



Public Comments
City Council Meeting
September 23, 2020

From Url: <https://www.escondido.org/public-comment.aspx>

From IP Address: 73.222.254.147

Email aishanwp@gmail.com

Council Meeting Date 9/23/2020

Agenda # Oral Communication

Subject FY 2020-21 State of California Office of Traffic Safety Selective Traffic Enforcement Program (STEP) Grant

Position In Opposition

First and Last Name Aisha Wallace-Palomares

Escondido Resident True

Street Address

City

State

Zip

Comments My name is Aisha Wallace-Palomares, I am a resident of Escondido. I would like to urge the council today to now approve this additional grant funding to the EPD. Approving this funding is taking the city in the wrong direction, instead we should be working towards expanding community services, not increasing community policing. According to the budget for fiscal year 2019, the Police department received 43% of the total city budget, \$45, 928, 260, that is a six million dollar increase from 2016. They do not need more money, especially not another half a million dollars. We all know the history of DUI checkpoints in Escondido, how they were purposely put in areas of the cities that were composed predominantly of people of color. We do not need to fuel more stress, more anxiety, and more distrust, we already have a president that is doing that. BIPOC communities are facing assaults from all directions, including the police. We do not trust the EPD especially with their long history of racially motivated incidents. More than ever what we need right now is to build community trust and resilience to get us through this pandemic. BIPOC communities are disproportionately affected. Now is not the time to increase public distrust by allocating more money towards a system built on the oppression of black people. I implore the council to not approve this grant, they don't need it.

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=739a3453-0b18-4668-aaff-b7ab4f5d8af4>

From Url: <https://www.escondido.org/public-comment.aspx>

From IP Address: 76.212.169.18

Email Tutuli760@yahoo.com

Council Meeting Date September 23, 2020

Agenda # Oral Communication

Subject FY 2020-21 State of California Office of Traffic Safety Selective Traffic Enforcement Program

Position In Opposition

First and Last Name María Wallace

Escondido Resident True

Street Address 26357 Crescendo Dr

City Escondido

State California

Zip 92026

Comments Dear City Council Members, my name is Maria Wallace, a long time resident of this city. 43% of the city's budget goes into the Police Department, and now they want \$515, 000 more to do "checkpoints" on "bipoc" communities, "Really!" Do you think that by continuing this "checkpoints," our communities are going to feel safer? Not really, it will bring more fear, as if is not enough loosing llives and loosing jobs because of the pandemic. These checkpoints are not needed, and we don't need more policing in our communities. Please don't approve this grant.

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=66150178-c4a1-40db-8f47-6af7fea6a524>

From Url: <https://www.escondido.org/public-comment.aspx>

From IP Address: 68.98.43.98

Email Corey.b.pigott@gmail.com

Council Meeting Date 9/23/2020

Agenda # 4

Subject Read aloud

Position In Opposition

First and Last Name Corey Pigott

Escondido Resident False

Street Address

City

State

Zip

Comments Erasure of city records, especially police records is the EXACT type of behavior that cities CANNOT be demonstrating. This reduces and after a point entirely eliminates public accountability. Keep the records, database management really isn't that hard.

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=809c10bf-7a90-4ce3-9691-68ed1d6c8f82>

From Url: <https://www.escondido.org/public-comment.aspx>

From IP Address: 99.33.177.247

Email kris10ca19@gmail.com

Council Meeting Date 9/23/2020

Agenda # 4

Subject READ OUT LOUD

Position In Opposition

First and Last Name Kristen Brown

Escondido Resident False

Street Address 942 Howard Avenue

City Escondido

State California

Zip 92029

Comments Under Government Code section 60201 records and/or documents that are pending request under the California Public Records Act can not be destroyed. These records and/or documents are currently being requested under #20-330 These records and/or documents must be kept until request has been granted or after 2 years of the request being denied.

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=36403348-a1da-4f15-a1b0-5acd22f32c63>

From Url: <https://www.escondido.org/public-comment.aspx>
From IP Address: 98.176.90.211

Email alexanderhan2017@gmail.com

Council Meeting Date 9/23/2020

Agenda # 4

Subject Annual destruction of records

Position In Opposition

First and Last Name Alexander Han

Escondido Resident False

Street Address

City Carlsbad

State CA

Zip 92009

Comments Hello Escondido City Council, Why are these records being destroyed? Especially with increased scrutiny on police practices, the list of records listed to be destroyed includes police payroll, timecards, after-action reports and investigations. Please clarify the reasoning behind this.

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=632a1a4b-5312-4e1e-ae66-45fcb8c02693>

From Url: <https://www.escondido.org/public-comment.aspx>

From IP Address: 68.98.43.98

Email Corey.b.pigott@gmail.com

Council Meeting Date 9/23/2020

Agenda # 7

Subject Ballpark lighting upgrades

Position In Favor

First and Last Name Corey Pigott

Escondido Resident False

Street Address

City

State

Zip

Comments Please approve.

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=1af13073-b71d-48ca-b7f5-6a1fab5eb020>

From Url: <https://www.escondido.org/public-comment.aspx>

From IP Address: 76.240.96.27

Email penndiehl@gmail.com

Council Meeting Date 9/23/2020

Agenda # 7

Subject Read Out Loud LED Retrofits

Position In Favor

First and Last Name Penn Diehl

Escondido Resident True

Street Address 22078 Gallop Way

City Escondido

State CA

Zip 92029

Comments LEDs beat metal halide bulbs in basically every respect. The city will save money on lighting replacement, maintenance, and energy costs. Additionally, Escondido will need to continue spending on lighting and energy retrofits (including building electrification) to meet the requirements of its Climate Action Plan and avert catastrophic climate change. Please approve item 7.

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=3fa98340-4a64-4947-8222-e990763f30c1>

From Url: <https://www.escondido.org/public-comment.aspx>
From IP Address: 98.176.90.211

Email alexanderhan2017@gmail.com

Council Meeting Date 9/23/2020

Agenda # 7

Subject ballpark lighting/energy efficient lighting

Position In Favor

First and Last Name Alexander Han

Escondido Resident False

Street Address

City Carlsbad

State CA

Zip 92009

Comments Hello Escondido Council, my name is Alex. From an environmental and energy perspective, retrofitting the lights at the Jesmond Dene baseball field with LED lights seems like a good idea to reduce our energy consumption. However, there are a few unknowns such as the payback period, how much energy will actually be saved, and when the project will be started or completed. Can this be further clarified? Furthermore, I would encourage more retrofit projects to be pursued so that we can meet our Climate Action Plan goals of 50% carbon emission reduction by 2030

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=b231540c-8512-49d4-a375-57712d3c7dea>

From: noreply@escondido.org

Sent: Tuesday, September 22, 2020 9:10 AM

To: Paul McNamara

Subject: Contact Council (select recipient from drop-down list): Read out Widening of Citracado Pkwy and new fence

Ruben Garza

rubshop3030@yahoo.com

Please read out my comments at next open meeting. My name is Ruben Garza I live at 1751 W. Citracado Pkwy #179 Escondido CA 92029. I am writing because the city is going to take down the fence the houses my dogs in my yard. I keep that fence up and its fairly new. I ask that you allow me to keep the portion of the fence about 40 feet. Another item is that Mountain Shadows Mobile Home Park is on both sides of the street and the swimming pool and club house is on the bigger side. The problem I have is that they're going to increase the speed limit to 55 and make it wider. Many people cross the street at the entry part since thats where they exit and enter park. With a wider road and taking the mediam away then the danger of crossing is much more dangerous. I think it should be 35 at the resident portion to prevent a tragedy or install a cross walk at the entry of the park with light or make the speed limit 35 like Avenida Del Diablo which is right there also? Thank you for your time.

Dear Mayor McNamara and Councilmembers Diaz, Martinez & Morasco:

I am writing you today to protest the scheduled action, specifically Item 13, on your September 23rd City Council agenda. This proposed action is alarming as in the midst of a housing crisis and a pandemic, the proposed fee increases are \$9,286.74/single family home and \$8,528.06 on a multi-family unit. These costs are borne by your constituents when they buy or rent a new home.

Every year the BIA notifies your City Manager requesting, and I quote from our letter, *“we respectfully request that your agency provide us with timely information regarding any potential action by your jurisdiction involving changes in fee schedules, amendments to existing and/or new rules, regulations and policies proposed which shall affect the building industry. The request is made to provide BIA sufficient time for review and comment as required under the mitigation fee act and other appurtenant state regulations (pursuant to Gov. Code section 66016(a)).*

BIA also requests that we receive appropriate and timely notice of any public hearing or workshop involving fee schedules, with access provided to background material created to support creation of new and/or changes to any existing fee(s), rules, regulations and policies involving the building industry. (i.e. covering all development impact mitigation fees, review & inspection fees) or otherwise under consideration by your jurisdiction. BIA will reimburse the jurisdiction for reasonable copying costs. Electronic file sharing would be preferable.

As the representatives of the building industry we are charged with the responsibility to ensure that our members have a clear and timely understanding of the methodology used to determine that the proposed costs are reasonable and that valid nexus and proportionality findings were made.”

As of this communication, other than the staff report attached to the Council Agenda, the BIA has received no backup documentation, engineer’s estimates for public improvements or nexus studies to support the increases proposed by staff. We are requesting any and all back up materials or studies for your proposed increase in development impact fees.

BIA wasn’t given adequate time to review any City studies or estimates and to share this information with our members. We were given a “heads-up” in early September when the Asst. City Manager requested a copy of our Fee Survey which he used to write the staff report.

We request a 45-day delay before your Council acts on this item so the BIA can review your nexus studies, share this information with our members and confer with your staff to answer any questions our members may have regarding the proportionality of these fee increases.

Finally, BIA staff has always had a collaborative, respectful relationship with Escondido City staff. It is unfortunate that your staff gave BIA the least available time allowed to possibly review and respond to this proposed Council action before Wednesday’s meeting, especially in light of the above-mentioned events.

A 45-day delay is both fair and justified under the circumstances as this proposal will have a major effect on the cost of a new dwelling unit in Escondido.

Sincerely,

Borre Winckel, President & CEO, BIA San Diego

From Url: <https://www.escondido.org/public-comment.aspx>

From IP Address: 207.137.9.218

Email ebruvold@sdnedc.org

Council Meeting Date 9/22/2020

Agenda # 13

Subject Fee Increase

Position No Position

First and Last Name Erik Bruvold

Escondido Resident False

Street Address 100 E San Marcos Blvd., Suite 400

City San Marcos

State CA

Zip 92069

Comments RE: Fee Increase (Item #13) TO BE READ ALOUD Dear Honorable Mayor and City Councilmembers, As Chief Executive Officer of the San Diego North Economic Development Council I have the pleasure and opportunity to work with scores of businesses throughout North County and have frank conversations with them about their business models, how they think about investment returns, and the constraints that they face. These are frank and honest conversations about what does (and doesn't work) and they help us be better promoters of North County opportunities. While our board of directors has not (and is unlikely to take) action on today's item I want to urge the council to think about how this increase impacts businesses whom are already some distance through the development pipeline. They have developed financial models predicated upon certain costs and a return on investment. Depending on the phase at which they are at, it may not be possible for them to increase the number of units in their project or otherwise recoup these additional costs. In some cases, a project may be delayed until market forces "catch up" and allow the developer to recoup the costs through higher prices. IN other instances, the financing costs may be too great to delay and the project gets cancelled all together. We are aware of the challenges municipalities in our region face – both long term and because of this pandemic. It is important to recoup costs and not subsidize new development. I would just urge the council to appreciate that fees of this nature can change whether a project is viable and consider their input on your pipeline of projects which have already begun the process. Sincerely,
W. Erik Bruvold Chief Executive Officer San Diego North Economic Development Council

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=822c1a34-2ab9-482d-94ac-a26c58f6c4a3>

From Url: <https://www.escondido.org/public-comment.aspx>

From IP Address: 108.226.37.129

Email jshackle@trumarkco.com

Council Meeting Date 9/23/2020

Agenda # 13

Subject Read out loud

Position In Opposition

First and Last Name Janice Shackle

Escondido Resident False

Street Address 450 NEWPORT CENTER DR

City NEWPORT BEACH

State CA

Zip 92660-7657

Comments Dear Mayor and Council Members, Trumark Homes is writing in opposition of the proposed Development Impact Fee increase proposed per Item 13 of the agenda and would like the City to consider a postponement to this increase. We are already facing challenging times with selling homes in a new environment to meet the COVID pandemic restrictions. On top of COVID restrictions, we are facing lumber costs increases of an unheard 75% increase along with many delivery delays of items needed to complete our homes such as appliances. This fee increase of over \$9,000 per lot for SFR poses a significant hardship to the challenges we are already facing at this time. Your consideration of a postponement at this time would be greatly appreciated and helpful. Thank you.

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=7dad1a32-0654-45cf-8f6c-3686b1608a0d>

From Url: <https://www.escondido.org/public-comment.aspx>

From IP Address: 68.15.18.131

Email Taylor@nsdcar.com

Council Meeting Date 9/22/2020

Agenda # 13

Subject RE: Oppose Fee Increase (Item #13) TO BE READ ALOUD

Position In Opposition

First and Last Name Taylor Thompson

Escondido Resident False

Street Address 906 Sycamore Ave, ste 104

City Vista

State CA

Zip 92081

Comments Dear Honorable Mayor and City Councilmembers, The North San Diego County Association of REALTORS is concerned with the current Service CFD and the proposed impact fee increase for residential development. We are in a housing crisis and raising fees that burden down residential development in times like these seem counterintuitive. We would hope that the city would reduce costs and make it easier for residential development in light of the current crisis. As many potential buyers have found out, there is a lack of available homes for sale and having newly available homes adds to the market supply to meet demand. Without more housing supply, we will continue to see housing affordability decrease and the housing crisis become even more impacted. We urge the City Council not to take action on the fee increase and find other creative ways to address the recession and city budget. Sincerely, Taylor Thompson Government Affairs Director North San Diego County Association of REALTORS

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=1d17dfdb-35f5-4a00-8bd1-3e4f7da85712>

AGENDA ITEM #13

PLEASE READ INTO THE RECORD

September 23, 2020

Honorable Mayor and City Council
City of Escondido
201 North Broadway
Escondido, CA 92025

Dear Mayor and Council,

We have submitted two letters with regard to agenda item #14. The principles set forth in those letters apply directly to the topic being considered as part of agenda item #13. Please incorporate this letter, and our two letters addressing item #14, into the record for item #13.

The proposed increase of assessments against Mr. Mayer's apartment project will destroy the project and our personal plans, negotiated over a two year period, for the sale of our lots to fund our retirement.

Yours truly,

Maria, Guillermo and Lily Estrada
Owners of four lots at the corner of Quince and Third



ECOC
Escondido Chamber of Citizens

September 23, 2020

Mayor Paul McNamara and Escondido City Council,

Re: Development Impact Fee Adjustment, Agenda #13

This correspondence is prepared to inform the Escondido City Council that the Escondido Chamber of Citizens fully supports the proposed Development Impact Fee Adjustment described in the Staff Report for Agenda item #13, for public hearing tonight 09 23 20. Unlike the earlier development impact fee adjustment (2017), the proposed fee structure (2020) will fully offset infrastructure costs and will reflect the true cost of new development, thus minimizing negative impacts to the General Fund. Therefore, the Escondido Chamber of Citizens fully support the proposed Development Impact Fee Adjustment, and recommend the most immediate option for implementation (Option 1).

We wish to thank staff for preparing thorough Staff Report with details and tables for comparison of development impact fees proposed in Escondido with those of other four cities on Highway 78 corridor (San Marcos, Vista, Carlsbad, Oceanside), and integrated current data from BIA 2020 analysis of jurisdictions to compare development impact fees.

The Escondido Chamber of Citizens board members consider the proposed development impact fee adjustment is necessary and appropriate to minimize negative impacts to the General Fund, and protect existing and future generations of taxpayers.

Thank you for consideration.

Escondido Chamber of Citizens board members

From Url: <https://www.escondido.org/public-comment.aspx>
From IP Address: 70.35.123.126

Email gmiltenberger@integralcommunities.com

Council Meeting Date 9/23/2020

Agenda # 13

Subject Fee increase

Position In Opposition

First and Last Name Gil Miltenberger

Escondido Resident False

Street Address 3660 Merced Drive

City Oceanside

State CA

Zip 92056

Comments September 23, 2020 Mayor and City Council City of Escondido City Hall, Second Floor 201 North Broadway Escondido, CA 92025 RE: Item #13 Fee Increase – TO BE READ ALOUD Dear Honorable Mayor and City Councilmembers, It was not that long ago in 2017 where staff proposed an approximate \$10,000 per unit fee increase in the downtown area. I and along with others argued the point that such a huge leap in fees would shock the marketplace, however if the council was set on raising the fee they should at least phase in the fee increase. The council took the recommendation to phase in the fee increase over 3 years, and the final fee increase was realized this past February. Here before you tonight is another proposed fee increase of approximately \$8,500 a unit for multifamily. If you pass this fee increase tonight that will be total fee increase in the downtown area of approximately \$18,500 per unit within a 3 year period. We are in housing crisis as well as a recession, and do we think the best approach to solve both problems is with fee increases and more taxes? This approach is contrary to sound economic principles, if you want more of something you don't make it harder or raise the hurdle, you make it easier and lower the bar. Here is the proof, in 2019 within the entire city only 37 building permits were issued – meaning only 37 times the impact fees were paid. As of June 2020 according the city's building official email to me only 43 total building permits throughout the entire city had been issued. Back in 2017 I argued before the council that raising fee will discourage residential development and the proof has made itself evident. According to the current Housing Element the city should be issuing an average 500 permits per year, but as you can see the city on average issues just a fraction of that. The question to the City Council tonight “do you think raising fees so drastically and increasing taxes is the best way to address the recession and housing crisis”? According to all the recent state law passed on housing cities are supposed to make it easier for housing not harder. Please disapprove staff's proposed fee increase. Respectfully, Gil Miltenberger

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=8ed6e796-8a25-4ab6-aa39-cc0ca06b3dd0>



September 23, 2020

DELIVERED VIA ELECTRONIC MAIL: pmcnamara@escondido.org

Mayor Paul McNamara & Hon. City Council
City of Escondido
201 North Broadway
Escondido, California 92025

RE: Opposition to September 23, 2020 City Council Agenda Item Nos. 13 & 14

Dear Mayor McNamara & Hon. City Council Members:

On behalf of Lyon Living, we are submitting our opposition to Agenda Item Nos. 13 and 14, which are on the City Council's Agenda for September 23, 2020. Lyon Living is, and has been, a strong community partner in the City of Escondido. Over the years, Lyon Living has brought millions of dollars of new investment into the City, new housing opportunities, and created countless new jobs in the local community.

As our nation and local community continues to navigate the COVID-19 global pandemic and economic uncertainty that followed, now is not the time to impose new and increased fees on local projects. We respectfully request that the City Council reject staff's recommendation and do not adopt Resolution No. 2020-125, do not conduct first reading of Ordinance No. 2020-24, and do not require projects that were entitled after May 13, 2020 to be annexed into the Citywide Services CFD or placed into any other funding mechanism.

These are the wrong fee increases, and this is the wrong time. Please do the right thing, protect local businesses, save jobs, and help our local economy continue its recovery by rejecting the recommended actions for City Council Agenda Item Nos. 13 and 14.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter D. Zak", is written over the typed name.

Peter D. Zak

President & COO
Lyon Living

cc: Hon. Consuelo Martinez, Deputy Mayor



Hon. Olga Diaz, Council Member
Hon. Michael Morasco, Council Member
Nate Johnson, Sr. Vice President
Kevin Martin, Sr. Dir. of Development
Carolyn Hillgren, Sr. Development Manager
Michael Torres, Legal Counsel
Zack Beck, City Clerk

September 23, 2020

Villa Portofino

2690 South Escondido Blvd.

Escondido, CA

92025

Dear Honorable Mayor and City Council Members

Our project, Villa Portofino, is a small 15-unit apartment complex on South Escondido Boulevard. We initially submitted our plans in July 2018. We have been to the Design Review board twice and are now ready for final approval. In fact, if not for the impact of covid on city processing, we should have been approved by now.

We were recently told that we have to agree to annex to a Service CFD before our project will be approved. This will cost our residents over \$10,000 annually and the impact on rents will lower the value of the project by about \$250,000. We are a small company and cannot absorb this kind of loss. Since we have already purchased the land and our construction costs are fixed, this impact makes our project infeasible.

Given the City's need for housing and the positive effect it will have on the South Escondido Boulevard economy, we are requesting that City Council exempt pipeline projects as they have done for fee increases in the past. This would be fair since we have made major contractual commitments and incurred significant expenditures. It would allow us to proceed with our project and be part of the revitalization of South Escondido Boulevard.

Thank you for your consideration,

Regards,

Frank Giordano

Villa Portofino

From Url: <https://www.escondido.org/public-comment.aspx>

From IP Address: 71.193.150.32

Email earthlover@sbcglobal.net

Council Meeting Date 9/23/2020

Agenda # 14

Subject Participation in CFDs of all projects

Position In Favor

First and Last Name Laura Hunter

Escondido Resident False

Street Address 744 Quiet Hills Farm Road

City Escondido

State CA

Zip 92029

Comments I support staff recommendation on this or Option 1. Since, as the staff report points out, these projects are exclusively 'investor-driven', the current residents and tax-payers have no obligation to subsidize the developer profits with future tax-dollars. To increase the deficit for this purpose is unconscionable. The deficit is large enough already. Further, I request that for sprawl projects, like Harvest Hills, additional costs be added which may not currently not reflected in the CFD analysis. Not only will police and fire services be much higher due to its location so far from the core service area, but backup and travel time too will drive expense and need for more staff. Higher staff ratios will have to be implemented if the city builds 550 homes in a high-risk fire zone. It is telling to note that the Harvest Hills units are estimated at almost twice the unit cost of the most expensive infill, but still does not reflect all of the costs for services. There are regional, state, and federal costs that will also have to be subsidized for projects like Harvest Hills For example, while urban infill will not need services of fish and wildlife and water quality agencies, projects built in sensitive habitat will. Harvest Hills and other such projects should incur full-cost pricing so the rest of us don't get stuck with the bill.

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=6b78302c-57d6-42a9-bdf3-518f077f6e3b>

AGENDA ITEM #14

Maria Estrada
c/o Guillermo and Lily Estrada

PLEASE READ INTO THE RECORD

September 16, 2020

Honorable Mayor and City Council
City of Escondido
201 North Broadway
Escondido, CA 92025

Dear Mayor and Council,

I am the owner of two lots at Quince and Third. Almost two years ago, I signed an agreement to sell the lots to Paul Mayer. I'm elderly and need the money for my retirement.

I've just been told that the City is requiring me to agree to a tax against my lots or the project proposed by Mr. Mayer will not be allowed. Mr. Mayer says that the tax will make the project impossible. I don't understand how the City can change the rules at the last minute. I have been counting on this project for my retirement.

Mr. Mayer tells me that he and I have been following all the City's rules for more than two years. It's just not right to have property owners do all the right things and then put a tax against their land at the last minute.

Yours truly,

Maria Estrada



BUILDING INDUSTRY
ASSOCIATION OF
SAN DIEGO COUNTY

CHAIRMAN

Jeff O'Connor
HomeFed Corporation

VICE CHAIRMAN

Alex Plishner
Lennar

TREASURER / SECRETARY

John La Raia
H.G. Fenton Company

PAST CHAIRMAN

Dave Hammar
Hunsaker & Associates San Diego

PRESIDENT & C.E.O.

Borre Winckel

AFFILIATES

California Building
Industry Association

National Association
of Home Builders

August 21, 2020

Mayor McNamara & City Council
City of Escondido
City Hall, Second Floor
201 North Broadway
Escondido, CA 92025

Re: Request for pipeline project coverage for Service CFD

Dear Honorable Mayor and City Council Members,

It has been brought to our attention that the City Council approved a Service CFD on the back of an infrastructure CFD for all residential projects in May of this year. BIA staff was given a briefing by Julie Procopio earlier this year before bringing the item to the Council. This Service CFD would burden new residential projects financially with a special tax, and it hits hardest the smallest and most attainable priced housing while having a lower special tax on single family homes. This point was not explained very well by staff during the BIA briefing. This approach is contrary to the endeavors to provide housing at the lower end of the economic spectrum. We at the BIA are not supportive of any special tax or CFD unless initiated by the developer. Remember, this CFD is paid for by the end user (renter or buyer), so why would the City want to further burden housing at the bottom of the market where the buyers/renters are economically impacted?

As you are fully aware the state and more specifically the San Diego regional is in a severe housing crisis to the extent that the State has passed many laws to support the creation of housing and direct local jurisdictions not to inhibit or hinder new residential projects. This includes new financial burdens that impact housing creation. This Service CFD would in fact hinder and make many new residential projects economically infeasible resulting in less housing. The City reported to HCD in 2019 that only 37 residential building permits (multifamily and SFR) were issued in the City, and year to date as of July only 43 permits have been issued.

The fact is the city needs to do all it can do to encourage new housing projects. We have seen a decline in housing permits in Escondido with the fee increase and we anticipate the same with the CFD burden. Earlier this year, in light of the pandemic, our CEO sent all cities a communication requesting a hold on fee increases and asked for a "do no harm" with regards to housing.

In light of the COVID 19 economic recession and housing crisis it is our strong belief that City Council should implement a policy for implementation of the service CFD if they insist in moving forward with the CFD:

Policy Suggestions:

1. Any residential projects that has an application in the City's development pipeline prior to adoption (April 2020) ("Pipeline Projects") would be exempt from the Service CFD. This is a common solution for projects under review when policies or ordinances are adopted so as to not impact pipeline projects.
2. The Service CFD implementation date should commence on January 1, 2021. Allowing a respite until the economy has some time to recover.
3. Projects be conditioned on joining the CFD prior to building permit issuance, not prior to hearing.

Our understanding is there are several projects being held up on their approvals, (specifically being kept from planning commission and a City Council hearing until the applicant agrees to the CFD) because of this issue, and we would respectfully encourage the City Council to act swiftly on this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Michael McSweeney". The signature is fluid and cursive, with a large loop at the end.

Michael McSweeney
Sr. Public Policy Advisor
BIA



Passion. People. Purpose.™

September 23, 2020

City of Escondido
City Hall, Second Floor
201 North Broadway
Escondido, CA 92025

Re: Service CFD

Dear Honorable Mayor and City Council Members,

We have recently been made aware that the City has passed a city-wide Service CFD that will affect all new residential projects in the City including the Palomar Heights project. This particular issue is disconcerting, and we are very troubled with the Service CFD as it relates to the Palomar Heights project. As you know, we are under contract with Integral Communities on the development of the hospital site, and we are very excited about the plan and all the good it will bring to downtown.

Being one of the largest employers in the city we are always concerned about the welfare of our employees including suitable housing. The Palomar Heights projects does just that by providing housing at attainable levels for our employees and the city as a whole. The Service CFD adds an additional special tax which will add an unreasonable cost burden thus making the project potentially unfeasible.

As some of you may remember, in 2017, when staff proposed an approximate \$10,000 per unit fee increase in the downtown area, Palomar Health opposed the increase and spoke out against it. Subsequently, City Council approved a three-stage increase, and now three years later the full amount of the fee increase will be realized by Palomar Health and the Palomar Heights project. Palomar Health cannot absorb anymore fee increases to sustain the project. We will not have any services on that campus after September so it will be vacant. The City is now delaying the approvals until Palomar Heights agrees to this additional increased cost by way of a Service CFD. We believe the Service CFD should be re-examined, studied, and reconsidered by the City Council as to how effective such a financial burden would be and how it discourages housing.

The Palomar Heights project should be exempt from any Service CFD, since it has been in process for over three years. It isn't reasonable that a project, right before its approval, is handcuffed with such a financial burden, especially when a substantial fee increase has already been absorbed.

We would implore the City Council to give staff direction to exempt the Palomar Heights project from the Service CFD.

Respectfully,

A handwritten signature in blue ink that reads "Diane Hansen".

Diane L. Hansen, CPA
Chief Executive Officer
Palomar Health

Administration

456 East Grand Avenue, Escondido, CA 92025 | T 760.740.6393 | PalomarHealth.org

A California Public Healthcare District

Second and Pine Apartments LP
845 15th Street, San Diego, CA, 92067

September 18, 2020

City of Escondido
City Hall, Second Floor
201 North Broadway
Escondido, CA
92025

Re: Impact of Service CFD / Pipeline Exemption

Dear Honorable Mayor and City Council Members,

We fully understand the budget challenge facing the city and appreciate that steps must be taken to address it. However, applying the CFD to our multi-family development project will worsen the situation instead of helping. It will worsen the problem because it will kill the project and eliminate several million dollars of impact fee income as well as very substantial ongoing real estate tax revenue for the city and also eliminate the ancillary economic stimulus the project would create.

We have been working on the Casa Mercado project for over three years. The eleven-parcel assembly includes five parcels being acquired from the city. With the exception of the city parcels, our land costs are fixed, and of course construction costs are also fixed. Therefore, other than a change in the price of the city parcels, there are no other variables that can be adjusted to adapt to the financial impact of the CFD.

Apartment properties are valued based on an investor's expected rate of return. New properties are valued at rates of return in the range of 4.5%. This means that for every dollar of net income generated by a property, an investor is willing to pay \$22.22 (\$1 divided by .045). Looking at it from the investor's point of view, they invest \$22.22 and get an annual return of one dollar, representing a 4.5% rate of return.

At \$783 per unit the CFD reduces the net income of Casa Mercado by $120 \times 783.00 = \$93,960$. By utilizing the formula outlined above it can be calculated that this reduces the value of the property by \$2,088,000 ($\$93,960$ divided by .045). Working closely with planning staff, we have redesigned the project three times in order to get to a cost/income equation that just barely makes the project feasible. Our lenders are now looking at a decline in the value of their collateral exceeding \$2 million and a reduction in the income available to service their debt of almost \$100,000. This means the project is no longer viable.

The Mercado area has been awaiting revitalization for decades. Our project will help make this area and the adjacent downtown more prosperous, while also generating very significant fee and ongoing tax income for the city. The CFD will eliminate all of these benefits by making the project unfeasible.

We understand that Council will be considering a pipeline exemption at its meeting on September 23, 2020 and sincerely hope Council will see the fairness and value in creating a pipeline exception that will permit our project to proceed.

Sincerely,
Second and Pine Apartments LP

Per:



Paul Mayer, General Partner

From Url: <https://www.escondido.org/public-comment.aspx>
From IP Address: 70.35.123.126

Email gmiltenberger@integralcommunities.com

Council Meeting Date 9/23/2020

Agenda # 14

Subject Service CFD

Position In Opposition

First and Last Name Gil Miltenberger

Escondido Resident False

Street Address 3660 Merced Drive

City Oceanside

State CA

Zip 92056

Comments September 23, 2020 Mayor and City Council City of Escondido City Hall, Second Floor 201 North Broadway Escondido, CA 92025 Re: Service CFD Item #14 – TO BE READ ALOUD Dear Honorable Mayor and City Council Members, I hope tonight that the City Council reconsiders the Service CFD, and takes action to discontinue its implementation. Many members of the public, property owners, building professionals, financial consultants, and lawyers alike have pointed out the glaring holes in the CFD as it pertains to fairness, methodology, transparency, and legality. Just on the face of it you have to ask yourself does it feel right? That all new residents pay “more” for the same services – doesn’t quite sound right does it? In all other areas of our life you would cry foul, and demand fairness. I would like to put before the city council the following questions: 1. Transparency: Why was the Service CFD brought before the city council right after the COVID shutdown in April? To my knowledge no one spoke in opposition to this action – you have to ask yourself why? Could it had been the city was shutdown and city council meetings were in question? Why not wait until the COVID crisis calmed down and things normalized? 2. Methodology of the KMA Fiscal Impact Analysis: Did the city have a peer review done on the KMA study? Wouldn’t it have been prudent to have an outside Financial Analyst review such an impactful study? 3. Inputs to the KMA Fiscal Impact Analysis: Why did city staff or KMA use inputs that did not reflect actual budget numbers or ratios? For instance, in the KMA study it uses 1.28 police officers per 1,000 people, when in reality it is closer to 1 officer per 1,000. Why use a higher number than actual? Police is the highest percentage of the budget and when you inflate this ratio it inaccurately shows a higher cost. Another input that skews the numbers is the percentage of property tax dollars that come to the city. KMA used 10.3% which is the lowest percentage where in parts of the city it is up to over 14%. The result is it lowers to amount of revenue a project produces making it look like it doesn’t pay for itself. 4. Legality: Did the city consult with outside legal counsel as to the legality of the Service CFD? With so many existing and new laws it would seem prudent to consult with an expert in this part of the law. After considering the above questions I would encourage the City Council to discontinue the implementation of the Service CFD until it can be proven legal and sound. Regards, Gil Miltenberger

A form has been submitted, click the link below to view the submission:

<https://www.escondido.org/FormWizard/ViewSubmission.aspx?mid=5168&pageid=3094&rid=8752359a-69ef-40da-9d74-b7c86b3b125f>