

California Desert Association of Realtors CANDIDATE QUESTIONNAIRE

CDAR – Linda Evans – Mayor, City of La Quinta 2020

Campaign/Candidate Information

Note: Items in BOLD are required for PAC contributions to any campaign account

Candidate's name and position: Linda Evans - Mayor

Basis for Candidacy

Please briefly state why you are seeking re-election:

I'm honored to have served as LQ Mayor since 2014, and as a Council Member 5 years prior to that. I am seeking re-election to continue the work that needs to be done in our Gem of the Desert, La Quinta. Projects underway that require further attention include the following:

- SilverRock Hotels – Montage & Pendry, along with the homes and retail on that site
- Storm Drain / Flood Control Enhancements – in process, but not yet finished
- X-Park – Competition skate/bike/scooter park near LQ High School
- CV Link – La Quinta's 2-mile portion – to begin construction in late 2020/early 2021
- Vision Highway 111 Corridor Plan – Transformation of retail/commercial tax base
- North La Quinta Perimeter Landscaping – Using Measure G Funds – 4 year project – near completion

I am driven by the support, participation, and engagement of our residents – it makes the job to serve our community so much more enjoyable. It's a team effort – and I am grateful and humbled to be part of our La Quinta team.

Please list or attach list of endorsements received for this race: None, officially, to date.

During my last election (2018 unopposed), I chose not to seek official endorsements from individuals. Given the current state of politics in the state/nation, it appears that "endorsements" can be very sensitive these days. My campaign is again more focused on "Celebrating La Quinta" and all of the good our City Council has done over the past couple of years. With that in mind, I am requesting "Supporters of Linda" versus "endorsements". Of course, group endorsements are less controversial than individual endorsements. I would be proud to recognize CDAR (PAC) or other entities that relate to pro-business and pro-growth that desire to endorse me for Mayor. This is a local, non-partisan election – hence my desire for "Supporters of Linda". I am not actively seeking endorsements from people or groups who may appear controversial to the majority (police, planned parenthood, other elected officials, political parties). Some groups will endorse candidates without the candidate requesting or seeking it.

California Desert Association of Realtors CANDIDATE QUESTIONNAIRE

I. PROPERTY RIGHTS

REALTORS understand that while they market and sell homes, the value they offer, especially for first-time homebuyers, is home ownership and the bundle of rights, privileges and responsibilities that come with the investment their clients make into communities. As a result, a primary tenet of CDAR's government affairs program is to promote the property rights of homeowners while working with municipalities on better ways to balance community goals with individual rights.

Question #1: Where do you balance the property rights of an individual homeowner with the desire of neighbors, city leaders and others to manage those property owners for toward other goals?

This is a great question! We value quality of life for our residents in La Quinta. With that quality, comes the need to balance individual rights with enforcements to ensure safety and home values. The "greater good" theory requires application at times over one individual's preference. Building standards, aesthetics, rental properties, parking, and chickens are often topics of discussion with our residents.

Our current challenge in La Quinta is short-term vacation rentals (STVRs). We have seen an increase in complaints about STVRs, with a small contingent wanting them completely banned in La Quinta. I can share more details during my interview with the group and also within this questionnaire under question #6.

II. POINT OF SALE

There is no doubt that a property sale is the most vulnerable point of leverage against all parties involved. The buyer is typically spending thousands, even outside of the purchase price, just for the right to acquire the property. The seller is spending thousands simply to sell the property. A number of small business service providers, from REALTORS to lenders to escrow officers and others are working to close the transaction and receive their compensation. Many of the professionals working on a transaction are compensated when the sale is complete and escrow closes.

This hinge point has been a favorite target of government agencies who see leverage to force any number of desired policies. While some are basic issues, based on health and safety (and usually required by lenders anyway), others are part of government wish lists and include energy efficiency upgrades, water saving technologies, point-of-sale taxes, landscaping upgrades and others.

The perception appears to be that a transaction of several hundred thousand dollars can absorb a few thousand dollars more of add-on costs. This is a misguided notion. Transactions are fragile, particularly when markets are out of balance, as they have been almost continuously for 15 years. Costs and issues that some may consider annoying but insignificant speed bumps can outright derail a property sale. Accordingly, the real estate industry regularly fights a government reflex to enforce policies at the time of purchase.

California Desert Association of Realtors CANDIDATE QUESTIONNAIRE

Question #2: Do you support or oppose using ownership transfers as a trigger to implement government policy? If so, under what circumstances?

I oppose using ownership transfers as a trigger to implement government policy because less government is more efficient, especially with personal property. The City is often faced with updating codes and regulations because the State of California changes its laws. This is especially true in building codes. If the City doesn't adopt the State law, it's liable if something occurs. An example is the requirement for fire sprinklers in homes. Without enforcing the requirement, the City becomes liable if damage was to occur that could have been avoided by having fire sprinklers. The State continues to add laws that are "unfunded mandates" – like solar power. While solar may be efficient, mandating it simply increases the building cost and moves pricing out of the market for many first-time buyers. It's unfair for cities to enforce, and residents to afford!

III. MIDDLE CLASS AND AFFORDABLE HOUSING

Due to a variety of issues, California has created a significant gap between the amount of available housing and its own growing population. As a result, housing prices and rents have been rising rapidly in recent years even as wages have been stable or growing slowly.

While experts have identified a number of contributing factors to the loss of housing affordability in California, there's expert consensus that the problem is largely based on a supply-demand problem. Simply stated, housing development has stagnated while the economy and, more importantly, the population have grown.

As a result, middle class families, even upper middle class families, are often stretching their household budgets to afford homes and, increasingly, rents.

Question #4: Do you believe local jurisdictions have a role to play to address imbalance between housing supply and demand? What steps would you have the city take to impact this issue?

Yes, I believe that local jurisdictions have a role to play to address imbalance between not only supply and demand, but also affordability. La Quinta has done an excellent job providing affordable housing options to its residents/potential residents at all income levels. We have over 1,800 units that qualify as affordable housing. They were built for seniors, adults, and all families to ensure a diverse population within our community – at a high level of quality build and look. This past year, we remodeled 72 low income apartment units at Washington Street Apartments (WSA), which houses seniors and disabled adults. With the land the city purchased adjacent to WSA, we built an additional 68 units for low, very low income individuals. We have Housing Funds available from the former RDA, and are looking at options for additional housing units in La Quinta, possibly for Veterans or workforce housing.

The State requires cities to ensure an adequate supply of affordable housing, however, the build/construction is not affordable. CEQA reform is needed to streamline the process and reduce some of the regulatory requirements for housing to increase supply and make owning/renting a home more affordable in the State of California.

California Desert Association of Realtors CANDIDATE QUESTIONNAIRE

IV. Local Control vs. Housing Production

In recent years, Realtors have shifted from full support of local control in land use governance to seek ways to narrow some of the discretion cities and counties can exercise when it comes to housing development. As housing averse elected officials and some special interests have focused more attention on derailing new housing, especially affordable housing fit for middle-class families, we have become more concerned that some local authority is misused as a way to stop housing development.

Question #5: Should cities, special interest groups and “neighborhood preservation groups” have the ability to effectively block housing development they disagree with while housing remains in a state of significant shortage in California?

No, cities and special interest groups should not be able to block housing development for the most part. However, there may be certain factors that should be considered when determining WHERE the housing developments are located, especially affordable housing. The need to ensure access to public transportation, food, and work must be considered when approving projects because of the impact (positive) they should have in a community. I'll repeat some of the info from my answer in Q#4 to support my/La Quinta's priority to have housing available to all.

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V. FINANCES AND BUDGETING

While it may not appear at first glance, REALTORS and all advocates for homeownership are concerned that poor stewardship of local budgets may carry significant consequences for homeowners and the broader housing industry. While responsible budgeting may not seem like a real estate issue at first glance, we find that property ownership and investment are sometimes directly impacted. Ultimately, accumulated debts and deficits must be addressed in one form or another. Property owners and people who engage in business in the city are left with the bill, whether presented in the form of higher taxes or reduced services.

Question #6: How do you assess your city's fiscal health and what steps do you feel are necessary to ensure proper fiscal oversight and balanced budgets for the community?

La Quinta remains relatively fiscally “strong”, even given our current state in a pandemic. We did make significant adjustments to our budget this year due to COVID-19, which included layoffs, furloughs,

California Desert Association of Realtors CANDIDATE QUESTIONNAIRE

expense reduction, and use of some reserves. I state strong in quotes because the term is somewhat relative. We have managed to ensure a balanced budget for several years, post the recession. However, part of this required a 1% sales tax increase (Measure G) that was voted favorably by our residents in November 2016. We have strengthened our technology within the city to better manage our finances and city operating budgets. We have engaged residents to serve on a Financial Advisory Commission to provide transparent oversight, management, and review of revenues and expenses, as well as revenue and expenses related specifically to Measure G.

Going forward, the challenge continues to be uncontrollable increased cost of services that are difficult to project and/or afford with revenues growing at a slower rate. Items of concern are costs for police, fire, insurance, prevailing wages, and pensions.

La Quinta remains conservative, from a fiscal perspective, and has established practices and policies in order to maintain balanced budgets, clean audits, expense management, and strong revenues now and in years to come.

VI. PROPOSITION 19

In November, California voters will consider Proposition 19, “The Home Protection for Seniors, Severely Disabled Families and Victims of Wildfire and Natural Disasters Act” (<http://yeson19.vote>). The initiative was written by REALTORS® in partnership with fire fighters. Prop 19 would allow seniors 55 and older, disabled homeowners and victims of disaster to make their prop 13 tax benefits on their primary residence far more portable statewide. It would also seek to protect the tax basis on owner-occupied homes inherited from parents and grandparents (currently enshrined in Prop 58) but remove such protections from inherited homes that are not to be owner-occupied. The result will allow more seniors to move freely within the state without significant tax penalties while generating several hundred million dollars statewide for education and a new dedicated firefighting fund to assist local agencies.

Question #7: Would you consider endorsing Prop 19?

No, I will not endorse Prop 19.

VII. Short-Term Rentals

CDAR supports the ability of homeowners to offer their property as short term rentals. We also support the ability of cities to effectively enforce local laws designed to help neighbors peacefully coexist. All homeowners should be expected to adhere to local laws, without exception.

After much deliberation and work, our association has rejected the idea that short term rentals are inherently incompatible with the rights of owner-occupant home owners. While conflicts may and do arise, we believe that simply shutting down legal short-term rentals is ineffective, counter-productive

California Desert Association of Realtors

CANDIDATE QUESTIONNAIRE

and contrary to protecting property rights. We support participating in ongoing efforts to address concerns and ensure that residents get a timely and effective response to their valid concerns.

Question #6: Do you believe that cities can effectively permit short term rentals that are responsibly managed, used and do not pose an undue disturbance to the surrounding community?

Yes, I believe that cities can effectively permit short term rentals (STRs) that are responsibly managed, used and do not pose an undue disturbance to the surrounding community. Our City Council (and staff) has supported STRs for our residents for several years. However, La Quinta has experienced an increase in complaints from our residents since the pandemic shutdown. While we started our initial program later in the game than other cities (mostly from an enforcement of TOT perspective), we have quickly established guidelines to ensure resident quality of life is the priority. We are constantly looking at ways to ensure a balance for owners wanting to rent and non-rental owners who live in neighborhoods with rental properties. Last year, we established a STR Ad Hoc Committee, comprised of 15 members representing pro and con STRs, property managers, in-home hosts, and owner/renters. They have reviewed our current program and enforcements, heard the complaints and tracked problem renters, and will be making recommendations to the La Quinta City Council in September (now October) for Council's review and consideration. In July, our Council enacted a 90-day moratorium on issuing any NEW permits for STRs until such time we heard the Ad Hoc Committees report.

I do NOT support banning short-term rentals in La Quinta. Our city needs the revenue that is derived from this tourism market. We do need to address the problem properties and strengthen our enforcement and processes. La Quinta has several HOA/gated communities, and the CC&R's in those HOA's drive their own rules for STRs. This allows us to manage the entire process better, because the size and amount of properties is limited compared to other cities.

Again, we take the complaints seriously, and there has been an impact on quality of life for some of our residents. We currently have about 1300 + permitted properties; the majority operates effectively without problem. The others are causing great disturbances in their neighborhoods at various times. We have to work toward compliance of those properties with the owners to strike a balance. But, those "bad ones" should not shut down our program and the personal rights of homeowners in the city of La Quinta.

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