carts actually work better than any others
29 currently out there. Home Depot, Lowes, Walgreens, and Stater Bros. will also begin
30 utilizing the wheel lock system for their carts, hopefully in the near future.

31
32 **D.** Commissioner Perciful – Nothing to report

33
34 **E.** Commissioner Vasquez – Nothing to report

35
36
37 **9. FUTURE AGENDA ITEMS:** *Items to be scheduled for upcoming Planning*
38 *Commission Meetings*

39
40 **A.** North Hemet Specific Plan and Draft EIR

41
42 **B.** Alcoholic Beverage Land Use Regulations (Hemet ROCS)

43
44 CDD Elliano reported that there would be an upcoming work study on this item, which
45 would also be discussed at the next CAC meeting. The ordinances will eventually come
46 to the Planning Commission and then go on to the City Council. This discussion will
47 begin again in October. The Planning Commission will look at alcoholic beverage sales
48 and on-site consumption such as bars and restaurants, as well as the carry-out from
49 liquor and convenience stores. The other application to be brought forward ties in to the
50 comment regarding industrial development.

1 C. West Hemet Pre-zoning request

2
3 CDD Elliano advised the Commission that with the General Plan having been adopted,
4 the zoning designations throughout the City must be brought into consistency with the
5 General Plan. A series of meetings have been held with several individuals who are
6 land owners in the west end area that lies within the City's sphere of influence, in an
7 effort to get their consensus regarding pre-zoning categories that will eventually be
8 brought to the Planning Commission for recommendation. In the Hemet Municipal
9 code, one of the ways to initiate the pre-zoning process is to take the ideas to the
10 Planning Commission and see if there is merit to move it forward as a city-initiated
11 project. In October, staff will be coming back to you with the pre-zoning proposal for the
12 sphere of influence areas within the southwest portion of the city, and if successful, staff
13 will come back with an additional pre-zoning request further to the west, in an effort to
14 eventually annex those areas to the city.
15

16 D. Report on Industrial Development Opportunities

17
18 Chairman Gifford asked if CDD Elliano wanted to report on Industrial Development
19 Opportunities.
20

21 CDD Elliano stated that she would bring back a more detailed report at a future meeting
22 regarding the State Street corridor and the business park there, as well as other
23 potential industrial areas nearby. In addition, she pointed out industrial development
24 opportunities near Stetson Avenue and the airport, as well as near Sanderson Avenue.
25

26 Commissioner Overmyer asked if these areas were currently owned by private
27 individuals or other entities.
28

29 CDD Elliano responded that most of these areas are within the city limits and had been
30 rezoned to industrial. A couple of them are owned by the city of Hemet. The pre-zoning
31 areas would be near California Avenue and the city boundary, which includes
32 uninhabited industrial property. She explained that this might be a mixed-use area,
33 which has the opportunity for commercial and industrial use.
34

35 E. Proposed Fence Ordinance — Part II

36
37 CDD Elliano indicated that both the fence ordinance and sign ordinance would have to
38 be discussed at a later time due to the immersion of staff with the Hemet ROCS projects
39 lately.
40

41 F. Temporary Sign Provisions — Part II

42 G. Other items

43
44
45 Chairman Gifford wondered about the Hemet theater, noting that the owner had
46 requested permit approval from the City Council, but the building continues to just sit
47 there, still burned on the side. He requested an update on any progress regarding the
48 theater.
49
50

1 CDD Elliano commented that her understanding is that the property had been going
2 through the plan check process, but a financial issue caused progress to stop. She
3 does not know whether or not it is now for sale.

4
5 Chairman Gifford asked if there was enough money to paint the wall.

6
7 CDD Elliano indicated that she did not know.

8
9 Chairman Gifford suggested that a Hemet ROCS logo could be placed on it if volunteers
10 were asked to help paint it.

11
12 Commissioner Moghadam commented regarding an industrial issue. He wondered if
13 the sites for industrial projects have been upgraded regarding gas lines and the location
14 of the above ground from high pressure to low pressure gas lines.

15
16 CDD Elliano was not aware of this issue, but recognized the necessity to talk to the gas
17 company about making any necessary changes and looking at the aging infrastructure
18 as a significant issue to consider. In addition, the upgrading of water lines is important
19 to think about as well. She commented that the planning staff could put into motion
20 items related to zoning and planning; however, everything else in the way of
21 infrastructure are very costly in terms of being able to update or provide upgrades.

22
23 Commissioner Vasquez asked CDD Elliano for an update on the status of the former
24 Walmart building.

25
26 CDD Elliano provided the history of the area including the issuing of a CUP without any
27 final action by the client to move the project forward to plan check or construction. She
28 was worried that lack of action on this property might cause the property to deteriorate
29 and become a code case for the Planning Department.

30
31 Commissioner Vasquez wondered if there was a limit on the time frame for this project.

32
33 CDD Elliano responded that the applicant had been granted a two-year window that
34 was later extended for two or three additional years in terms of their entitlement. She
35 suggested, however, that perhaps the Planning Division should consult with the City
36 Attorney in light of the possibility of these properties going into receivership or becoming
37 a blight within the city.

38
39 Chairman Gifford commented that community members are anxious for something
40 productive to happen with these types of properties.

41
42 CDD Elliano suggested that receivership might provide the city with a window of
43 opportunity in our toolbox for commercial property and its impact on the city if no
44 development occurs. She added that there are concerns on other parts of Florida
45 Avenue as well, and noted that the City is working with brokers and owners in an effort
46 to do whatever is possible to make it easier for them to acquire tenants. She cited
47 Fitness 19, the Crunch Gym and Angie's Diner as examples of new tenant
48 arrangements.

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10. ADJOURNMENT: It was unanimously agreed to adjourn the meeting at 7:32 p.m. to the regular meeting of the City of Hemet Planning Commission tentatively scheduled for **October 16, 2012 at 6:00 p.m.** to be held at the City of Hemet Council Chambers located at 450 East Latham Avenue, Hemet, CA 92543.

John Gifford, Chairman
Hemet Planning Commission

ATTEST:

Nancie Shaw, Records Secretary
Hemet Planning Commission



AGENDA #4

Staff Report

TO: City of Hemet Planning Commission

FROM: Deanna Elliano, Community Development Director 
Soledad Carrisoza, Planning Technician 

DATE: October 16, 2012

RE: **CONDITIONAL USE PERMIT NO. 12-006 (WALGREENS)** – A request for Planning Commission review of a Conditional Use Permit for the sale of beer, wine and spirits after 9 p.m. and to make a finding of public convenience or necessity as required by Alcohol Beverage Control at an existing Walgreens located on the east side of San Jacinto Street, south of Florida Avenue, with consideration of an environmental exemption pursuant to CEQA Guidelines Section 15270.

PROJECT APPLICANT INFORMATION

Applicant: Walgreens
Agent: Michael Shaw – Store Manager
Project Location: 1311 W. Florida Avenue
APN: 445-270-054

RECOMMENDATION:

Staff recommends that the Planning Commission table Conditional Use Permit No. 12-006 per the applicants request as indicated in the attached letter, to allow the processing and adoption of the pending Alcohol Beverage Regulations Ordinance by the City Council. The applicant has requested to have this item reagendaized in approximately six months.

City of Hemet – Community Development Department
Planning Commission Meeting of October 16, 2012



There's a way™

October 9, 2012

Ms. Soledad Carrisoza,
City of Hemet Planning Department
Hemet, California

**RE: Public Convenience and Necessity Application for Walgreens Store #5349
Located at 1311 E. Florida Avenue.**

Dear Ms. Carrisoza,

Walgreen Co. wishes for its application for a finding of Public Convenience and Necessity related to an alcohol license to be continued off-calendar for a period of six months.

Thank you for your kind assistance with this matter. If you have any questions or concerns, please contact me at 847-315-2698 or email me at erin.neff@walgreens.com.

Respectfully,

Erin L. Neff
Senior Attorney
Walgreen Co.

AGENDA #5



Staff Report

TO: City of Hemet Planning Commission

FROM: Deanna Elliano, Community Development Director *DE*
Ronald Running, Project Planner

DATE: October 16, 2012

RE: **SPECIFIC PLAN NO. 11-001 & ENVIRONMENTAL IMPACT REPORT** - A request for Planning Commission review and recommendation to the City Council regarding the establishment of the proposed North Hemet Specific Plan for a 28.6 ± acre site and the proposed Draft Environmental Impact Report establishing a maximum of 525 multi-family residential units (100 units within mixed-use areas), 118,919 square feet of retail commercial and 16,335 square feet of office space.

PROJECT APPLICANT INFORMATION

Owner: Housing Authority of the County of Riverside
Authorized Agent: Karen Gulley, The Planning Center
Project Location: Northwest corner of North State Street and Oakland Avenue
APN Information: 439-060-010 et. al.
Lot Area: 28.6± acres

STAFF RECOMMENDATION

The Planning Department recommends that the Planning Commission:

1. Take public testimony regarding the proposed project and Draft EIR, and
2. Provide initial review and comment regarding the Draft Environmental Impact Report (DEIR) (Attachment No. 2) and Draft North Hemet Specific Plan (SP 11-001) (Attachment No. 1), and
3. Continue the Public Hearing to the December 4, 2012 Planning Commission meeting for formal action on the Final EIR and SP 11-001.

City of Hemet - Planning Department
Planning Commission Meeting of October 16, 2012

BACKGROUND

Several years ago the Riverside County Economic Development Agency (EDA) approached the City with a proposal to master plan the property located within the City in the County's Mid-County Redevelopment Project Area located on North State Street in the City of Hemet. A development plan was prepared along with technical studies on the feasibility of revitalizing the area in general. The development plan was shown to the City Council in work study sessions. The County then contracted a consultant team in 2009 to develop a Specific Plan for the area. The City of Hemet's Housing Authority, as well as Planning staff, worked closely with the County and consultant team in developing the proposed Specific Plan.

On July 17, 2012 the Planning Commission reviewed the proposed North Hemet Specific Plan at its work study session. The proposed project is intended to be a mixed commercial/multi-family residential project on a site that is within a former Riverside County Redevelopment Project area. The project could ultimately have a maximum of 302-525 multi-family residential units, 118,919 square feet of retail and 16,335 square feet of office space at project build-out. (See Attachment 1).

The Housing Authority of the County of Riverside (HACR) has prepared a Specific Plan (SP 11-001) which, if approved, will be the zoning for the 28.6 ± acre site. The Specific Plan will contain the permitted land uses and development standards for the property. The applicant is not proposing to subdivide or develop the property at the present time. However, it is the County's intent to market the property for future development to a master developer or individual builders.

A Draft Environmental Impact Report (DEIR) has been prepared to analyze the possible environmental impacts associated with the proposed development. (See Attachment 2). The DEIR recommends a series of mitigation measures that are necessary for completion of the project. A summary of the mitigation measures are found in the draft Mitigation Measure Monitoring Plan contained in the Chapter 1 (Executive Summary) of the DEIR.

The Draft Environmental Impact Report (DEIR) was circulated for its 45-day public review period on October 10, 2012. The conclusion of the review period will be on November 16, 2012. Consequently, the Commission will need to continue the public hearing until its meeting on December 4, 2012. At that time, any public comments will be reviewed along with their responses. The Commission will then be able to make a recommendation to the City Council on the proposed specific plan.

The site is presently largely vacant under-utilized County owned land that is zoned C-2 (General Commercial), C-1 (Neighborhood Commercial) and R-3 (Multiple Family). (See Exhibit A.) The extent of the County ownership is shown in Figure 2.3 of the Specific Plan. Adoption of the Specific Plan will replace the present zoning and development standards for the property. The bulk of the property is vacant land with a few isolated single family residential structures, the Town & County mobile home park, and some commercial buildings. The County recently opened its Community Services Center in the former Smart & Final building. Photos of the various

properties are shown in Specific Plan Figure 2.5.

As of February 2012 all redevelopment agencies in California were dissolved. The Housing Authority of the County of Riverside (HACR) has assumed the project and ownership of the previous EDA properties within the project area. The HACR will oversee the processing of the Specific Plan with the City of Hemet.

PROPOSED SPECIFIC PLAN

Purpose

The overall purpose of the North Hemet Specific Plan is to provide comprehensive direction for the redevelopment of the project area while implementing the goals and polices of the 2030 General Plan and the objectives of the Mid-County Redevelopment Project Area. The following objectives were identified and explained in Section 1.1 of the Specific Plan:

- Increase the supply of new attached housing in the downtown area.
- Remove economic impediments to land assembly and infill development.
- Establish plans for public infrastructure improvements.
- Eliminate nonconforming and blighted uses.
- Provide neighborhood shopping opportunities.
- Provide new residential, commercial, office and open space development that is incompatible with existing or planning surrounding development.
- Provide for new development that is “transit ready” for the potential extension of Metrolink service to downtown Hemet.

Land Use Plan

The proposed land plan hopes to achieve the intensity that is suitable to a site that is located near the historic downtown core, along a major north-south thoroughfare, and within close proximity to a future Metrolink station. The following land use summary is found in Table 3.1 of the Specific Plan:

Land Use Summary

PA	Land Use	Acres	Density	Units	F.A.R.	Retail Sq.Ft.	Office Sq.Ft.
1	High Density Resid.	6.4	18-30	115-192	-	-	-
2	Neighborhood Mixed Use	4.0	-	-	0.50	38,115	16,335
3	Medium Density Resid.	2.2	8-18	18-40	-	-	-
4	Neighborhood Mixed Use	3.5	18-30	24-40	0.50	53,361	-
5	High Density Resid.	5.0	18-30	90-150	-	-	-
6	Neighborhood Mixed Use	3.8	18-30	36-60	0.50	27,443	-
7	Medium Density Resid.	2.4	8-18	19-43	-	-	-
	Public Street R.O.W.	1.3					
	Total	28.6		302-525		118,919	16,335

The proposed land use mix ranges from Medium Density Residential (8-18 d.u./ac.) to High Density Residential (18-30 d.u./ac.). A market study prepared for the project showed a relatively light commercial demand for the area in general. The Specific Plan reflects the anticipated commercial demand, but also provides flexibility in the event that commercial is more viable over the long term. The project area has been divided into seven (7) planning areas as shown in Figure 3.1 of the Specific Plan.

The three Planning Areas that front State Street (PA 2, 4 and 6) will allow for commercial development. However the two southern areas, south of Menlo Avenue (PA 4 and 6) allow for a mix of commercial and residential land uses. The mixture of land uses can be vertical or horizontal.

Two high density planning areas are shown on the western portion of the project area (PA 1 and 5). Planning Area 1, north of Menlo Avenue, is envisioned as an appropriate site for a senior assisted living area with its close proximity to the Community Service Center immediately to the east. The other high density area (PA 5) is between two medium density areas (PA 3 and 7) that would allow for a tapering of density to the Menlo Avenue or Oakland Avenue frontages.

Development concepts are shown in the specific plan in Figures 3.2 and 3.3 and explained in text on page 23 for each Planning Area. Anticipated residential product types are illustrated in Figures 3.4 through 3.9 of the Specific Plan. The lowest density types would be Greencourt Homes (8-12 d.u./ac.) or Paired Homes (9-12 d.u./ac.). Courtyard Clusters and Townhomes range from 18 d.u./ac. to 30 d.u./ac. shown with Podium Apartments or Senior Housing prototypes.

Joint Use Parks/Detention Areas

The project site has an interesting drainage flow pattern which will cause the need for three separate storm-water collection areas in the plan. Two areas are proposed along Menlo Avenue where the project's interior entrance drives are located. The third collection area is found on Oakland Avenue at its project entrance. Figure 3.10 of the Specific Plan shows the approximate location for these areas along with photos showing how the areas could be developed as joint use park/detention facilities.

Circulation Plan

The seven planning areas are broken up with a transportation spine shown on Figure 3.1 of the Specific Plan. The spine will serve motorists, bicycles and pedestrian activity. State Street will remain as a Divided Secondary with four lanes of travel. A landscaped median is proposed as shown in Figure 3.12 of the Specific Plan. Menlo Avenue will serve as a 4-lane Undivided Secondary and Oakland will be a 2-lane collector street.

All three of the perimeter streets have been designated in the 2030 General to have bikeways. Specific Plan Figures 3.12 through 22 show how the travel lanes, bike lanes, parking and pedestrian walkways will be integrated on each street. Alessandro Street and the interior future streets will be local streets. The complete pedestrian, bicycle, and transit network is shown in Specific Plan Figure 3.24. State Street will be developed with a center landscaped median. Other street improvements are listed in the mitigation measures for traffic in Table 1-2 of the DEIR. Future development within the project will be required to pay its fair share of the cost of the installation of traffic signals at the intersections of 1) Palm Avenue and Menlo Avenue, 2) Lyon Avenue and Menlo Avenue, and 3) Menlo Avenue and Buena Vista Street.

Utilities and Drainage

Section 3 of the Specific Plan also contains the utility plans for the area. Specific Plan Figure 3.25 shows the natural gas, water and sewer lines that serve the project area. Figure 3.26 of the Specific Plan shows the conceptual drainage and grading plan. The three respective drainage areas will be needed to be improved at the time of development for the area that the areas serve.

Development Standards

Section 4 of the Specific Plan deals with the development criteria for the project. Table 4.2 lists the permitted land uses in each of the seven planning areas. General development standards are found in Section 4.2.

Residential Development Standards

Table 4.4 provides the development standards for future residential land use for both the Medium Density Residential (MDR) and High Density Residential (HDR) areas. The minimum project site size will be one (1) acre. Minimum standards for building frontage are shown for State Street, Menlo Avenue and Oakland Avenue. These standards are recommended to avoid having a parking lot dominated street scene. The maximum height for a residential only building would be 40 feet or three (3) stories.

Commercial Development Standards

Commercial development standards are provided in Section 4.4. The maximum Floor Area Ratio (FAR) of 0.50 is shown. The maximum height of a commercial only building would be two (2) stories or 35 feet in height. The minimum building frontage standards are also recommended for the major perimeter street. Open space and other public amenity requirements are also included in this section.

Mixed-Use Development Standards

Section 4.5 deals with development standards for mixed-use projects. Several types of mixed-use projects can be considered. Vertical mixed-use would involve developing commercial on the

ground floor level with residential on the upper floors. Horizontal mixed-use would deal with projects having residential and commercial uses side-by-side. A third scenario would be those residential units having a live-work space. Table 4.9 in the Specific Plan outlines the standards for all three types.

The maximum height for residential/commercial mixed-use would be 45 feet or three (3) stories. The height limit for live-work products would be 40 feet or three (3) stories. Building to building separation would require a minimum of five (5) feet for each story. Minimum landscape/open space requirement would be 10% for residential/commercial mixed-use, and 5% for live-work.

Section 4.5.1 of the Specific Plan lists additional requirements for live-work projects. Persons desiring to have a live-work environment would need to process a Administrative Use Permit (AUP). Changes in ownership or tenancy would require a new AUP so that appropriate conditions of approval would be attached to the specific use proposed. Live-work units would need to provide an additional parking space for each 500 sq.ft. of non-residential floor area.

Design Guidelines

Section 5.0 of the Specific Plan contains design guidelines for the physical design for the community, neighborhood and building level of development. The intent is to create an attractive and cohesive community identity.

Community Landscape Design

Community design elements are discussed in Section 5.1 of the plan. Figure 5.1 shows the overall streetscape framework for the project area. Suggested trees and shrub materials are shown that are drought tolerant and in the "California Friendly" landscape palette. Several of the suggested street tree species are not currently found in the City's approved street tree list. Future developers wanting to use these new street tree types will have to seek a modification to the approved street tree list.

Examples of various streetscape elements are shown in Specific Plan Figures 5.6 – 5.8. The exact type of street light standards, community signage and streetscape furniture will be determined during the development process.

Section 5.1.5 contains guidelines for signage for the project.

Site Design Guidelines

Design guidelines for residential, live-work, and commercial guidelines are contained in Section 5.2 of the Specific Plan.

Architectural Design Guidelines

Section 5.3 recommends four architectural styles for projects in the North Hemet Specific Plan. The listed styles are traditional farmhouse, English Tudor/Victorian, California Craftsman, Spanish Revival, and Italianate/Tuscan. All of these styles suggest a traditional architectural style instead of a modern contemporary architectural palette.

This section also includes guidelines for building mass, articulation, and materials. The final section discusses considerations for sustainable architecture in Section 5.3.5. Sustainable architecture takes into account solar orientation, views, noise, prevailing winds and other local climatic considerations. Buildings are encouraged to incorporate sustainable design features such as solar panels, light shelves, overhangs, reflective rooftop materials, and the use of reclaimed water where available.

Administration & Implementation

Section 6.0 of the Specific Plan deals with the administration and implementation of future development of the project area. Since the project is a joint effort with the County of Riverside a Project Coordinating Committee will be established to coordinate, review and monitor the implementation of the Specific Plan. The Committee will consist of representatives of the City and the Housing Authority of the County of Riverside.

Section 6.3 is the phasing plan of the project. No specific development proposals are known at this time. Consequently, the phasing of the project is broken into two (2) general phases. The first phase contains Planning Areas 1 and 2 which are located north of Menlo Avenue. The second phase of development will be those planning areas south of Menlo Avenue.

Section 6.5 outlines the maintenance plan for the project area. Table 6.2 shows which agencies are responsible for the maintenance of flood retention, public street, private drives, sewer, water, open space and commercial landscaped areas.

GENERAL PLAN CONSISTENCY

Appendix A of the Specific Plan contains a detailed Consistency Analysis with the 2030 General Plan. The analysis outlines how the proposed specific plan is consistent with all of the elements of the General Plan. The site of the North Hemet Specific Plan is found in the Downtown Mixed-Use district. The Mixed-Use designation provides for a mixture of residential and commercial land uses.

CEQA REVIEW

A DEIR has been prepared and circulated for a 45-day comment period for the proposed specific plan starting on October 10, 2012 and ending on November 26, 2012. The DEIR addresses several primary issues including aesthetics, agricultural resources, air quality, biological

resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use, noise, public service, traffic and utilities. Mitigation measures are proposed for many of the impacts are provided in the Mitigation Measure Monitoring Plan (MMMP) found in Chapter 1 (Executive Summary) of the DEIR.

The DEIR has found that there will be significant impacts to the environment concerning air quality, greenhouse gas emissions and noise. The air quality and noise impacts are typical to those found with projects of this magnitude. They are typically associated with temporary short-term impacts associated with construction activity. In all likelihood the North Hemet Specific Plan will be developed over a long period of time and in small increments.

The Greenhouse Gas emissions are considered significant until the City develops thresholds in a future Climate Action Plan (CAP) which is presently under development with the Western Riverside County Council of Governments.

The City will need to adopt a Statement of Overriding Considerations on these impacts in order to certify the EIR. Responses to the public comments on the DEIR will be prepared by the environmental consultant prior to the Commission's next review of the project and DEIR. The responses to comments and DEIR will then be reviewed in sum by the Planning Commission after the 45-day public comment period has ended and a final recommendation will be made to the City Council.

POLICIES, REQUIREMENTS AND GUIDELINES REVIEW

The proposed Specific Plan was reviewed by the Design Review Committee (DRC) for consistency with the City's applicable policies, requirements and guidelines. Subsequently, the DRC has recommended that the project be found consistent with the City's General Plan, Zoning Ordinance and other development requirements and guidelines. The complete analysis of this project for consistency with the City's policies, requirements and guidelines can be found in Appendix A of the Specific Plan document.

PUBLIC COMMUNICATIONS RECEIVED

Owners of properties in the project area and those within a 500 foot radius were notified by mailed notice of the Planning Commission hearing and the public comment period for the DEIR. The general public was notified on October 5, 2012 with a legal advertisement in the Press Enterprise. As of the date of this report, the Planning Department has not received any letters of comment from the public.

SUMMARY

The proposed Specific Plan will guide future development in a manner that is consistent with the vision outlined in the City's 2030 General Plan. The Specific Plan provides development

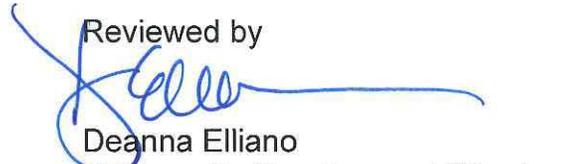
regulations for both commercial and multi-family residential land uses, in particular for mixed use development. Environmental questions or concerns raised during the public comment period will be addressed and added to the DEIR. This preliminary review is an opportunity for the Planning Commission to asked questions and express any concerns on the Specific Plan document itself.

Respectfully submitted,



Ronald Running
Project Planner

Reviewed by



Deanna Elliano
Community Development Director

RR/ns

ATTACHMENTS

- A) Locational Exhibit/Zoning Map
- 1) Proposed North Hemet Specific Plan (SP 11-001) Text (**Attached separately and provided to the Planning Commission only – also available at the City’s website at www.cityofhemet.org**).
- 2) Draft Environmental Impact Report (DEIR), and Mitigation Monitoring and Reporting Program (**Attached separately and provided to the Planning Commission only – also available at the City’s website at www.cityofhemet.org**).
- 3) Aerial Photo

INCORPORATED HEREIN BY REFERENCE

City of Hemet General Plan
City of Hemet General Plan EIR
City of Hemet Zoning Ordinance
City of Hemet Subdivision Ordinance
Project Site’s Riverside County Integrated Plan Multi-Species Habitat Conservation Plan Summary Report
Contents of City of Hemet Planning Division Project File(s) SP No. 11-001

**Attachment
No. A
Locational Exhibit**

**Planning Commission
Public Meeting of
October 16, 2012**

Attachment No. 1

SP 11-001 Text

(Attached separately and provided to the
Planning Commission only – also available
at the City's website at
www.cityofhemet.org)

Planning Commission
Public Meeting of
October 16, 2012

Attachment No. 2 DEIR

(Attached separately and provided to the
Planning Commission only – also available
at the City's website at
www.cityofhemet.org)

Planning Commission
Public Meeting of
October 16, 2012

Attachment No. 3 Project Exhibits

Planning Commission
Public Meeting of
October 16, 2012

SPECIFIC PLAN NO. 11-001

Aerial Photo



AGENDA #6



Staff Report

TO: Honorable Chair and Members of the Hemet Planning Commission

FROM: Deanna Elliano, Community Development Director 
Nancy Gutierrez, Project Planner 

DATE: October 16, 2012

RE: **REQUEST TO INITIATE PRE-ZONING FOR THE SOUTHWEST HEMET AREA.**
A request for Planning Commission initiation of a pre-zoning application for 940.63 acres of property located east of California Avenue to the western City limits, generally south of Stetson Avenue, north of Domenigoni Parkway and within the City's adopted Sphere of Influence.

RECOMMENDED ACTION:

That the Planning Commission direct staff to initiate a pre-zoning application for the 940.63 acre area within Southwest Hemet as part of the City's comprehensive General Plan Zoning Consistency Program.

BACKGROUND:

Subsequent to a comprehensive update of a General Plan, state law grants a jurisdiction two years to bring its zoning ordinance and map into conformance with the updated map and policies of the General Plan. Hemet's Comprehensive General Plan Update was adopted by the City Council in January 2012 and the Planning Division is currently in the process of a zoning consistency program. Components of the program include:

- New ordinances implementing new General Plan land use designations;
- Reorganization of Chapter 90 Zoning Ordinance;
- Detailed updates to the zoning codes;
- City zoning map amendments; and
- Sphere of influence pre-zoning designations.

The proposal under consideration today falls under the sphere of influence pre-zone component. The City has identified the 940.63 acre territory located between the western city boundary and California Avenue, generally south of Stetson Avenue and north of Domenigoni Parkway (Attachment 1) as appropriate for pre-zoning. Staff met with the property owners of this territory to discuss the proposed pre-zoning and thus far has received signed statements of concurrence from five of the seven owners contacted. It is anticipated the final two statements will be obtained

City of Hemet Planning Division
PRE-ZONING FOR THE SOUTHWEST HEMET AREA

prior to completion of the zone change (pre-zone) application (Attachment 9), although the City has the legislative authority to adopt pre-zoning without landowner approval.

Section 90-9 of the Hemet Municipal Code states, *“Pre-zoning of unincorporated territory adjoining the city may be initiated by the commission in order to determine the zoning to be established in the event of subsequent annexation to the city. Such zoning shall become effective on the effective date of the annexation.”* In compliance with this section, staff is recommending that the Planning Commission initiate the pre-zoning process on the subject territory by directing staff to prepare a change of zone (pre-zone) application for Planning Commission public hearing and consideration and subsequent consideration/adoption by City Council.

PROJECT DESCRIPTION:

Pre-zoning is limited to territory located within the City’s sphere of influence and must be consistent with the land use designations established by the General Plan. The subject territory, known as the Southwest Area Pre-zoning Project, meets these criteria. Additionally, the Project Area is uninhabited, which simplifies the annexation process and is a major factor in favor of future annexation. Staff is recommending the initiation of the pre-zoning at this time in response to the landowners’ requests and interest in future annexation.

The details of the proposed pre-zoning will be discussed thoroughly when the zone change application is presented to Planning Commission, including how the project furthers the City’s General Plan goals and policies, allowable land uses and development standards by zone, potential affect on adjacent property owners and land uses, and development considerations such as the Multiple Species Habitat Conservation Plan (MSHCP) and the Airport Land Use Plan (ALUP). The purpose of this staff report is solely to obtain authorization to proceed as a City-initiated project and to expend staff time on this effort. The City Manager has identified this as a priority project for staff, but the code requires the Planning Commission to initiate the effort if it is to be a City project, as opposed to a property owner application.

There are eleven owners of property in the Project Area (Attachment 2), of which one is the City of Hemet and three are utilities – Eastern Municipal Water District (EMWD), Riverside County Flood Control, and Riverside County Transportation Commission (RCTC) – with uses that will not be affected by any change in zoning. The current zoning of the Project Area under Riverside County is Agriculture (Attachment 3). The current uses are light agriculture, single family residence, vacant, utilities, and model airplane club recreation field (city property). An aerial view of the Project Area (Attachment 4) visually shows the land uses. The MSHCP and ALUP cover portions of the pre-zone area and will affect the planning and development process. Attachment 5 shows the coverage of the two plans in the Project Area. The Hemet General Plan land use designations in the Project Area (Attachment 6) are low density residential, mixed use, industrial, and open space. The proposed pre-zones, which are consistent with the General Plan designations, are M-1 Light Manufacturing, R1-7.2 Low Density Residential, MU-1 Mixed Use Residential/Commercial, MU-2 Commercial/Industrial, and Open Space (OS). Attachment 7 is a map of the proposed pre-zoning and Attachment 8 is a table showing the pre-zoning by assessor parcel number (APN).

ANALYSIS:

The Project Area is a portion of the West Hemet District described in Section 2.9.4 of the General Plan. This District is expected to become a vibrant area featuring residential, commercial, and industrial opportunities that enables the continued westward growth of the City. The Southwest Area Pre-zoning Project is being presented at this time to take advantage of the recently completed Final Environmental Impact Report (FEIR) of the General Plan Comprehensive Update, the ongoing zoning consistency program, and the reduced costs of a joint “economies of scale” effort. If each property owner undertakes the pre-zoning individually at staggered times in the future, the zone change and environmental review process could be more costly and the coordination of planning efforts would be compromised.

The Planning Commission is tasked with determining whether the merits of the proposed Southwest Area Pre-zoning Project warrant the expenditure of staff time and resources at this time. In addition to in-house efforts, an Airport Land Use Compatibility Study must be completed and an application and fees must be submitted for Airport Land Use Commission (ALUC) review as part of the pre-zoning process. If the Commission initiates the pre-zone effort, staff will be working with the affected property owners to fund the preparation of the required ALUC study and application.

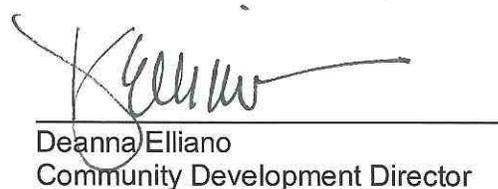
It is staff’s recommendation that the pre-zone project is a necessary component of the city-wide General Plan consistency effort and will facilitate the future annexation and development of properties within the Southwest Hemet area.

Prepared by:



Nancy Gutierrez
Project Planner

Approved by:



Deanna Elliano
Community Development Director

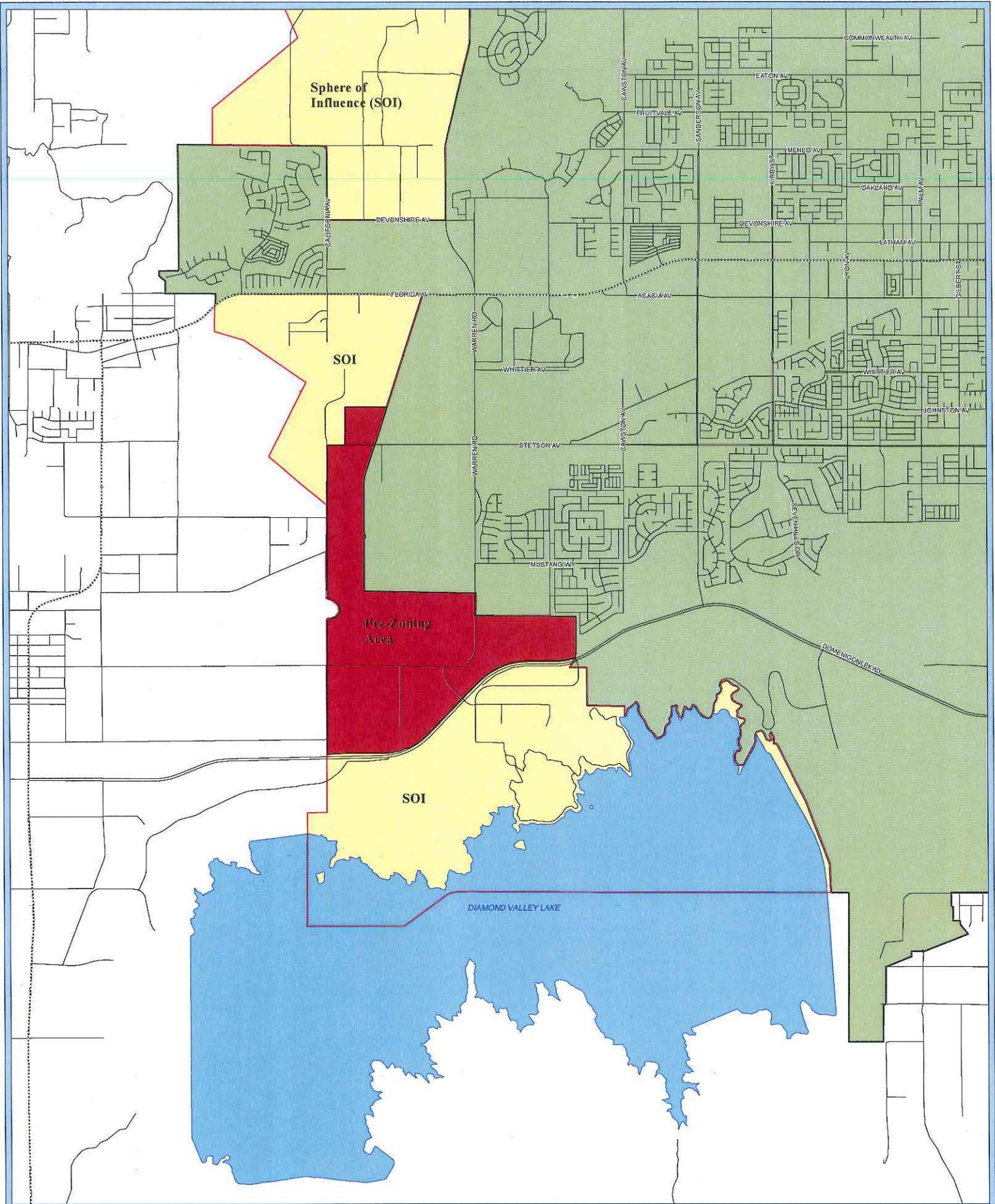
ATTACHMENTS

1. Area Map
2. Property Owner Map
3. County Zoning Map
4. Aerial Map
5. MSHCP and ALUP Overlay Map
6. General Plan Land Use Map
7. Proposed Pre-zoning Map
8. Table of Proposed Pre-zoning
9. Statements of concurrence from property owners

City of Hemet Planning Division
PRE-ZONING FOR THE SOUTHWEST HEMET AREA

Attachment No. 1

Area Map



0 425 850 1,700 2,550 3,400
 Feet
 1 inch = 850 feet

Southwest Area Pre-Zoning Project Area Map

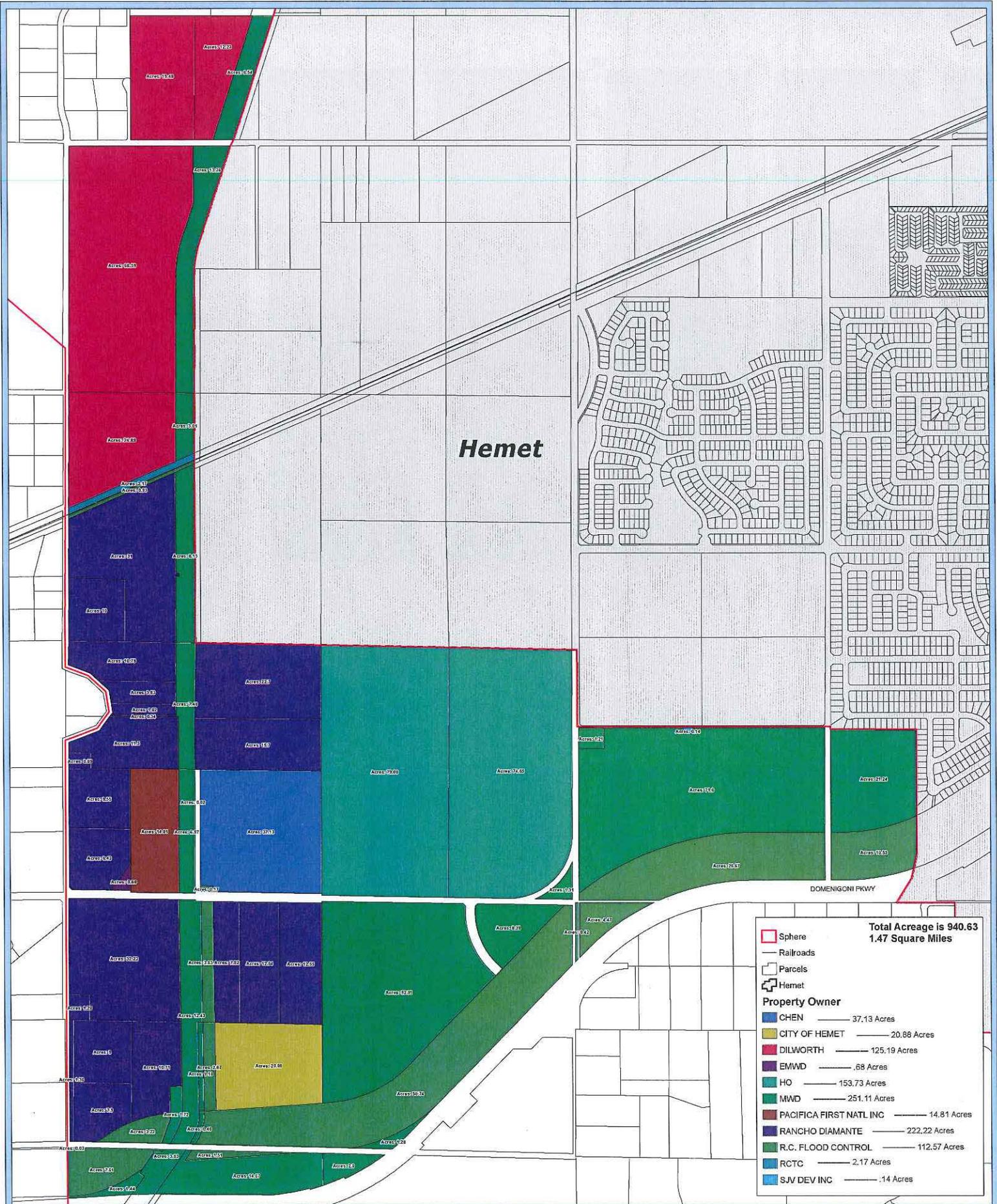
- Highways
- Roads
- Annexation Area
- City Sphere
- Hemet
- Waterbodies

Every reasonable effort has been made to ensure the information provided on this GIS map is accurate, complete, and up-to-date. However, the SOI boundaries and the maps contained herein are subject to street changes and the accuracy and completeness of the data provided on this map may vary. These maps are the property of the City of Hemet and are not to be used for any other purpose without the written consent of the City of Hemet. The City of Hemet is not responsible for any loss, damages or claims that arise out of the use of the data provided on these maps. Documents are only provided.

Author: Timothy Dwyer
 Editor: Robert J. Burt, City of Hemet
 September 24, 2012
 C:\GIS\Projects\GIS\SouthwestAreaPreZoning\Map

Attachment No. 2

Property Owner Map



Hemet

DOMENIGONI FWKY

Total Acreage is 940.63
1.47 Square Miles

	Sphere	
	Railroads	
	Parcels	
	Hemet	
Property Owner		
	CHEN	37.13 Acres
	CITY OF HEMET	20.86 Acres
	DILWORTH	125.19 Acres
	EMWID	.68 Acres
	HO	153.73 Acres
	MWD	251.11 Acres
	PACIFICA FIRST NATL INC	14.81 Acres
	RANCHO DIAMANTE	222.22 Acres
	R.C. FLOOD CONTROL	112.57 Acres
	RCTC	2.17 Acres
	SJV DEV INC	.14 Acres



0 125 250 500 750 1000
Feet
1 inch = 250 feet

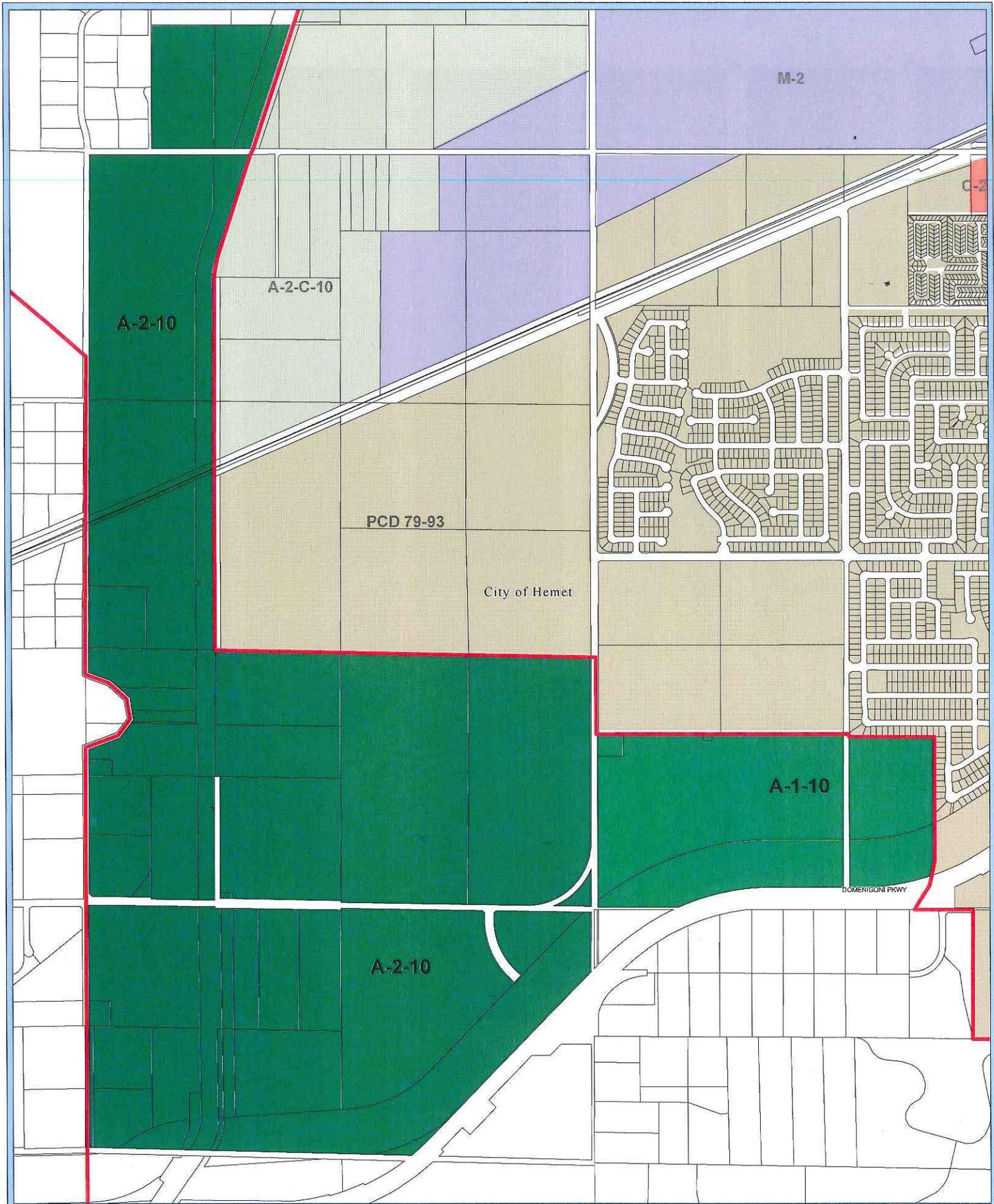


Southwest Area Pre-Zoning Project
Ownership Map

Every reasonable effort has been made to ensure the information provided on this map and data is current, accurate and complete. However, the City of Hemet and its representatives do not warrant, correct changes and the accuracy and completeness cannot be and is not guaranteed.
The data presented on this map is not to be relied upon by the City of Hemet or any of its departments. These maps and the associated data are provided for informational purposes only and should not be used for any legal or financial purposes. The City of Hemet is not responsible for any errors, omissions or delays that may occur in the use of this map, data and/or services.
Actual Property Owner
Source: City of Hemet
Revised: 05/2012
City of Hemet

Attachment No. 3

County Zoning Map



0 125 250 500 750 1,000 Feet
1 inch = 250 feet



Southwest Area Pre-Zoning Project

County Zoning

	CitySpheres	ZONING
	Railroads	A-1-10 Light Agriculture
	Hemet	A-2-10 Heavy Agriculture
	ParcelAssessor	

Every reasonable effort has been made to ensure the information provided on this map and data is correct. Accuracy and timeliness, however, are not guaranteed or the City of Hemet is not liable for any errors, omissions, or inaccuracies. The City of Hemet is not responsible for any errors, omissions, or inaccuracies. The City of Hemet is not responsible for any errors, omissions, or inaccuracies. The City of Hemet is not responsible for any errors, omissions, or inaccuracies.

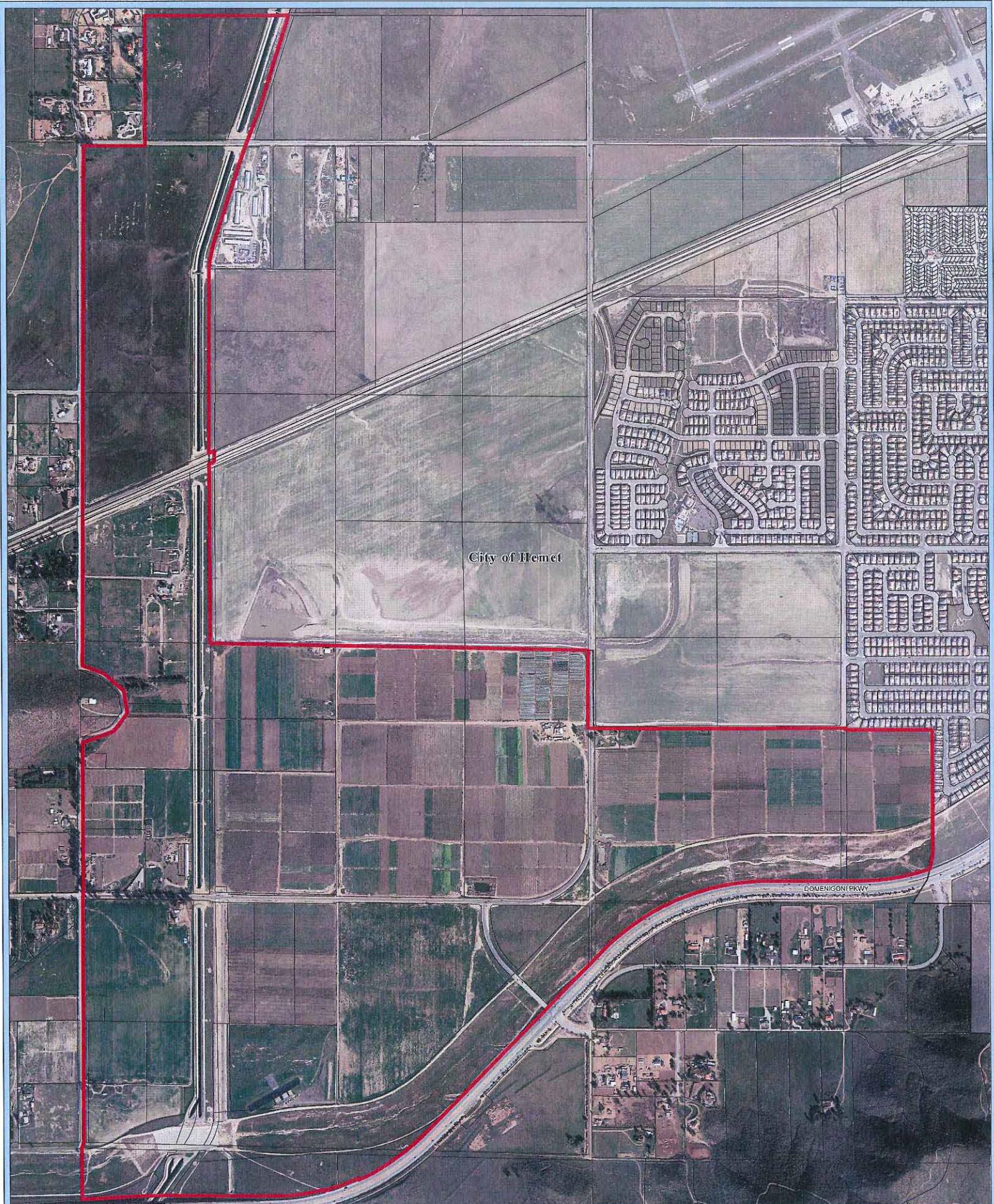
The data presented on this page is not legally binding on the City of Hemet or any of its departments. These maps and the information on any GIS-enabled City of Hemet website, printed or otherwise, are for informational purposes only and should not be used for legal or financial purposes. The City of Hemet will not be liable for any loss, damage, or injury that may result from the use of the user's computer, or use of the maps, documents, or data provided.

Author: Timothy Deane
Editor: County of Rowan, City of Hemet

September 25, 2012
C:\MapServer\southwest_prezoning\img

Attachment No. 4

Aerial Map



City of Hemet

DOMENIGONI PKWY



0 125 250 500 750 1,000 Feet

1 Inch = 250 feet



Southwest Area Pre-Zoning Project

Aerial Map

-  Railroads
-  Annexation Area
-  Parcels
-  Hemet

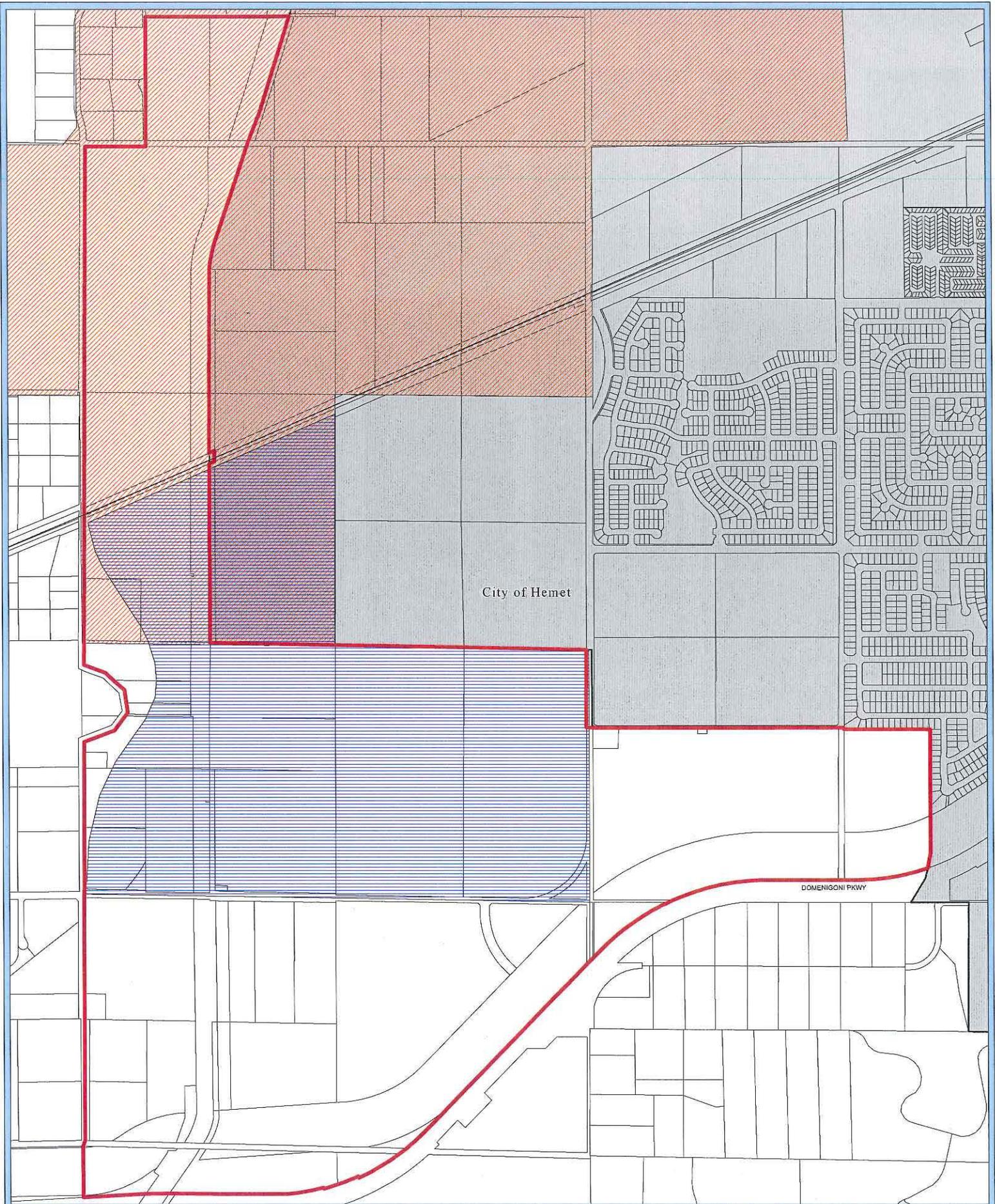
Every reasonable effort has been made to assure the information contained on this map is accurate as of the date of printing. However, the GIS database and the map are subject to change without notice. The accuracy and completeness cannot be guaranteed.

The data presented on this map is not legally binding to the City of Hemet or any of its departments. There may be other maps or records on file with the City of Hemet that may vary or supersede the information presented on this map. The information presented on this map is for informational purposes only and should not be used for legal or financial purposes. The City of Hemet does not warrant the accuracy, completeness, or timeliness of the information presented on this map. The City of Hemet is not responsible for any errors or omissions on this map.

Author: Timothy Dwyer
 Source: County of Harney, City of Hemet
 September 23, 2010
 ©2010 hemetcity.com

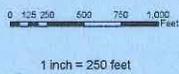
Attachment No. 5

MSHCP and ALUP
Overlay Map



City of Hemet

DOMENIGONI PKWY



Southwest Area Pre-Zoning Project Overlay Map

- Annexation Area
- Railroads
- Parcels
- Hemet
- Airport Overlay
- MSHCP Overlay

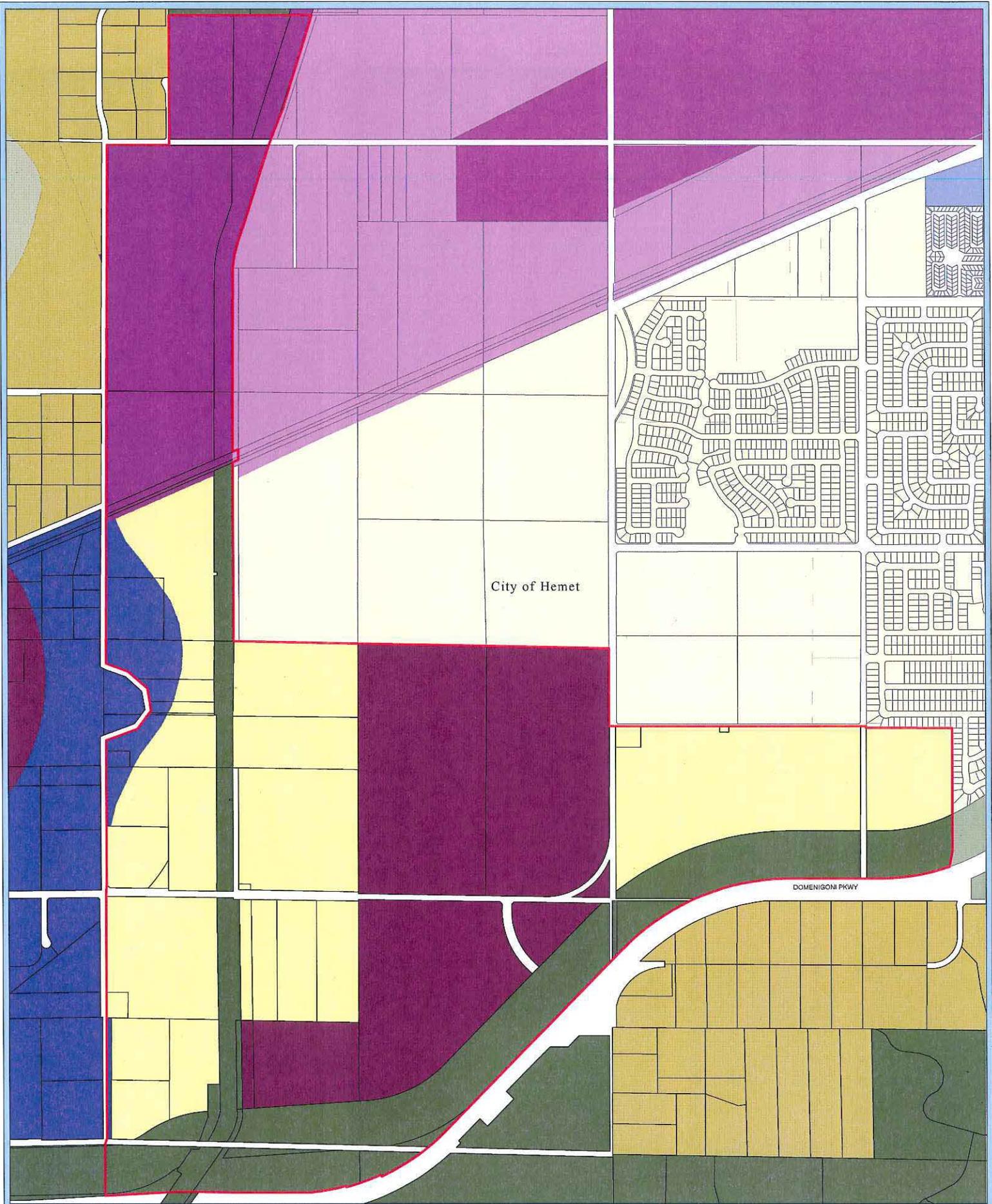
Every reasonable effort has been made to assure the accuracy of the GIS data used in the creation and compilation. However, the GIS products and the maps formulated as a result of the project change and the accuracy and completeness cannot be held to the greatest.

The data presented on these maps is not legally binding to the City of Hemet or any of its departments. These maps are to be used only for informational purposes and may contain errors or omissions. Therefore, the information presented is for informational purposes only and should not be used for legal purposes. The City of Hemet will not be liable for any loss, damages or claims that arise out of the user's reliance on, or use of, these maps, documents and data products.

Author: Timothy Clark
Source: County of Platteville, City of Hemet, ©Mapbox, OpenStreetMap contributors
September 23, 2012

Attachment No. 6

General Plan
Land Use Map



City of Hemet

DOMENIGONI PKWY



0 125 250 500 750 1,000 Feet

1 inch = 250 feet



Southwest Area Pre-Zoning Project General Plan

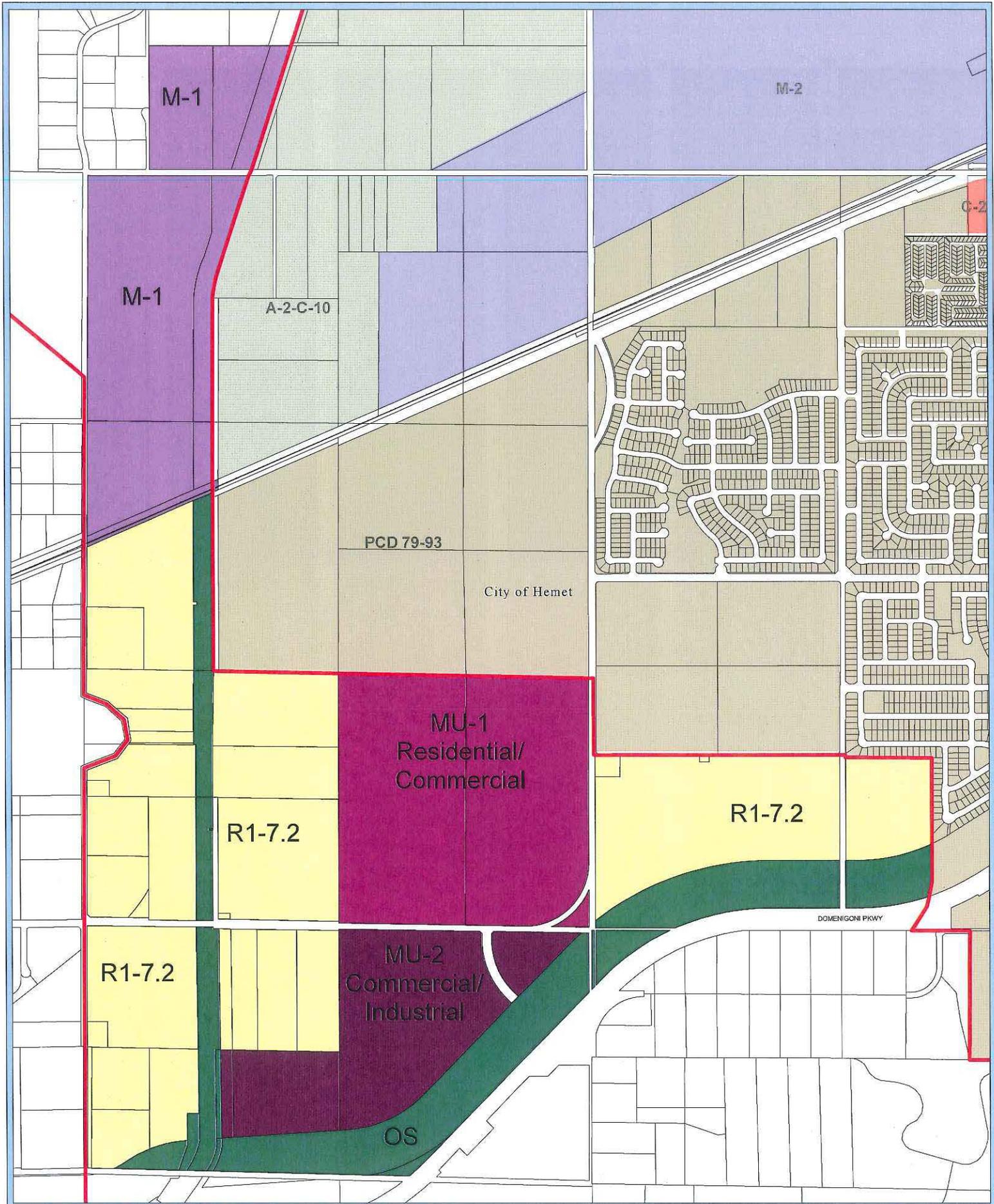
LandUse	
	Hillside Residential
	Rural Residential
	Low Density Residential
	Mixed Use
	Industrial
	Business Park
	Airport
	Open Space
	Annexation Area

Every reasonable effort has been made to ensure the information provided on this GIS map is current, accurate and complete. However, the GIS database and the maps created are not a substitute for a site visit and the accuracy and completeness of the data presented on these maps is not guaranteed by the City of Hemet. The information presented is for informational purposes only and should not be used for any legal, planning or other purposes. The City of Hemet will not be liable for any loss, damage or claim that arise out of the user's reliance on any of the maps, documents or other products.

Author: Tandy Barber
 Source: County of Rowan, City of Hemet
 Date: 06/24/2019
 C:\Users\Tandy\Documents\GIS\SouthwestAreaPreZoning\SouthwestAreaPreZoning.aprx

Attachment No. 7

Proposed Pre-Zoning Map



M-1

M-2

M-1

A-2-C-10

C-2

PCD 79-93

City of Hemet

MU-1
Residential/
Commercial

R1-7.2

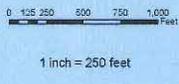
R1-7.2

DOMENIGONI PKWY

R1-7.2

MU-2
Commercial/
Industrial

OS



Southwest Area Pre-Zoning Project Pre - Zoning Map (Proposed)

	Zoning
	M-1 / Manufacturing
	OS / Open Space
	R1-7.2 / Residential
	MU-1 / Res - Comm
	MU-2 / Comm - Ind

Every reasonable effort has been made to ensure the information provided on this GIS map is accurate as of the date of publication. However, the City of Hemet and its staff do not warrant, represent or guarantee the accuracy, completeness or timeliness of the information. The City of Hemet and its staff do not warrant, represent or guarantee the accuracy, completeness or timeliness of the information. The City of Hemet and its staff do not warrant, represent or guarantee the accuracy, completeness or timeliness of the information. The City of Hemet and its staff do not warrant, represent or guarantee the accuracy, completeness or timeliness of the information.

Author: Trinity Disher
Source: County of Florence, City of Hemet

September 25, 2012
C:\Work\GIS\Southwest_Area\pre_zoning\pre_zoning2.mxd

Attachment No. 8

Table of Proposed
Pre-Zoning

Attachment 8

APN	EXISTING COUNTY ZONING	HEMET GENERAL PLAN	PROPOSED PREZONING	OWNER
465-130-014	A-2-10	Mixed Use	MU-1	Ho/Chow
465-130-005	A-2-10	Mixed Use	MU-1	Ho/Chow
465110003	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465110004	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465120001	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465120003	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465120004	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465120007	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465120009	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465120016	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465120019	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465120021	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465140014	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465140015	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465140034	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465130009	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465130019	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465140001	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465140002	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465140003	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465140004	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465140022	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465140024	A-2-10	Low Density Residential	R1-7.2	Rancho Diamante
465130002	A-2-10	Low Density Residential	R1-7.2	Pacific First
465130016	A-2-10	Low Density Residential	R1-7.2	Chen
454020007	A-2-10	Low Density Residential	R1-7.2	SVJ Development
465-100-001	A-2-10	Industrial	M-1	Dilworth
465-030-004	A-2-10	Industrial	M-1	Dilworth
465-030-029	A-2-10	Industrial	M-1	Dilworth
454020019	A-1-10	Low Density Residential	R1-7.2	MWD
454020045	A-1-10	Low Density Residential	R1-7.2	MWD
454020047	A-1-10	Low Density Residential	R1-7.2	MWD
465130018	A-2-10	Mixed Use	MU-2	MWD
465140042	A-2-10	Mixed Use	MU-2	MWD
465140043	A-2-10	Mixed Use	MU-2	MWD
465130013	A-2-10	Open Space	OS	MWD
465130007	A-2-10	Open Space	OS	MWD
465140018	A-2-10	Open Space	OS	MWD
465140021	A-2-10	Open Space	OS	MWD
465140028	A-2-10	Open Space	OS	MWD
465120023	A-2-10	Open Space	OS	MWD
465140044	A-2-10	Open Space	OS	MWD
465140045	A-2-10	Open Space	OS	MWD
465220010	A-2-10	Open Space	OS	MWD
465220012	A-2-10	Open Space	OS	MWD
465220016	A-2-10	Open Space	OS	MWD

APN	EXISTING COUNTY ZONING	HEMET GENERAL PLAN	PROPOSED PREZONING	OWNER
465220018	A-2-10	Open Space	OS	MWD
465100043	A-2-10	Open Space	OS	MWD
465110017	A-2-10	Open Space	OS	MWD
465220019	A-2-10	Open Space	OS	MWD
465110033	A-2-10	Open Space	OS	MWD
454020046	A-2-10	Open Space	OS	RC Flood Control
454020048	A-2-10	Open Space	OS	RC Flood Control
454030074	A-2-10	Open Space	OS	RC Flood Control
454030075	A-2-10	Open Space	OS	RC Flood Control
465110031	A-2-10	Open Space	OS	RC Flood Control
465130017	A-2-10	Open Space	OS	RC Flood Control
465140026	A-2-10	Open Space	OS	RC Flood Control
465140033	A-2-10	Open Space	OS	RC Flood Control
465140035	A-2-10	Open Space	OS	RC Flood Control
465140046	A-2-10	Open Space	OS	RC Flood Control
465220017	A-2-10	Open Space	OS	RC Flood Control
465220020	A-2-10	Open Space	OS	RC Flood Control
465110029	A-2-10	Open Space	OS	RC Transportation Commission
465130020	A-2-10	Low Density Residential	R1-7.2	EMWD

Attachment No. 9

Statements of
Concurrence
From Property Owners



City of Hemet

COMMUNITY DEVELOPMENT DEPT. 445 EAST FLORIDA AVENUE · HEMET, CALIFORNIA 92543 (951) 765-2375

SOUTHWEST HEMET AREA PRE-ZONING PROJECT PROPERTY OWNER STATEMENT OF CONCURRENCE

Name of property owners:

Charles Ho Tsu Chow Shioh Ling Chow

Mailing address:

14740 Lost Trail Drive
Chino Hills, CA 91709

() Please change to
829 Brigham Young Dr
Claremont, Ca. 91711*

Statement of Concurrence

We, the property owners of the property referenced below, authorized the City of Hemet to process a change of zone (pre-zone) application that establishes the following pre-zoning:

APN	Pre-Zone
465-130-014	MU-1 Mixed Use 1
465-130-005	MU-1 Mixed Use 1

Charles Ho

Charles Ho

Tsu Chow

Tsu Chow

Shioh Ling Chow

Shioh Ling Chow

9/21/12

Date

9/20 2012

Date

9/20/2012

Date

Please return the signed statement by September 21, 2012 to Deanna Elliano, Community Development Director, City of Hemet, 445 E. Florida Avenue, Hemet, CA 92543



City of Hemet

COMMUNITY DEVELOPMENT DEPT. 445 EAST FLORIDA AVENUE · HEMET, CALIFORNIA 92543 (951) 765-2375

SOUTHWEST HEMET AREA PRE-ZONING PROJECT PROPERTY OWNER STATEMENT OF CONCURRENCE

Name of property owners:

Rancho Diamante Investments by Strata/Benchmark Page Ranch by Strata Equity Holdings by Strata Equity Investments and Benchmark Pacific Management

Mailing address:

Rancho Diamante
c/o Strata Equity Group
4370 La Jolla Village Dr., Suite 960
San Diego, CA 92122

Richard Robotta
Vice President Benchmark Pacific
550 Laguna Drive, Suite B
Carlsbad, Ca. 92008

Statement of Concurrence

We, the property owners of the property referenced below, authorize the City of Hemet to process a change of zone (pre-zone) application that establishes the following pre-zoning:

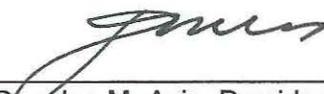
APN	Pre-zone	APN	Pre-zone	APN	Pre-zone
465110003	R1-7.2	465120016	R1-7.2	465130019	R1-7.2
465110004	R1-7.2	465120019	R1-7.2	465140001	R1-7.2
465120001	R1-7.2	465120021	R1-7.2	465140002	R1-7.2
465120003	R1-7.2	465140014	R1-7.2	465140003	R1-7.2
465120004	R1-7.2	465140015	R1-7.2	465140004	R1-7.2
465120007	R1-7.2	465140034	R1-7.2	465140022	R1-7.2
465120009	R1-7.2	465130009	R1-7.2	465140024	R1-7.2



Carlos D. Michan, President
Strata Equity Investments, Inc.,

SEP-17-12

Date



Douglas M. Avis, President and Sec.
Benchmark Pacific Management, Inc.

9/13/12

Date

Please return the signed statement by September 21, 2012 to Deanna Elliano, Community Development Director, City of Hemet, 445 E. Florida Avenue, Hemet, CA 92543



City of Hemet

RECEIVED
SEP 18 2012
PLANNING

COMMUNITY DEVELOPMENT DEPT. 445 EAST FLORIDA AVENUE · HEMET, CALIFORNIA 92543 (951) 765-2375

SOUTHWEST HEMET AREA PRE-ZONING PROJECT PROPERTY OWNER STATEMENT OF CONCURRENCE

Name of property owner:

Pacific First National, Inc.

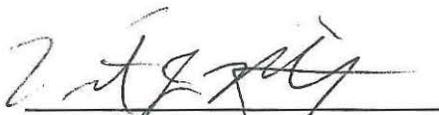
Mailing address:

11155 W. Washington Boulevard
Culver City, CA 90232

Statement of Concurrence

We, the property owners of the property referenced below, authorized the City of Hemet to process a change of zone (pre-zone) application that establishes the following pre-zoning:

APN	Pre-Zone
465130002	R1-7.2



Vincent J. Motyl
Senior Vice President

9/13/12
Date

Please return the signed statement by September 21, 2012 to Deanna Elliano, Community Development Director, City of Hemet, 445 E. Florida Avenue, Hemet, CA 92543



City of Hemet

RECEIVED

SEP 20 2012

PLANNING

COMMUNITY DEVELOPMENT DEPT. 445 EAST FLORIDA AVENUE · HEMET, CALIFORNIA 92543 (951) 765-2375

SOUTHWEST HEMET AREA PRE-ZONING PROJECT PROPERTY OWNER STATEMENT OF CONCURRENCE

Name of property owners:

Nelson Dilworth James Dilworth Dilworth Estate c/o Janet Dilworth Parish

Mailing address:

1656 Churchill Lane
Mansfield, TX 76063

Statement of Concurrence

We, the property owners of the property referenced below, authorized the City of Hemet to process a change of zone (pre-zone) application that establishes the following pre-zoning:

APN	Pre-Zone
465-100-001	M-1
465-030-004	M-1
465-030-029	M-1

*Signature to be
obtained separately*

Nelson Dilworth

Date

*Signature to be
obtained separately*

James Dilworth

Date

Janet Dilworth Parish
Janet Dilworth Parish

9-17-12

Date

Please return the signed statement by September 21, 2012 to Deanna Elliano, Community Development Director, City of Hemet, 445 E. Florida Avenue, Hemet, CA 92543



City of Hemet

RECEIVED
SEP 18 2012
PLANNING

COMMUNITY DEVELOPMENT DEPT. 445 EAST FLORIDA AVENUE · HEMET, CALIFORNIA 92543 (951) 765-2375

SOUTHWEST HEMET AREA PRE-ZONING PROJECT PROPERTY OWNER STATEMENT OF CONCURRENCE

Name of property owners:

Nelson Dilworth James Dilworth Dilworth Estate c/o Janet Dilworth Parish

Mailing address:

1520 Country Club Drive
Riverside, CA 92506

Statement of Concurrence

We, the property owners of the property referenced below, authorized the City of Hemet to process a change of zone (pre-zone) application that establishes the following pre-zoning:

APN	Pre-Zone
465-100-001	M-1
465-030-004	M-1
465-030-029	M-1
465 110 001	M-1

Signature to be
obtained separately

Nelson Dilworth

Date

Sept 11 2012

James Dilworth

Sept 13, 2012

Date

Signature to be
obtained separately

Janet Dilworth Parish

Date

Please return the signed statement by September 21, 2012 to Deanna Elliano, Community Development Director, City of Hemet, 445 E. Florida Avenue, Hemet, CA 92543



Staff Report

TO: City of Hemet Planning Commission

FROM: Deanna Elliano, Community Development Director *DE*

DATE: October 16, 2012

RE: WORK STUDY REGARDING ALCOHOLIC BEVERAGE LAND USE REGULATIONS

Recommended Action:

That the Planning Commission discuss and provide direction to staff regarding the preparation of a draft ordinance establishing a review process and standards for commercial uses that sell alcoholic beverages.

BACKGROUND:

Updating the City's Zoning Code regarding the locations and standards for alcoholic beverage sales has been identified as one of the proposed Hemet ROCS ordinances to be developed by the Planning Division staff and the City Attorney's office. At the September 27, 2012 Hemet ROCS Citizen Advisory Committee (CAC) meeting, staff provided an overview of the city's existing regulations as well as potential changes to the zoning ordinance to address this issue. Attached to this report are the background materials presented at the CAC meeting for your review and information.

At present, most of the census tracts within the City of Hemet are considered by ABC to be "over-concentrated" with alcoholic beverage licenses, based on a ratio to population. Currently there are 72 active "on-sale" licenses in the city limits (an additional 9 are in unincorporated east Hemet). There are 61 active "off-sale" licenses in the City and an additional 13 in unincorporated East Hemet.

The purpose of the Work Study session will be to:

- provide the Planning Commission with an overview of the current situation and regulations,
- discuss how Hemet's existing requirements compare to surrounding jurisdictions, and;
- to provide direction to Staff and the City Attorney regarding recommendations for a future ordinance to amend the alcoholic beverage provisions in the zoning code.

The staff and City Attorney will then prepare a draft ordinance for your consideration at an upcoming public hearing. Staff will also seek additional input on the draft ordinance from the CAC at either their October or November meeting. Following the Planning Commission's review and recommendation of the draft ordinance, a public hearing will be held before the City Council for final consideration and adoption.

Some of the topics and issues that we will review at the Work Study include the following:

Proposed Alcohol Ordinance Issues and Topics to Consider:

1. Regulation of Use by Zone.

What kinds of uses (on-sales and off-sales) should be permitted by right, permitted subject to an Alcoholic Beverage Permit (ABP), conditionally permitted, or prohibited in the following zone districts:

- A. Commercial Zones
- B. Office and Professional Zones
- C. Industrial/Business Park Zones
- D. Other?

2. Locational Standards / Separation Requirements

Should the City adopt locational standards (separation requirements) for alcohol point of sale in the City? If so, should these standards vary by:

- A. Zone
- B. Type of use (e.g. on-sale vs. off sale, restaurant vs. liquor store)
- C. Type of ABC license (e.g., Beer and Wine vs. Beer, Wine and Spirits)
- D. Category of uses for separation (e.g. business-to-business, from schools and parks, residential zones, etc.)

3. Permitting Requirements

- A. Should the City create a new Alcoholic Beverage Permit process (or Minor CUP process) for minor uses (such as bona-fide restaurants serving alcohol) that would involve review and approval by the Police Chief, Community Development Director and/or other senior staff? (Currently these and other uses are "permitted by right" with no required review).
- B. What types of applications should require a public hearing and Conditional Use Permit before the Planning Commission?
- C. Should the city staff or the Planning Commission make a recommendation regarding over concentration/saturation or Findings of Public Convenience or Necessity?

4. Uses on which Zoning Code is currently silent

Should the City consider adopting regulations for uses not currently considered, such as:

- A. Wine tasting
- B. Convenience stores
- C. Grocery and specialty markets
- D. Service station mini mart
- E. Bowling alley/amusement center
- F. Clubs & Lodges
- G. Discount stores and general retail
- H. Pharmacies
- I. Other

5. Standard Conditions of Approval

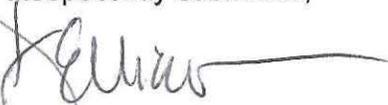
Should the City adopt standards for such uses that address such items as: alcoholic beverage displays, ads and signage; graffiti, litter, loitering, security, hours, etc. as may be appropriate for the particular use?

6. Suspension/Revocation and Grandfathering provisions

Should the city include provisions in the ordinance addressing the potential for revocation or suspension of the permit? What "grandfathering" provisions should be allowed in the ordinance for existing operations when the use changes ownership and applies for a new ABC license?

The Planning Commission may also have additional ideas or concerns that should be addressed in the draft ordinance. Staff's expectation is that we will be able to get enough consensus of direction from the Commission to move forward with the drafting an ordinance, but recognizes that these are complex issues that will require more time for detailed consideration as we move forward in the process.

Respectfully submitted,



Deanna Elliano
Community Development Director

ATTACHMENTS

- 1) Discussion Outline presented at the September 27, 2012 CAC meeting
- 2) Summary of existing alcoholic beverage regulations in the City
- 3) Land Use Comparison Table with Surrounding Cities
- 4) Separation Standards in surrounding cities

Attachment No. 1

Discussion Outline
Presented at the
September 27, 2012
CAC Meeting

CAC PRESENTATION ON ALCOHOLIC BEVERAGE SALES
September 27, 2012

DISCUSSION OUTLINE

1. State ABC regulations vs. local land use controls
2. Existing establishments in the City of Hemet:
 - On-sale
 - Off-sale
3. Overview of Existing City of Hemet Zoning Regulations for alcoholic beverages
4. Overview of Regulations in Adjacent Cities:
 - Separation requirements
 - Other Standards
 - Findings
5. Preliminary Recommendations:
 - Review all the uses and zones that permit alcoholic beverages in the City
 - Draft a new ordinance that will:
 - i. Require an Alcoholic Beverage Permit or CUP for every use that sells alcohol
 - ii. Prohibit sales of liquor at drug stores, general merchandise stores under a certain square footage
 - iii. Modify zoning requirements as applicable
 - iv. Establish separation standards for certain uses
 - v. Establish additional standards for specific categories of uses
 - vi. Establish a specific process and findings for over-concentration and Public Convenience or Necessity
 - vii. Establish revocation provisions
 - Consider a Social Host ordinance
 - Research options to control or regulate existing permitted off-sale locations such as liquor stores and convenience markets

Attachment No. 2

Summary of Existing
Alcoholic Beverage
Regulations in the City

ALCOHOL REGULATIONS

ABC General Categories:

1. Off-sale License (carry out sales)

- a. Liquor stores
- b. Liquor retailers (Bev-Mo, etc.)
- c. Supermarkets
- d. Convenience stores
- e. Gas-station Mini-Marts
- f. Specialty stores (wine store, etc)

2. On-sale License

- o Restaurants
- o Bars
- o Wineries and Micro-breweries
 - **Beer & Wine sales**
 - Offsite – Type 20 license
 - On-site (restaurant) Type 41
 - **Liquor sales (distilled spirits)**
 - Offsite- Type 21 license
 - On-site- (Restaurants) –Type 47
 - On-site (bars) Type 48
 - Clubs (members & guests only) – Type 51
 - **Instructional tasting** – Onsite – Type 86 license
 - **Special events that serve alcohol (one-day license)**

Existing City of Hemet Code Requirements: (not including Specific Plans)

- o Bars, nightclubs and dance halls: requires an Administrative Use Permit (AUP), if live entertainment included a CUP is required
- o Restaurants: alcohol sales are permitted by right, live entertainment requires a CUP
- o Micro-brewery or Wine Bar: requires a CUP
- o Liquor store or Convenience store: Permitted by right
- o Gas Station Mini-Mart: requires a CUP as part of the Gas Station
- o Pharmacy (Walgreen's etc.) that sells beer & wine, alcohol: permitted by right
- o No formal or separate process is in place for reviewing alcoholic beverage permits other than to check the zoning and have Police review for instances of over-concentration.
- o No process or code requirements are in place for the granting of alcohol to be served at special events, other than ABC requirements.
- o No special standards, findings or separation requirements under the current zoning
- o No "social host" ordinance

Attachment No. 3

Land Use
Comparison Table
With Surrounding Cities

ALCOHOL SALES
LAND USE COMPARISON WITH SURROUNDING CITIES
for
On-Sale - Restaurants

JURISDICTION	PERMIT APPROVAL / REQUIREMENT	ZONES PERMITTED	ADOPTED STANDARDS IN ZONING ORDINANCE?
HEMET (Existing)	Permitted by Right CUP	C-1, C-2, C-M O-P	No
HEMET (Proposed)			
BANNING	Permitted by Right CUP	AI DC, GC, HSC, PO, BP	No
CORONA	Permitted by Zoning Administrator CUP	C-P, C-2, C-3 M-1, M-2, M-3, M-4	No
MENIFEE	Same as County of Riverside		No
MURRIETA	Permitted by Right	PC, NC, CC, RRC, MU-3	No
RIVERSIDE, CITY OF	Permitted by Right Site Plan Review CUP	CR, CG, MU-N, BMP, AI, AIR CRC, MU-V O	No
RIVERSIDE, COUNTY OF	Plot Plan Review CUP	C-1/C-P, C-T, C-P-S, C-R, C-O, I-P, M-SC, M-M, M-H, C/V R-R	No
SAN JACINTO	MUP	CD, CN, CG, CR, BP, IL, IH	No
TEMECULA	Permitted by Right (Beer and Wine) CUP (w/Spirits)	NC, CC, HT, SC, PO, BP, LI	No

On-Sale - Bars, Night Clubs, Lounges

JURISDICTION	PERMIT APPROVAL / REQUIREMENT	ZONES PERMITTED	ADOPTED STANDARDS IN ZONING ORDINANCE?
HEMET (Existing)	AUP (sales only) CUP (w/Live Entertainment or Dancing)	C-2, C-M	None
HEMET (Proposed)			
BANNING	CUP	DC, GC, HSC, AI	Yes - Separation Requirements
CORONA	CUP	C-3	No
MENIFEE	Same as County of Riverside		No
MURRIETA	CUP	PC, NC, CC, RRC, MU-3 CR, CG, CRC, MU-N, MU-V, MU-U	Yes - Separation Requirements
RIVERSIDE, CITY OF	CUP		Yes - Separation Requirements
RIVERSIDE, COUNTY OF	CUP	R-R, C-1/C-P, C-P-S, C-R, C-T	No
SAN JACINTO	CUP	CD, CR, OP	Yes - Separation Requirements
TEMECULA	CUP	CC, HT, SC	Yes - Separation Requirements

Off-Sale - Retail Incidental

JURISDICTION	PERMIT APPROVAL / REQUIREMENT	ZONES PERMITTED	ADOPTED STANDARDS IN ZONING ORDINANCE?
HEMET (Existing)	Permitted by Right AUP	C-1, C-2, C-M C-1, C-2, C-M	between hours of 7 am - 9 pm outside hours of 7 am - 9 pm
HEMET (Proposed)			
BANNING	CUP	GC, HSC, PO	Separation Requirements for CUP
CORONA	Permitted by Zoning Administrator CUP	C-P, C-2, C-3 C-3 (Convenience Store)	No
MENIFEE	Same as County of Riverside		No
MURRIETA	Permitted by Right	PC, NC, CC, RRC, MU-3	No
RIVERSIDE, CITY OF	CUP (Exempt if more than 15,000 s.f. of gross floor area)	O, CR, CG, CRC, MU-N, MU- V, MU-U	Separation Requirements for CUP
RIVERSIDE, COUNTY OF	Plot Plan Review CUP	C-1/C-P, C-P-S, C-R R-R	Interior floor space of 20,000 sq. ft. engaged in the sale of groceries and does not sell motor vehicle fuels - Separation Requirements for CUP
SAN JACINTO	Permitted by Right	CD, CN, CG, CR	No
TEMECULA	Permitted by Right	NC, CC, HT, SC, PO	No

Off-Sale - Liquor Stores

JURISDICTION	PERMIT APPROVAL / REQUIREMENT	ZONES PERMITTED	ADOPTED STANDARDS IN ZONING ORDINANCE?
HEMET (Existing)	Permitted by Right AUP	C-1, C-2, C-M C-1, C-2, C-M	between hours of 7 am - 9 pm outside hours of 7 am - 9 pm
HEMET (Proposed)			
BANNING	CUP	GC, HSC, PO	Yes - Separation Requirements
CORONA	CUP	C-3	No
MENIFEE	Same as County of Riverside		Yes - Separation Requirements
MURRIETA	CUP	PC, NC, CC, RRC, MU-3	Yes - Separation Requirements
RIVERSIDE, CITY OF	CUP	CR, CG, CRC, MU-N, MU-V, MU-U	Yes - Separation Requirements
RIVERSIDE, COUNTY OF	CUP	R-R, C-1/C-P, C-P-S, C-R	Refer to §18.48 for Alcohol Beverage Sales provisions
SAN JACINTO	CUP	CD, CN, CG, CR, OP	Yes - Separation Requirements
TEMECULA	Not Permitted (Exist./Nonconforming) CUP (Beer & Wine only)	NC, CC, HT, SC	No, not permitted

Attachment No. 4

Separation Standards
In Surrounding Cities

**ALCOHOL SALES
SEPARATION COMPARISON WITH SURROUNDING CITIES**

JURISDICTION	SEPARATION FROM:	DISTANCE
CITY OF HEMET	NONE	N/A
CITY OF BANNING	PUBLIC SCHOOL PUBLIC PARK PLACE OF WORSHIP	500' 500' 500'
CITY OF MURRIETA	PUBLIC OR PRIVATE SCHOOL PUBLIC PARK OTHER "SENSITIVE RECEPTORS"	600' 600' 600'
CITY OF RIVERSIDE (Varies by zone, but general standards are as follow:)	PAROLEE OR PROBATIONER HOME EMERGENCY SHELTERS SUPPORTIVE OR TRANSITIONAL HOUSING PUBLIC OR PRIVATE SCHOOL HOSPITAL PLACES OF ASSEMBLY PUBLIC PARKS SERVICE STATION WITH ALCOHOL SALES RESIDENTIAL USE OR RESIDENTIALLY ZONED PROPERTY	1000' 1000' 1000' 600' 600' 600' 600' 600' 300' 100'
COUNTY OF RIVERSIDE (Notification must be provided to the following uses:)	PUBLIC OR PRIVATE SCHOOL PUBLIC PARK PLAYGROUND PLACE OF WORSHIP	1000' 1000' 1000' 1000'
CITY OF SAN BERNARDINO	GROUPING OF MORE THAN 4 SALES LOCATIONS EXISTING BUSINESS WHERE ALCOHOL IS SOLD PUBLIC OR PRIVATE SCHOOL PUBLIC PARK, PLAYGROUND, OR REC. CENTER NONPROFIT YOUTH FACILITY PLACE OF WORSHIP HOSPITAL RECOVERY OR TREATMENT FACILITY COUNTY SOCIAL SERVICE OFFICE CRIME REPORTING DISTRICT WHERE CRIME RATE EXCEEDS 20%	1000' RADIUS 500' 500' 500' 500' 500' 500' 500' 500' 500'
CITY OF SAN JACINTO	EXISTING BUSINESS WHERE ALCOHOL IS SOLD PUBLIC OR PRIVATE SCHOOL PLACE OF WORSHIP PUBLIC PARK YOUTH FACILITY RESIDENTIAL USE OR RESIDENTIALLY ZONED PROPERTY POOL HALL/BILLIARD PARLOR	1000' 600' 600' 600' 600' 100' 100'
CITY OF TEMECULA	RELIGIOUS INSTITUTIONS EDUCATION FACILITY DAY CARE CENTER PUBLIC PARK	600' 600' 600' 600'

NOTE: In general, separation requirements do not apply when permitted by right or exempt from the requirement to obtain a CUP



Staff Report

TO: City of Hemet Planning Commission
FROM: Deanna Elliano, Community Development Director
DATE: October 16, 2012
RE: **INLAND EMPIRE QUARTERLY ECONOMIC REPORT**

RECOMMENDED ACTION:

That the Planning Commission receive and file the attached report.

BACKGROUND:

The Western Riverside Council of Governments (WRCOG) produces the attached quarterly report regarding various economic indicators within the Inland Empire. This edition of the Report provides a comparative analysis with other counties in Southern California, and indicates some of the ongoing difficulties that the Inland Empire is experiencing in restoring growth. There is also an article regarding recent trends in the housing market, and a sidebar commentary regarding Smart Growth written by Rick Bishop, the Executive Director for WRCOG.

Staff though the Report might be of interest to the Commission as these are topics that are frequently discussed at your meetings and provide an overall context for your decision-making.

Respectfully submitted,

Deanna Elliano
Community Development Director

ATTACHMENTS

- 1) Quarterly Economic Report, dated July 2012



INLAND EMPIRE QUARTERLY ECONOMIC REPORT

RIVERSIDE & SAN BERNARDINO COUNTIES, CALIFORNIA
VOL. 24 NO. 3 JULY 2012 \$5.00

WHY SMART GROWTH IS IMPORTANT TO OUR FUTURE – REALLY

by
Rick Bishop
Western Riverside Council of Governments

Discussions about mixed-use and higher-density development at planning commission and city council or Board meetings make for great local government theatre. Almost on cue the NIMBY (not in my backyard) contingent puts forth bee stung-like reactions to the mere mention of anything proposed to be built on a less than 7,000 square foot lot. Additional pushback now also comes from the anti-“Agenda-21” contingent, which operates under a general belief that the United Nation’s support for sustainable development puts private property ownership, single family homes, private car ownership and individual travel choices at risk.

We planners should get at least some blame for inciting these skeptics. Our incessant use of phrases like “transit-oriented design”, “neotraditionalism”, “livable communities”, “new urbanism”, and “urban village,” in attempting to ameliorate critics has probably only made things worse. In some instances, we have even confused ourselves. I have attended more than one planning conference session focused on the topic of “smart growth” and listened to panelists discuss the use of urban limit lines to corral and slow growth.

Here’s an idea. Let’s bag the terminology and focus on the facts. Instead of getting caught up in a war of wordsmithing, planners and policy-makers should just ask one simple question when considering land use proposals, specifically those that include housing:

How will our communities best accommodate change?

Consider the following:

1. The traditional household no longer exists:

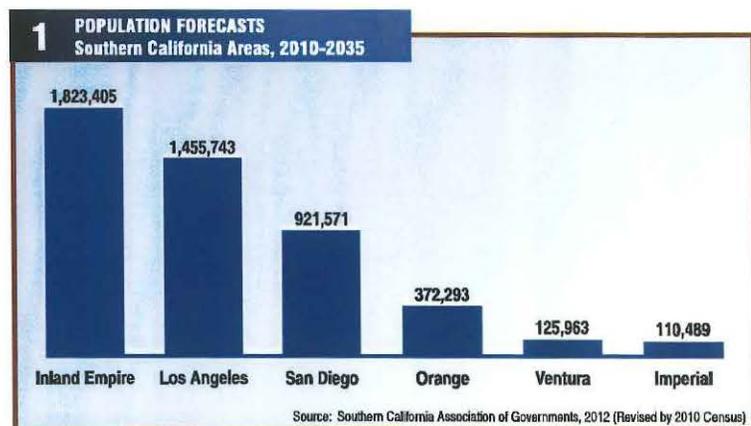
The Urban Land Institute reports that “the traditional two parent household with children is now less than a quarter of the population and getting proportionally smaller.” In a separate report, ULI finds that the existing supply of conventional

Continued on back page

COMPETITIVE CONDITIONS, INLAND EMPIRE 2012

John E. Husing, Ph.D.

To understand where the Inland Empire’s economy is eventually headed, it is important to review the conditions that have historically caused the region to be one of America’s fastest growing places though one now facing short term difficulties. From 2010-2035, the area’s population is expected to go from 4.31 million to 6.13 million, up 1.82 million (*Exhibit 1*). Interestingly, it is expected to add more people than Los Angeles County (1.46 million) or San Diego, Orange, Ventura and Imperial counties combined (1.53 million). The inland area is also expected to add more jobs (1,172,600) than other Southern California areas (*Exhibit 2*). That growth is expected to exceed Los Angeles County (1.04 million) and San Diego, Orange, Ventura and Imperial counties combined (1.07 million). These figures will lower the jobs:housing difficulties faced by the inland area. Its current ratio is 1.03 jobs per occupied home, well under the 1.26 figure representing neutral commuting. The forecasts will take that to 1.18. Along the edge of the inland area, the ratio is already a very strong 1.57 with more workers coming to that sub-market than commuting from it.



As a separate state, the Inland Empire’s 2011 population of 4.29 million people was above 24 states, starting with Oregon (3.87 million). Kentucky (4.37 million) is the next largest state (*Exhibit 4, page 4*). Once the inland area adds 77,860 people more than that state, half the U.S. states will be smaller than the two-county area. U.S. Commerce Department data indicate that the Inland Empire had \$125 billion in total personal income during 2010 (*not shown*). That was next below Oklahoma (\$133 billion) and above 21 states. Combined, these data show that the inland area is already a market of national importance and will become increasingly so in the future.

Continued on page 2

JOB GROWTH/LOSS

Researchers attribute the Inland Empire's normally strong performance to the way Southern California's geography and economic behavior interact. Since World War II, the region has grown outward from central Los Angeles. At various times, this has made places like Orange County and the San Gabriel Valley its hotspots for growth. Inevitably, once coastal county congestion caused their land, space and housing costs to rise, the Inland Empire was left with competitive advantages that have allowed its economy to succeed.

This pattern underlies the Inland Empire's job performance. From 1990-1994 and 2001-2002, recessions caused Southern California's employment to decline, but the Inland Empire's job base continued growing. Only with the Great Recession of 2008-2010 has that not been true with the area hemorrhaging -146,458 jobs (*Exhibit 3*). Despite that difficult period, in the 22 years from 1990-2012, the inland area has added 426,900 jobs. That is far more than the 278,283 in San Diego County and 208,233 in Orange County. Since 1990, Los Angeles County is down -335,600 positions.

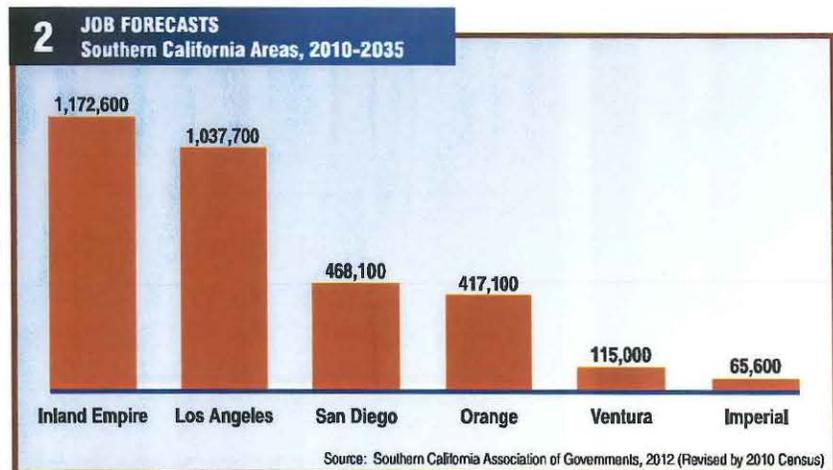
PERFORMANCE OF KEY ECONOMIC DRIVERS

What caused the Great Recession to take such a toll on the Inland Empire? Of the four major private sectors that bring money into the Inland Empire and drive its economy, three shrank from 2007-2010. Of the -146,458 jobs lost, construction saw -52,800 jobs disappear or -36.1% of the decline. The area's principal advantage of being the last remaining Southern California area able to accommodate large increases in home construction and population became its main disadvantage due to the foreclosure crisis. This affected not only construction but jobs in the related real estate and finance sectors.

Manufacturing lost -33,408 jobs or -22.8% of the decline due in part to lack of demand for construction related materials but also because of the national recession. Logistics dropped -11,067 jobs or -7.6% of the decline as international trade plunged during the 2008-2010 period. Together these key sectors accounted for 66.4% of the net job loss. With less money flowing to the area through these sectors, other parts of the economy suffered as well. Of the key regional drivers, only health care grew throughout the 2007-2010 period. It was up 6,717 jobs as providers continued to increase hiring to keep up with the area's growing population.

TURNAROUND

In the first six months of 2012 (*Exhibit 9*), the Inland Empire has entered a turnaround period. Compared to the first half of 2011, the area's private sector is up 21,117 jobs. That is approaching normal growth. Unfortunately, the public sector's loss of -5,283 jobs is now holding the region back. The net gain of 15,833 so far is coming close to the modest 16,300



forecasted in the last QER. Among the economic drivers, logistics was up an average of 3,833 jobs for the January-June period, health care was up 2,883 and manufacturing averaged 2,300. However, construction sector still averaged a net loss of -1,433 jobs for the period.

COMPETITIVE ADVANTAGES

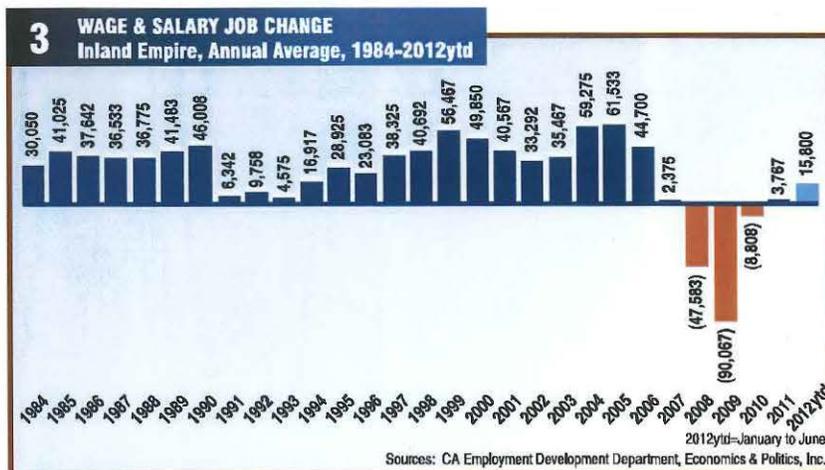
There are clear explanations about why the major drivers of the Inland Empire's economy have acted as they have. For health care, the key has been the shortage of workers for the area's growing population. In 1997, there were 40.3 people for each health care worker, 19.3% above California's 33.8 average. Despite the sector's constant job growth, by 2011 the local average barely fell (39.4), while the state average reached 29.3. The gap is up to 34.5% more inland residents per health care worker (*Exhibit 13*). The problem has been the fact the inland area has added 1.26 million people (41.4%) from January 1997-2012. Even in the recent economic slowdown from January 1, 2007-2012, the area's population grew by 238,471. The conditions are thus set for the health care sector to continue expanding.

Logistics and manufacturing firms also find serious competitive advantages in the Inland Empire. Space is less expensive since the area's average monthly asking lease rate per square foot was only \$0.32 in December 2011 for Southern California's newest and tallest facilities. When a 20% cubic space differential is considered, comparable rates in the coastal counties were much higher: Los Angeles (\$0.56; 76.3% higher), Orange (\$0.61; 91.3% higher), San Diego (\$0.74; 132.5% higher) (*Exhibit 12*). As inland workers prefer not to commute, labor is also less costly. For jobs paying over \$70,000, inland workers averaged \$86,806 per year in 2010, well below San Diego (\$93,489), Los Angeles (\$94,768) and Orange (\$94,806) counties. For jobs paying under \$70,000 per year, average Inland Empire pay was \$33,240. Comparable workers cost more in Los Angeles (\$34,089), San Diego (\$34,656) and Orange (\$35,173) counties (*Exhibit 11*). Logistics firms are being helped as imports at the ports of Los Angeles and Long Beach are up 19.2% since the 2009 low; exports are up 28.6%. Manufacturing firms started 2012 strongly despite a lack of

construction material demand, though the sector's growth has weakened with the recent U.S. production slowdown.

Since 2000, goods movement and production firms have seen an encouraging fact in that with one exception, every Inland Empire sub-market has had a 85%-94% decline to 30 or less days when PM10 emissions have exceed California's 24 hour standard. This fact, which is related to diesel emissions, includes readings near BNSF's intermodal yard in San Bernardino (12.3) and amid warehousing operations in Ontario (18.3), Fontana (24.4) and Perris (11.8). The exception was Mira Loma with a 40% improvement but still 149.5 over the standard.

As indicated, construction has been an Inland Empire strength due to its large tracts of undeveloped land. Thus, San Bernardino County's second quarter 2012 median priced existing home at \$155,000 was \$175,000 below Los Angeles County



(\$330,000) and \$345,000 under Orange County (\$500,000). Riverside County's median existing home price at \$200,000 was \$130,000 below Los Angeles County and \$300,000 less than Orange County (Exhibit 14). Normally, this would be drawing buyers inland and causing existing and new home demand to rise. However, CoreLogic estimates that 43.4% of inland homes were underwater in first quarter 2012. That has meant a continuing flow of foreclosures has restrained existing home prices. With developers appearing to need \$291,500 to build and sell new homes, construction jobs remain depressed since new homes must compete with existing home prices that are \$91,500 lower in Riverside County and \$136,500 lower in San Bernardino County. Not surprisingly, there were just 3,756 Inland Empire new home permits in 2011 and \$2.1 billion in total permit valuation, the lowest levels since before 1990.

Putting these facts together, the Inland Empire economy is growing again since it is Southern California's least expensive market to conduct business. However, its growth is restrained because of the continuing impact of the foreclosure crisis on the construction sector, plus the extreme weakness now evident in all levels of the public sector. Until those weaknesses are cured, the recovery will remain weak.

DEMOGRAPHIC CHANGES

Underlying the Inland Empire's economic situation are important details about its population. Crucial is the fact that 48.6% of San Bernardino County's adults 25 and over had stopped their education at high school or less while only 18.6% had a bachelor's or higher degree. The shares were 46.3% and 20.3% in Riverside County. These figures were much worse than the 41.9% and 29.1% for Southern California's coastal areas (Exhibit 7). These facts largely determine the kind of jobs that the inland region needs to create and the kinds of firms that will consider locating in it.

For the inland counties, demographic changes underscore the rising complexity of its population. In 2010, 47.4% of the area's population was Hispanic, 36.4% was White, 7.0% African American and 6.3% Asian (Exhibit 5). Of the 12 area cities with over 100,000 people, six had a majority Hispanic population with one more, Riverside (48.9%), poised to join them. Currently, neither the region's economic or governmental circles reflect these figures, a long term leadership challenge.

Meanwhile, the Inland Empire faces different age related issues than its coastal neighbors. Young people under 20 were 32.1% of its population versus 27.5% elsewhere. The educational and health care needs of the young are thus major regional needs. At the other end of the spectrum, baby boomers and the elderly were 33.7% in the inland counties versus 35.8% in coastal areas (Exhibit 6). While important, the issues of the aging are of a somewhat lower concern in Riverside and San Bernardino counties.

SUMMARY

The Inland Empire is in the midst of a slow recovery hindered by the lingering effects of the mortgage crisis, the Great Recession and the meltdown in governmental finances. That said, its geographic location, competitive cost structure, age profile and available land are bound to again make it one of the nation's fastest growing population centers and Southern California's top job generator. As this occurs, the area will face leadership difficulties due to its increasing diversity and the educational levels of its residents. ■

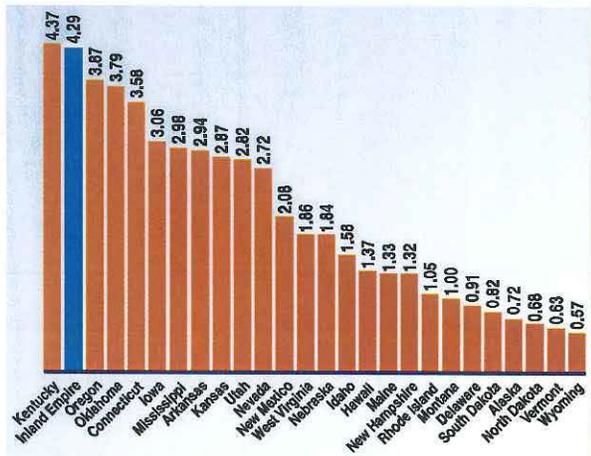
For further information on the economic analysis in the QER, visit Dr. John Husing's website at:

www.johnhusing.com

You'll also find pages on Dr. Husing's background, speaking engagements, downloadable presentations, adventures, and other items of interest.



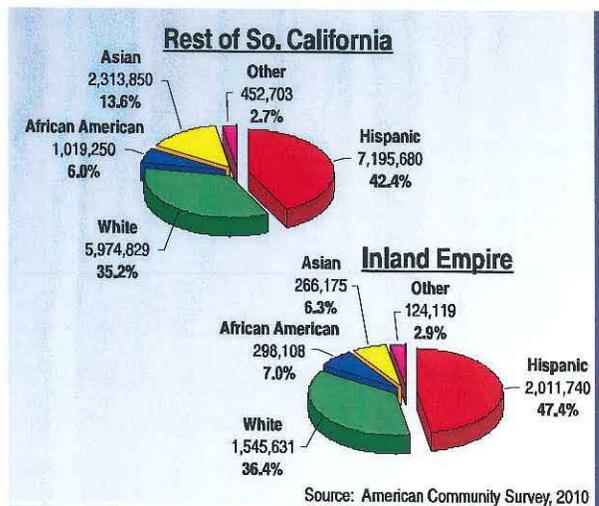
4 TOTAL POPULATION (MILLIONS) Inland Empire As A State, July, 2011



Note: Kentucky Ranked 26th
Source: U.S. Department of Commerce

A Mid-Sized State. In 2011, the Inland Empire's population of 4.29 million was larger than 24 states. It was 420,000 people above Oregon (3.87 million). Once the two county region adds 77,860 more people than Kentucky (4.37 million), it will be larger than half the U.S. states. In the west, only Washington (6.83 million) and Colorado (5.12 million) have more people. Western states with less people include Utah (2.82 million), Nevada (2.72 million), New Mexico (2.08 million), Idaho (1.58 million), Montana (1.00 million) and Wyoming (0.56 million).

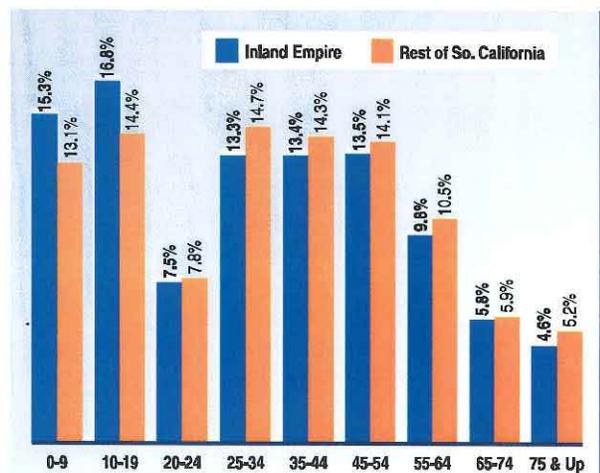
5 ETHNIC DISTRIBUTION Inland Empire vs. Balance of Southern California, 2010



Source: American Community Survey, 2010

Ethnic Distribution. The Inland Empire is a diverse region. In 2010, 47.4% of its population was Hispanic compared to 42.4% in the rest of Southern California. Whites were 36.4%, close to the 35.2% in nearby counties. African Americans were 7.0% in the inland counties, just above the 6.0% in the other counties. Asians, however, were just 6.3% of the Inland Empire's residents, well below the 13.6% elsewhere in Southern California. Other groups were 2.9% in the inland area versus 2.7% in nearby counties. Looking long term, it is essential to the inland region that its Hispanic population become increasingly engaged in leadership efforts.

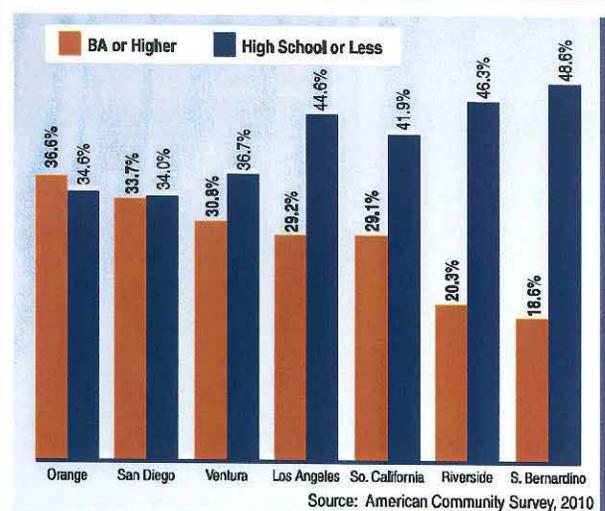
6 AGE DISTRIBUTION Inland Empire vs. Balance of Southern California, 2010



Source: American Community Survey, 2010

Age Distribution. The Inland Empire's 2010 population was quite young with a median age of 32.7 compared to 35.0 in the balance of Southern California. The combined groups under 20 represented 32.1% of its population versus 27.5% elsewhere in the Southland. The educational and health care needs of young people are thus major regional needs. Also, that difference meant smaller shares of the inland residents in every other age group. Young adults 20-44 made up 34.2% of the Inland Empire's people compared to 36.7% in surrounding counties. Baby boomer age groups aged 45-64 were 23.2% v. 24.6%. The population 65 and over was 10.4% v. 11.2%.

7 EDUCATIONAL ATTAINMENT, PERSONS 25 & OVER Southern California Counties, 2010



Source: American Community Survey, 2010

Educational Attainment. The Inland Empire's adult population is marginally educated. In 2010, 48.6% of San Bernardino County's adults 25 and over had stopped their education at high school or less. It was 46.3% in Riverside County. For all of Southern California, the average was 41.9%. People with bachelor's or higher degrees were 18.6% of San Bernardino County's adults and 20.3% in Riverside County. The Southland's average was 29.1%. These facts, in particular, determine the kind of jobs that the inland region needs to create and the kinds of firms that will consider locating in it. They also underline the area's long term educational challenge.

INLAND EMPIRE EMPLOYMENT... Strongest Month Since Before The Recession

From June 2011 to 2012, the Inland Empire added 20,800 jobs or 1.8%. This included a gain of 27,100 jobs in the private sector which approached normal growth in historic terms. The loss of -6,300 governmental jobs due to state and local budget issues held the area back (*Exhibit 8*). The June 2012 unemployment rate of 12.6% was down from 14.0% in June 2011. The rate fell despite 11,500 more people trying to find work. The drop happened because 34,700 residents found jobs.

CLEAN WORK, GOOD PAY: -0.1%

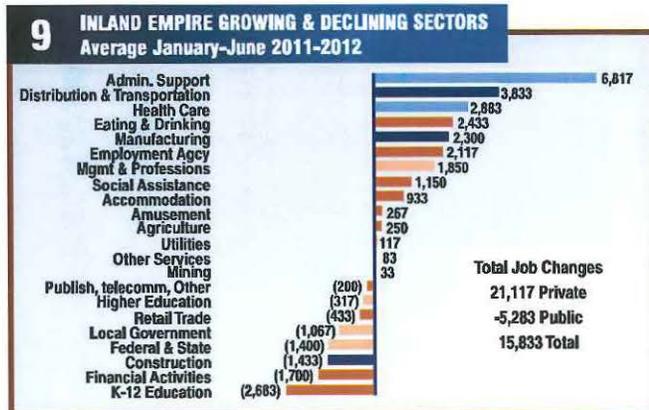
From June 2011-2012, the Inland Empire's highest paying sectors lost just -100 jobs (-0.1%). Management and professions gained 2,300 (5.3%) as higher end firms saw their business increase. Utilities added 200 (3.4%) with continued population growth. Mining increased 100 jobs (10.0%) as firms came back from historic lows. Higher education was off -300 positions (-1.8%) and local government dropped -800 jobs (-1.0%) due to very tight budgets. Federal and state government were off -1,600 (-4.0%) due to lack of funding (*Exhibit 8*).

CLEAN WORK, MODERATE PAY: +2.5%

Sectors primarily paying moderate incomes to white collar workers gained 8,000 jobs (2.5%) from June 2011-2012. Administrative support gained 10,500 (23.8%) as service sector support for businesses grew. Health care added 2,600 (2.4%) as it continued growing to meet population needs. Information firms lost -100 jobs (-0.7%) as the newspaper and printing industry's continued losing out to the internet. Financial groups shrank by 1,000 jobs as banking, insurance and real estate companies continue dealing with the mortgage meltdown (-2.5%). K-12 education plunged with very tight budgets, losing -4,000 jobs (-3.6%).

DIRTY WORK, MODERATE PAY: +2.4%

Blue collar sectors were 6,100 jobs above June 2011 (2.4%)



Source: CA Employment Development Department

8 INLAND EMPIRE EMPLOYMENT INFORMATION

Sector	Apr-2012	May-2012	Jun-2012	Jun-2011	Change	Percent
Mgmt & Professions	46,200	45,100	45,700	43,400	2,300	5.3%
Utilities	5,900	5,900	6,000	5,800	200	3.4%
Mining	1,000	1,100	1,100	1,000	100	10.0%
Higher Education	17,700	17,300	16,800	17,100	(300)	-1.8%
Local Government	75,400	75,500	75,500	76,300	(800)	-1.0%
Federal & State	38,300	38,200	38,300	39,900	(1,600)	-4.0%
Clean Work, Good Pay	184,500	183,100	183,400	183,500	(100)	-0.1%
Admin. Support	49,300	52,600	54,600	44,100	10,500	23.8%
Health Care	110,700	111,000	110,900	108,300	2,600	2.4%
Publish, telecomm, Other	14,800	14,800	14,800	14,900	(100)	-0.7%
Financial Activities	38,300	38,400	38,800	39,800	(1,000)	-2.5%
K-12 Education	113,400	112,800	108,000	112,000	(4,000)	-3.6%
Clean Work, Moderate Pay	326,500	329,600	327,100	319,100	8,000	2.5%
Distribution & Transportation	114,000	116,100	117,600	111,500	6,100	5.5%
Construction	56,000	56,200	59,100	59,100	0	0.0%
Manufacturing	88,000	86,900	86,000	86,000	0	0.0%
Dirty Work, Moderate Pay	258,000	259,200	262,700	256,600	6,100	2.4%
Employment Agency	38,300	39,200	39,100	35,800	3,300	9.2%
Social Assistance	15,100	15,100	15,400	13,900	1,500	10.8%
Accommodation	14,700	14,700	14,900	13,900	1,000	7.2%
Amusement	16,700	15,900	14,900	14,200	700	4.9%
Eating & Drinking	97,100	97,400	96,000	95,400	600	0.6%
Agriculture	15,600	15,100	19,100	19,000	100	0.5%
Other Services	38,700	39,100	39,300	39,400	(100)	-0.3%
Retail Trade	154,400	154,000	154,700	155,000	(300)	-0.2%
Lower Paying Jobs	390,600	390,500	393,400	386,600	6,800	1.8%
Total, All Industries	1,159,600	1,162,400	1,166,600	1,145,800	20,800	1.8%
Civilian Labor Force	1,796,800	1,794,600	1,804,900	1,793,400	11,500	0.6%
Employment	1,586,000	1,582,200	1,577,400	1,542,700	34,700	2.2%
Unemployment	210,800	212,400	227,500	250,600	(23,100)	-9.2%
Unemployment Rate	11.7%	11.8%	12.6%	14.0%	-1.4%	

Source: Employment Development Department

entirely because of the growth in the logistics sector. Thus, distribution and transportation firms added 6,100 jobs (5.5%) as port import activity strengthen. The construction sector stopped declining (0.0%). However, manufacturing, which had been growing, went to neutral as well (0.0%).

LOWER PAYING JOBS: +1.8%

The Inland Empire's lower paying sectors gained 6,800 jobs from June 2011-2012 (1.8%). Employment agencies added 3,300 jobs (9.2%) as some employers expanded but were hesitant to add full time workers. Social assistance was up 1,500 (10.8%) with increased need. Accommodation added 1,000 workers (7.2%) and amusement gained 700 jobs (4.9%) as travel and tourism grew along with the slow growth in the U.S. and California economies. Similarly, eating & drinking rose 600 jobs (0.6%) as families permit themselves that luxury. Agriculture added 100 jobs (0.5%) with worldwide demand for food rising. Continued pressure on family budgets due to high unemployment and mortgage payments still dampened other services (-100 jobs; -0.3%) and retailing (-300 jobs; -0.2%) as families continued dealing with those issues.

COMMENT

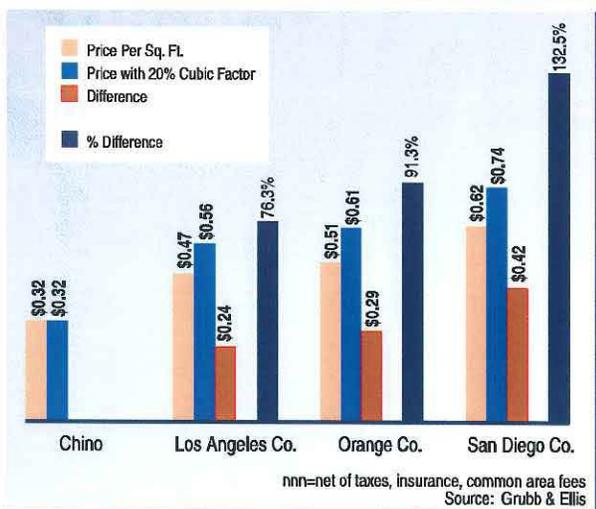
In the January-June 2012 (*Exhibit 9*), the Inland Empire's total job growth average was 15,833 over that period of 2011. If that continues, the year would be just under the QER's forecast of 16,300 new jobs. The private sector's average gain of 21,117 positions is nearing normal, while the public sector's -5,283 in job losses is holding the region back. ■

10 PM10 CALIFORNIA 24 STANDARDS Days In Excess by Air Quality Monitoring Stations, 2000-2011

Monitoring Sites	Ontario 1408 Francis	Fontana Arrow Hwy	Mira Loma Van Buren	Norco	Rabidoux	San Bernardino 4th Street	Perris	Victorville 14306 Park Av.
2000	*	189.9	*		247.5	195.4	80.5	
2001	154.0	208.0	*		240.1	189	97.2	
2002	*	175.8	*		228.1	194.2	125.3	55.3
2003	89.6	*	*	88.4	201.4	129	*	*
2004	*	148.3	*	70.2	210.1	158.4	*	*
2005	108.5	165.9	*	32.2	198.2	122.2	110	5.4
2006	82.2	176.4	241.1	*	213.7	*	*	12.1
2007	74.7	208.7	272.9	61.8	201.9	159.5	*	26.2
2008	77.0	73.0	205.7	54.6	140.4	103.7	*	*
2009	54.6	65.9	204.6	42.3	120.1	*	38.5	6.1
2010	24	*	137.1		42.7	12.8		
2011	18.3	24.4	145.9	12.2	30.3	12.3	11.8	0.0
2011 - Earliest Reading	-135.7	-165.5	-95.2	-76.2	-217.2	-183.1	-68.7	-55.3
Change	-48.1%	-87.2%	-39.5%	-86.2%	-97.8%	93.7%	85.3%	-100.0%

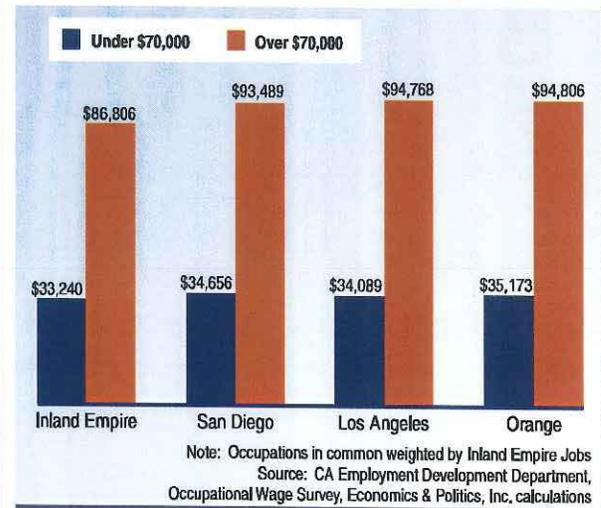
PM10 Emissions. Since 2000, the Inland Empire's air quality difficulties related to logistics, diesel trucks and other airborne particulates (PM10) have dramatically improved. From the oldest reading in the decade through 2011, every monitoring station but Mira Loma (-39.5%) had declines of 85%-94% in the number of days exceeding California's 24 hour standard. Also, every station but Mira Loma (145.9) was in violation 30 or less days. This improvement included readings near BNSF Intermodal in San Bernardino (12.3) and in the midst of warehousing operations in Ontario (18.3), Fontana (24.4) and Perris (11.8). As Mira Loma only ranks 7th in industrial space, the question is why are its PM10 readings so abnormally high?

12 INDUSTRIAL SPACE COSTS DIFFERENCE Southern California, Sub-Markets, March 2012



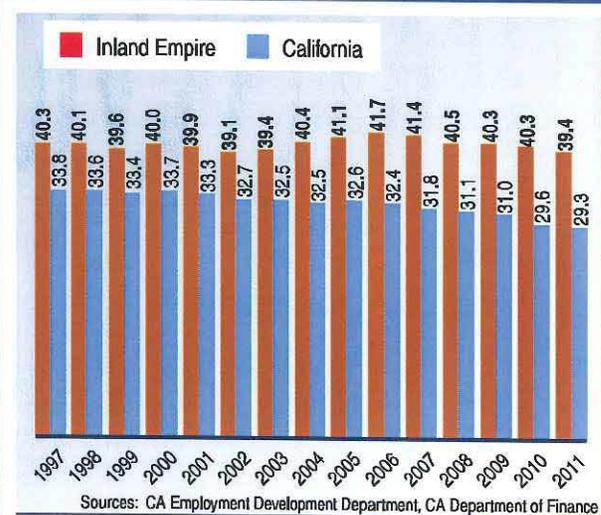
Industrial Space Costs. Manufacturing and logistics firms have migrated to the Inland Empire, in part because it offers a competitive advantage for industrial space costs. The area's facilities are Southern California's newest, highest and largest plus offer more cubic space for the price per foot. Thus in March 2012, its average monthly asking price was \$0.32 per square foot. Allowing a 20% differential for the extra cubic space, the comparable rate in Los Angeles County was \$0.56 or 76.3% higher. In Orange County, it was \$0.61 or 91.3% higher. In San Diego County, it was \$0.74 or 132.5% higher.

11 OCCUPATIONAL PAY - Inland Empire vs. Coastal Counties, 2010 Common Occupations, Over & Under \$70,000



Average Annual Pay. Inland Empire workers do not like commuting and will work for somewhat less to avoid doing so. This creates a competitive advantage for the area. In 2010, for 138 common occupations paying over \$70,000, Inland Empire workers averaged \$86,806 per year. That was 7.7% to 9.2% below average pay in the coastal counties: San Diego (\$93,489), Los Angeles (\$94,768) and Orange (\$94,806). For the 459 occupations paying under \$70,000, the Inland Empire's average pay was \$33,240 per year. That was 2.6% to 5.8% below the coastal counties of Los Angeles (\$34,089), San Diego (\$34,656) and Orange (\$35,173).

13 POPULATION PER HEALTH CARE JOB Inland Empire vs. California, 1997-2011



People Per Health Care Worker. The Inland Empire's health sectors have consistently added jobs but the number of people per worker remains high. In 1997, there were 40.3 inland residents per health care worker, 19.3% above California's 33.8 average. By 2011, the inland average of 39.4 people per worker had barely fallen despite continuous job growth. That was 34.5% above California's average of just 29.3. The Inland Empire's population growth is the reason. From 1997 through 2011, the area added 1.27 million people (41.4%). Even in the 2007-2011 slowdown, 238,471 people have been added. Health care employment must continue to grow.

14 SINGLE FAMILY HOME PRICES 1st Quarter, 2011-2012

County	2nd Qtr-11	2nd Qtr-12	% Chg.
NEW HOMES			
Riverside	\$289,000	\$291,500	0.9%
San Bernardino	230,000	291,500	26.7%
Los Angeles	385,000	367,000	-4.7%
Orange	569,500	616,000	8.2%
San Diego	445,000	430,000	-3.4%
Ventura	330,000	362,750	9.9%
So. California	\$396,100	\$395,000	-0.3%
EXISTING HOMES			
Riverside	\$190,000	\$200,000	5.3%
San Bernardino	146,000	155,000	6.2%
Los Angeles	330,000	330,000	0.0%
Orange	500,000	500,000	0.0%
San Diego	362,500	365,000	0.7%
Ventura	410,000	405,000	-1.2%
So. California	\$300,300	\$311,100	3.6%

Source: Dataquick

15 HOME DEED RECORDINGS Inland Empire, 2nd Quarter, 2011-2012

NEW HOMES				EXISTING HOMES			
Area	2nd-2011	2nd-2012	% Chg.	Area	2nd-2011	2nd-2012	% Chg.
Redlands, Loma Linda, Yucaipa	12	18	50.0%	Chino, CHill, Mtcl, Ont, RC, Upland	1,140	1,390	21.9%
San Bernardino, Highland	32	45	40.6%	SB Mountains	514	622	21.0%
Chino, CHill, Mtcl, Ont, RC, Upland	86	115	33.7%	Redlands, Loma Linda, Yucaipa	436	470	7.8%
Fontana, Rialto, Colton, GT	47	56	19.1%	SB Desert	484	493	1.9%
SB Desert	13	13	0.0%	Fontana, Rialto, Colton, GT	1,291	1,283	-0.6%
Victor Valley	89	83	-6.7%	San Bernardino, Highland	841	834	-0.8%
SB Mountains	2	1	-50.0%	Victor Valley	1,519	1,439	-5.3%
SAN BDNO COUNTY	281	331	17.8%	SAN BDNO COUNTY	6,225	6,531	4.9%
Murrieta, Temecula, L. Elsinore, Wildomar	227	300	32.2%	Corona, Norco, Eastvale	948	1,042	9.9%
Beaumont, Banning, Calimesa	42	53	26.2%	Coachella Valley	1,549	1,659	7.1%
Riverside Rural	75	73	-2.7%	Riverside, Jurupa Valley	1,145	1,186	3.6%
Corona, Norco, Eastvale	163	147	-9.8%	Murrieta, Temecula, L. Elsinore, Wildomar	1,699	1,758	3.5%
Perris, Hemet, S. Jacinto, Menifee	173	148	-14.5%	Beaumont, Banning, Calimesa	410	418	2.0%
Coachella Valley	80	58	-27.5%	Riverside Rural	715	701	-2.0%
Riverside, Jurupa Valley	72	50	-30.6%	Perris, Hemet, S. Jacinto, Menifee	1,988	1,861	-6.4%
Moreno Valley	31	14	-54.8%	Moreno Valley	741	657	-11.3%
RIVERSIDE COUNTY	863	843	-2.3%	RIVERSIDE COUNTY	9,195	9,282	0.9%
INLAND EMPIRE	1,144	1,174	2.6%	INLAND EMPIRE	15,420	15,813	2.5%

Source: Dataquick

NEW & EXISTING HOMES... Prices Up, Volume relatively flat

In second quarter 2012, the Inland Empire recorded 16,825 *seasonally adjusted* detached home sales (*Exhibit 16*). This was down from the peak of 29,692 in fourth quarter 2005 but up 38.7% from the 11,406 low in fourth quarter 2007. In recent quarters, volume has slowed essentially because a lack of foreclosure-related supply has inhibited sales. The raw data show existing home sales of 15,813 units (2.5% from 2nd quarter 2011). Quarterly new home volume were down to just 1,174 units (2.6% from 2nd quarter 2011) (*Exhibit 15*).

In second quarter 2012, Riverside County's median new home price was up 0.9% from a year ago while its existing home price was up 5.3% (*Exhibit 14*). San Bernardino County's median new home price was up 26.7%; its existing home price rose 6.2%. The inland area's combined existing & new homes median price (\$188,000) remained a bargain, \$144,000 below Los Angeles County (\$332,000) and \$322,000 under Orange County (\$510,000) (*not shown*).

SALES

Riverside County recorded just 843 new home sales during second quarter 2012, down -2.3% from 863 in 2011. As recordings come at the end of escrow, this included many sales from the first quarter. The county's volume and percentage leader was the Murrieta, Temecula, Lake Elsinore, Wildomar area (300 sales; 32.2%). Riverside County's existing home volume grew 0.9% from

second quarter 2011, reaching 9,282 sales. Corona, Norco, Eastvale had the greatest percentage increase (9.9%; 1,042 sales). The volume leader was Perris, Hemet, San Jacinto, Menifee (1,861; -6.4%).

San Bernardino County's second quarter 2012 new home sales rose 17.8% to 331 units from 281 last year. The Redlands, Loma Linda, Yucaipa market was the percentage leader (50.0%; 18 sales). The volume leader was the area west of the I-15 freeway (115 sales; 33.7%). Existing home sales in San Bernardino County rose 4.9% to 6,531 from 6,225 in 2011. Sales west of the I-15 were the percentage leader (21.9%; 1,390 sales). The Victor Valley area was the volume leader (1,439 sales; -5.3%).

PRICES

Riverside County's second quarter 2012 median new home price of \$291,500 was up 0.9% from last year's \$289,000 but below the prior quarter's \$303,250. Its median existing home price was \$200,000, up from \$190,000 the prior year (5.3%) and up from the prior quarter's \$190,000. San Bernardino County's median new home price was also \$291,500, up last year's \$230,000 (26.7%) as larger homes were built. It was above the prior quarter's \$264,000. Its existing median home price of \$155,000 was up 6.2% from \$146,000 a year ago, and up from last quarter's \$149,250.

THE FUTURE

For the first time since the mortgage crisis began, the Inland Empire's housing markets are showing some signs of life. Second quarter 2012 price levels were up in both counties for both new and existing homes. Volume has been essentially flat at a very low level in the new home market because it is difficult for developers to compete with foreclosure suppressed existing home prices. It has been relatively flat in the existing home market as the foreclosure volume is down significantly. The great issue remains the fact that Zillow finds 53% of homeowners underwater in both counties. CoreLogic puts the share at 43.4%. In July 2012, foreclosure radar.com found over 40% of foreclosure sales in San Bernardino County were to investors. It was over 45% in Riverside County. ■

16 ALL HOME SALES, INLAND EMPIRE Seasonally Adjusted, by quarter, 1988-2012



Continued from front page

lot (more than one-eighth acre), single-family detached homes exceeds the projected demand for these homes in 2035 by approximately two million units in California's metropolitan areas alone.

2. Future households might not mesh with traditional suburban development: Future households will be increasingly comprised of single parents, aging baby boomers and empty nesters, and couples without children. In the 1960s about half of all American households had children, which resulted in millions of single-family detached homes built on conventional subdivision lots in suburban settings. Today, less than one-third of households have children, and that number is estimated to continue to decline. Further, between now and 2020, more than 80 percent of the demand for new housing will be generated by households without children.

3. The majority of future homeowners want diversity in their communities and housing choices: A recent survey of Gen-Y'ers (those born between 1979 and 1996, which comprise more than 80 million people and will dominate the new home buying market in the future) indicates strong preferences for close-in neighborhoods and urban locations. They want walkability to shops, work and entertainment. More than half would trade lot size for proximity to shopping and work. Even among families with children, more than one-third would trade lot size for walkable, diverse communities. Seventy percent do not believe they will have to move to the suburbs once they have children. Nearly half or more of Californians across all age groups not only support the development of "smart growth communities" in their area, they would want to live in one.

4. Rising fuel and energy costs will increasingly play a factor in housing choice: As fuel prices rise, demand for sprawled, automobile-dependent locations tends to decline. Smaller units also cost less to heat and cool. Reduced maintenance costs associated with smaller space along with less time needed to devote maintenance is increasingly appealing to the next generation.

5. Attitudes about urban living and real estate values are changing: Increasingly, urban environments are being viewed as more exciting, healthy and attractive places for households. Also disappearing are long-held assumptions that suburban real estate investments are more secure than urban.

What does this all mean? It means that the answer to the question "How will our communities best accommodate change" is a relatively simple one. We need to change.

Changes in the demographics of future homebuyers set the stage for the need to take a different approach to housing future residents. Reports and surveys increasingly point to a decline in demand for large-lot housing, with demand for accessible and compacting housing increasing. Some economists suggest that the nation's housing market will be led by demand for multi-family and smaller single-family homes in walkable neighborhoods. A ULI Report titled "Emerging Trends in Real Estate" summarizes the point:

People want to "...live closer to work and shopping without the hassle of car dependence. Higher-density residential projects with retail components will gain favor in the next round of building. Apartment and townhouse living looks more attractive, especially to singles and empty nesters ..."

So let us stick with the facts. Increasingly, signs point to the need for jurisdictions to change the current housing "model" to address changes in demographics and housing preferences. "Smart growth" concepts (or call it whatever you want) include many amenities that future buyers are expressing preferences for.

Jurisdictions need to adapt – perhaps sooner rather than later – to these changing trends and housing preferences. But they should also be sure to avoid making mixed use development an "all-or-nothing" issue. In Western Riverside County many prospective home buyers still desire a single family residence in a suburban setting, and it is likely that "suburban" style development here could comprise a majority of future growth. However, planners and policy-makers should not ignore the increasing numbers of future homebuyers who are and will be looking for something else. For the reasons cited above, it is time that mixed-use and high-density development in this subregion is brought into the mainstream. Planners can start simply by identifying the right locations for such projects in their communities.

If we do not build for the future majority of homebuyers, then who are we going to build for and how will that affect Western Riverside County's ability to thrive economically? Mixed-use and high-density developments deserve increased – and honest – standing as we construct our new communities; they shouldn't be viewed only as a way to revitalize the old ones.



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