COMMUNITY SYSTEMS ASSOCIATES, INC. an affiliate of ALFRED GOBAR ASSOCIATES

REPORT OF THE REDEVELOPMENT AGENCY
OF THE
CITY OF ESCONDIDO

ON THE PROPOSED

ESCONDIDO REDEVELOPMENT PLAN AND PROJECT AREA

Section 33352 Community Redevelopment Law Report

November, 1984

Prepared for the Escondido Redevelopment Agency

by

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COMMUNITY SYSTEMS ASSOCIATES, INC.
an affiliate of ALFRED GOBAR ASSOCIATES

November 19, 1984

Mayor and Members of the Escondido City Council
Chairman and Members of the Escondido Redevelopment Agency
CITY OF ESCONDIDO
100 Valley Boulevard
Escondido, California 92025

ATTENTION: Mr. Vernon Hazen, City Manager

SUBJECT: ESCONDIDO REDEVELOPMENT AGENCY'S REPORT TO THE ESCONDIDO CITY COUNCIL

Dear Mr. Hazen:

I am pleased to provide the attached draft report of the Escondido Redevelopment Agency on the Escondido Redevelopment Plan and Project Area pursuant to Section 33352 of the California Health and Safety Code. The Report has been prepared and submitted to the Agency for their review, final adoption, and approval in conjunction with the December 19, 1984 public hearing on the final approval and adoption of the Redevelopment Plan.

Thank you for your consideration.

Sincerely,

COMMUNITY SYSTEMS ASSOCIATES, INC.

Marshall B. Krupp

MARSHALL B. KRUPP
President

MBK/b

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ESCONDIDO REDEVELOPMENT PLAN
SECTION 33352 REPORT

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I

OVERVIEW

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OVERVIEW

GENERAL

In accordance with Section 33352 of the Health and Safety Code of the State of California entitled Community Redevelopment Law, this report has been prepared and is submitted to the City Council of the City of Escondido and accompanies the proposed Escondido Redevelopment Plan for the City of Escondido Redevelopment Project Area.

SUMMARY AND BACKGROUND

The City Council of the City of Escondido did on July 11, 1984, by Ordinance No. 84-46 create within the City of Escondido the Escondido Redevelopment Agency for the purpose of considering and pursuing redevelopment activities in the community pursuant to the Community Redevelopment Law, California Health and Safety Code, Sections 33000 et. seq. and has since been authorized and directed by the City Council of the City of Escondido to formulate and implement a Redevelopment Plan within one or more Redevelopment Project Areas.

On July 11, 1984, the City Council adopted Resolution No. 84-180 setting forth a policy relative to the preparation and processing of a Redevelopment Plan and Project Area. Said policy stated the following:

Escondido Redevelopment Program Goal

It shall be the goal of the City Council of the City of Escondido to pursue the adoption of a redevelopment plan and project area in accordance with the California Redevelopment Law, in order to facilitate and expedite the financing and construction of the Escondido Civic and Cultural Center, and to pursue projects which are intended to enhance the economic climate of the City of Escondido's downtown business district.

Escondido Redevelopment Program Objectives and Policies

In order to provide direction in the redevelopment plan and project area formation and adoption process, the following objectives and policies are approved and adopted by the Escondido City Council:

A. OBJECTIVE: Community Input and Participation

To solicit and encourage input by citizens, business persons, and property owners of the City in order to formulate a plan which accommodates the needs of the City and responds to the concerns of the community.

Policies:

1. Pursuant to Section 33385 of the California Health and Safety Code, a Project Area Committee shall be designated consisting of twenty one (21) members who represent residential owners occupants, residential tenants, business owners and tenants, members of existing organizations (including, but not limited to the Civic Center Committee, Downtown Revitalization Committee, Chamber of Commerce) and representatives of the community who indicated concern with the City's redevelopment program in 1977. Said committee shall be expanded as necessary.

2. All meetings of the City Council, Redevelopment Agency, Planning Commission and Project Area Committee shall be publicly noticed, and a mailing list shall be established so as to provide notice of such meetings to each individual on the mailing list.

3. A status report shall be prepared each month summarizing the activities completed to date and actions taken by the City Council, Redevelopment Agency, Planning Commission and Project Area Committee for public distribution to those who request it.

4. Public hearing notices for required meetings shall be issued in accordance with the Municipal Code of the City and the California C^mmunity Redevelopment Law.

B. OBJECTIVE: Project Area Designation and Projects to be Identified

To identify and designate a project area and applicable projects consistent with the limited intent of the City Council to maximize the benefit of a redevelopment program and minimize the authority of the Redevelopment Agency.

Policies:

1. The Project Area Committee and Planning Commission shall recommend the size and configuration of the Project Area, based upon a) the requirements of the California Community Redevelopment Law; and b) the impact area of the Civic Center/Cultural facility.

2. Projects to be implemented pursuant to the redevelopment plan shall be limited to:

   a) Civic Center development including the City Hall, community theater, auditorium, fine arts facility, convention facility, regional governmental office building, parking facilities, and associated landscaping, infrastructures and common area improvements.

b) Public facilities and infrastructure improvements within the City's public rights-of-way and directly associated with the development and use of the Civic Center.

c) Housing financial assistance to increase and improve the community's supply of "low- and moderate-income housing" available at affordable housing costs as required by Section 33334.2 of the California Health and Safety Code.

d) Other projects as may be determined, defined and recommended by the Project Area Committee, Planning Commission, or community, provided that there is a consensus as to the projects definition, scope and financial parameters and is finally approved by the City Council/Redevelopment Agency.

C. OBJECTIVE: Limitations on Redevelopment Agency Authority

To limit the Redevelopment Agency's authority to those rights and privileges required that are absolutely necessary for the implementation of the redevelopment program.

Policies

1. The Redevelopment Agency shall have no authority to acquire real or personal property by the use of eminent domain or condemnation.

2. The redevelopment plan shall be prepared in conformance with the City's Municipal Code, General Plan and Zoning Ordinance and shall not establish requirements or procedures in excess of that which is set forth in those documents.

3. The Redevelopment Agency shall not incorporate standards, requirements, and/or conditions in the redevelopment plan which limits or precludes the use, ownership, and/or development of any privately owned or privately leased property within the recommended project area.

4. The redevelopment plan shall incorporate provisions that, should this or future City Councils and/or Redevelopment Agencies of the City desire to amend the redevelopment plan by expanding the project area, adding additional projects, increasing the scope or financial limitations, or increasing the authority of the Agency, that a public hearing process with citizen input shall be followed, including the reactivation of the Project Area Committee.

D. OBJECTIVE: Public Agency Cooperation

To ensure that every reasonable effort is made by the Project Area Committee, Planning Commission, Redevelopment Agency, City Council and staff to coordinate the redevelopment program with other public agencies of the community.

Policies

1. The staff, Project Area Committee, Redevelopment Agency and City Council shall make every reasonable effort to work closely with and cooperate with affected public agencies to ensure that their needs and concerns are considered, and that impacts are minimized.

2. The Redevelopment Plan's financial limitations shall be set at a level not to exceed that which is absolutely necessary for the projects contained in the redevelopment plan.

3. The use of tax increment shall not be the one source of financing for projects set forth in the redevelopment plan, and shall supplement other revenues, including but not limited to, revenues of the City to be set aside for the City Hall portion of the development, and the City's recent expenditure of funds for the Civic Center land.

The Redevelopment Agency now intends to formulate and recommend to the City Council for adoption, a Redevelopment Plan and Project Area for the City of Escondido consistent with the intent of the California Community Redevelopment Law and the goals and objectives of the City of Escondido.

On July 18, 1984 the City Council designated a survey area for redevelopment consideration pursuant to Section 33310 of the Health and Safety Code. The designation of the survey area was formalized by City Council Resolution No. 84-186 which defined the Escondido Redevelopment Survey Area as Survey Area #1 as shown in Map E.

On July 18, 1984 by Resolution No 84-185 the Escondido City Council created the Project Area Committee for the Escondido Redevelopment Project pursuant to Section 33385 of the California Health and Safety Code.

Adoption of Resolution No. 84-186 further authorized the City's staff, Project Area Committee, Planning Commission, and Redevelopment Agency to conduct the necessary public hearings, prepare the necessary reports, formulate a Preliminary and Final Plan, and complete the procedural steps necessary for the approval and adoption of a Redevelopment Plan and Project Area for the City of Escondido.

On August 15, 1984 the Planning Commission adopted Resolution No. 3918 approving the Preliminary Redevelopment Plan and legal description for the Escondido Redevelopment Project Area. Subsequently, the Escondido Redevelopment Agency adopted Resolution No. 84-10 on August 15, 1984 approving the Preliminary Plan and Project Area.

On October 23, 1984 the Planning Commission approved Resolutions No. 3949 and No. 3950 which: 1) recommended approval of the Redevelopment Plan and Project Area; 2) made certain findings with regard to General Plan conformity; 3) received and commented on the draft EIR; and 4) transmitted such documents to the Redevelopment Agency and City Council for consideration, approval, and adoption.

On October 25, 1984 the Project Area Committee approved a motion which: 1) recommended approval of the Redevelopment Plan and Project Area; 2) received and commented on the draft EIR; and 3) transmitted such documents to the Redevelopment Agency and City Council for consideration, approval, and adoption.

Pursuant to Section 33353, the County of San Diego called for the creation of a fiscal review committee in accordance with the prescribed time.

The Redevelopment Agency, staff, and consultant have subsequently met and consulted with the various taxing agencies as is required by Section 33328 of the Health and Safety Code.

The Project Area Committee scheduled three (3) community workshops for the purpose of providing the community with an opportunity to be apprised of the redevelopment program and to answer their questions. One (1) workshop was conducted on September 13, 1984. A second and third one are intended to be conducted on October 30, 1984, and December 1, 1984, respectively. Each workshop was proposed to be held on a different day of the week and at different times of the day so as to provide the greatest opportunity for citizens of the community to attend the workshops. In addition, notices were sent out to community groups and organizations, and notices were published in the local newspapers, advertising the workshops.

II

REASONS FOR SELECTION OF THE PROJECT AREA

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II
REASONS FOR SELECTION OF THE PROJECT AREA

California State law promulgates the use of redevelopment by local jurisdictions to reverse or alleviate the effects of existing and/or potential blight within a community. Various sections of the California Health and Safety Code set forth the parameters for determining blight and identifying a Project Area.

BLIGHT DEFINED

As defined by Sections 33031 and 33032 of the California Health and Safety Code, a blighted area is characterized by one or more of the following conditions:

Structural Blight

The existence of buildings and structures used, or intended to be used, for living, commercial, industrial, or other purposes, or any combination of such uses which are unfit or unsafe to occupy for such purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime because of any one or a combination of the following factors:

1. Defective design and character of physical construction;
2. Faulty interior arrangement and exterior spacing;
3. High density of population and overcrowding;
4. Inadequate provision for ventilation, light, sanitation, open spaces, and recreational facilities; and/or
5. Age, obsolescence, deterioration, dilapidation, mixed character, or shifting of uses.

Economic Blight

Properties which suffer economic dislocation, deterioration, or disuse because of one or more of the following factors:

1. An economic dislocation, deterioration or disuse resulting from faulty planning;
2. The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development;

3. The laying out of lots in disregard of the contours and other topography or physical characteristics of the ground and surrounding conditions;

4. The existence of inadequate public improvements, public facilities, open spaces, and utilities which cannot be remedied by private or governmental action without redevelopment;

5. A prevalence of depreciated values, impaired investments, and social and economic maladjustment; and/or

6. The existence of lots or other areas which are subject to being submerged by water provided that any ecologically valuable existing features in such areas shall, to the maximum extent feasible, be preserved.

Such conditions, one or more, must cause the following:

1. A reduction of, or lack of, proper utilization of the area;

2. To such an extent that it constitutes a serious physical, social, or economic burden on the community;

3. Which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.

INCLUSION OF NON-BLIGHTED PROPERTIES

Sections 33320.2 and 33321 of the Health and Safety Code provide for the inclusion of non-blighted properties in the Project Area. The rules for inclusion of non-blighted property are:

1. The conditions of blight which exist should predominate and injuriously affect the entire Project Area.

2. Non-blighted properties may be included if their inclusion is necessary for effective redevelopment; they shall not be included for purposes of tax increments without other substantial justification for their inclusion.

3. Noncontiguous areas should be either blighted or, if not blighted, necessary for effective redevelopment; an non-blighted, noncontiguous area is not deemed necessary for effective redevelopment if included for purposes of tax increments without other substantial justification for its inclusion.

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ROLE OF CITY COUNCIL

The City Council is required to make findings of blight and justification for inclusion of non-blighted properties in the ordinance adopting a Redevelopment Plan. The findings must be supported by substantial evidence in the record. A preponderance of the evidence is not necessary, but merely substantial enough for the City Council to make a good faith finding. If there is no legal challenge to the findings within 60 days after adoption of the ordinance, the existence of blight in the Project Area is conclusively presumed.

DECLARATION OF STATE POLICY

The State of California has established a policy with regard to blight and the use of redevelopment. For clarification, these sections of the Health and Safety Code are hereinafter identified:

Section 33035

It is further found and declared that:

1. The existence of blighted areas characterized by any or all of such conditions constitutes a serious and growing menace which is condemned as injurious and inimical to the public health, safety, and welfare of the people of the communities in which they exist and of the people of the State.

2. Such blighted areas present difficulties and handicaps which are beyond remedy and control solely by regulatory processes in the exercise of police power.

3. They contribute substantially and increasingly to the problem of, and necessitate excessive and disproportionate expenditures for, crime prevention, correction, prosecution and punishment, the treatment of juvenile delinquency, the preservation of the public health and safety, and the maintaining of adequate police, fire, and accident protection and other public services and facilities.

4. This menace is becoming increasingly direct and substantial in its significance and effect.

5. The benefits which will result from the remedying of such conditions and the redevelopment of blighted areas will accrue to all the inhabitants and property owners of the communities in which they exist.

Section 33036

It is further found and declared that:

1. Such conditions of blight tend to further obsolescence, deterioration, and disuse because of the lack of incentive to the individual landowner and his inability to improve, modernize, or rehabilitate his property while the condition of the neighboring properties remains unchanged.

2. As a consequence, the process of deterioration of a blighted area frequently cannot be halted or corrected except by redeveloping the entire area or substantial portions of it.

3. Such conditions of blight are chiefly found in areas subdivided into small parcels, held in divided and widely scattered ownerships, and frequently under defective titles. In many such instances the private assembly of the land in blighted areas for redevelopment is so difficult and costly that it is uneconomical and, as a practical matter, impossible for owners to undertake because of lack of the legal power and excessive costs.

4. The remedying of such conditions may require the public acquisition at fair market prices of adequate areas, the clearance of the areas through demolition of existing obsolete, inadequate, unsafe, and unsanitary buildings, and the redevelopment of the areas suffering from such conditions under proper supervision, with appropriate planning, and continuing land use and construction policies.

Section 33037

For these reasons it is declared to be the policy of the State:

1. To protect and promote the sound development and redevelopment of blighted areas and the general welfare of the inhabitants of the communities in which they exist by remedying such injurious conditions through the employment of all appropriate means.

2. That whenever the redevelopment of blighted areas cannot be accomplished by private enterprise acting alone, without public participation and assistance in the acquisition of land, in planning and in the financing of land assembly, in the work of clearance, and in the making of improvements necessary therefore, it is in the public interest to employ the power of eminent domain, to advance or expend public funds for these purposes, and to provide a means by which blighted areas may be redeveloped or rehabilitated.

3. That the redevelopment of blighted areas and the provisions for appropriate continuing land use and construction policies in them constitute public uses and purposes for which public money may be advanced or expended and private property acquired, and are governmental functions of State concern in the interest of health, safety, and welfare of the people of the State and of the communities in which the areas exist.

4. That the necessity in the public interest for the provisions of this part is declared to be a matter of legislative determination.

Section 33038

It is found and declared that blighted areas may include housing areas constructed as temporary government-owned wartime housing projects and that such areas may be characterized by one or more of the conditions enumerated in Sections 33031 to 33034, inclusive.

Section 33039

The Legislature of the State of California recognizes that the following factors are among the principal causes of slum and blighted residential areas:

1. Inadequate enforcement of health, building, and safety laws.

2. The fact that the limited financial resources of many human beings who inhabit them make only this type of housing available to such persons.

3. Racial discrimination against persons of certain groups in seeking housing.

4. The neglect of absentee landlords.

It is, therefore, declared to be the public policy of this State that, in order to cope with the problems of the rehabilitation of slum or blighted areas, these factors shall be taken into consideration in any rehabiliation or redevelopment program.

It is further declared to be the public policy of this State that such rehabilitation or redevelopment programs shall not be undertaken and operated in such a manner as to exchange new slums for old slums or as to congest individuals from one slum to another slum.

Section 33070

The Legislature finds and declares that decent housing and genuine employment opportunities for all the people of this State are vital to the State's future peace and prosperity for all of the following reasons:

1. Hazardous, congested, and unsanitary housing debilitates occupants' health to the point of impairing motivation and achievement.

2. Lack of employment opportunities creates despair and frustration which may precipitate violence.

3. Unfit housing and lack of employment opportunities depend on each other to perpetuate a system of dependency and hopelessness which drains the State of its valuable financial and human resources.

Section 33071

The Legislature further finds and declares that a fundamental purpose of redevelopment is to expand the supply of low- and moderate-income housing, to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic, and psychological growth and well-being of all citizens.

Section 33250

The Legislature hereby finds and declares that in areas of this State there exist residential, nonresidential, commercial, industrial, or vacant areas, and combinations thereof, which are slum or blighted or which are becoming slum or blighted areas because of substandard, unsanitary, deteriorated, or deteriorating conditions including obsolete and dilapidated buildings and structures, defective construction, outmoded design, lack of proper sanitary facilities, inadequate fire or safety protection, excessive population density, illegal uses and conversions, inadequate maintenance, obsolete systems of utilities, poorly or improperly designed street patterns and intersections, inadequate access to areas, or unsuitable topography, sub-soil, or other physical conditions, all of which hamper or impede proper and economic development of such areas and which impair or arrest the sound growth of the area, community or municipality, and the State as a whole.

The Legislature further finds and declares that there is a serious need throughout the State for adequate educational, recreational, cultural, and other community facilities, the lack of which threatens and adversely affects the health, safety, morals, and welfare of the people of this State.

It further finds and declares that a seriously inadequate supply of safe and sanitary dwelling accommodations for persons and families of low-income continues to exist throughout the State. This condition is contrary to the public interest and threatens the health, safety, welfare, comfort, and security of the people of this State. The ordinary operations of private enterprise cannot provide an adequate supply of safe and sanitary dwelling accommodations at prices or rentals which persons and families of low-income can afford.

Section 33351

It is hereby declared to be the policy of this State to promote the sound growth and development of urban areas and new communities through the correction of substandard, unsanitary, blighted, deteriorating conditions, by the clearance, replanning, reconstruction, redevelopment, rehabilitation, restoration, conservation, or proper planning of such areas and of areas reasonably accessible thereto and by the undertaking of public and private improvement programs relating thereto.

ESCONDIDO PROJECT AREA BLIGHT

Various degrees of blighting conditions do exist within the Project Area and are documented in the Redevelopment Plan.

A'though not all properties, parcels, or areas of the Project Area exhibit conditions of blight, they are all an integral part of the overall program to alleviate and/or mitigate existing and/or potential physical, social, and economic detrimental conditions in the community, in general, and the Project Area, in particular.

The blight conditions include, but are not limited to:

1. Inadequate street system to serve potential parking, circulation, and loading demand of the Central Business District and the Civic Center/Cultural Facility;

2. Inadequate street lighting, lack of curbs and gutters, and poor public improvements and facilities.

3. The need for additional public and private utilities in order to accommodate the development of properties within the Project Area boundaries, including the need for additional storm drain facilities.

4. The lack of proper utilization of many properties within the Project Area boundaries resulting in development constraints on a number of these properties, thus producing a stagnate and unproductive condition of land which is otherwise potentially useful and valuable.

5. The unimproved, defective, and/or inadequate construction of street improvements and public/private utilities within the Project Area which has resulted from the uncoordinated development pattern of certain of the properties within the Project Area.

6. The lack of adequate public facilities, including open space and other places of recreational and cultural activity which are necessary to serve the property within the Project Area boundaries.

7. The lack of development or redevelopment within the Project Area which has resulted because of the inadequacy of the required public facilities and services necessary to accommodate the redevelopment of the area in cooperation with the private sector.

8. The presence of vacant and viable residential, industrial and commercial property whose development has been impeded due to an infrastructure community system which is not fully designed and developed to a standard acceptable for development.

9. A street pattern which is inadequate to provide for safe and efficient vehicular, pedestrian, and bicycle circulation, including the lack or unacceptability of street bridges.

10. The inadequate and/or inefficient use of flood control canals and public utility easements which traverse the Project Area boundaries and which increasingly become physical barriers and barren parcels of property which physically blight the immediately adjacent properties and the remainder of the properties within the Project Area.

11. Inadequate planning of the freeways and major highways which traverse the Project Area with the corresponding failure to provide for the physical and social needs of those persons and properties which are adjacent to, and in close proximity with, the freeways and major highways. In this regard, it is obvious that the noise, debris, and other pollutants which are generated by the freeways and major highways are blighting conditions which negatively impact the property within the Project Area. Provision must be made to minimize or eliminate those conditions and to insure compatibility between the properties adjacent to, and in close proximity with, the freeways and major highways.

12. The inability of the City and/or County to wholly finance and construct a regional governmental and cultural center for the North San Diego County area. Without such a facility, the governmental, cultural, and social needs of the City of Escondido and the North County area will not be met, and the Central Business District of the City will decline due to the outflow of commercial activity.

13. The existence of vacant retail structures (i.e. automobile dealership and general retail merchandise) due to a relocation trend that has resulted from the need to have larger, more modern and/or accessible facilities.

The Escondido Redevelopment Agency intends to determine that the Escondido Redevelopment Project Area is characterized by the conditions of blight which have been set forth above which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone. These conditions represent physical, social, and economic liabilities which require a Redevelopment Plan in order to properly provide for the development, redevelopment, and rehabilitation of these properties in a manner which is consistent with, and in the interest of, the health, safety, and general welfare of the people and property owners within the Project Area in particular, and the community in general. It is, therefore, the intent of the redevelopment program to remedy and/or mitigate the conditions of blight through the planning, replanning, design, redesign, clearance, construction, reconstruction, or rehabilitation, or any combination of these, of the properties which are hereinafter described and the providing of residential, commercial, industrial, public, or other structures and/or developments as may be deemed appropriate and/or necessary in the interests of the general welfare.

NOTE: The conditions of blight hereinabove set forth are more fully described in Section III of this Report.

REDEVELOPMENT PLAN INTENT

The Escondido Redevelopment Agency proposes to use the process of redevelopment to eliminate and mitigate the many aspects of existing and anticipated visual, economic, physical, social, and environmental blight within the City and the Project Area. To this end, it is the intent of the Redevelopment Agency and the Redevelopment Plan to implement programs, projects, and activities which are consistent with the State's declaration of policy and legislative intent. Therefore, within the broad goals, and as an indicator in the evaluation and determination of project priorities, the following specific redevelopment objectives are established by the Agency:

1. The elimination of existing blighted conditions, be they properties or structures, and the prevention of recurring blight in and about the Project Area.

2. The development of property within a coordinated land use pattern of residential, commercial, industrial, recreational, and public facilities in the Project Area consistent with the goals, policies, objectives, standards, guidelines, and requirements as set forth in the City's adopted General Plan and Zoning Ordinance.

3. The development of public services and facilities including, but not limited to, recreational, maintenance, and operational services and facilities as are necessary and required for the development of the Project Area.

4. The elimination of environmental deficiencies including inadequate street improvements, inadequate utility systems, and inadequate public services; and mitigation of freeway or highway impacts, including its circulation, movement and its potential social, physical, and environmental characteristics of blight.

5. The development of a more efficient and effective circulation corridor system free from hazardous vehicular, pedestrian, and bicycle interfaces and designed to their ultimate circulation flow.

6. The implementation of techniques to mitigate blight characteristics resulting from exposure to freeway, highway, and public right-of-way corridor activity and affecting adjacent properties within the Project Area.

7. Beautification activities to eliminate all forms of blight including, but not limited to, visual blight, in order to encourage community identity.

8. The encouragement, promotion, and assistance in the development and expansion of local commerce and needed commercial and industrial facilities, increasing local employment prosperity, and improving the economic climate within the Project Area, and the various other isolated vacant and/or under-developed properties within the Project Area.

9. The acquisition, assemblage, and/or disposition of sites of usable and marketable sizes and shapes for commercial, industrial, recreational, and public facilities, parking, streets, utilities, and civic or cultural projects within the Project Area.

10. The creation of a more cohesive and unified community by strengthening the physical, social, and economic ties between residential, commerical, industrial, and recreational land uses within and about the Project Area.

11. The acquisition and disposition of property for the purpose of providing relocation housing, as may be required, to implement the objectives of this P'an.

12. To provide for very low-, low- and moderate-income housing availability as required by County, Region, or State law and requirements, as necessary and desirable, consistent with the goals and objectives of the community.

13. To encourage the coordination, cooperation, and assistance of other local agencies, as may be deemed necessary, to ensure that projects undertaken by this Agency are implemented to their fullest and practical extent.

14. The achievement of a physical environment reflecting a high level of concern of architectural and urban design principles deemed important by the community.

15. To encourage community involvement and citizen participation in the adoption of policies, programs, and projects so as to ensure that the Redevelopment Plan is implemented in accordance with the objectives and goals of the General Plan.

16. To provide a procedural and financial mechanism by which the Agency can assist, complement, and coordinate public and private development, redevelopment, revitalization, and enhancement of the community.

17. To assist and supplement the financing and construction of the Escondido Civic Center and Cultural facilities, and to enhance the economic climate of the City's Central Business District.

The Final Redevelopment Plan has been prepared by the Escondido Redevelopment Agency in order to promote development that is viable, both physically and economically, within the designated Project Area boundaries. The primary reason leading to the preparation of the Final Redevelopment Plan for the Escondido Project Area is the need to correct problems within the Project Area boundaries including problems relative to circulation, land use compatibility, structural dilapidation and deterioration, inadequate community infrastructure and Civic Center/Cultural facilities, and to assist the private sector in providing the type of development which will maximize the development of property within the Project Area boundaries and prevent the recurrence of the blight conditions.

III

DESCRIPTION OF THE PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS EXISTING IN THE PROJECT AREA

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DESCRIPTION OF THE PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS EXISTING IN THE PROJECT AREA

In order to document the physical, social, economic, and blight conditions which exist in the community, two (2) separate evaluations have been prepared with each evaluation more specific than the other. These include:

1. A general evaluation of blight characteristics overall and within specific blight identification areas as contained in this Chapter.

2. A comparison of the legal definition of blight to the specific blight matrix areas as contained in the Appendices of the Redevelopment Plan.

Related to the evaluation in this Chapter, blight characteristics will be discussed from a general project-wide perspective followed by a directed summary and highlight of specific conditions characterizing predominant portions of each of the five (5) blight characteristic areas illustrated in the Appendices of the Redevelopment Plan and on Figure 1.

Evaluation of blight conditions follow a reasonable four-step analysis consistent with the provisions of Section 33032 of the California Health and Safety Code as follows:

1. The existence of a condition in this section, causing properties to suffer economic:

    a. Dislocation;

    b. Deterioration; and

    c. Disuse.

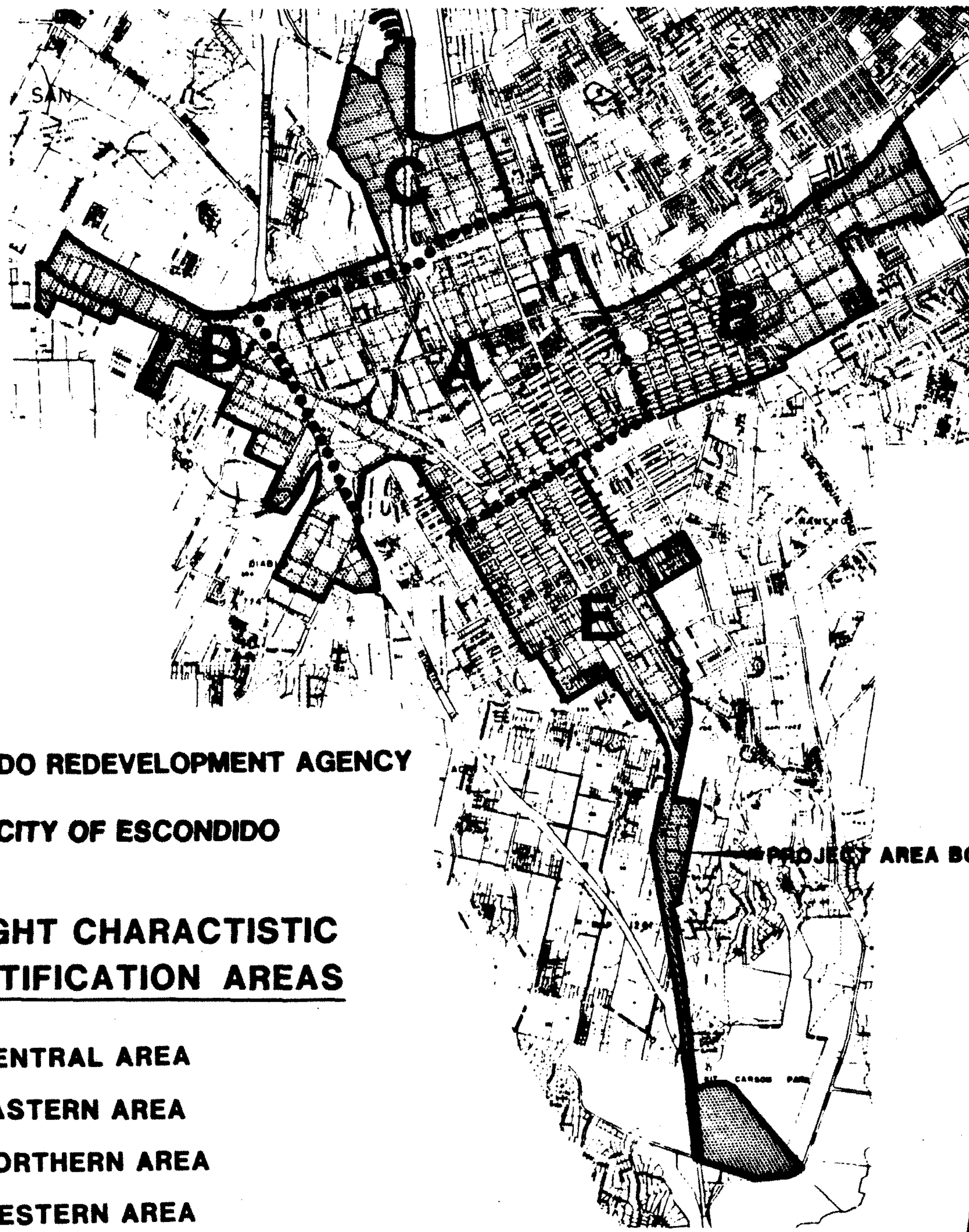
2. Thus causing a reduction of, or lack of, proper utilization of the area;

3. To such an extent that it constitutes a serious physical, social, or economic burden on the community; and

4. Which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.

There are no barriers to the adverse impact and the negative influencing characteristics which blight has on properties and structures within and outside the P*oject Area as well as the social and economic character of the community. Although one particular blight characteristic may not exist predominantly throughout every section of the Project Area, a multiplicity of conditions does exist in all sections causing a blighted impact on the entire area. Moreover

ESCONDIDO REDEVELOPMENT PROJECT AREA



ESCONDIDO REDEVELOPMENT AGENCY

CITY OF ESCONDIDO

BLIGHT CHARACTISTIC IDENTIFICATION AREAS

A - CENTRAL AREA

B - EASTERN AREA

C - NORTHERN AREA

D - WESTERN AREA

E - SOUTHERN AREA

CSA

FIGURE 1

all sections of the Project Area are interrelated by means of functional planning and blighted conditions. That is, the entire area maintains a strong interrelationship via interconnecting roadways, related commercial, industrial and residential activity centers, economic interdependency of income producing sectors, locational arrangement of land uses and historical growth and business activities of the region. Therefore, to adequately discuss the physical, social, and economic conditions existing in the Project Area it is also appropriate to evaluate certain conditions in context within the entire community, while the evaluation of other conditions may be directed within the Project Area alone.

EXISTING PHYSICAL CONDITIONS

Project Location

The boundary of the Escondido Redevelopment Project Area is set forth in the Redevelopment Plan and is contiguous. The Project Area is located within the established boundaries of the City of Escondido, and is illustrated in the Draft Redevelopment Plan.

The City of Escondido is located in San Diego County approximately thirty (30) miles north of downtown San Diego, and twenty (20) miles inland from the City of Oceanside. Over the past fourteen (14) years the City's population has more than doubled from a total of 36,792 in 1970 to 74,248 in 1984.

The proposed Project Area encompasses about 3,161 acres, or 4.94 square miles of the City limits, and includes the traditional Central Business District and land areas extending out from the central core along major arterial roadways in a radial fashion. Of the total Project Area acreage, 2,004 acres are private property and do not exist in the street rights-of-way.

In 1980, the Project Area had a population of 15,182, as determined from census data, and a total number of dwelling units of 6,636 with an average houshold size of 2.3 persons. Over thirty-six percent (36%) of the total Project Area is made up of street rights-of-way and freeway easements, while the City General Plan has designated twenty percent (20%) of the area for residential uses, twenty-seven percent (27%) for commercial activities, and fifteen percent (15%) for industrial operations.

<u>The Project Area is specifically and intentionally consistent in the strictist sense to the General Plan Land Use designations of the City of Escondido.</u>

The Project Area is primarily located within an eighteen (18) square mile drainage basin of Escondido Creek. At one time Escondido Creek was a natural watercourse bisecting the valley floor which now makes up the central area of Escondido and the Project Area. The creek was subject to varying water levels and flooding due to seasonal rains of the Southern California climate. Presently Escondido Creek is a fully improved rectangular concrete channel designed with adequate capacity to contain runoff for a 100-year storm.

Major circulation corridors establishing the primary roadways within the Project Area include Interstate Highway 15 or the Escondido Freeway which bisects the City from north to south and forms a portion of the western boundary of the Project Area itself; State Highway 78 which essentially bisects the City and Project Area from west to east, but is reduced to a major roadway as it travels eastward towards the eastern City limits; County Highway 14 or Mission Avenue which bisects the Project Area from east to west and functions as a major roadway through town; County Highway 6 or Valley Parkway which is located within the core of the City and Project Area and serves as a primary east-west connection from the central City to the outlying community; Centre City Parkway or Old Highway 395 which is also located within the core of the City and Project Area and serves as the primary north-south arterial from the central City to the outlying community.

CITY CHARACTERISTICS

The City of Escondido was incorporated in 1888 and began as an isolated center for railroad transport of agricultural products to more populated areas. The City has developed a diversified, self-sufficient economy over the years as a result of its historical isolation in the North County. Since 1970 the population has nearly doubled. The average annual growth rate is 5.38% over the last fourteen (14) years, but has varied on an annual basis as shown in Table 1. Within the Project Area there exists an estimated population of 15,182 or 23.7% of the 1980 City population total of 63,950.

The median age of the City's residents is approximately 30.8 years. The population of the City is composed of nearly equal numbers of male and female residents with a relatively large senior citizen population and youth population, as shown in Table 2.

Approximately 90% of the population in the City is composed of white individuals with a relatively small minority population. Table 3 indicates the City's ethnic breakdown.

TABLE 1

CITY OF ESCONDIDO
POPULATION GROWTH

YEAR	POPULATION	ANNUAL GROWTH RATE
1970	36,792	-
1971	39,700	7.90%
1972	41,800	5.29%
1973	44,550	6.58%
1974	46,400	4.15%
1975	48,050	6.34%
1976	51,300	6.76%
1977	53,800	4.87%
1978	57,100	6.41%
1979	60,000	5.08%
1980	63,950	6.58%
1981	66,330	3.72%
1982	68,710	3.59%
1983	72,741	5.14%
1984	74,248	2.82%
OVERALL AVERAGE ANNUAL FOR 14 YEAR PERIOD:	2,677/year	5.38%/year

SOURCE: 1970 and 1980 U. S. Census, State Department of Finance

TABLE 2

CITY OF ESCONDIDO 1980
COMPARISON OF AGE AND SEX

Age Years	Males No.	Males %	Females No.	Females %	Total No.	Total %
0-4	2,513	8.1%	2,400	7.2%	4,913	7.6%
5-9	2,228	7.2%	2,121	6.3%	4,349	6.8%
10-14	2,280	7.4%	2,149	6.4%	4,429	6.9%
15-19	2,672	8.7%	2,743	8.2%	5,415	8.4%
20-24	3,273	10.6%	3,178	9.5%	6,451	10.0%
25-34	5,388	17.5%	5,236	15.6%	10,624	16.5%
35-44	3,122	10.1%	3,274	9.8%	6,396	9.9%
45-54	2,572	8.3%	2,885	8.6%	5,457	8.5%
55-64	2,593	8.4%	3,257	9.4%	5,850	9.1%
65-74	2,476	8.0%	3,420	10.2%	5,896	9.2%
75+	1,734	5.6%	2,841	8.5%	4,575	7.1%
TOTAL	30,851	100.0%	33,504	100.0%	64,355	100.0%

SOURCE: 1980 U. S. Census

TABLE 3

CITY OF ESCONDIDO
ETHNIC DISTRIBUTION

Race/ Ethnicity	Persons No.	Persons %
White	57,721	90.3%
Black	276	0.4%
American Indian, Eskimo and Aleutian	712	1.1%
Asian and Pacific Island	1,165	1.8%
Other	4,076	6.4%
TOTAL	63,950	100.0%
Spanish Origin*	9,378	14.7%

*Spanish/Hispanic Origin is an ethnic, rather than a racial, category: thus persons of Spanish/Hispanic origin are counted separately in the "Spanish/Hispanic Origin" category regardless of race.

SOURCE: 1980 U.S. Census

LAND USE AND ACREAGE

The Escondido Project Area primarily entails the older established and central core areas of the City most affected by historical growth. Consistant with its central location the Project Area is over 90% developed and has a greater potential for the recycling of underdeveloped and underutilized properties.

The City's adopted General Plan provides for fourteen (14) land use types, including six (6) different residential densities. Consistent with the present General Plan land use designations is the zoning of the community. The Zoning Map and Ordinance was adopted in increments between July, 1965 and September, 1969. It provides a comprehensive series of zoning designations, development requirements, and land use standards. Table 4 illustrates the various General Plan and Zoning Designations presently existing throughout the City of Escondido. More specific to the Project Area, the General Plan designates eight (8) types of land use activities as shown in Table 5

The land use and development patterns occuring historically in the Project Area are in a general sense consistent with the present General Plan designation. However, many of the existing land use patterns were created on a piecemeal basis during the 40's, 50's, and 60's, prior to the adoption of a formal master plan of development. The result has been a disjointed pattern of commercial, industrial, and residential development in many parts of the Project Area characterized by an overmixing of incompatible uses, poor site design and underutilization of properties.

Central Area - A

Within the central Project Area a number of land use conditions exist to create a blighted environment. Overmixing of incompatible land uses in the most predominant condition. Examples can be found along Kalmia Street where there exist mixed office/residential uses without proper separation of activities and related parking. Along 4th and 5th Streets between Maple Street and Centre City Parkway several properties contain both single-family and retail commercial areas or single family residences sandwiched between retail developments. Within the area bounded by 5th Street, Tulip Street, Valley Parkway and Centre City Parkway the entire land use pattern is inconsistent and disrupted with commercial, industrial and residential areas intermixed on the same parcel or within the same block. This problem is aggravated by the high degree of deterioration and dilapidation existing among all three land use categories. Between Interstate-15, Highway 78, Rock Springs Road, and the flood control channels, there primarily exists overcrowded and deteriorated residential conditions within industrial areas, having unscreened salvage and storage yards, and marginal operations, resulting in an inconsistent and incompatible pattern of land use.

TABLE 4

GENERAL PLAN AND ZONING DESIGNATIONS OF THE CITY OF ESCONDIDO

GENERAL PLAN DESIGNATIONS	ZONING ORDINANCE DESIGNATIONS
Residential Designations Agricultural Residential, 1-2 DU/ten (10) acres Rural Residential, up to 1 DU/acre Low Low Density, up to 2 DU/acre Low Density, up to 7 DU/acre Medium Density, up to 15 DU/acre Medium High Density, up to 22 DU/acre	**Residential Zones** Residential Agricultural (R-A) Zone Residential Estates (R-E) Zone Single Family Residential (R-1) Zone Mobile Home Residential (R-T) Zone Light Multiple Residential (R-2) Zone Medium Multiple Residential (R-3) Zone Heavy Multiple Residential (R-4) Zone Hospital Professional (H-P) Zone
Commercial Designations General Commercial Highway (tourist) Oriented Professional	**Commercial and Other Zones** General Commercial (C-G) Zone Central Business District (CBD) Zone Planned Development (P-D) Zone Professional Commercial (C-P) Zone Tourist Commercial (C-T) Zone Heliport Overlay Zone (H-O) Neighborhood Commercial (C-N) Zone
Industrial Designations Manufacturing Warehousing and Distribution	**Industrial Zones** Light Industrial (M-1) Zone General Industrial (M-2) Zone Industrial Park (I-P) Zone Industrial Park Overlay (I-P-O) Zone Hazardous Chemical Overlay (H-C-O) Zone Sewage Treatment Plant (S-T-P) Zone
Open Space Desginations Undeveloped Rangeland Slopes over thirty percent (30%) Water areas	**Open Space Zones** Open Space (OS) Zone Flood Plain (FP) Overlay Zone

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TABLE 5

CITY OF ESCONDIDO
GENERAL PLAN DESIGNATIONS OF THE PROJECT AREA

Assessed Property	Acreage(+)
Residential:	
Low Density (up to 7 DU/net acre)	126
Medium Density (up to 15 DU/net acre)	286
High Density (up to 30 DU/net acre)	242
Commercial:	
General Commercial	628
Central Business District	92
Highway (tourist) oriented	74
Professional	85
Industrial:	
Manufacturing, warehousing and distribution	471
SUB-TOTAL	2,004
Non-Assessed Property	
Public Space:	
Parks	23
Rights-of-way	1,134
SUB-TOTAL	1,157
TOTAL	3,161

SOURCE: City of Escondido; June 1983

Moreover, several underutilized and landlocked parcels exist in the central area primarily in the older strip commercial and industrial centers. The conditions are essentially characterized by development extending back only half the length of relatively narrow-deep-lots creating interior block voids of highly unaccessible property in central business locations. This represents a highly inefficient use of land, and increasing liability caused by deteriorating vacant parcels.

Eastern Area - B

Between Hickory Street and Midway Drive anincompatible mix of commercial and residential land uses predominates all of the cul-de-sac's between Valley Parkway and the flood control channel. There is a multitude of examples in this commercial strip including cohabitation of existing structures, joint use of common property, and a patchwork pattern of commercial and residential developments. For instance, along Harding Street adjacent single-family properties are bisected and encircled by primary access easements to a retail distribution and warehouse company.

To the south of Valley Parkway between Hickory Street and Date Street strip commercial structures rearup to Pennsylvania Street, fronting office and residential developments without the benefit of trash area screening or treatment of building facades and parking facilities. This is a blight condition diminishing the valuation of nearby developed medical offices and discouraging homeowner incentives to make improvements. This condition extends eastward along Pennsylvania Street to Ash Street. Within this general area and further to the south numerous structures have been partially converted to contain both residential and commercial activities. Much of the area between Valley Parkway and Grand Avenue and extending east of Palomar Hospital exhibits an inconsistent patchwork pattern of offices and residential developments resulting from more recent surges in medical office demands. Consequently, many residential structures have deteriorated due to forgone maintenance in anticipation of potential windfalls resulting from possible land sales for higher intensity office developments.

Beyond compatibility problems, inefficient site design and use of land has created parking and circulation problems in many commercial, office and even multi-family residential developments. Again this problem is most concentrated in the Valley Parkway Commercial corridor, in older multi-family complexes adjoining commercial activities, and in reconverted residential office buildings in the vicinity of the Hospital. This condition is typified by much older strip commercial developments having inadequate on-site parking improvements and converted residential properties lacking sufficient site area to accommodate office related parking. This land use condition has lead to traffic and parking congestion and spillovers onto adjoining developments and public streets.

Underutilization of properties has led to several blighted conditions in commercial areas along Valley Parkway. For instance, several half vacant and postage stamp parcels exist which function only as a dumping ground for trash discards, dirt, rubble, and abandoned vehicles. Several undeveloped postage stamp parcels either remain vacant and deteriorating or serve to break up the continuity of older strip commercial centers such as Valley Plaza Center.

Northern Area - C

The primary blighted, land use conditions are related to the underutilization, incompatibility and illegal occupancy of residential properties. Along Broadway and Escondido boulevard north of Lincoln Avenue a predominate number of large lots exist interdispersed among higher density residential complexes. Such larger lots are primarily developed with deteriorating single-family structures and have abandoned and dilapidated poultry and bovine animal pens. These underutilized parcels are immediately adjacent to higher-density multi-family complexes developed on narrow deep-lot parcels by comparison. Although the General Plan designation permits up to fifteen (15) dwelling units per acre, several larger and wider parcels remain vacant and deteriorating or contain marginal uses involving livestock activities incompatible with multi-family residential developments of the local area.

Along Lincoln Avenue a significant number of properties exist with small and deteriorated residential structures typifying construction design of the early and mid 30's. Within these residential properties, as well as neighboring commercial parcels, the use of make shift living quarters involving axled mobile trailers is highly evident adjacent to or in close proximity to primary structures. The inordinatley high number of operable vehicles observed parked on such premises is a factor related to overcrowded living conditions which may include two or more family units.

Western Area - D

In this area, an incompatible mix of industrial and older residential structures can be found along Hale Avenue and north of the Auto Center. In this section of the industrial area small single family parcels abut and are encircled by manufacturing plants and unscreened contractor storage and salvage yards. In essence, residential living environments have become impacted by industrial operations due to inadequate separation of conflicting uses and improper screening.

In addition, the improper use of land is evident along major sections of Mission Road, including makeshift recycling and distribution operations occurring on unimproved property at the corner of Sante Fe Avenue. Lastly, there exist parking and circulation problems caused by poor site design along Enterprise Street and Simpson Way. Along Enterprise large metal structures extending almost the full width of the lot prevent a sufficient number of parking spaces to accommodate parking demands of manufacturing employees. Along Simpson Way and Hale Avenue older deteriorating industrial sites have not been designed with sufficient parking area to accommodate conventional parking demands of manufacturing uses. Consequently, in these cases, double parking, tandem parking, and parking within driving lane areas is commonplace causing undue burdens and restrictions to on-site circulation and public traffic flow.

Southern Area - E

Incompatible mix of residential, commercial, and industrial land uses is the most prevelant blighted condition relating to land use in the southern section. Through the entire section between Tulip Street, Center City Parkway, 5th Street and 10th Street there is a prevalence of marginal and deteriorating industrial uses anchoring block areas developed with lower quality residential housing. In many cases industrial operations continue concurrently with residential living on the same parcel or abut residential developments without benefit of proper spacing or screening. The majority of these industrial uses involve automotive machine work and repair shops, product manufacturing or outdoor storage. On this same area along 9th Street, numerous marginal commercial businesses, such as a thrift shop are interdispersed with older homes of low quality and suffering from severe maintenance neglect.

Across Centre City Parkway and eastward to Maple Street the same incompatible land use conditions exist to a similar degree they predominate the western side of the parkway. The primary blight characteristics is intermixed commercial and residential uses along Escondido Boulevard and 9th Street. This same condition continues all along Escondido Boulevard characterized by deteriorated apartment-motels, marginal businesses, auto repair, sales and rentals adjacent to residential structures, and partially converted residences for retail activities.

Related to the disjointed retail environment that exists throughout the southern area is a general lack of efficient site design reflecting obsolete design standards, and poorly designed conversions of undersized residential lots. The result has been a substandard land use development environment in these commercial areas which has created on-site circulation and parking deficiencies, improper siting of structures, disharmonious appearance of retail activities and added congestion to the existing street system.

In overview, a predominant portion of the Project Area businesses and residents are impacted by disjointed land use patterns. This blighted condition primarily entails an overconcentration and overmixing of incompatible land use activities without proper design mitigation or physical separation. The disharmonious, underutilized and deteriorated character in these sections of the Project Area are factors festering continued property and structural maintenance neglect resulting in a deteriorated and blighted visual and business environment. In addition, improper and obsolete developments on properties for commercial and industrial activities has created negative side affects impacting circulation and parking congestion, as well as, the visual and functional design of those repective centers.

BUILDINGS AND STRUCTURES

1. Residential Deterioration and Dilapidated Conditions

The overall Project Area housing condition is suffering from maintenance neglect and, generally, is in declining condition. There exist numerous pockets of deterioration with both good units and bad units sharing the same street frontage.

The term "deterioration" and "dilapidation" are accurately descriptive words used to evaluate blighted conditions. Since they differ in severity, definitions are provided here in order to convey the methodology behind describing what was observed in the Project Area during the windshield survey. Deterioration is referred to as "the marked diminishing, or general worsening, of the physical condition of structures or buildings". Dilapidation is defined as "the deterioration of structures or buildings to the point of being unsafe or unfit for human habitation or use". For the purposes of this report, deterioration is translated into observable and severe maintenance neglect for any improved land structure, and more specifically can be signified by the lack of paint, light roof or siding repair, removal of debris, marginal landscaping, esxistence of fissures in drive and patio concrete, broken window frames or cracks in plaster. Dilapidation follows late and advanced stages of deterioration where structural damage would be inclusive of sagging roofline, settled and cracked foundation, askewd walls, or a broken and cracked roof exposing structural stacking, etc.

The age of the housing units of a community is an important factor to consider in determining the needs for housing since many programs, such as rehabilitation programs, are aimed primarily at improving the housing stock of the community and, hopefully, living conditions. Older homes that are small frequently do not meet modern building codes and are beginning to deteriorate. Deterioration is not a steady process; the pace of deterioration quickens as each year adds to the age of an unmaintained unit. Ultimately, they are often rented for whatever the marketplace will bear while the absentee landlord allows continued deterioration or simple foregoes scheduled maintenance.

The tenants of these lower-rent units cannot afford to properly maintain the structures, and they eventually fall into a more serios state of dilapidation, possibly beyond repair. In many cases the occupants of older homes may be handicapped, retired, or elderly residents living on fixed incomes, unemployed, or low-income families who are unable to properly maintain their homes. Whatever the reasons, failure to maintain property, especially older homes, leads to neighborhood blight and overall deterioration in many portions of the Project Area.

A mobile home community existing in the central portion of the Project Area, characterized by an obsolete design for land use is exhibiting signs of deterioration. Throughout the Project Area, particularly the northern and southern areas, there exist illegally placed mobile homes on single family lots.

Residential field surveys and visual analysis indicate a substantial amount of deteriorated and dilapidated properties and structures, as well as overcrowding throughout the Project Area.

Concentrated areas of blight sometimes occur throughout the Project Area in what are otherwise fairly well-maintained neighborhoods. The arrest and containment of these cancerous areas is crucial to maintaining overall image and quality of housing.

It is important to note that the foregoing information, while inclusive of all dwelling units, was obtained through a "windshield" survey of the exterior appearance of the structures. The survey did not take into consideration interior deficiencies such as lack of running water, hazardous electrical systems, rotted floors and support structures, or insect and vermin infestation.

Central Area "A"

The central portion of the Project Area is composed of residential, commercial, and industrial structures on corresponding land parcels. The way in which the land uses are situated and have developed relative to one another is, in most cases an incompatible mixture accentuated by a lack of clear boundaries and overlapping land use.

Certain blighted conditions described herein are characteristic of residential structures throughout the central area, albeit prelevant in varying degrees. Generally, the public land use serving housing, retail, and industrial structures in the central area is poorly developed, lacking necessary and adequate public improvements in terms of parkway, curb, drainage, and street dedication.

Residential structures are predominantly deteriorating and showing signs of severe maintenance neglect. The area contained between 4th Street and 5th Street, and between Maple Avenue and Centre City Parkway exhibits an extensive condition of dilapidation in which structurally unsafe houses are currently inhabited. This area is characterized by completely unimproved public rights-of-way without sufficient street lighting.

Residential overcrowding exists at the Washington Street/Canal Street intersection where living conditions are unhealthy and unsafe given the proximity of industrial uses and exposed debris and salvage yards. The area along Tulip Avenue, north of Valley Parkway contains residential overcrowding in severely dilapidated structures with scattered cases of residential abandonment.

Eastern Area - B

The eastern portion of the Project Area, primarily north of Valley Parkway, between Rose Street and Ash Street, is comprised of residential land uses and structures mixed incongruently with commercial buildings along Beech, Cedar, Date, Elm, and Fig Streets. At the intersection of Cedar Street and Valley Parkway are mixed-use buildings where 2nd-story apartments are vacant and "for rent" and inadequate parking facilities exist. At Fig Street and Valley Parkway, an apartment building influenced by property neglect is deteriorating. Extreme dilapidation of residential structures characterized by abandoned, severely destroyed by fire, and scattered debris can be found along Valley Parkway between Fig Street and Hickory Street. These houses are structurally unsoud and unsafe for habitation. The lots on which they are situated contain illegal dumping and excessive accumulation of debris.

Along Pennsylvania Avenue, between Grape and Date Streets, residential and office structures are fronted by the rear entrance and backside of retail commercial enterprises whose trash and waste storage is exposed. The effect of this occurrence is certainly a negative impact on, and blighting of, the newly constructed offices and homes.

Northern Area - C

The northern portion of the Project Area evidences poor residential conditions. Severe deterioration, as a result of property neglect, is predominant. The dynamics of blighting are witnessed by newly constructed multi-family buildings already exhibiting signs of maintenance neglect and the negative effect of surrounding deteriorated properties. The dilapidated single-family structures present a picture that grows worse until west of Escondido Boulevard, along Lincoln Avenue, non-conforming structures (illegal co-occupancy by trailers/mobile homes) are located in an area that is generally abandoned and severely damaged requiring major repair.

Western Area - D

Within the western portion of the Project Area, residential structures are surrounded inharmoniously by industrial uses, creating extremely poor housing conditions.

Southern Area - E

The southern most section of the Project Area is primarily characterized by poorly maintained, neglected residential structures that are in later stages of deterioration. Pervasive occurrences of superficial, cosmetic deterioration leads to an extremely unattractive appearance in the area. From Redwood Street to Spruce Street, along 9th Avenue, dilapidated, abandoned housing exists and is characterized by sagging roof lines; out-of-square, skewed walls; and damaged foundations. Possible illegal occupancy by mobile homes stationed adjoining permanent residential structures on shared lot detracts from quality of living, while increasing the already high degree of overcrowding in this neighborhood. Situated on residential land parcels is an overcrowding of abandoned and inoperable automobiles.

Along 9th Avenue, between Quince Street and Redwood Street, cohabitation of residential and commercial use detracts from quality of residential area and the viability of commercial operations.

Along Escondido Boulevard, just south of Felicita Streeet, several instances of structural conversions from residential to commercial use exemplify the complete lack of guided growth and land mis-use rampant throughout the area.

More visually poignant is the intensive agricultural land uses adjacent to residential structures, near 15th Avenue and Centre City Parkway. Haphazard placement of mobile homes north and south of 15th Avenue contributes to the completely disorganized, unkept, and uncared for appearance of the vicinity.

Severely deteriorated residential structures, sporadic mobile home placlement throughout the area south of 15th Avenue accented by exposed industrial opertions in the southern portion of the Project Area sustains the development of blighted conditions and lack of guided growth which private investment has no incentive to remedy alone.

A majority of the commercial structures located along Grand Avenue, Valley Parkway, and Escondido Boulevard were built in the late 1920's, 1930's, and 1940's. The commercial strips and small retail centers along the historical main streets remain today and exhibit obsolescence in structural use and design and display commercial owner's lack of improvement incentives. These older designs did not foresee the future impact that the automobile would place on the longevity and adaptability of the structure. In particular, the common wall construction of small lots reduced expansion possibilities and eliminated the possibility of providing parking for the increased automobile-oriented society.

New construction catered more to the needs of the automobile and were located in larger sites outside of the confines of the older downtown commercial areas. Small commercial infill construction took place in the early 1950's when construction methods were as varied as the styles.

Small motels, motor courts, and trailer parks still exist along the north end of Escondido Boulevard. These older facilities were not originally designed for permanent occupancy and some of the structures are now reflective of overcrowed and substandard conditions. In some cases, the small space left on some single-family land parcels is occupied by illegally situated mobile homes. Typically, these occurences may be seasonal and corresponding with the summer months when households take in visiting family members, however, a variety of conditions suggest more permanent living arrangements.

2. Commercial/Industrial Deteriorated and Dilapidated Conditions

A field survey was conducted during the month of October, 1984 to determine the physical condition of commercial and industrial buildings within the Project Area. Although in a few isolated cases the City Zoning is inconsistent with General Plan designations, there are approximately 879 acres of commercial and 471 acres of industrially zoned land in the City. The Project Area is 91.4% developed and, as a result, has a greater potential for the recycling of underdeveloped and underutilized properties.

Following the construction in 1950 of the Palomar Hospital (located between Valley Parkway and Grand Avenue at Fig Street), the City of Escondido expanded, particularly in the Central Area "A", based upon the need for a greater amount of land designated for office use by medical and other hospital-related services. The proximity of these and other commercial uses to primarily residential areas began a process whereby the mixture of incongruous adjacent structures became increasingly widespread and which continues to diminish the quality and value of any one type of land use.

Commercial Inventory

The following is a description of various commercially zoned areas which includes all physical characteristics as well as non-conforming uses:

> The entire Project Area's physical and structural condition of commercial uses can be summed up as marginally maintained with scattered instances of vacancy, dilapidation, and obsolescence.
>
> Within the central portion of the Project Area a considerable number of the land lots are occupied by office, industrial, and commerical uses. Throughout this central area residential uses are located in close proximity and in such a way as to be incompatible with the other types of land uses.

In the area bordered by 5th Street, Valley Parkway, Escondido Boulevard and Broway, vacant and abandoned commercial structures proliferate including the vacancy of what once was a retail car lot. Lack of paint, roof, and general maintenance have led to a predominance of neglected, deteriorated structures in the area; continued neglect has given rise to a scattering of completely dilapidated unsafe commercial structures.

Improper screening of industrial storage and exposed debris, salvage, and contractor's yards are exemplary of the entire central sub-area.

At Broadway and Mission Avenue technically obsolete commercial and industrial buildings exhibit structural deterioration and visually poor, unkempt on-site appearance.

The majority of land parcels in the eastern portion of the Project Area north of Valley Parkway, are occupied by commercial and retail structures. In the vicinity of the intersection of Midway Drive and Valley Parkway vacant retail structures and stores can be found fronting both thoroughfares. Vacancy resulting from the need for an enterprise to relocate in order to find larger, more modern space where the surrounding commercial environment might be more secure and better maintained. There exist considerable improper site design conditions and placement of commercial/retail structures relative to parking where, in one case along Valley Parkway, cars must back into the street traffic along the Parkway when pulling away from the building. This type of hazardous situation, combined with lack of sufficient parking for commercial enterprises, makes for a poor operating environment for businesses.

Further west along Valley Parkway at Rose Street the Valley Plaza Shopping Center occupies approximately three (3) acres of commercial lots. Composed of numerous 800 - 1200 square feet commercial/retail satellite and adjoining entities, an older, obsolescent, and disjointed building design constitutes the previaling condition. Broken signs, lack of owner investment, and general maintenance neglect are characteristic of the commercial/retail environment in this area.

A few instances of revitalization and redevelopment exist east of Ash Street and north of Valley Parkway. These isolated commercial centers are well-designed and maintained at present. Surrounding these centers, however, are vacant, underutilized commercial parcels and structures which undoubtedly detract from, and negatively impact, the vitality of the newly constructed structures which they border.

To the north of Valley Parkway from Rose Street to Ash Stret the pattern of diminished building and property maintenance continues to the extent that deteriorated structures characterize much of the area. The incompatible mix of commercial/retail and residential uses becomes increasingly predominant fronting Valley Parkway as well as the cross streets between Cedar Street and Date Street. Vacated and abandoned restaurant/office and retail structures in an advanced state of deterioration exist near the Ceder and Beech Street intersection. The deficiency of landscape and rural amenties disproportionately intensifies the degree of blight.

High levels of vacancy in relatively new office structures are portrayed throughout the Valley Parkway frontage. Vacant retail structures and an incompatible mix of deteriorating multi-family apartments adjacent to commercial/industrial uses persists through this area. Lack of incentive for owner investment and new construction, and the corresponding result, are evident throughout the area north of Valley Parkway from Midway Street to Fig Street, as deterioration progresses and the general condition worsens exponentially as other factors become absorbed in the advancement of this poor state; other factors being things such as, public improvements, circulation and parking, landscaping, and design.

The south side of Valley Parkway is composed of inharmonious and incontiguous storefrong design and unscreened commercial/industrial loading and trash discard areas fronting public rights-of-way.

Along Pennsylvania Avenue and West of Fig Street extensive visual blight caused by unscreened refuse that impacts economic utility of newly constructed office buildings and residential structures located across the street. As a result of deficient controls or design guidelines, a proliferation of signs constitutes a visual pollution which is compounded by things such as exposed trash. Vacated and deteriorating retail and office spaces exist due to poor visibility caused by faulty planning, and technical obsolescence.

The area bordered by Grand and Pennsylvania Avenues, and Fig and Ash Streets, contains scattered instances of deteriorating residential and marginally maintained commercial uses co-existing in one house. Inconsistent land-use patterns are rampant throughout this area and have occurred as a result of the emerging office development and conversions and commercial conversions.

The Escondido Village Mall encompassing approximately twenty-six (26) acres to the southwest of the intersection of Valley Parkway and Ash Street exhibits signs of maintenance neglect (especially cosmetic apearance) and the need for owner renovation invesment. Inconsistent storefront design and lack of visual continuity leads to an unappealling commercial center. On this scale, owner participation and/or investment is difficult to engage because private parties are hesitant to make positive changes unless the cooperation of all owners can be gained.

The north sub-area is mainly occupied by residential land uses and buildings. Some industrial uses which mix incompatibly are found along Lincoln Boulevard east of Escondido Boulevard. At the junction of El Norte and Broadway sit structural remnants from once agriculturally-utilized land parcels (i.e. goat and chicken pens).

Additionally, north along Escondido Boulevard, just before the Centre City Parkway intersection, commercial structures suffering from faulty planning and, in some cases, obsolescence, are fronting vacant commercial land parcels which are deteriorating and becoming over-green and increasingly inaccessible due to the unsatisfactory condition or lack of public street improvements.

Almost completely occupied by industrial land uses, the western-most sub-area is characterized significantly by blighted conditions. Moving west along Mission Road, unscreened industrial operations and resulting waste and debris is evident. Misuse of industrial property and land, exhibited by recycling and carrier distribution being conducted without proper industrial site improvements, as well as several cases where manufactured products and industrial equipment were displayed improperly, characterize the appearance of this sub-area.

Traveling south of 5th Avenue through the Project Area, blighted structural conditions worsen. The mixed-use neighborhood, bordered by Tulip Street, 5th Avenue, Centre City Parkway, and 9th Avenue, exhibits signs of general industrial property maintenance neglect interspersed with deteriorating residential structures. Abandoned industrial and commercial, including what once was an automobile dealership lot and extensive property maintenance neglect with superficial, cosmetic deterioration including the condition of paint, wood finish, landscaping, and wall fissures and cracks, are predominant. Not unusual for this are, instances of commercial structural damage exist to the point of being unsafe. Co-habitation by commercial and residential uses sharing one structure highlights a lack of growth guidance, while detracting from the quality of housing and the economic vitality of retail and commercial uses. Marginal commercial structures, such as the Thrift Sope on 9th Avenue, are interspersed with deteriorating residential use. Incompatible design and exposed accumulating debris make unattractive the visual aspect of the entire area.

Poor site design with insufficient parking is one reason for the deterating condition of a small grocery store south of 13th Avenue along Escondido Boulevard. Maintenance neglect has led to the deteriorating appearance of a second-hand clothing store and auto rental enterprise in the area.

Fronting Escondido Boulevard north of Felicita Avenue rests a destroyed, abandoned commercial structure completely without a roof. The abandonment of commercial and retail structures is commonplace. South of Felicita several instances of structure conversion from residential to commercial use where already deteriorating homes continue to be neglected as commercial places.

In the vicinity of 15th Avenue and Centre City Parkway incompatible land uses are situated beside one another. Intensive agricultural uses (i.e. Hollandia Dairy) are located incongruously close to residential and commercial structures and land parcels.

3. Age and Obsolescence

By mid 1855 the tracts of land, once mission holdings, in the region surrounding what has come to be known as Escondido, were converted and given confirmation of title to large ranchos. The lands continued to be utilized mainly for livestock grazing until 1884, when the company holding title to "Rincon del Diablo" (the historical name of the land tract) deeded the land to "Escondido Land and Town Company". At this point the landholder, a land marketing syndicate made up of San Diego and Los Angeles entrepreneurs, began to survey into tracts divided on a grid pattern, the entire land tract.

Shortly before Escondido's incorporation in 1888, one of the very first large structural land improvements, the Escondido Hotel, was built. Situated in the heart of the subject Redevelopment Project Area, this site represents the beginning of Escondido's established central business district. Throughout the years and at the turn of the century growth continued along Grand Avenue. Agriculture had historically been Escondido's primary economic base since its inception. Evidence of obsolete agricultural lands and structures prevails in the southern- and northern-most regions of the Project Area. Outdated, overcrowded farm workers' quarters still stand today, and are, in fact, utilized despite the severly poor living conditions. Near the intersection of El Norte and Browdway, a large land parcel with dilapidated livestock pens and housing visibly remain. Many of the City's early large homes (Victorian and styled otherwise) remain today where they once rested in the midst of the large agricultural fields its dwellers once managed.

Agriculture continued to grow and maintain a healthy economic base for the City through the 1920's and 1930's which expanded from primarily grapes to include citrus and avocados.

The City of Escondido, like all other areas in its region, experienced rapid post-World War II growth. The economic base and focus of business enterprise shifted from agriculture to commerce and industry. Population growth was extremely rapid and the development of residential structures reflected this growth. Large numbers of smaller single-family homes (which can be seen in the predominantly residential Sub-Areas "A" and "E") as well as and including multi-family buildings, are interspersed throughout the commercial and industrial structures that grew up swiftly as a result of the shift away from agriculture.

The almost uncontrollable growth is evidenced today by simply driving through these older areas surrounding the old central business district. Growth was unguided as there was not sifficient planning technology nor time to appropriate land for compatible and appropriate uses. Today, as a result, the usefulness of this land is rapidly wasting where blight has set in.

Smaller, old trailer parks, originally for overnight parking, are now occupied by permanent mobile homes and trailers but were not designed for such use. Access is difficult and space between units is very limited. Many of the older trailers and mobile homes often found in these older parks do not meet the minimum standards for construction health and safety as required as of 1974 for permanent occupancy.

The number of units which were built in previous decades is shown in Table 6. Over one-fifth or 21.0% of the present housing stock was built prior to 1960.

TABLE 6

YEAR STRUCTURES BUILT

Year	Number of Units
1979 to March 1980	2,224
1975 to 1978	5,112
1970 to 1974	6,424
1960 to 1969	7,671
1950 to 1959	3,710
1940 to 1949	971
1939 and earlier	1,015

Homes predating 1930 are predominately near the hub of the City while homes built between 1930 and 1950 surround the central portion of the City. At the rim of the city are homes primarily built from 1960 to the present.

Mobile homes have been increasing since the mid 1960's related to area-wide growth as a retirement community.

Units needing rehabilitation appear more prevalent in the older areas of the City today. Some rehabilitation and recycling is naturally occuring in certain areas, attesting to the strength of the housing market. With both a low vacancy rate and a significant increase in area-wide population projected for the rest of the century, the projected demand to recycle and rehabilitate substandard units will increase.

4. Mixed Character of Buildings

The entire Project Area is represented by a mixed character of buildings. Because many of the buildings were built in the early 1930's, 1940's and 1950's, some architectural styles and development designs are inconsistent with current standards.

The extremely rapid post World War II growth was reflected in the rising population increase and shift from emphasis on agricultural to commercial and industrial enterprise. Haphazard development of noncompatible land uses was rampant throughout Escondido's original central busines district and expanding along the axes for the purposes of this study divided into Redevelopment Project Area Sub-areas.

The demand and growth of retail and commercial enterprise caused some homeowners to convert their houses for business and, in many cases, to allow both residential and commercial uses to co-exist under the same roof intensifying the mixed character image of this wole position of the City of Escondido. This phenomenon is especially apparent along Escondido Boulevard south of 9th Avenue and along the sidestreets between Ash and Fig Streets, one block on either side of Valley Parkway.

Within the Project Area few signs of rehabilitation and/or redevelopment exist. This only accentuates the contrast between the new and old. Lack of visual clarity and development control creates close and unpredictable proximity between commercial, quasi-industrial, and residential land uses resulting in a mixed character of buildings. Inadequate site design exists in many portions of the Project Area. The mixed character of building and site layout has resulted in inadequate parking, site access, and overall ineffective use of parcels thereby creating economic obsolescence.

The abundance of nearby vacant land for new residential development has historically fostered outward movement of development. Such outward expansion has often left behind inadequately maintained housing and neighborhoods that have not been totally developed. This and vacant lots occur throughout these old residential neighborhoods in the Project Area.

Although not an unusual event and a natural trend, the results of this phenomenon are seen in reduced investment or reinvestment into the older neighborhoods due to disincentives which, in turn, sustain blight. Inadequate maintenance to both the structure and the yard areas becomes evident. For residents, lower motivation and los of local pride occures. As this process takes its course the general appearance becomes uninviting, discouraging those who may have considered investment in the area. The vacant unbuilt lots become overgrown with vegetation, as well as, collection areas for rubbish and debris.

5. Defective Design and Character of Physical Construction

The general physical design and character of the Project Area reflects the age of construction, the variety of styles of buildings, shifting land uses, and the lack of quality design and development standards. The character of the physical construction and defective design can be seen in a variety of areas in the Project Area.

Throughout the Project Area incidences of poor commercial site design exhibit themselves along Valley Parkway east of Hickory Street and Escondido Boulevard, south of 9th Avenue and north of 2nd Avenue, as well as numerous other locations. Qualifying characteristics include complete lack of provisions for automobile parking and consideration for the impact of the automobile. Other site defects are seen in poor circulation provisions between commercial structures and poor access onto traffic thoroughfares.

Residential structures show defective physical conditions mainly in their high density provisions and successive lack of owner maintenance, leading to dilapidation and hazardous state.

PROPERTIES

1. Inadequate Public Improvement, Facilities, and Utilities

Inadequate public improvements exist within the Project Area. Although the basic City circulation and public facilities system are in place, a multitude of improvement deficiencies and deteriorated conditions exist which affect the overall capability of these systems to effectively and efficiently meet the needs in many sections of the Project Area.

a. Traffic Circulation Deficiencies

The project Area is serviced by a ntwork of roads and highways intended to accommodate traffic demands of the entire City. A system of streets has been designed and various circulation components of the network are defined in the City's Circulation Element as follows:

1. Freeway - the freeway should serve as the principal link to other urban centers of the region. It is important that the freeway also be a major component within the regional, State and even national circulation network. In essence, the freeway will provide grade-separated and uninterrupted high-speed movement enabling the transport of products, goods and people to desired destinations with a minimum carrying capacity of 80,000 vehicles per day.

2. Prime Arterial - the main function of this classification is to provide regional, sub-regional and intra-city travel service. Design features include high design standards and very limited access with no parking. When fully developed to four (4) travel lanes in each direction, traffic volumes of approximately 40,000 vehicles per day can be handled with reasonable efficiency.

3. Major Road - ideally, major roads should have long, continuous patterns for intra-city and sub-regional service. Access control and parking restrictions are very important, especially near intersections. Typical standards include the provision of a raised median for added safety and efficiency in providing left turns at only selected locations. A major road can provide six (6) traffic lanes and handle up to 31,000 vehicles per day.

4. Collector - the collector street system is generally designed more for intra-city travel than providing direct access to abutting properties. This classification as well as that of major road and prime arterial are sometimes grouped in an overall category of Arterial Streets. The continuity and spacing of the collector street system is critical to its efficiency in providing traffic service to wide and diverse parts of the City. Typical design features include provisions for four (4) traffic lanes, and parking in some areas. However, the ultimate role of collector streets will generally require parking removal in order to provide turn pockets at selected locations or a continuous turn lane in heavily built-up areas. Traffic volume up to 22,000 vehicles per day can be handled on this type of configuration. Access control, additional widening for turn lanes at intersections, and raised medians may be required to increase the capacity and safety at key locations.

5. Local Collector - as implied, a local collector street is designed to provide access between neighborhoods and local streets to the collector street system. A local collector street should have a good deal of continuity depending on the anticipated service area. This classification street should be viewed as a "filler" street in that it may connect neighborhoods to a number of collector streets. Frontage roads are also included in this category.

Design standards should include provisions for two (2) traffic lanes and parking, except that parking may be removed to provide a turn lane at intersections or other areas with heavy left turn activity. Local collectors will service 2,000 to 10,000 vehicles per day, depending on the design features and access control.

6. Rural Collector - this classification design standards should be similar to those required for local collector streets, but generally parking and sidewalks are not provided. In this way the total street width can be kept minimal, while still providing good traffic service and safety. Rural collectors will serve between 2,000 and 10,000 daily trips.

In addition, the City Circulation Element of the General Plan also provides the following streets:

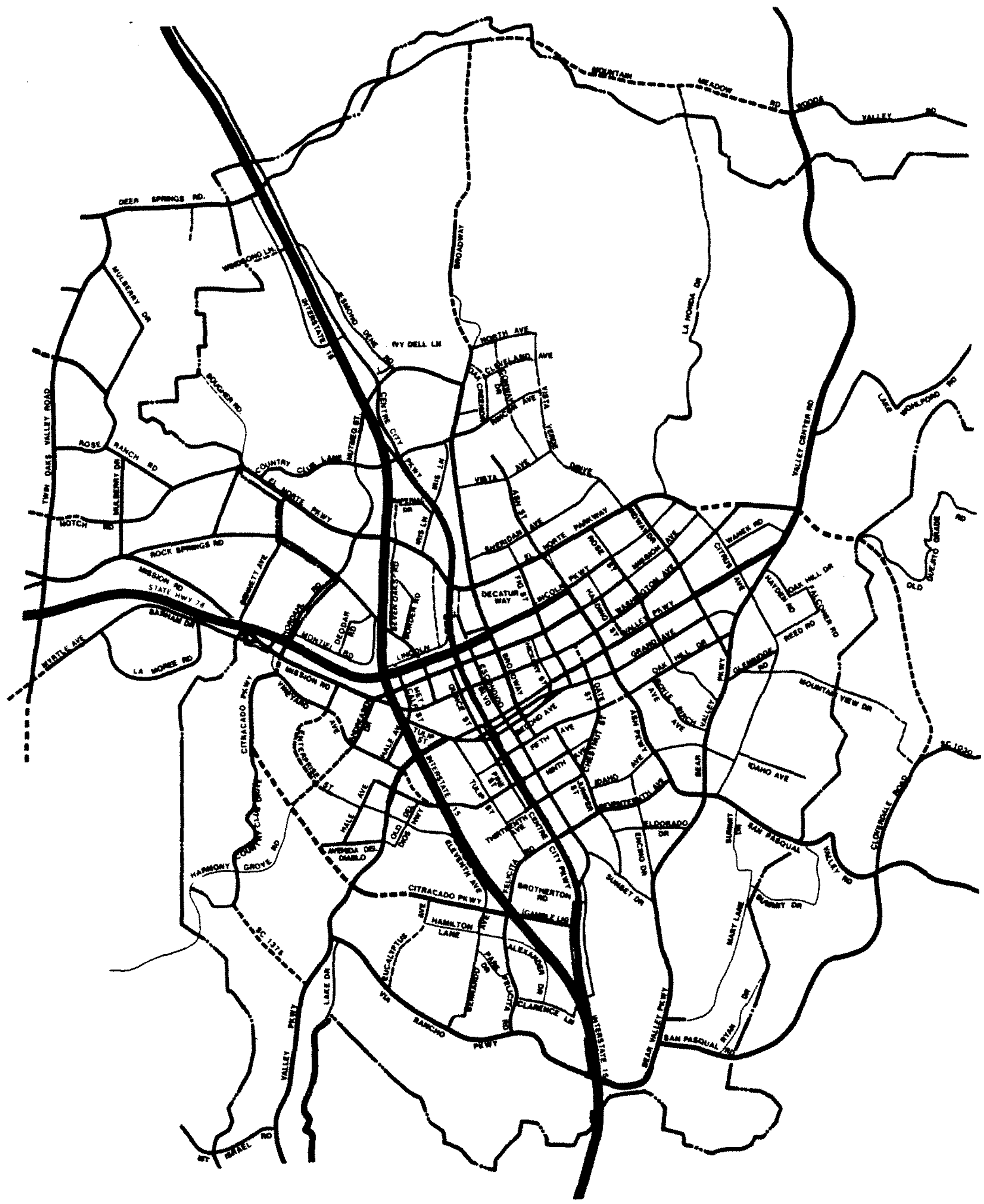
Commercial and Industrial Streets - these streets generally require special design standards due to the nature of adjacent land uses served. Widths and design features generally place this type of street in a category between Local Collector and Collector with capacities up to 10,000 vehicles per day.

Local Streets and Residential Streets - the purpose of Local Streets and/or Residential Streets is to serve the direct access needs of abutting property. These streets are generally designed with a discontinuous pattern to discourage or eliminate through traffic in the neighborhood. Such a street system should generally not intersect with a Collector or higher classification street. Typical design features should provide for parking on both sides and two (2) traffic lanes with a total width of 36 feet and to serve an area generating no more than 2,000 vehicle trips per day. Type examples include: loop and curvi-linear streets, as well as cul-de-sacs in newer residential development planning.

The Master Plan of Streets delineating the designed street system is shown in Figure 2. Beyond a two dimensional network of streets the City has set Engineering Standards and cross sections for the construction of such roadway components of the street systems as shown on Figure 3.

Circulation system deficiencies exist, not with the design or planned system, but with the actual improvements leading to the attainment of a complete and efficient network. Many of the deficiencies characterized over predominant portions of each section of the Project Area include inadequate street width to accomodate planned volume capacity or safe driving conditions, improper or lack of separation of pedestrian and vehicular traffic, and undue traffic congestion resulting from poor site circulation and parking design.

CITY OF ESCONDIDO CIRCULATION PLAN



LEGEND

PRIME ARTERIAL

MAJOR ROAD

COLLECTOR

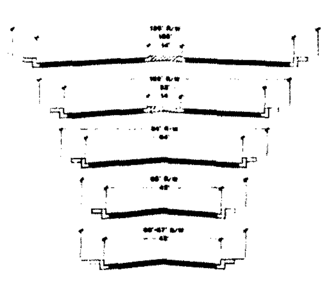
LOCAL COLLECTOR

RURAL COLLECTOR

GENERAL PLAN BOUNDARY

FUTURE ROADWAYS ARE SHOWN AS BROKEN LINES

STREET SECTIONS



Escondido Planning Department

100 Valley Boulevard
Escondido, California 92025
Telephone (714) 741-4671

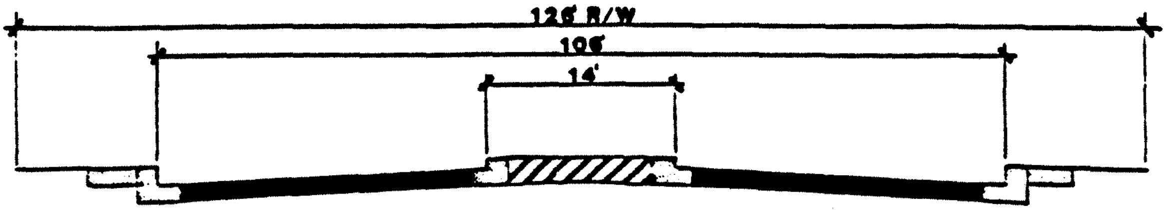
Adopted February 23, 1966 Resolution 3327
Amended March 1, 1967 Resolution 3600
Amended February 28, 1968 Resolution 3866
Amended October 11, 1972 Resolution 5311
Amended November 11, 1975 Resolution 75-251
Amended December 30, 1981 Resolution 81-346

NOTE:
STREETS SHOWN OUTSIDE THE GENERAL PLAN ARE SHOWN FOR INFORMATION ONLY; VERIFY STATUS WITH JURISDICTION.

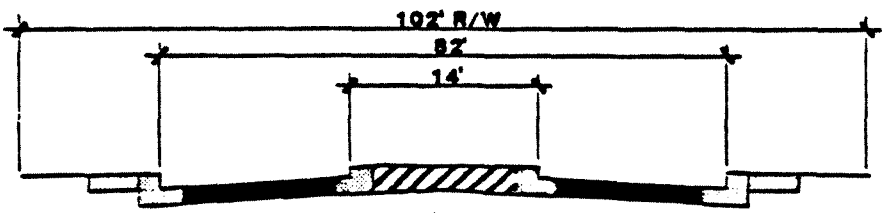
FIGURE 2

STREET CLASSIFICATIONS

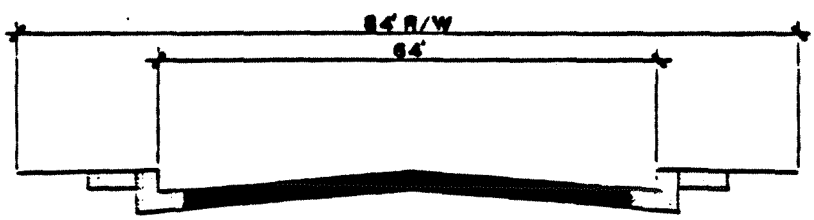
COMMUNITY SYSTEMS ASSOCIATES, INC



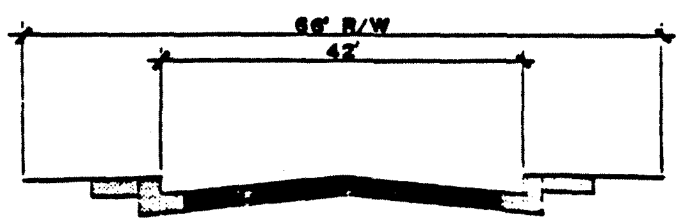
PRIME ARTERIAL



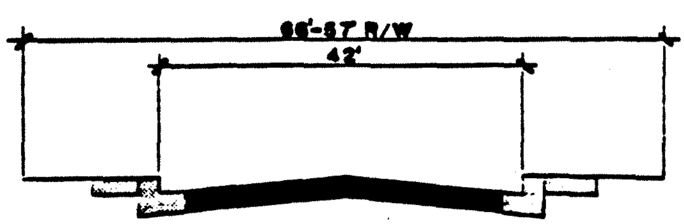
MAJOR ROAD



COLLECTOR



LOCAL COLLECTOR



RURAL COLLECTOR

NOTE: CROSS SECTIONS SHOWN ABOVE MAY NOT APPLY WHEN SPECIAL FEATURES ARE NECESSARY.

FIGURE 3

Central Area - A

In the area bounded by 5th Street, Valley Parkway, Centre City Parkway and Tulip Street there is a prevalance of inadequate site circulation and parking improvement causing customers of retail establishments and employees of industrial business to park in the roadways. This undue concentration of vehicles parked in the public right-of-way is intensified by the inadequate street width and improvements providing designated parking areas and safe drive lanes. Moreover, along Valley Parkway and Second Street heading east from Interstate-15, street signage, landmarks and other directional devices are lacking causing sporadic traffic flows characterized by eratic lane changes and sudden stops in order to make last second driving decisions.

Between 5th and Washington Avenue east of Center City Parkway street conditions are primarily characterized by cracked and broken up road conditions along local collectors of the downtown. Along north-south flowing roads serving the core retail area perpendicular ninety degree (90°) parking cause excessive traffic flow interuptions and accident hazards from vehicles backing into traffic. As well, alley ways which serve as primary access to several dowtown businesses and public parking lots are poorly signed (indentified) and lighted, lack proper sight distance for safe entry into public streets, and are generally broken up and cluttered with misplaced trash receptacles and parking vehicles diminishing flow capacity.

Moving north within the Park Avenue and Park Place residential areas there is excessive on-street parking of residential vehicles, in many cases double parked or at random locations facing out into the street. Again this problem is intensified by an uncommonly narrow street width and lack of public improvements in several locations. Moreover, the area is serviced by public transit busses routed through a course of alley connectors and streets posing extreme safety hazards for pedestrians and local children living in the area.

Along Tulip Street, western sections of Washington Avenue and Rock Springs Road safe and efficient industrial traffic flow is impeded by inadequate street widths, particularly at bridge crossings. While there exist construction standards for industrial street many existing uses predate current policies requiring street dedication and improvments. Consequently deteriorated two lane roads without needed turning lanes or adequate shoulder and curb improvements must accomodate tractor trailer and automobile traffic.

Eastern Area - B

A variety of circulation maladies and deficiencies inhibit efficient flow of traffic. Along Midway an inconsistent street dedication has lead to a saw-toothed right-of-way pattern causing pockets with infrastructure such as fire hydrant and power poles exposed at grade level and abrupt intrusions into the normal flow of traffic creating unsafe flow restrictions. Along the Valley Parkway commercial corridor the potential volume of traffic is significantly inhibited by poor site design and an excessive number of driveways. Ill-planned commercial properties exist with parking spaces backing out directly into main traffic flow, there is a multitude of narrow commercial parcels developed on a piecemeal basis with at least one or two driveways causing excessive traffic interuptions from merging customer traffic.

Circulation deficiencies in commercial locations also include inadequate traffic connections between adjoining parcels requiring vehicles to enter high volume traffic lanes or access several deteriorated alleyways of dirt in order to go from one store to the next. In addition, many properties have inadequate on-site parking causing excessive parking on cul-de-sac's north of Valley Parkway. Site parking deficiencies also exist in the office/residential areas east of Palomar Hospital causing spillover parking and restricts access to adjoining single-family residences.

Within residential areas substandard street improvements increase vehicle safety hazards. Between Date Street, Ash Street, Grand Avenue, and 5th Street a virtual lack of street improvements and lighting is prevalent. Narrow driving lanes with broken up pavement and steep dirt shoulders are the principle access to homes in this area. On-street parking, although used extensively, is restricted to unimproved dirt shoulders between deteriorated street paving and open drainage ditches. In several residential locations very similar conditions exist related to inadequate street and circulation improvements such as signs, lights, curbs, gutters, paving, sidewalks or storm drains.

Northern Area - C

In this section circulation deficiencies are primarily related to inconsistent street dedicationn and lack of improvements restricting traffic flow on El Norte Parkway . In addition, a severe lack of street or paving improvements of any kind exist at the north end of Escondido Boulevard extending onward to the commercial improvements along El Norte Parkway. This heavily used access strip is primarily dirt and pot holes. Along Escondido Boulevard inconsistent street dedication width is prevalent, again creating abrupt restrictions in traffic lane widths. On Lincoln Avenue west of Center City Parkway fire safety access to older deteriorated and delapidated structures as well as newer multi-family complexes is presently limited to Rock Springs Road and Metcalf Street.

Western Area - D

Mission Road poses the greatest circulation deficiency in the western end of the Project Area. The road is improved with two single direction lanes but serves as a high volume corridor for industrial commercial and employment related traffic. The drive lanes are narrow (14 feet) broken up and have pot holes in several locations. Moreover, curbs are non-existent and the drive lanes are bounded by dirt shoulders and open ditches. In addition to restricted driving conditions, the intersection at Nordahl Road and Mission Road is inadequate to maintain a level of service C Use capacity to accomodate peak hour traffic flows in the morning and evenings.

Along Enterprise Street and sections of Simpson Way poor site design has caused a congestion of employee and industrial vehicles parked in the right-of-way. Lack of curb separation or delineated parking in many locations results in vehicles parked within traffic lanes, facing into traffic or blocking access drives. Finally, along Hale Avenue, inconsistent street dedications and improvements are creating hazardous and abrupt traffic flow restrictors.

Southern Area - E

Between Tulip Street, Center City Parkway, 6th and 8th Streets commercial, industrial and residential traffice is restricted to narrowly paved driving lanes inhibiting safe movement. The condition is intensified by the lack of street improvements and clutter of vehicles parked randomly along unimproved dirt shoulders.

Along Escondido Boulevard and various connecting side streets inadequate parking and excessive driveways caused by poor site design creates undue street parking congestion and traffic flow interruptions reducing the service efficiency of the street and intersection. At Brotherton Road along the Center City Parkway frontage road and Cranston Drive inconsistent street dedications and improvemtns create abrupt and hazardous traffic flow restrictions from the saw-toothed street width pattern.

In summary, vast sections of the Project Area suffer circulation deficiencies resulting from inadequate improvements and/or the lack of improvements to maintain an efficient circulation network. A primary determinate in the provision of actual road improvements provided is the availability of adequate funding. As improvement costs and inflation rates continue to increase, less money is available for new construction and expansion of the system. Based on existing trends, money for new construction is extremely limted.

Although there are a variety of arguments as to where the responsibility falls for financing new and/or revitalized developments, infrastructure, facilities, ect., the most decisive arguments are:

- New development and older deteriorating areas, both rural and urban need new, technologically advanced, and ever-increasing expanded facilities.

- There is little money in local government funds to pay for it, and not much interest on the part of existing residents to tax theselves to foot the cost.

- The State and Federal governments are unlikely candidates for generous sources of future financial assistance.

Special assessments are an alternative revenue source. They are exempt from Proposition 13, no two-thirds (2/3) vote is required, they are not subject to the one percent (1%) property tax limit or spending limits. They can be used to pay for street, sewers, storm drains, sidewalks, street lights, flood control systems, parks, plantings, parkway, curbs and gutters. One drawback is that assessment proctice is not altogether streamlined, requiring complex adminstrative procedures and costs. Assessment bonds are often in small amounts and are sold to specialized buyers, and are somewhat expensive compared to other kinds of public bond issues. Assessments also have a negative public image. The constituents generally do not agree thatspecial assessments are <u>not</u> taxes when they appear to be the same. Evidence of such widespread disagreement with special assessments is the proposed Jarvis IV initiative appearing on the November, 1984 California Ballot as Proposition 36. Although disapproved, the proposal intended to servely restrict the use of special assessments, particularly for fire or flood protection, and even invalidate certain current local assessments.

b. <u>Parking Deficiencies</u>

There does exist parking deficiencies in the Project Area related, not only to the inadequacy of on-street facilities but even more so, to the shortage of private porperty parking available for commercial, residential and industrial uses. On narrow sections of the Project Area blight conditions can be found characterized by lack of on-street parking improvements, public parking access, and inadequate private parking improvements.

Central Area - A

Given an overall count of available parking in the central Project Area a parking shortage would not be evident from a numerical perspective. However, within scattered sections displaced parking facilities and parking shortages exist. Between 5th Street, Valley Parkway, Center City Parkway and Tulip Street several developed businesses constructed thirty and forty years previous lack on-site parking neccessary to accomodate convential parking demands. The result is an overspill of vehicles within public right-of-ways causing parking and circulation congestion.

In the older traditional retail core of dowtown, access to public parking facilities is ambiguous and invisible from Grand Avenue, Valley Parkway and sections of Second Street. Moreover, alley access and safety lighting are marginal due to older deteriorating facilities.

Throughout many sections of the central area street, such as Tulip Street, Rock Springs Road, Santa Fe Avenue, Park Place, and Park Avenue, lack on-street parking pavement and curbs to encourage orderly parking of vehicles and prevent further encroachment into the driving lanes.

Eastern Area - B

In this section a predominance of inadequate private parking on commercial and office properties is the cause of parking deficiencies. Along the Valley Parkway commercial corridor several undersized postage stamp lots and narrow, deep-lots exists as developed years before current parking standard under the zoning code. The result is an inadequacy to accommodate conventional retail parking demands. This is highly evident on the southside of Valley Parkway between Hickory and Date Street where street side parking is always filled causing a collage of parking deficiencies to the rear of the building through makeshift parking provisions.

South of Pennsylvania Avenue and east of the Palomar Hospital several infill medical offices have been developed meeting minimum general office requirements for parking a a variety of residences have been converted for medical office and retail pruposes. Such developments characterizing the area in transition have resulted in an extreme shortage of private parking facilities for high volume out-patient care and have contributed to on-street parking and circulation congestion problems.

In the residential areas east of Date Street a lack of street paving and curb improvments has resulted in random on-street parking activity encroaching into narrowly paved traffic lanes. Moreover several older apartment complexes east of Ast Street lack proper parking space improvements corresponding to the average two-car households causing spillover into the public right-of-way.

Northern Area - C

Parking deficiencies in this area occurr along Broadway where older multi-family apartments have been previously developed without adequate parking demands of the conventional household. The resulting affect is a spillover and filling of available on-street parking by residential vehicles. Along Lincoln Avenue and Escondido Boulevard a lack of pavement and curb improvements has lead to irregular parking patterns and encroachment into narrowly paved drive lanes.

Western Area - D

Inadequate on-site parking design exists along Enterprise Street and segments of Simpson Way requiring extensive on-street employee parking in undesignated portions of the public right-of-way. Due to the lack of parking designation, traffic hazards are created by oddly parked vehicles and encroachment into travel lanes. Along Mission Road, employees parking from surrounding industrial uses is restricted to unimproved dirt shoulders subject to erosion and flooding during seasonal rains.

Southern Area - E

Along 9th Avenue between Tulip Street and Maple Street inadequate on-site parking is contributing to illegal parking activity within public streets and added street congestion. Along the entire length of Escondido Boulevard the same on-site parking deficiencies representative of older commercial developments are evident. The Department of Motor Vehicles south of 15 Street is grossly underimproved with on-site parking causing added street parking and illegal paking on adjoining residential and commercial properties. At 13th Street a second hand clothing store and grocery store contribute to parking congestion within and around the intersection.

Within the residential neighborhoods north of 9th Street and east of Center City Parkway a predominant absence of full width paving and curb improvements creates improper on-street parking and encroachment into narrowly paved drive lanes.

c. Street Improvements - Curbs and Gutters

The lack of curb and gutter improvements is the most visual blight condition affecting public improvements through out the Project Area. On virtually every other street or block section inadequate parkway improvements, severly deteriorated parkway improvements or the absence of such improvements predominates. The absence of curbs and gutters disrupts the oderly disbursement of surface water runoff and results in soil erosion, continued maintenance problems, and hazardous conditions.

Central Area - A

The central area is the olderst section of the Project Area, and has experienced the greatest amount of more recent commercial development and consequently is improved with full width paving, curbs and gutters to the the greatest extent. However, south of Valley Parkway and west of Escondido Boulevard virtually all street improvements are missing, particularly in the residential sections. Within the older traditional retail core curb radii cracked, broken and setting away from sidewalks which are also in need of repairs to cracks and fissures.

Along Tulip Street north of Valley Parkway curb and gutter improvements are non-existent with the exception of the flood channel bridge crossing and a few parcels near Hale Avenue. Sections of Washington Avenue west of Spruce Stree, as well as, Rock Springs Road, Metcalf Street and Gannon Place, primarily industrial traffic routes, are all impacted by the lack of curb and gutter improvements along significant sections of roadway. In various residential neighborhoods including Park Place, Park Avenue, Norway Court and Spruce Street, which also serve to form a bus route, are also characterized by a lack of full width paving or inconsistent curb and gutter improvements.

Eastern Area - B

The lack of street improvments, even within the commercial areas, is highly evident in the eastern area. Along scattered sections of Valley Parkway and virtually every cul-de-sac north of the parkway, an inconsistent pattern of partial improvements, full improvements or the absence of improvements predominates the area.

In residential area south of Valley Parkway numerous streets are lacking in curb and gutter improvements. This blight condition is most prevalent south of Grand between Date Street and Ash Street where virtually every street lacks full width paving, curb and gutter and is lined oneither side by open drainage ditches. West of Date Street curb and gutter improvements have been made but are suffering breaks and movements from trees and gradual movement of steep street grades. Along portions of Grand Avenue, Rose Street and Oak Hill Drive street improvements are also lacking and prevent a clear definition of travel lanes and inhibit safe merging in and out of traffic flow.

Northern Area - C

Lack of full-width paving, curb and gutter improvements restrict traffic flow and create undue safety hazards for two way and cross traffic. Along Escondido Boulevard north of Highway 78 and LIncoln Avenue from Broadway to Metcalf Street there is a virtual lack of curb and gutter improvements with the exception of a few multi-family apartments built in the recent past. Along El Norte Parkway, west of Centre City Parkway, the lack of full-width paving, curb and gutter improvements has severely restricted the street service capacity and impacted development potential of adjoing commercial and medium density residential parcels. Finally, north of Escondido Boulevard to commrcial development sfronting Del Norte Parkway there is a total absence of paving, cur or gutter improvements on a heavily traveled dirt road characterized by debris, large potholes and erosion.

Western Area - D

A lack of full width paving, curbs or gutters along Mission Road is a predominant and single most visible blight condition existing in the western area. Along Enterprise Street, where industrial uses were constructed 10 to 12 years ago, grade separating curbs and gutters are non-existent and has lead to parking location and circulation ambiguities and congestion. Large segments of Nordahl Road, Vineyard Avenue, 9th Avenue and Del Dios Road are also impacted by the absence of curb and gutter improvements.

Southern Area - E

In the residential neighborhoods between 5th Street, 10th Street, Tulip Street and Escondido Boulevard a virtual lack of full-width paving, curbs and gutters predominates the area. Although curb and gutter improvements exist along major sections of 9th Avenue and Escondido Boulevard, such improvements suffer from cracks, brekage, separation and similar deteriorating deficiencies. Along 15th Street and the east side of Redwood, major sections of roadway in that vicinity also lack street improvements or are severely deteriorated.

d. Storm Drain Deficiencies

Storm drain deficiencies impact all sections of the Project Area. Such deficiencies are characterized by the lack of fully improved storm drain facilities area-wide. Over a majority of the Project Area, a backbone system exists including the Escondido Creek Flood Channel designed for a 100-year storm and various 30-inch to 60-inch lines with a 50-year storm design capacity. However, a significant portion of the system relies on natural sheet flows, open drainage ditches and natural water courses within urbanized areas. In the southern sectionaof the Project Area, south of 17th Street, surface water runoff drains primarily into the San Diegiuto River Basin and Lake Hodges. In this section of the Project Area several natural unimproved streams and seasonal watercourses drain southward to Lake Hodges. The storm drain system includes open ditches, limited sections of curb and gutter improvements, and moderately sized culverts feeding into the numerous natural watercourses created by hilly and steep terrain. These storm drain deficiencies predominate residential sections of the Project Area as well as older industrial, commercial areas south of Valley Parkway. Continued reliance on unimproved facilities for containment of surface runoff from seasonal storms creates blight hazards including seasonal flood damage to public streets, private property and improvements and public liability problems connected with open and unrestricted drainage ditches, as well as vehicle parking problems and traffic hazards within the public rights-of-way.

Use of earthern drainage ditches within residential neighborhoods creates a greater potential for localized flooding, that is the innundation of scattered or isolated parcels. Soil conditions throughout the Project Area vary considerably but do include highly expansive clay and silt beds subject to liquification during heavy innundation or siesmic shaking. A predominance of such storm drain deficiencies within an urbanized environment constitute a blight on the affected area.

Storm drain deficiencies existing throughout the Project Area correspond closely to locations lacking full-width paving, curbs and gutters. These areas include commercial industrial and residential land use areas as identified for street improvements.

In overview, parking deficiencies, an absence of street improvements, and storm drain deficiencies are predominate in several sections of the City causing blighted conditions affecting the overall effectivness and efficiency of public improvements throughout the Project Area. Related to these maladies is the existing circulation system which is impacted by such improvement deficiencies as previously noted.

2. Lots (Parcels) of Irregular Form, Shape or Size

Throughout the Project Area there exist several parcel irregularities impacting efficient utiliztion of developed properties and diminishing the potential for future development. Such parcel conditions are generally charactrized by narrow deep lots developed in the early and mid-50's, post-age stamp parcels developed with freestanding retail uses, irregularly shaped vacant parcels bisecting centers of commercial development, and vacant land locked parcels with limited alley access. Within older strip commercial and older industrial areas these blight conditions are ghighly evident and have a predominating impact upon the overall development pattern of the area.

Central Area - A

Within the older traditional retail core of the central area developed parcels are on the average fifty (50) feet wide and one hundred (100) feet deep with several smaller parcels having twenty-five (25) feet of frontage. Although such lot sizes are characteristic of subdivision practices experienced in many older communities, long-term effects have ben negative in Escondido. In essence, full-width development of these parcels with parking inconveniently located in back alleys and dislocated public parking facilities diminishes the downtown retail center's ability to draw modern merchandising chains or compete directly with retail centers developed on larger parcels where parking and selection are conveniently located.

In the older industrial section between Tulip Street and Centre City Parkway, obsolete subdivision practices creating undersized fifty (50) by one hundred (100) foot parcels has led to idustrial development patterns incapable of meeting land-intensive requirements of many industrial operations. The result has been severly deteriorated indusrial improvements occupied by marginal storage and salvage operations. Although more recent industrial development sexist they are targeted to small 600 to 1200 square foot industrial incubator spaces.

Within the older commercial and industrial centers there exists a variety of scattered vacant infill parcels which lack a realistic potential for development. This is due to their small size and consequent problems associated with assimilating additional small parcels, some even developed, to accommodate an economically justifiable project.

Eastern Area - B

The commercial corridor along Valley Parkway has experienced a considerable amount of retail development within the last ten (10) years. However, numerous parcel irregularities are present which impact the effective promotion of existing businesses and potential for future development.

In several locations irregularly shaped or postage stamp parcels with inadequate depth or width bisect clusters of commercial businesses and add to a disharmonious pattern of development. Such conditions can be seen at Midway Drive, Rose Street and to the east of Valley Center Plaza, although numerous other examples exist. Within these are several narrow, deep, lots exist in a half-developed state, usually occupied by marginal retail activities, creating large areas of unaccessible and underutilized commercial property.

Northern Area - C

In the northern area deep lots averaging over 500 feet in depth and from 100 to 200 feet in width are severly underutilized with single-family residences and animal holding pens. Although the lots are very deep, many residential parcels are not wide enough to enable quality designed multi-family developments, but instead are improved with single row units extending to the back of the property line.

On the west side of Centre City Parkway several irregularly shaped parcels exist including narrow, deep, lots and large flag lots with long and narrow access strips.

Western Area - D

Within this area no major problems exist with respect to the size, shape and form of lots, although site design deficiencies have been noted along Enterprise Street and portions of Simpson Way.

Southern Area - E

Parcel irregularities similar to those noted in the central area also plague the southern area. The commercial development along 9th Avenue and Escondido Boulevard reflects obsolete subdivision practices where a multitide of smaller parcels, each having street frontage, were created and then sold for development by as many buyers. Consequently, there exists a disjointed and disharmonious mix of commercial and residential land uses along each strip.

In overview, parcel irregularities are the result of historical subdivision practices during an era when related regulations and controls were in their infancy and the driving force for the division of land was the sale of inexpensive land for profit.

3. Lots (Parcels) Laid Out in Disregard to Contours, Topography, Physical Characteristics and Surrounding Conditions

Various sections of the Project Area are effected by the laying out of lots in disregard to physical factors which may limit the effective usefulness of such properties. Some of these factors include topography, althought he majority of factors are related to the location, access and visibility of created parcels.

Central Area - A

Within industrial locations west of Quince Street several land locked parcels have been created. Some such parcels remain vacant in the vicinity of the railroad tracks, flood control channel, and Washington Avenue. Those landlocked parcels which have been developed include marginal improvement s more commonly related to towing and salvage yards, contractor storage yards, auto dismantlers, and the drive-in theatre existing north of Washington Avenue.

Eastern Area - B

Along the commercial corridor parcels have been created without proper consideration to access, visibility or locational value for potential activities permitted under local zoning and land use laws. North of Valley Parkway, east of Hickory Street, a series of moderately sized vacant parcels exist with limited alley access and no street visibility. Between the various cul-de-cac's starting at Fig Street extending over to Ash Street, a number of moderately sized and vacant landlocked areas exist. In addition, at the eastern end of Pennsylvania Avenue residential parcels have been created without regard to graded embankments and a steep slope which makes development options undesirable. Finanlly, along Midway Drive one-half (1/2) acre landlocked multi-family residential parcels remain vacant although residential development activity occurs on adjoing parcels with street frontage.

__Northern Area - C__

To the west of Centre City Parkway a number of vacant parcels have been created without regard to sloping topographic conditions, access requirements or horizontal controls to permit location of utilities, or street improvements. Along Lincoln Avenue, west of Centre City Parkway several lots exist below street grade and have been created without vertical controls enabling proper drainage of such sites.

__Western Area - D__

South of 9th Avenue parcels have been laid out below street grade with very little vertical control to enable proper drainage of sites. In addition, several parcels legally exist in this location which do not have access from a public street.

__Southern Area - E__

Within this area, along Cranston Drive, all subdivided parcels exist without proper vertical controls to prevent surface drainage and potential inundation problems from impacting adjoining properties before reaching public roadways with storm drain facilities. In addition, landlocked residential parcels exist adjacent to medium density developments and remain vacant or underutilized with agricultural and livestock activities.

In overview, parcels laid out in disregard for topography, contours, or surrounding physical factors create a blight on these surrounding properties by diminishing the development potential. A lack of horizontal controls causes probelems in the location of both private development and public mprovements and utilities. In many situations the lack of vertical controls prohibits the location and depth of public utilities which poses additional problems in locating needed utility connections and avoidance of major utility service lines and underground utilities. The lack of both horizontal and vertical controls complicates the location of proposed City streets and improvements, confuses title, inhibits both private and public construction, and disrupts cooperation between private and public concerns.

4. __Lots Subject to Flooding__

Within the Project Area parcels adjacent to the Escondido Creek Channel may be subject to ponding or flooding. Throughout other portions of the Project Area where existing storm drain improvements are limited to open ditches, natural watercourses and sheet flow of surface water, a potential exists for isolated cases of ponding or flodding.

The Escondido Creek Channel is designed to contain runoff from a 100-year storm. However, maximum storm water containment is achieved by the reinforced earthern embankment along either side of the concrete channel. At maximum containment, the water level will be two (2) to four (4) feet above the surface elevation of parcels abutting the channel, including the proposed Civic and Cultural Center site location at Grape Day Park. Consequently, according to information developed by the Army Corps of Engineers and a U. S. Soils Conservation Survey ponding and flooding may occur on these parcels.

Moreover, the improved storm drain system feeding into the Escondido Creek Channel is designed to accommodate runoff from a 50-year storm. At a point of maximum containment within the flood control channel, storm drain design capacity would be exceeded resulting in an overflow into the street system and sub-grade parcels.

In overview, blight created by lots subject to flooding is limited to isolated parcels in areas with unimproved storm drain improvements and sub-grade sites within the service area of the existing fully improved storm drain system. Flood potential corresponding with containment limits of the creek channel are adequate for the protection of properties within the City and Project Area.

EXISTING SOCIAL CONDITIONS

A. PROJECT AREA POPULATION AND HOUSING

The City of Escondido was incorporated in 1888. Since 1970 the population has more than doubled. The annual population growth rate has ranged between 2.82% and 7.90% per year, and has averaged 5.38% annually over the last fourteen (14) years, as shown in Table 7.

TABLE 7

CITY OF ESCONDIDO
POPULATION GROWTH

YEAR	POPULATION	ANNUAL GROWTH RATE
1970	36,792	-
1971	39,700	7.90%
1972	41,800	5.29%
1973	44,550	6.58%
1974	46,400	4.15%
1975	48,050	6.34%
1976	51,300	6.76%
1977	53,800	4.87%
1978	57,100	6.41%
1979	60,000	5.08%
1980	63,950	6.58%
1981	66,330	3.72%
1982	68,710	3.59%
1983	72,741	5.14%
1984	74,248	2.82%
OVERALL AVERAGE ANNUAL FOR 14 YEAR PERIOD:	2,677/year	5.38%/year

SOURCE: 1970 and 1980 U. S. Census, State Department of Finance

The Project Area had a 1980 population of 15,182, as determined from census data for census tract boundaries corresponding to the Project Area boundaries.

The median age of the City's residents is approximately 30.8 years. The population of the City is composed of a slightly greater number of females than male residents with a relatively large senior citizen population and youth population, as shown in Table 8.

TABLE 8

CITY OF ESCONDIDO 1980
COMPARISON OF AGE AND SEX

Age Years	Males No.	Males %	Females No.	Females %	Total No.	Total %
0-4	2,513	8.1%	2,400	7.2%	4,913	7.6%
5-9	2,228	7.2%	2,121	6.3%	4,349	6.8%
10-14	2,280	7.4%	2,149	6.4%	4,429	6.9%
15-19	2,672	8.7%	2,743	8.2%	5,415	8.4%
20-24	3,273	10.6%	3,178	9.5%	6,451	10.0%
25-34	5,388	17.5%	5,236	15.6%	10,624	16.5%
35-44	3,122	10.1%	3,274	9.8%	6,396	9.9%
45-54	2,572	8.3%	2,885	8.6%	5,457	8.5%
55-64	2,593	8.4%	3,257	9.4%	5,850	9.1%
65-74	2,476	8.0%	3,420	10.2%	5,896	9.2%
75+	1,734	5.6%	2,841	8.5%	4,575	7.1%
TOTAL	30,851	100.0%	33,504	100.0%	64,355	100.0%

SOURCE: 1980 U. S. Census

Approximately ninety percent (90%) of the population of the City is composed of white individuals with a relatively small minority population. Table 9 shows the City's ethnic breakdown.

TABLE 9

CITY OF ESCONDIDO
ETHNIC DISTRIBUTION

Race/ Ethnicity	Persons No.	Persons %
White	57,721	90.3%
Black	276	0.4%
American Indian, Eskimo and Aleutian	712	1.1%
Asian and Pacific Island	1,165	1.8%
Other	4,076	6.4%
TOTAL	63,950	100.0%
Spanish Origin*	9,378	14.7%

*Spanish/Hispanic Origin is an ethnic, rather than a racial, category: thus persons of Spanish/Hispanic origin are counted separately in the "Spanish/ Hispanic Origin" category regardless of race.

SOURCE: 1980 U.S. Census

Within Escondido four (4) major industrial categories for employment are manufacturing, retail trades, education and health services, and personal services which commanded 63% of the employment force in 1980 as shown in Table 10. The four (4) primary types of occupations utilized in the work force include sales and clerical, precision production and craftsmen, professional and technical personnel, and services as shown in Table 11.

TABLE 10

CITY OF ESCONDIDO
EMPLOYMENT CHARACTERISTICS 1980

Type of Industry	Total	% Share
Agriculture, Fishing and Mining	897	3.3%
Business and Personal Services	2,986	11.0%
Construction	2,637	9.8%
Education and Health Services	3,197	11.8%
Finance, Insurance and Real Estate	1,809	6.7%
Government	868	3.2%
Manufacturing	5,428	20.2%
Retail Trade	5,403	20.0%
Transportation, Communication and Utilities	1,560	5.8%
Wholesale Trade	933	3.7%
Other	1,150	4.3%
	26,868	100.0%

TABLE 11

CITY OF ESCONDIDO
EMPLOYMENT CHARACTERISTICS 1980

Employment Occupation	Total	% Share
Administration and Management	2,982	11.2%
Farming, Fishing and Forestry	790	2.9%
Laborer and Equipment Cleaning	1,207	4.5%
Machine Operation, Assembly and Inspection	2,089	7.8%
Precision Production and Craftsman	4,266	15.8%
Professional and Technical	3,717	13.8%
Sales and Clerical	7,531	27.9%
Services	3,362	12.5%
Transporting and Moving	984	3.6%
	26,928	100.0%

The level and mix of occupational skills composing the Escondido 1980 employment force corresponds to a median houshold annual income level of $15,258 versus a County-wide median household income level of $17,106. Similarly, the 1980 median annual family income, which consists of a household of related individuals, for Escondido was $17,802 versus $20,304 for the County of San Diego.

Housing within the City of Escondido includes a total 1980 housing stock of 27,127 dwelling units. Within the Project Area 654 acres of land is designated for various densities of residential development and all but 90 acres of small infill parcels and a few larger parcels have been developed. Within the Project Area approximately 6,636 dwelling units existed during 1980, or twenty percent (20%) of the total housing stock.

Housing type and occupancy characteristics for the City and Project area are shown on Table 12 and Table 13. Occupancy rates City-wide are higher than the 1980 County-wide occupancy rate of 6.64%, although such rates within the Project Area are more in line with the San Diego area which has been characterized as a tight housing market for buyers and renters, particularly during the early 1980's.

TABLE 12

PROJECT AREA AND
CITY OF ESCONDIDO
OCCUPANCY OF DWELLING UNITS

	Owner Occupied	Renter Occupied	Vacant	Total
CITY:	13,669	11,377	2,081	27,127
% of Total	50.39%	41.94%	7.67%	100.00%
PROJECT AREA:	2,043	4,140	453	6,636
% of Total	30.79%	62.39%	6.83%	100.00%
% of City	14.95%	36.39%	21.77%	24.46%
% of City Total	7.53%	15.26%	6.67%	24.46%

SOURCE: 1980 U. S. Census

TABLE 13

PROJECT AREA AND
CITY OF ESCONDIDO
TYPES OF DWELLING UNITS

	Single Family (detached or attached)	Multiple Family	Mobile Homes or Trailers	Total
CITY:	14,537	9,326	3,264	27,127
% of Total	53.59%	34.38%	12.03%	100.00%
PROJECT AREA:	2,793	3,351	492	6,636
% of Total	42.09%	50.50%	7.41%	100.00%
% of City	19.21%	35.93%	15.07%	24.46%
% of City Total	10.30%	34.38%	12.03%	24.46%

SOURCE: 1980 U. S. Census

Throughout the Project Area there exists a significantly lower share of owner-occupied units (30.79%) than exists on a City-wide basis (50.39%). This corresponds to a greater share of multi-family and mobile home units which-historically contain a greater number of renter occupants, in the Project Area (57.91%) than in the City overall (34.38%). Historically, residentially developed ares having a greater percentage of rental units experience a faster rate of cosmetic and structural building decline than residential areas of similar housing quality and population characteristics that have a majority percentage of homeowner occupants. This is due to the lace of incentive for renters and the investment attitudes of many absentee landlords reluctant to make significant money outlays for the visual enhancement or structural improvement of such buildings. The current investment attitude has been fueled, in part, by high rates of inflation and tight housing conditions. These conditions induce increased rent values above base mortgage and operation requirements, and permit regular maintenance improvements to be neglected or foregone altogether because current market conditions (low supply-high demand) are commanding rents which are out-of-balance with declining and deteriorated housing conditions. Moreover, homeowner occupants have ben detrimentally affected by spiraling living costs and a relative reduction in disposable income available for housing improvements. Although such individuals maintain a higher level of "homeowner pride", they are hampered by economic restrictions from making desired and even minimum property investments necessary to eliminate visual and physical impacts caused from decline and deterioration.

Social factors contributing to the decline and eventual deteriortion of an area are intensified within an environment containing significantly older structures. The need for regular maintenance and improvement expenditures becomes critical in order to preserve the aesthetic and structural quality of individual buildings and surrounding areas. Without active maintenance and improvement efforts, social and physical factors can have a multiplied effect and blighted impact on such neighborhoods. Such existing and potential conditions exist throughout the Project Area.

Although the City was incorporated in 1888, over half or 50.7% of the 1980 housing stock was constructed after 1970, as indicated in Table 14.

TABLE 14

CITY OF ESCONDIDO
CITY HOUSING UNIT INCREASE

	Total Units Constructed	Percentage of Existing Housing Stock	Cumulative Total of Units Constructed
1939 or Earlier	1,015	3.7%	1,015
1940 to 1949	971	3.6%	1,986
1950 to 1959	3,710	13.7%	5,696
1960 to 1969	7,671	28.3%	13,367
1970 to 1975	6,424	23.7%	19,791
1975 to March, 1980	7,336	27.0%	27,127
	27,127	100.0%	

SOURCE: 1980 Census Data

City-wide twenty-one percent (21%) of the existing housing stock is twenty-four (24) or more years old. Similarly, twenty-eight percent (28%) of the housing stock is aging between fourteen (14) and twenty-four (24) years; a period during which a variety of cosmetic and structural improvements become necessary. Consequently, a need exists City-wide for active maintenance and improvement of aging and older structures on behalf of property owners and available local governmental programs.

The need for residential upgrading and improvement is intensified within the Project Area, which has a greater concentration of older and aging structures than the City overall. As shown on Table 15, nearly thirty percent (30%) of the existing housing stock is twenty-four (24) years or older versus an average of just twenty -one percent (21%) City-wide.

TABLE 15

CITY OF ESCONDIDO
PROJECT AREA HOUSING UNIT INCREASE

	Total Units Constructed	Percentage of Existing Housing Stock	Cumulative Total of Units Constructed
1939 or Earlier	357	5.4%	357
1940 to 1949	378	5.7%	735
1950 to 1959	1,217	18.4%	1,952
1960 to 1969	2,055	30.9%	4,007
1970 to March, 1984	2,629	39.6%	6,636
	6,636	100.0%	

SOURCE: 1980 Census Data

In contrast to the City overall, under forty percent (40%) of the Project Area is fourteen (14) years old or newer. Consequently, a majority of the Project Area housing stock is at a point where consideration must be given, if action not already taken, to undertake major maintenance and improvement expenditures for the necessary upkeep of typical wood construction buildings.

The natural aging process of typical residential structures requires a variety of improvements over the course of time. The following sample list of typical repairs and improvements will provide a better understanding of the aging process:

Structures Under 5 Years of Age

- Interior wall paint
- Kitchen/bath cauking and sealants
- Selected plumbing washers
- Touch-up exterior wall or trim paint
- Pest control measures

Structures 5 to 15 Years of Age

- Roof patch and repairs
- Exterior wall patching/weather sealing
- Exterior paint and finish
- Interior paint and finish
- Driveway paving repair and slurry coat
- Weatherstripping
- Attic insulation
- Carpeting and drapes
- Underground galvanized plumbing pipes
- Sewer lines
- Repairs and improvements required under 5 years

Structures 15 to 30 Years of Age

- Roof replacement (except clay tile)
- Extensive exterior siding or plaster work
- Driveway patch, repair or replacement
- Complete window sealing
- Kitchen cabinets and appliances
- Electrical wiring and service upgrade
- In-house plumbing and fixtures
- Structural reinforcement if extreme settling
- Turf and shrub landscaping
- Repairs and improvements not done between Years 5 and 15

Structures Over 30 Years of Age

- Continued cyclical maintenance including replacement of previous improvements at the end of their anticipated lifespan of utility.

Within the Project Area there is a noticeable lack of property maintenance and neglect as discussed under conditions of physical blight. Such physical blight conditions will almost invariably occur over time when existing social conditions prevent and discourage continued financial outlays and efforts to preserve or upgrade the existing housing quality and aesthetic environment.

B. STATE REQUIREMENTS ON HOUSING PROVISIONS

It has become increasingly difficult to produce affordable housing units as a result of escalating construction costs, high interest rates and a consequent shortage of units available. Rapid population growth in Southern California and the North San Diego County area has contributed to the increasing need for a balanced ratio of homeownership and rental housing opportunities in all price ranges. Provind g a balanced ratio of housing fo all income groups is a major challenge for the Cityof Escondido and the San Diego region as a whole

The California Government Code and California Health and Safety Code require local governments to prepare a Housing Element consisting of a comprehensive problem-solving strategy responsive to the needs of the entire community. In 1979, the City adopted a Housing Element also consistent with the recommended goals and objectives and the fair-share lower-income housing allocation of the Areawide Housing Opporotunity Plan and San Diego Regional Housing Plans of 1974 and 1981. Such fair-share regional housing allocation strategies are made by the respective Regional Council of Governments (COG), namely the San Diego Associates of Governemtns (SANDAG), in accordance with the stipulation of Article 2, Sections 6420 through 6436 of the California Government Code.

SANDAG has recently prepared and approved (September, 1984) a Regional Housing Needs Statement which meets State requirements (AB 2853, 1980) for the revision of local elements and updates the latest fair-share allocations of 1981. The updated Needs Statement is in direct response to State law which requires all local housing elements to be updated by July 1, 1984 and every five (5) years thereafter. Based on fair-share factors, demographic profiles of Escondido and project growth in all income groups, a Needs Statement for lower-income households requiring assistance has been prepared as follows in Table 16.

TABLE 16

CITY OF ESCONDIDO
NEEDS STATEMENT 1980 - 1990

Existing Fair Share of Region		Growth of Fair Share in Region		Total Fair Share of Region		
%	Total	%	Total	%	Total	Five Year Goal
3.4%	3,743	3.4%	780	3.4%	4,523	565

In essence, the five (5) year goal is the target goal, or tentative fair-share allocation within the overall City-wide need, at which the City must make reasonable progress (2.5%) in achieving. SANDAG is currently preparing an individualized needs assessment for the City of Escondido to assist in the preparation of an updated Housing Element.

C. PREVALENCE OF SOCIAL MALADJUSTMENTS

Maladjustment is defined as poor, faulty, or inadequate social conditions that prohibit proper achievement of mental and behavioral balances between an individual's personal needs and the demands of others. Social maladjustments of an area are characterized by high crime rates and an unusually high number of fires or calls for response. These and other community characteristics which affect a stable social environment are discussed below:

1. Police Emergency Repsonses

The City of Escondido Police Department is a municipal agency with one main facility located in the 700 block of West Grand. The City is divided into a six (6) beat area, with at least one officer per beat on duty at all times. Currently the department is made up of a total of 75 sworn officers, with approximately 40 patrol cars and 10 unmarked vehicles.

The Police Department feels that adequate police protection could be provided at a ratio of 1.2 officers per 1,000 City population. The ratio is currently below this level, with .90 to .93 officers per 1,000 population. This reduced level of service is due, in part, to limited funding and funding increases in the City budget in order to conduct current operations or increase personnel, man-hours or equipment.

Given the present level of policy staffing and applied standards for procedure, service responses are prioritized as to the severity of the situation in order to maximize to efficient and level of safety service. Response priorities in the City of Escondido have been established as follows:

Priority	Activity	Maximum Response Time
#1	Life threatening - such as an armed roberty, shooting, severe vehicle accident, fire, etc.	4 minutes
#2	Crimes in Progress - such as alarm calls, street fight, breaking and entry or whenever apprehension of suspect is a possibility.	6 minutes

Priority	Activity	Maximum Response Time
#3	No Immediate Danger - such as non-injury accidents, domestic arguments, drunk in public, citizen arrest, etc.	20 minutes
#4	Cold Crimes - such as home burglary when family away, abandoned vehicle call, suspicious person, etc.	As personnel available *

*NOTE: If officer cannot respond in 30 minutes, dispatcher will call and notify complaintant.

So far this year the Policy Department has been able to respond to priority #1 and #2 calls within the maximum time frames outlined. Policy services provide protection to life and property through crime and accident prevention, detection and apprehension. The patrol function is to discourage violations, detect those which occur, and to apprehend violators. As noted earlier, Escondido maintains a minimum of one (1) officer in each of six (6) beats at all times. The investigation function complements the other functions by providing for a thorough investigation leading to identifications, apprehensions, and recovery of stolen goods. The Patrol also aids in the safe movement of traffic and pedestrians through the enforcement of Sate and local traffic laws.

The following Table 17 indicates that, in the City in general, since 1980 reported service responses for all crimes had dropped ten percent (10%) by year end 1983 and total arrests for all crimes also dropped over six percent (6%) in 1983. However, with respect to Part 1 Crimes, which include seven (7) major felony crimes as monitoried by the Federal Bureau of Investigation (FBI), the decline in reported incidents has been significantly less, or only three and one-half percent (3.5%), as compared to the broader all crimes category which includes misdemeanors, civil, and other non-felonious crimes. Similarly, the arrest rates for Part 1 Crimes has remained relatively constant since 1980, which is a positive factor contributing to the investigative effectiveness of local and outside police forces.

According to police officials, the reduction in arrests made related to all crimes since 1980 is attributable to various policy changes at the State level which revised individual actions and offenses for which arrests should be made. Shifting policy has served to relax many prior existing standards and guidelines used by policy officers in the field. Such recent shifts in Statewide policy have been in response to overcrowding jail conditions, particularly at the County level.

TABLE 17

CITY OF ESCONDIDO
CRIME AND POLICE ACTIVITY
1980 - 1984

POLICE ACTIVITY	1980	1981	1982	1983	September 1984	Projected Year-End 1984
Calls for Service All Crimes and Incidents	31,966	27,044	27,722	28,679	22,663	30,141
Arrests Made All Crimes	4,678	5,217	5,838	4,377	3,390	4,508
Calls for Service Part 1 Crimes including: 1) Murder 2) Rape 3) Robbery 4) Burglary 5) Auto Theft 6) Assault 7) Larceny	4,049	3,969	3,907	3,567	2,803	3,727
Arrests made on Part 1 type crimes	998	1,047	1,087	965	816	1,084

Using a linear projection method over a four quarter year to the end of 1984, the decling trend for crime activity experienced between 1980 and 1983 has leveled and may, in fact, be on the increase. Although the linear projection methods used cannot be finally conclusive, such estimates are consistent with a steady and increasing rate of calls for service, traditionally experienced during the final quarter and holiday season's. The projected year-end totals suggest a five percent (5%) increase in calls for service, a three percent (3%) increase in calls for Part 1 type crimes above 1983 levels. Project arrests made for Part 1 type crimes is consistent with a fluctuating but stady rate of activity experienced over the previous four (4) years. It should be noted that year-end 1984 totals are below 1980 year-end totals for all crime and police activities.

2. <u>Fire Emergency Responses</u>

The City of Escondido's fire protection and paramedic services are provided by the City of Escondido Fire Department. Currently there are five (5) fully operating stations under this Department, two (2) of which are within the Project Area boundaries. They are:

Station 1 - 310 North Quince
Station 2 - Midway and Valley
Station 3 - Valley Drive and Country Club Lane
Station 4 - Bear Valley Parkway at Mary Lane
Station 5 - Felicita

Station 5 is located outside of the City boundaries. It is, however, servicing some of Escondido and is under contract to service an additional area outside of the City limits.

The five (5) Station Captains currently boast a goal of five (5) minutes response time. They are, however, concerned that additional residential growth on the periphery of the City will impact the stations abilities to maintain this level of response time in all parts of the City. Consideration is being given to the construction of one (1) additional fire station to service the needs of the newly developing areas in the north section of the City. Station 5 is located on County land, and is operating under a year-to-year lease. It is anticipated that this facility will have to be moved sometime in the next five (5) years.

The Fire Department has recently upgraded its vehicle equipment with the purchase of two (2) new engines. Each station is supplied with an engine and a brush fire unit, with Station 1 and Station 2 each having one (1) additional reserve engine apparatus. There are two (2) paramedic units servicing the City and one (1) Snorkel Company, which consists of an elevating platform capable of high volume water streams.

The City Fire Department maintains annual logs related to total alarm calls including fire related and non-fire related incidents, see Table 18. Fire officials indicate that common fire related incidents include vehicle fires, brush and grass fires, small structural fires and fires caused by arson. Fire incidents involving older commercial and residential structures are beginning to decrease as a result of a recent and intense fire inspection and enforcement campaign undertaken by the City. However, such a fire prevention program is labor intensive adding expensive man-hour costs to daily operations to maintain existing levels of fire protection. In light of added development activities taking place on the periphery of the City, mutual assistance obligations to outlying areas, and economic limitations on annual funding increases for fire and other City services, prevention programs beyond basic fire response service are subject to cutbacks and a diminishing scope of programs. Therefore, there still exist a serious need for private and/or publicly assisted rehabilitation of older residential, commercial and industrial structures to increase the level of inherent fire safety of the Project Area and the City.

3. Low- and Very Low-Income Households

The income level of the population of the community is a good indicator of the social conditions which affect a family's ability to adjust to a particular standard of living. Conditions of low property maintenance, the need for rehabilitation and improvement; household overcrowding; ill health and disease; and incidences of crime all reflect characteristics of low-income family neighborhoods.

The 1980 City median income level of $15,128 is only eighty-eight percent (88%) of the County median income of $17,106. The "Median Income Level" is a measure of central tendancy which determines an annual income level below which fifty percent (50%) of all households earn, and avobe which fifty percent (50%) of all households earn. Within the City of Escondido the distribution of household income is shown in Table 19.

Income levels at or below eighty percent (80%) of an applied median income level for an economic region, namely San Diego County, signify lower income households. Such households generall do not have the same economic means permitting them to take advantage of housing opportunities available to a majority of income earning households in the region. In the City of Escondido approximately forty-four (44%) of all households earn incomes below eighty percent (80%) of the County median income of $13,684 in 1980 as shown in Table 20.

TABLE 18

CITY OF ESCONDIDO

ALARM RESPONSE ACTIVITY

ALARM CALL RESPONSES:	1980 Incidents	1980 Estimated Damage	1981 Incidents	1981 Estimated Damage	1982 Incidents	1982 Estimated Damage	1983 Incidents	1983 Estimated Damage	1984 - August Incidents	1984 - August Estimated Damage
Fire Related Incidents										
Res - single fam. + duplex	51	$113,625	34	$408,927	62	$175,260	46	$71,675	42	$145,480
- M.F.	24	15,900	20	6,385	25	22,750	18	43,500	19	25,750
- M.H.	4	37,300	7	35,860	7	70,750	2	50	4	100
Public Assistance	-0-	-0-	-0-	-0-	1	-0-	-0-	-0-	2	250
Inst.	4	50	3	100	-0-	-0-	1	-0-	1	100
Educational	2	1,000	1	100,000	3	8,750	2	250	2	500
Commercial	13	1,600	19	180,175	22	483,225	13	6,350	9	17,900
Industrial	2	600	1	3,250	1	500	1	40,000	2	5,000
Miscellaneous	11	8,400	9	47,350	7	1,300	5	2,550	8	15,700
Brush and Grass	51	100	86	11,975	65	7,567	64	30	100	8,250
Vehicles	123	87,040	114	98,385	122	78,847	119	60,965	86	65,080
Other outdoor	99	11,825	112	2,560	77	5,750	84	1,269	59	400
Rubbish Containers	42	2,725	51	1,220	47	2,125	57	1,550	39	1,370
Total Fire Related Incidents	426	$280,165	457	$896,187	439	$856,824	412	$28,189	373	$285,880
Non-Fire Related Incidents										
Emergency Medical (paramedics)	1,858		1,803		1,995		2,159		1,720	
Emergency (including Hazardous material)	255		188		175		199		148	
Service	239		188		116		156		136	
Needless	452		489		513		525		360	
False Alarm	55		85		66		75		33	
Total Non-Fire Related Incidents	2,859		2,753		2,865		3,114		2,397	
TOTAL ALARM CALLS (including Mutual Assistance)	3,375		3,314		3,333		3,556		2,854	
CASUALTIES:										
Injuries										
Fire Department	11		3		-0-		1		-0-	
Civilian	4		1		1		1		2	
Deaths										
Fire Department	-0-		-0-		-0-		-0-		-0-	
Civilian	-0-		3	0	-0-		-0-		-0-	

TABLE 19

CITY OF ESCONDIDO
HOUSEHOLD INCOME DISTRIBUTION

Household Income	Percentage Total Households
Less than $5,000	11.9%
$ 5,000 - $ 7,499	9.8%
$ 7,500 - $ 9,999	10.0%
$10,000 - $14,999	17.5%
$15,000 - $19,999	14.5%
$20,000 - $24,999	13.0%
$25,000 - $34,999	13.9%
$35,000 - $49,999	6.5%
Above $50,000	2.9%
	100.0%

Note: Total Households - 25,076
Median Income - $15,128

SOURCE: 1980 Census

COMMUNITY SYSTEMS ASSOCIATES, INC

TABLE 20

CITY OF ESCONDIDO
HOUSEHOLDS BELOW 80% OF COUNTY MEDIAN INCOME

Household Income		Escondido Households
Less than $5,000		2,796
$ 5,000 - $ 7,499		2,459
$ 7,500 - $ 9,999		2,500
$10,000 - $13,684 (1)		3,232 (2)
	(Sub-total)	11,167 = 44% Total Households
$13,685 - $14,999		1,155
$15,000 - $19,999		3,628
$20,000 - $24,999		3,259
$25,000 - $34,999		3,499
$35,000 - $49,999		1,635
Above $50,000		733
		25,076 (100%)

NOTES:

1) - 80% of County Median Income
2) - Determined by linear extrapolation of household's earnings
3) - County median income - $17,106

SOURCE: 1980 Census

Within the Project Area the concentration of households earning below eighty percent (80%) of the County median may be even greater than the City overall. This relationship is implied by Census data listing households median income levels for various census tracts making up the total Project Area. Thses median incomes range from a low of $9,860 to a high of $18,088 with an average of such median incomesof $14,136, which is only 82.6% of the County median income level of $17,106.

The differences between median household incomes in the County, City, and Project Area are due, in part, to the occupational level of skill of community residents. Within The City of Escondido, five (5) occupantional skills make up over fifty-five percent (55%) of the active work force and include sales and clerical workers; machine operators, assemblers and inspectors; farming, fishing and forestry workers; service related workers; and laborers and equipment cleaners. Traditionally, these skill levels command lower wages with limits to upward income mobility set by an industry standard.

With the cost of housing throughout the County continually increasing, fewer and fewer households within the City can afford to purchase either new or existing housing units. Whether the cost of utilities and services are included or excluded from the cost of housing, if a prospective purchaser cannot find a sound, suitable, and affordable housing unit to purchase, he is left with two alternatives: 1) purchase a housing unit that is either substandard, unsuitable, unaffordable, or any combination of these; or 2) rent a housing unit. Again, whether or not the cost of utilities and services are included in the cost of housing, if this same individual decides to rent, but cannot find a sound, suitable, and affordable rental unit he will be forced to rent a housing unit that is either substandard, unsuitable, unaffordable, or any combination of these. In either case, he will be faced with maintenance problems which he will be unable or unwilling to meet.

The gap between the cost of decent housing and what people can affort to pay is growing. While some households can afford to pay more than thirty percent (30%)of their gross income for housing (a standard measure of affordability), others cannot. Many middle-income households, especially first time buyers, are now finding it difficult to obtain affordable housing. Lower-income households, however, have been the hardest hit, particularly those with large families and the elderly.

In the City of Escondido, 1,481 or 8.4% of all families had 1979 annual incomes below poverty level. Of the total families, which is defined as related households, at or below poverty level 1,158 or 78% had related children under the age of eighteen (18) and 159 or 10.7% had head of households over the age of sixty-five (65). City-wide, a total of 7,039 or 11.1% of the 1980 City population, including children, were determined to be of poverty status.

The determination of poverty status depends upon the family or household size in comparison to the gross annual income received. Therefore two (2) households could earn equal pay and yet one (1) householder could be given poverty status because of the size of their family. In San Diego County, poverty level households are determined according to criteria illustrated in Table 21.

TABLE 21

POVERTY STATUS DETERMINATION
SAN DIEGO COUNTY

	Gross Income			
	1980		1984	
Household Size	Annual	Monthly	Annual	Monthly
1	$ 3,686	$ 307	$ 6,480	$ 540
2	$ 4,723	394	8,736	$ 728
3	$ 5,787	482	11,004	$ 917
4	$ 7,412	618	13,260	$ 1,105
5	$ 8,776	731	15,528	$ 1,294
6	$ 9,915	826	17,784	$ 1,482
7	$11,237	936	20,052	$ 1,671
8	$12,484	$1,040	$22,308	$ 1,859
9 or more, add amount for each addition member	$ 1,356	$ 113	$ 2,268	$ 189

SOURCE: SANDAG 1984

4. Overcrowded Households

Overcrowded households are another indicator of possible ill-health and disease in a particular area and is a potential influence toward blight; often stimulating crime and other poor social conditions. As long as the number of persons in a household does not exceed the number of rooms in the housing unit, problems of this nature normally do not exist.

The Census defines an overcrowded household as 1.01 or more persons per room. Certain rooms should not be counted in the determination of whether or not a housing unit is overcrowded. These include: bathrooms, foyers, uitility rooms, unfinished attics, or basements, etc. A unit may be considered overcrowded if it is sheltering more than one family.

In 1980, 1,175 or 4.7% of all occupied housing units were determined to have 1.01 or more persons per room. In the Project Area a number of residential areas are characteristic of overcrowded conditions particularly within converted farming barracks at the corner of Quince Street and Valley Parkway, as well as, several scattered locations south of 5th Street and segments of Lincoln Avenue. These areas are characterized by and overly dense housing design of temporary barracks housing, excessive vehicles on site and within public rights-of-way, and illegal occupancyof mobile travel trailers for permanent use.

The condition of overcrowding is a factor in determining the soundness of a housing unit. A housing unit may be sound in all other respects but, if it is characterized by conditions by overcrowding, it cannot be considered sound.

The affordability, cost of land, building materials, and labor continue to adversely affect the cost of housing. Although this problem is not unique nor controllable by the City, it reduces the opportunities for safe and decent housing and increases the likelihood of overcrowding and cohabitation of families within single dwelling units.

D. HOUSING QUALITY

There are many areas within the City and Project Area where age and lack of proper maintenance have caused extensive deterioration. The section of this report related to buildings and structures documents such existing conditions causing blight and deterioration. A number of concerns must be addressed if the City is to ensure that blighted conditions do not extend into other areas of the community.

Neighborhood quality is a primary factor that is considered in choosing a place to live. To a great extent, the future of a City is tied to the existing quality of its residential areas. Neighborhood quality is primarily dependent upon strong neighborhood identity, secure and safe surroundings, adequate public facilities and services, and protection against such adverse environmental conditions as air and noise pollution, traffic, visual blight, and other health hazards. The weakness of any of these factors can contribute to the unattractiveness of a neighborhood and act to accelerate social and economic decline.

E. HOUSING OPPORTUNITY

Equal access and opportunity are essential in assuring that adequate and affordable housing is secured by all, especially low-income residents and those future residents expected to reside in the community.

Low-income households have the greatest disadvantage in the City's housing market. They pay a considerably larger percentage of their income on housing and are generally restricted to the portions of the City where much of the housing is older and not as well maintained. With the rapid increase in new and existing housing costs, most lower-income households, unassisted, can rarely "compete" successfully for decent affordable housing.

Table 22 shows 1980 median County rents and monthly mortgage payment sin comparison to monthly rents and mortgage payments in the City of Escondid.

TABLE 22

MEDIAN RENTS AND MORTGAGES

	Rents	Mortgages
County of San Diego	$218	$447
City of Escondido	$301	$425

SOURCE: 1980 Census Data

The degree to which market rents and mortgages exist above or below an affordable percentage of household incomes has a strong impact on the realistic opportunities available for housing within a local area. While some households can afford to pay more than thirty percent (30%) of their gross income for housing (a standard measure of affordability), others cannot. Consequently lower-income households who cannot afford to outlay higher percentages of their gross income in order to secure the quality of housing offered at market rates suffer diminished opportunities for safe and decent housing. Table 23 illustrates annual household income levels at which existing market conditions are targeted in the County and the City as an affordable percentage of gross income (i.e. thirty percent [30%]).

TABLE 23

MEDIAN HOUSING COSTS AND CORRESPONDING INCOME LEVELS
CREATING AFFORDABLE HOUSING OPPORTUNITIES IN THE MARKETPLACE

	Market Rates	Required (1) Annual Income	% of City Households (2) Below Required Income
Mortgages			
County of San Diego	$ 281	$11,240	36.0%
City of Escondido	$ 301	$12,038	38.8%
Rents			
County of San Diego	$ 447	$17,878	57.5%
City of Escondido	$ 425	$16,998	54.9%

Notes: (1) Affordable rates equal to 30% of gross annual income.
(2) Determined by linear extrapolation of household earning $10,000 to $19,999.

SOURCE: 1980 Census Data

In the City of Escondido over thirty-eight percent (38%) of all households have incomes below a level which would make median rents reasonably affordable. Similaryly, nearly fifty-five percent (55%) of all City households earn less than the income level necessary to make median mortgage payments reasonably affordable. Despite the median income level in the City, which was thirty percent (13%) less than the County median, 1980 median rents in Escondido were seven percent (7%) higher than the County-wide median. Although income levels have risen since 1980, housing costs have also risen at comparable or accelerated rates in the San Diego REgion.

There are currently a number of constraints inhibiting a positive market in the San Diego region which inhibit the City's and County's ability to meet the increasing housing demand. Many housing constraints, such as inflation, increased labor and material costs, and increased construction standards and regulations, are not unique to Escondido and will require regional, State or Federal assistance to alleviate them. The increased costs of labor and materials is a major deterrent to providing high quality housing at affordable prices. It not only increases new construction costs, but also costs associated with the maintenance and repair of existing housing.

High interest rates and the scarcity of mortgage financing have an enormous affect on the cost and supply of housing (mortgage financing is one of the largest components of housing cost). In California mortgage, interest rates have risen from 7.5 percent to 18 percent since 1970, currently stablizing near 12-14 percent. Financing is also often limited to certain areas and more expensive housing.

Land use codes, regulations, and their required time consuming processes contribute to the cost of new housing. However, they are meant to protect the public health and safety and ensure environmental quality.

Unpredictable housing funding is a major constraint to providing adequate housing. The supply of housing funding has historically fluctuated. The Federal and State Governments must be urged to provide an adequate, predictable and steady flow of capital to assist the City in dealing with those aspects of the housing program which are beyond local capabilities.

All of these constraints affect the potential residential market of the Project Area and its future affordability.

F. SOCIAL INDICATORS AS IDENTIFED THROUGH OTHER PROGRAMS

The City has pursued social issues of the community by focusing in on particular areas of concern to the community that meet Federal and State requirements for assistance to areas of poor social and physical conditions. One such program is the Housing and Urban Development Community Development Block Grant (CDBG) Program which is aimed at assisting low- and very low-income persons in designated areas of social and physical deterioration within the community. To qualify for CDBG program funds individual census tracts are demographically evaluated to determine eligibility for various activities involving CDBG funds.

The City currently participates with the San Diego County Housing Authority for the administration of CDBG and Section 8 Programs. Under contract to the City, the San Diego Housing Authority will administer $140,000 of 10th year CDBG entitlement funds (1984-85) for the rehabilitation of single-family houses and mobile home structures. In contrast, the Housing Authority also administers rental assistance and rehabilitation in the City, but is funded directly from the Department of Housing and Urban Development (HUD) and then performs work in Escondido according to a qualified voucher allotment set by HUD standards.

A number of Federal and State programs exist for provision and improvement of housing. Some of these programs are currently used and others are available for use within Escondido or through the County Housing Authority. The following is a brief discussion of those programs:

1. Federal

a. Section 8 Low-Income Rental: There are three basic Section 8 Programs: existing housing, new construction and substantial rehabilitation. The program provides housing assistance payments (rent subsidies) based on a fair market rent formula. Eligibility is determined by the local housing authority based on income criteria.

b. Section 106(b) PUD Money Loans: Funding to non-profit sponsors to cover 80 percent of construction costs. Presently loans are only made in conjunction with 202 loans (senior citizen and handicapped housing).

c. Section 202 Direct Loans for Housing for the Elderly or Handicapped: Long-term direct loans to private non-profit sponsors to finance rental or cooperative housing facilities for elderly and handicapped persons.

d. Section 207 Mortgage Insurance for Multi-Family Housing and Mobile Home Parks: Mortgage insurance to private lenders for construction or rehabilitation of multi-unit housing (including mobile home parks) for moderate and middle income families.

e. Section 221(d) (3) and (4) Multi-Family Rental Housing for Low-Moderate Income Families: Insurance on mortgages at FHA interest rate for construction or rehabilitation of rental or cooperative housing for low-and moderate-income families.

f. Section 223(f) Mortgage Insurance for Existing Multi-Family Rental Housing: Designed to provide property owners with money to rehabilitate projects without the need to increase rent levels.

g. Section 234 Mortgage Insurance for Purchase of Condominiums: Mortgage insurance to families for the purchase of individual condominium units and to sponsors for the construction or rehabilitation of housing units they intend to sell as individual condominium units.

h. Section 245 Graduated Payment Mortgage: Insurance on graduated pay-ment mortgages (allows mortgage payments to begin at low level and gradually increase). Five different payment schedules available - substantial down payment required.

2. State

a. <u>California Housing Finance Agency</u>: The purpose of CHFA is to provide financing for the development and rehabilitation of housing for low-and moderate-income households. The agency accomplishes this by selling tax exempt revenue bonds and using the proceeds as follows:

1. Providing direct loans for the development of new rental and cooperative multi-family housing for low- and moderate-income households.

2. Purchase mortgages from private lenders to enable eligible low-and moderate-income borrowers to purchase single family homes; and

3. Finance a Neighborhood Preservation Program providing loans and insurance for rehabilitation programs in designated areas.

G. INADEQUATE PROVISIONS FOR OPEN SPACE AND RECREATION FACILITIES

1. Parks/Open Space Resources

The City adopted an Open Space/Conservation Element in 1975 which is a policy document for implementing the objectives of assuring that certain open spaces are preserved, that recreational opportunities are provided, and the natural and historic features and community assets are conserved for all persons who reside in the

The Open Space/Conservation Element, in addition to being a policy document, is a strategy program for achieving the objectives as set forth. It is intended to provide the citizens and public officials with information pertaining to the openspace and recreational needs of the community and to establish a program and commitment to act.

The Recreational goals address the following specific objectives:

- Establish a City-wide system of parks and recreation centers tied to greenbelts, trails and open space preserves.
- Conserve the special recreational potentials of the valleys, hills, and mountains.
- Encourage the establishment of private recretion areas and facilities to serve effectively a population with varied characteristics, needs and interest.

Broader open space policies, as well, have been adopted and directed to the entire community as follows:

- Major natural drainage areas and flood plains should remain free from development.

- Geologic hazard areas should be accurately located and specific programs developed to protect public safety.

- Land and waster wildlife habitats should be located and preserved because of their unique natural resource value.

- Mineral resources such as salt, sand and gravel should be permitted on these lands.

- Lands with high value for agricultural purposes should be preserved.

- Natural vegetation in canyons should be preserved to prevent soil erosion.

- A local park plan should be prepared. Where possible, parks should be linked by a system of greenbelts, trails and canyons.

- Sites of historic value should be identified and preserved.

- The City should prohibit urban development on those lands zoned or designated on the General Plan as agriculture and open space.

The City currently has nine (9) parks, including a youth and senior citizen's activity center sering the entire community. The parks are primarily designed to accommodate neighborhood activities with the exception of the activity centers, Grape Day Park and Kit Carson Park which were designed for community-wide use. In addition to the local park system regionally orientated parks include Dixon Lake, providing 562 acres for boating, fishing, hiking, camping and biking activities; Lake Wohlford providing 1,200 acres for fishing from March to Labor Day; and Kit Karson Park, as ultimately planned in connection with Lake Hodges, to provide 1,726 acres for intense regional sports facilities, fishing, boating, campimp, and hiking activities. In addition to the public park system, the San Diego Wild Animal Park, associated with the world famous San Diego Zoo, is located immediately to the east of Escondido providing invaluable recreational, entertainment, and educational facilities for the appreciation of wildlife, and rare and endangered species of animal.

Despite the number of existing local parks, the City has been unable to complete many segments of its Master Plan for Parks. Many proposed facility improvements and new parks remain on the proposed development list without needed funding commitments. Similarly, north San Diego County has no major cultural facilities to service residents in the fastest growing section of the County. Escondido has a unique opportunity to provide such social and educational benefits to young and old living in the North County Area, which otherwise are deprived of thse cultural amenities due to geographic displacement from existing failities in other parts of the County. Moreover, funding appropriations for such facilities does not exist at a Statewide or regional level and is, therefore, dependent upon independent action of the local agency to initiate and spearhead such an endeavor in the North County Area.

2. Rodent, Reptile, and Insect Problems

The Project Area is surrounded by open areas thereby creating an ongoing rodent and reptile problem. As urbanization spreads, rodents and reptiles move into new unoccupied areas. However, open properties and fields have become surrounded by urban areas confining and interacting with these populations. The result is health and safety problems to surrounding residential and commercial neighborhoods.

The insect problem is confined to areas where there is standing water or ponding. This problem is compounded by open ditches and drainage culverts. The result of this standing water is water stagnation and the breeding of various insects. The impact is felt by developed properties which abut these areas. The result is the potential of ill health and disease.

EXISTING ECONOMIC CONDITIONS

A. BUSINESSES LOCATED IN THE PROJECT AREA

The Project Area encompasses a full spectrum of industrial, office, service and retail business operations in the City. Escondido currently maintains nearly four thousand (3,950) active business licenses for city-based business operations and an additional fifteen hundred (1,500) licenses for out-of-town vendors and contractors working within the City. A majority of the city-based businesses are located within the Project Area.

Similarly such city-based commercial operations can be generally categorized as either downtown, strip commercial, shopping center, or freestanding type operations depending upon their location, design, and function. In the Project Area the various types of commercial businesses are located in the following areas:

Downtown

- Between Centre City Parkway, Valley Boulevard, alleyway south of 2nd Avenue and alleyway north of Valley Parkway.

Strip Commercial (including strip and food store centers)

- Along Valley Parkway east of Hickory Street
- Along Escondido Boulevard south of 5th Avenue
- Along Washington Street between Juniper Street and Centre City Parkway
- Along Mission Road between Quince Street and Juniper Street
- Along Escondido Boulevard between flood control channel and Highway 78
- Along Broadway between flood control channel and Highway 78
- Along Ninth Avenue between Spruce Street and Maple Street

Shopping Centers (food store anchors not included)

- At Rose Street and Valley Parkway (The Vineyard and Valley Plaza)
- At Ash Street and Valley Parkway (Escondido Village Mall)
- At Quince Street and Mission Road (K-Mart and Gemco)
- At Escondido Boulevard and Valley Parkway (Midtown Plaza)
- At Via Rancho Parkway (North County Fair under construction)
- At Felicita Street and Escondido Boulevard (Felicita Village)

Freestanding

These businesses are located throughout the City and Project Area, and are characterized as isolated buildings without adjoining satellite or complementary businesses.

Industrial business in the Project Area are almost exclusively located in the entire section west of Interstate-15. Industrial businesses are also located west of Quince Street between 5th Avenue and Highway 78 although many are intermixed with commercial and/or residential land uses.

Finally office, finance and banking businesses are concentrated within the downtown commercial area, while general and medical office businesses alone exist in the area south of 2nd Avenue, north of 5th Avenue and west of Center City Parkway and also in the area south of Pennsylvania Avenue and east of Palomar Hospital.

B. ECONOMIC DISLOCATION AND DISUSE FROM FAULTY PLANNING

1. Inappropriate Existing Land Uses

As previously indicated, there are a variety of shifting and mixed land uses in the Project Area and generally throughout the City. There is also a substantial number of land uses which are inappropriate to the character of conditions of particular areas of the Project Area and City. The following is a general outline of specific examples of conditions of inappropriate land uses which are significant to the Project Area:

Central Area - A

Within the downtown area south of 2nd Street and east of Orange Street, there is a mix of retail commercial, office and single-family residential uses. This area is in transition from residential to office uses and exemplifies the incompatibility of business and residentially related parking, traffic, development and land use activities. To the west of Centre City Parkway and south of 2nd Street the mix of inappropriate land uses is even more predominant. The area is characterized by the merging of older industrial and residential areas overlayed by strip commercial land uses. The result has been a collage and disjointed pattern of deteriorating land uses. In other sections of the central area several inappropriate land use conditions exist. For example, converted ranch barracks now used for permanent residences separate heavy industrial and mid-rise office financial land uses at the corner of Quince Street and Valley Parkway. Along various segments of Quince Street residential structures are inappropriately located between industrial activities in an industrial zone or sepatate intense retail and auto sales development areas in the commercial zones. The condition in the central area is primarily characterized by an incompatible mix of uses with numerous examples of non-conforming buildings and uses.

Eastern Area - B

Similar inappropriate land use conditions exist in the eastern area as they do in the central area. South of Pennsylvania Avenue, north of Grand Avenue and west of Ash Street the entire area is undergoing a shift in land use from single-family residential to medical office uses. The transitional state of area-wide development in this professional zone has created incompatible land use, parking and traffic activities and has fostered maintenance and improvement neglect among residential property owners waiting to be bought out. Along the many cul-de-sac's between Midway Drive and Hickory Street and north of Valley Parkway, a disjointed pattern and incomplete separation of commercial retail and residential uses exist. In these areas single-family structures are inappropriately surrounded by distributing centers or co-exist in office-retail buildings within adjoining spaces.

Northern Area - C

Inappropriate uses characteristic of the area include the harboring of bovine, equine and other farm animals adjacent to higher density multi-family developments. In addition, a school district storage, maintenance yard with temporary administrative office trailers is inappropriately located along narrow sections of Lincoln Avenue causing an incompatible mix of parking and circulation activities. Finally the inappropriate and illegal occupancy of mobile travel trailers exist within residential sections of the area.

Western Area - D

Inappropriate land uses in this area are primarily the result of an incompatible mix of industrial projects and older deep-lot residential units along Hale Avenue. Other examples include trucking operations for recycled receiving and shipment on unimproved and vacant properties fronting along Mission Road. Finally, large vacant and underutilized parcels with marginal residential structures and grading are an inappropriate use of freeway visible commercial property.

Southern Area - E

Inappropriate and incompatible land use conditions which typify the central and eastern Project Area also exist in the southern area. Extending the entire commercial corridor along Escondido Boulevard are various examples of converted residences for retail use, and auto service and repair shops adjacent to personal services, retail outlets, and apartment/motel businesses. South of Fifth Street, north of Tenth Street and west of Centre City Parkway residential, commercial and industrial uses co-exist on the same parcel and create a disjointed land use pattern along various block areas.

In summary, various inappropriate land use problems have been created by uncontrolled, piecemeal patterns of development and gradual shifts in the land use character of many one-time homogeneous areas.

2. Business Stagnation or Failure

The City of Escondido has been regularly impacted with business stagnation and failures. The downtown and strip commercial areas of the City have been impacted the most by business stagnation and failures. This is evident by the visible number of abandoned retail structures along Valley Parkway and Escondido Boulevard and by the large number of stores in the Project Area maintaining marginal inventories and/or forgoing building maintenance. These highly visible conditions in these sections of the commercial areas give indication of poor cash flows leading to marginal merchandising and eventual failure.

Since January 1982, there has been 1235 business failures and/or business license terminations within the City. The terminations of such ongoing business concerns, either from failure of relocation to other communities, are caused by blighted conditions characterized as economic dislocation, disuse or faulty planning within a given area. For example, faulty planning may involve adopted development that permitted full width development and reduction of setbacks or narrow lots thus eliminating possibilities for future floor area increase, design modifications or additional parking improvements necessary to meet conventional retail shopping demands. Economic disuse may be the result of overly restrictive zoning laws which prevents the highest and best use possible that is still compatible to surrounding activities or it may also be the result of poor business and merchandising practices on behalf of the storeowner. Both conditions serve to bring about economic dislocation which may occur as a result of natural market forces but usually is caused from the inability of a project area to adapt or accommodate changing methods of business. Consequently, as the consumer drawing power a project are diminishes, successful and adaptive retailers will relocate outside the area and quality business enterprises will not replace them leaving the area to remain either abandoned or occupied by marginal businesses.

In Escondido such blight factors have contributed to the loss of business enterprises and local business investment as shown on Table 24. About one-fourth of all business license terminations were made by out of town vendors and contractors who have either completed intended transactions and projects in the City or have intentionally discontinued in town activities in favor of business prospects outside the community. To the degree business licenses have been terminated intentionally is an indication of factors existing to cause economic dislocation of the Escondido market place. The failure and termination of City based business establishments are a direct reflection of blighted conditions causing business failure and stagnation. A total of 554 business either failed or terminated operations, conceivably to retire or relocate elsewhere, within the City over the past 34 months.

TABLE 24

CITYWIDE BUSINESS FAILURES AND TERMINATIONS

Type of Business Activity	Number of Businesses	Percentage
Out of town vendors	124	10.0%
Out of town contractors	173	14.0%
City based home occupations	384	31.1%
City based business Establishments	554	44.9%
	1,235	100.0%

SOURCE: Escondido inactive business license files January 1982 through October 1984.

Despite business failures, Escondido currently maintains 3950 city-based business licenses. In many locations of the City, new or recent commercial center developments have attracted business interest and investment. However, in an equal, if not predominant, number of Project Area locations business has stagnated and even declined to marginal levels of operation. Again, these conditions are highly visible within the downtown area, along Escondido Boulevard and along Valley Parkway where second hand products, outdated and obsolete merchandise, as well as, deteriorating product displays and building maintenance prevail. Moreover the stagnating effects on business city-wide is indicated on Table 25 which charts retail sale performance for various store types in Escondido over the last nine years.

C. PREVALENCE OF IMPAIRED INVESTMENTS

The Central Business District of the City of Escondido historically has been the retail core for the San Diego North County area. In the mid and early 1970's the City began to look at the potential decline in revenue sources, the growth and demand for services outside the City's corporate limits, the need to inhouse the retail base of the City, and the competitive nature of the retail market place in the North County.

TABLE 25

Taxable Retail Sales Per Outlet by Store Type

Escondido, California

(Constant 1983 Dollars in Thousands)

Retail Store Type	1975	1976	1977	1978	1979	1980	1981	1982	1983	Compounded Growth 1975-1983
Apparel Stores	291	259	254	293	313	277	273	284	289	-0.10 %
General Merchandise	2955	3367	3828	3202	3032	2496	2345	1860	1608	-7.33 %
Drug Stores	955	1167	1159	1199	1133	934	777	899	905	-0.68 %
Food Stores	655	717	941	1074	988	975	888	1024	1115	6.88 %
Packaged Liquor Stores	469	555	612	548	458	377	343	373	386	-2.42 %
Eating and Drinking Places	298	315	319	323	322	302	290	262	290	-0.35 %
Home Furnishings and Appliances	180	242	299	400	374	291	288	273	309	6.99 %
Building Materials and Farm Impl.	1553	1671	1940	1581	1569	1072	1061	911	1164	-3.55 %
Auto Dealers and Auto Supplies	2170	2459	2574	3003	2373	2003	2044	1878	2182	0.07 %
Service Stations	679	698	748	827	937	985	1088	1119	1095	6.16 %
Other Retail Stores	213	222	248	229	223	185	175	170	183	-1.89 %
All Retail Stores	645	686	766	786	728	618	587	558	619	-0.52 %

Source: California State Board of Equalization

COMMUNITY SYSTEMS ASSOCIATES, INC

an affiliate of ALFRED GOBAR ASSOCIATES

In 1974, the City of Escondido was first approached by Ernest W. Hahn Corporation with respect to developing a regional center. Several sites were discussed including Kit Carson Park, a site east of I-15 between Washington Avenue and Third Avenue, and a site west of I-15 between Valley Parkway and Ninth Avenue.

The site west of I-15 contained a middle school. Following discussion between Hahn and the school district, it was determined that it would be unfeasible to relocate the middle school. This site was thus eliminated from consideration.

The site east of I-15 between Washington Avenue and Third Avenue was comprised of numerous small parcels with fragmented ownership. In order to assist in the acquisition of the parcels and to create a suitable site, the City Council expressed a willingness to consider creating a redevelopment agency.

Meanwhile, in 1976, another development group proposed a regional center on a site at the westerly corner of City Center Parkway and El Norte Parkway.

In December of 1976 the City Council approved a measure calling for the development of a regional center within the City of Escondido, and authorized the preparation of an economic and fiscal analysis of three sites within the City - Kit Carson Park, Center City redevelopment and El Norte Parkway, and a hypothetical site outside of the City. the Study was completed in April, 1977.

The study concluded that:

"1. From an economic and fiscal perspective the three regional center sites within the City of Escondido are clearly superior to an alternative site outside the City boundaries.

2. The Center City site is perhaps the most advantageous to the City from an economic perspective insofar as it might tend to promote the economic growth of the existing downtown area by increasing retail activity in very close proximity to existing businesses. Moreover, under a well-conceived redevelopment program the shopping center could promote a variety of upgraded commercial activities including an automobile center and an array of specialty retail and service activities. This site, however, is also the least productive in terms of immediate revenue-generating potential to the City.

3. From a purely fiscal perspective, the Kit Cason Park site is clearly superior to the other alternatives because of potential leasehold revenues it can generate to the City. These revenues could be used to purchase replacement park sites at locations which are off the freeway and more suitable for recreation activities. Revenues would also be used for development and maintenance of park facilities.

4. The primary advantage of the El Norte site is that it would not require municipal participation either as a lessor or as a redevelopment partner. It is inferior to the other City sites in access and in relationship to the present and future market."

Based on the results of this study the City Council formed a Redevelopment Agency in July, 1977, in order to implement the Center City redevelopment proposal. However, public opposition to the concept of redevelopment let to an Initiative Ballot in April, 1978, abolishing the redevelopment agency. This made it infeasible to pursue the Center City site, and the project was eliminated from consideration.

In June, 1978, the City Council responded to the applicant's request and authorized the preparartion of an EIR for the El Norte site. A preliminary draft EIR was completed, but never was circulated for public review or was certified. The applicant apparently could not attract the major department stores to this site and project was dropped.

The City Council again reviewed the Kit Carson Park site and in late 1978 solicited proposals from several developers. The Hahn Company's proposal was judged to be most advantageous to the City, and in 1979 the City Council put the matter on the ballot as a referendum.

The ballot measure was split into two parts, Propositions A and B. These propositions read as follows:

A. Shall the City sell or lease, for full market value, and undeveloped 75.5-acre portion of Kit Carson Park, and discontinue and abandon sail land for park use; provided that:

   1. The City shall replace the discontinued land by acquiring 77.5 acres of property adjacent to the park and dedicating such land for park purposes;

   2. The discontinued land shall be used for the planned development of a retail center, subject to the requirement that the developer shall include recreational and other community facilities?

   Said portion of Kit Carson Park, the use of which is to be discontinued as a public park is shown and described more specifically on a map on file in the office of the City Clerk, 100 Valley Boulevard, Escondido, California.

B. If Proposition A passes, shall the City, to the extent permitted by law, use not less than one-half of the proceeds from the sale or lease of the 75.5-acre parcel for the development of Kit Carson Park and the development and maintenance of the City's parks and recreational facilities? This measure shall become ineffective upon and after January 1, 1992.

Both measures passed with approximately a fifty-eight percent (58%) affirmative vote, and the City Council authorized the preparation of this EIR.

Although, the decision to develop the Kit Carson site would preserve the retail revenue base within the City limits, the Environmental Impact Report clearly indicated that development of the Center would impact other retail area of the City. These implications were set forth in the North County Fair Regional Shopping Center Economic Impact Study dated July 3, 1980 and incorporated herein by reference. The EIR stated the following:

> "There currently exists in the City of Escondido 1.05 million square feet of occupied shopper goods retail space. As detailed in Table 6, the majority of this space is located in the Escondido Village Mall with 356 thousand square feet and the Central Business District with 261 thousand square feet. Other major concentrations of shopper goods space include the Midtown Plaza featuring a Montgomery Ward's department store and the Gemco, FedMart and K-Mart discount stores. Approximately 45 thousand square feet of space in the City of Escondido is vacant, with the largest proportion concentrated in older buildings in the Central Business District. While a share of this space could be utilized for major shopper good facilities, it could also serve as locations for convenience retail, restaurants, personal services, and office uses."

The EIR went on to state the following with regard to the Center impact on the retail areas of the City:

> "While the basic finding of the market analysis is that the primary trade area can support additional facilities, a number of additional important impacts on the area's retail structure should result from the development of the North County Fair Center.
>
> 1. The proposed center would help to reverse current outflow of retail sales and restore Escondido as the Dominant retail center for the larger North San Diego County region.
>
>   Over an eight (8) year period from 1970 to 1978 Escondido has witnessed a decline in its relative capture of the area's potential retail sales. In 1970, for example, total market capture by Escondido facilities was seventy-two percent (72%) of total resident generated demand, i.e., Escondido retailers were losing sales from residents to stores outside the Escondido area. By 1978, however, total shopper goods captured by market area facilities had declined to only sixty percent (60%) of total Escondido market area potential. Development of the proposed center is clearly necessary to redress this growing inbalance between the area's potential and actual sales.

2. Construction of the proposed center should preclude development of additional "super" regional shopping centers (at least three major departments stores and 800,000 square feet total) in the Escondido primary trade area at least through 1985 and probably through 1990. It is possible that small regional centers with one or two deparment stores could be developed during the next four to six years.

3. Despite the project existence in 1983 of market demand more than sufficient to support both the North County Fair Regional Center and existing facilities within the market area, there should still be shifts in consumer shopping expenditures from older, existing stores to the new center. Development of a new center encourages consumer experimentation at the new site, often with the following consequences:

   Short-term decline in retail sales at existing shopper goods facilities, particularly General Merchandise (department stores) and Apparel stores.

   Limited number of relocations by existing retail stores to locations in the new center.

   Probable impacts on specific existing shopping centers in the Escondido market area include the following:

   Central Business District. As the inventory of existing retail space indicates retail activities in downtown Escondido are centered to a large extent on the Furniture and Home Furnishings stores. Of the 261,000 square feet of retail space included in the four categories of shopper goods, 130,000 or nearly 50 percent is devoted to Home furnishings and Appliances. Another 61,000 square feet or 23 percent is included in the Specialty retail category. Apparel and General Merchandise account for the remaining 27 percent. If experience in other communities is a reasonable predictive measure, the downtown should not be substantially impacted by the development of a regional center in Escondido because of the high concentration of Home Furnishings and Specialty stores which were shown to be relative immune to the new competition.

   In all likelihood the J. C. Penney Company will close its downtown location in favor of a new store in the center. at 20,000± square feet, this does not constitute a major withdrawal. Some of the Apparel stores may make the same locational choice. In their place, however, it is highly possible that a stronger specialty retail center and restaurant area could be developed in the downtown to serve both the large financial/business services employment and the regional population.

Escondido Village Mall. Of all the retail areas, this older shopping center is in the most vulnerable position. Although the Sears stores should continue to show high sales volumes, the other General Merchandise and Apparel stores could lose significant amounts of sales. Sears stores typically create their own markets because of their reputation and ability to provide goods and service to a wide range of income groups. Many of the other stores in the Mall, however, are neither immediately adjacent to this anchor store nor should they be able to compete effectively against the attractiveness of the newer Apparel and Department Stores of the regional center.

In recognition of this vulnerability, management is currently considering plans to provide aesthetic improvement to its exterior appearance and upgrading of its store tenant composition. Discussions with the center manager indicated that he felt that the Apparel stores could lose significant amounts of sales when the new center opens, but will presumably share the market after the initial curiosity about the new center wears away.

Midtown Plaza. A negative impact in the form of short-term sales declines most probably would be generated in the Montgomery Ward's and Woolworth's stores, with the other major tenants which offer conveniences rather than shopper goods remaining relatively unaffected.

Felicita Village. This small specialty retail center should not receive substantial impact. This is due both to its appeal as a recent development as well as to the specialty goods which it offers. Its position as a community center particularly in tandem with the adjacent convenience center, Felicity Plaza, should be unaffected.

Vineyard. This Specialty retail center provides a possible exception to the pattern for specialty stores indicated by the case studies. If the Vineyard were already well established, it would probably not be adversely affected by the new center. However, this center continues to have a relatively high vacancy rate, and development of a regional center will probably further inhibit its ability to capture Specialty tenants. To increase its occupancy percentage the Vineyard has leased some of its vacant space to office and other non-retail users.

Other Retail Centers. The other retail centers in Escondido consist primarily of the major discount departments stores—Gemco, Fed-Mart and K-Mart. The impact on these stores should consist of short-term decline in sales and a slowing of their respective rates of sales growth. The magnitude of the effect would depend to a large extent on the specific tenant mix of the regional shopping center.

4. Studies of existing regional centers indicate that they have an important influence on the location of other retail activities. Many retailers, for example, prefer locations on sites which are immediatley adjacent to the center where they can pay lower rents and yet achieve a high degree of exposure to customers of the center.

   Given the size of the center and the projected population growth in the market area, it is highly probable that a number of retailers will attempt to locate near the Mall. If sites were made available, a total of 30 to 40 acres of ancillary commercial retail/services growth might take place along the major arterial streets near the center site within four to six years after its opening. Moreover, the level of street and infrastructure improvements in the vicinity would also create developmental pressures for general commercial activities such as offices and hotel-motels and multiple family residential uses."

The pursuit of a center has resulted in the beginning of a transition of the central business district from a predominantly retail center to more of a financial, office and professional location. This transition is and will continue to have a disastrous affect on those existing retail operations located in the central business district who cannot financially or practically relocate in and around the North County Fair Center, and who won't have the patronage which was once extremely high in the downtown area.

Sensitive to this phenomena, the City Council amended the City's General Plan in order to emphasize the need to accommodate and mitigate the concerns in the central business district. The goal and objective of the Central Business District is set forth as follows:

> "<u>Central Business District</u>
>
> Strengthen the CBD as an important factor in developing and maintaining Escondido's position as the major financial, professional, and retail center for the inland North County, as well as for its importance as an employment center. Create an identity for the CBD by promoting attractive and functional development and enhancing and expanding the existing parking facilities."

The General Plan further states:

> "At present, Escondido's CBD is the largest single commercial center in the inland North County. Typical of modern day CBD, downtown Escondido is evolving into more of a financial and office center, with the retail sector becoming more limited to specialty shops. To preserve its status, access to the downtown area has been enhanced by a restructuring of the circulatory system and the provision of public parking lots. The City has rezoned the higher densities as recommended in the Plan to provide greater economic support in these areas and encourage residential development in the core area. High density zoning in the core area will be necessary to overcome and compensate for the high cost of development."

Although the CBD is in its transformation stage, the area is showing signs that the demand for financial and office facilities may not compensate for the lost in retail activity.

In August 1983, Alfred Gobar Associates, Inc. prepared a report of Office Market Conditions and Projections - Escondido, California, incorporated herein by reference. The report had the following significant conclusions:

"1. Analysis of the Escondido office market suggests that even with accelerated economic growth in the North County, office space absorption is likely to be on the order of 50,000 square feet per year in the City of Escondido. A well-conceived and well-marketed project with competitive rents could probably account for absorption of 20.0 percent of the total potential, or approximately 10,000 square feet per year. A reasonable basis for planning for the absorption potential for office space to be developed in conjunction with the Civic Center Complex is an absoption rate of 5,000 to 10,000 square feet per year from private sector office tenants apart from government agencies and other types of quasi-public tenants being solicited as potential occupants of the building."

This was based upon the following analysis:

"Growth in demand for office space is primarily a function of increasing employment levels in those categories of economic activity ordinarily associated with the occupany of office space. San Diego County has been characterized by rapid employment growth over the last decade. Employment growth in the office-using sectors of the economy was at a significantly faster rate than the general increase in employment of all types.

San Diego County Office Market Simulations

In 1972, those categories of employment in San Diego County that constituted the bulk of demand for office space amount to 13.6 percent of all nonagricultural wage and salary employment. By 1982, these key categories of employment represented 18.7 percent of all nonagricultural wage and salary employment in the SMSA. Demand for office space grew much faster in San Diego County over the last decade than the general increase in economic activity.

Office markets tent to be high cyclical. This is primarily because of lagged development response to perceptions of strong demand. In 1973 economic growth support demand for office space of about 1.6 million square feet in the face of completions of about 3.2 million square feet.

In 1974, demand was at a level of about 1.5 million square feet, while 1.8 million square feet of new office space was completed. As a result, increasing availability of office space culminated in a high vacancy rate in

1975. This caused a sharp reduction in new development at a time when economic recovery supported accelerating demand. These relationships resulted in a shortage of office space in San Diego County in 1978, 1979, and 1980 which, in turn, stimulated high levels of new development and have recently caused a sharp increase in overall vacancy rates as indicated.

These relationships can be illustrated graphically, indicating a relative surplus of office space through 1975, lower levels of new development until 1978, at which time demand had overtaken supply. Since 1981, the supply of new office space in San Diego County has grown much faster than demand. Even assuming that in the near-term future little new office space is constructed - a reduction in development levels similar to what occurred in 1976 - it will take a considerable period of time to return San Diego County's overall office market to a situation of reasonable strength.

The office market in San Diego County is highly focused into the City of San Diego. - especially in Downtown and Mission Valley.

Escondido Office Market Simulations

Historically, the City of Escondido has accounted for about 2.1 percent of the net value of new office building construction authorized by permit in San Diego County - based on larger projects of over $100,000 per project between 1972 and 1979 and over $500,000 a project beginning in 1980.

There was a significant amount of new office building construction authorized by permit in the City of Escondido in 1979, followed by much more modern levels of new office building construction since. In that sense, Escondido's pattern of office space development runs counter-cyclical to the general pattern for San Diego County. Total levels of new development activity in San Diego County rose sharply from 1979 through 1982. Development levels in the City of Escondido's office sector have moderated since 1979, minimizing the risk that Escondido's market is likely to be subject to massive amounts of overbuilding as is the Downtown portion of San Diego County."

In terms of residential growth, although the City has attained a new development residential growth pattern in the Project Area, the predominate residential product is senior citizen housing, which has had to be subsidized by the City's deletion of school impact fees for these units. Further development incentives have been given in the form of permissible higher densities, lower parking requirements, and the allowance for mixed use relationships which detract from the quality of the housing in relationship to other housing in the City. Although a substantial number of units of this type have been approved by the City Council (i.e. over 3,000) the demand is for less and most likely will result in 1) reduced occupany rates; 2) reduced issuance of building permits; or 3) developed substandard housing units to respond to other housing demand sectors.

Upon the adoption of the Redevelopment Plan, the Agency will have an administrative and financing tool that will enable it to undertake projects and programs that will enhance the ability for the city to preserve the quality and activity of the Central Business District. Together with the Civic Center/Cultural facilities, the pedestrian and circulation improvements, and the housing financial incentives, the Agency will be able to competitively respond to the detrimental conditions resulting from 1) the loss in retail activity; 2) the decline and demand for office uses; and 3) the constraint on residential growth.

D. PREVALENCE OF ECONOMIC MALADJUSTMENT

Economic maladjustment is a result of various factors including, but not limited to, shifting land uses, disuse of property, etc. An additional element of economic maladjustment is the lack of development and/or redevelopment, even though there is developer interest.

Properties stagnate resulting in an economic deterrent to the entire community. The spin-off effect of not being able to develop employment opportunities is higher welfare and unemployment subsidies, foreclosures on homes acquired, eviction from rental units, increased crime and ill health, and/or higher numbers of new homes which cannot be sold at present market prices. Similarly, if new employment opportunities are not provided, new residential developments and rehabilitation will discontinue and the community may continue to deteriorate.

It can therefore be concluded that the economic stability of the community is a cyclical process. If developers or redevelopers do not develop, then job opportunities will not be provided; if job opportunities are not provided, then economic conditions will continue to deteriorate, if economic conditions continue to deteriorate, then there will be no interest on behalf of property owners, businessmen, or developers to revitalize the community; if there is no revitalization of the community, then developers and businesses will go elsewhere and other communities will benefit as a result of their investments.

Although some development has occurred in the Central Business District, more development has occurred outside the CBD drawing away from this area the employment and revenue base which once existed. Examples of this is the North County Fair Center and the Escondido Auto Park.

More important than the development instability of the Project Area, is the overall community inequities which exist between the City and the County, and predominates the Project Area.

The City of Escondido has a median household and median family income far less than its local trade area, the North County trade area, and the County of San Diego as follows:

	Median Family Income	Median Household Income
City of Escondido	$18,193	$15,573
Local Trade Area	$22,232	$19,641
North County Trade Area	$21,025	$18,475
San Diego County	$20,306	$17,107

The City has a greater percentage of renter occupied housing units than owner occupied as compared to surrounding areas, as follows:

	Owner Occupied	Renter Occupied
City of Escondido	56.2%	43.8%
Local Trade Area	69.4%	30.6%
North County Trade Area	65.6%	34.4%
San Diego County	55.1%	44.9%

Housing values within the City are also substantially lower. as shown herein:

	Non-Condo	Condo
City of Escondido	$ 96,478	$ 72,572
Local Trade Area	$118,615	$ 96,037
North County Trade Area	$111,436	$105,576
San Diego County	$ 88,572	$ 99,861

These few factors indicate an inequity or maladjustment between the City and other areas around the County. This is amplified further within the Project Area.

Retail sales in the City are also a good indication of maladjustments. Although Taxable Retail Sales by Retail Store Type shows an inflow of expenditures within the City, Certain other indicators show a decline in sales throughout the City for particular categories. This is shown in the following tables. Over the nine (9) year period the City has shown a decline in taxable retail sales per outlet by store type and per capita by store type. The predominant retail store types which reflect the greatest decline are general merchandise, drug stores and package liquor stores, all of which are significant retail activities of the Project Area.

TABLE 26

TAXABLE RETAIL SALES
COMPOUNDED PERCENTAGE GROWTH/DECLINE
CITY OF ESCONDIDO
1975 - 1983

Retail Store Type	By Store Type	Per Outlet by Store Type	Per Capita by Store Type
Apparel Stores	6.47%	-0.10%	1.60%
General Merchandise	-5.72%	-7.33%	-10.03%
Drug Stores	-0.68%	-0.68%	-5.22%
Food Stores	8.29%	6.88%	3.34%
Packaged Liquor Stores	-0.30%	-2.42%	-4.86%
Eating and Drinking Places	5.14%	-0.35%	0.33%
Home Furnishings and Appliances	8.10%	6.99%	3.16%
Building Materials and Farm Implements	5.70%	-3.55%	0.87%
Auto Dealers and Auto Supplies	4.61%	0.07%	-0.19%
Service Stations	2.60%	6.16%	-2.11%
Other Retail Stores	2.78%	-1.89%	-1.92%
All Retail Stores	3.16%	-0.52%	-1.56%

SOURCE: California State Board of Equalization

TABLE 27

Taxable Retail Sales Flows, 1983

City of Escondido, California

Retail Store Type	Taxable Sales Potential (000) *	Actual Taxable Sales (000)	Inflow or (Outflow) of Taxable Sales (000)	% of Pot.
Apparel Stores	$13,454	$20,200	$6,746	50.1
General Merchandise	45,195	49,861	4,666	10.3
Drug Stores	5,905	11,769	5,864	99.3
Food Stores	25,086	55,725	30,639	122.1
Packaged Liquor Stores	4,467	7,333	2,866	64.2
Eating and Drinking Places	34,913	47,206	12,293	35.2
Home Furnishings and Appliances	13,105	24,443	11,338	86.5
Building Materials and Farm Impl.	13,707	60,519	46,812	341.5
Auto Dealers and Auto Supplies	45,245	146,184	100,939	223.1
Service Stations	34,666	52,542	17,876	51.6
Other Retail Stores	33,294	45,814	12,520	37.6
All Retail Stores	$269,037	$521,596	$252,559	93.9

* Based on overall average per capita retail sales in San Diego County and the population base in the city of Escondido which was estimated to be 73,250 in mid-1983.

Source: California State Board of Equalization
Community Systems Associates, Inc.

TABLE 28

Taxable Retail Sales by Store Type

Escondido, California

(Constant 1983 Dollars in Thousands)

Retail Store Type	1975	1976	1977	1978	1979	1980	1981	1982	1983	Compounded Growth 1975-1983
Apparel Stores	12235	13746	14471	16725	18151	18554	19950	22185	20200	6.47 %
General Merchandise	79787	84174	91874	86458	78833	64884	67996	59530	49861	-5.72 %
Drug Stores	12421	12832	12749	13186	12458	11213	10098	11685	11769	-0.68 %
Food Stores	29458	31528	45155	50499	49392	45809	47072	52223	55725	8.29 %
Packaged Liquor Stores	7508	8883	9179	9315	8238	7157	6509	7830	7333	-0.30 %
Eating and Drinking Places	31615	36221	41837	43329	43725	42605	45488	43683	47206	5.14 %
Home Furnishings and Appliances	13108	17214	21543	28371	34437	25186	23645	24034	24443	8.10 %
Building Materials and Farm Impl.	38836	46788	62085	66387	76869	57863	53032	41912	60519	5.70 %
Auto Dealers and Auto Supplies	101967	113113	138992	150174	132860	110181	108333	110828	146184	4.61 %
Service Stations	42805	43304	43387	48780	53392	60087	60917	54853	52542	2.60 %
Other Retail Stores	36776	40397	46345	44611	46870	39054	42422	40087	45814	2.78 %
All Retail Stores	406516	448200	527617	557835	555225	463593	485462	468850	521596	3.16 %

Source: California State Board of Equalization

TABLE 29

Taxable Retail Sales Per Outlet by Store Type

Escondido, California

(Constant 1983 Dollars in Thousands)

Retail Store Type	1975	1976	1977	1978	1979	1980	1981	1982	1983	Compounded Growth 1975-1983
Apparel Stores	291	259	254	293	313	277	273	284	289	-0.10 %
General Merchandise	2955	3367	3828	3202	3032	2496	2345	1860	1608	-7.33 %
Drug Stores	955	1167	1159	1199	1133	534	777	899	905	-0.68 %
Food Stores	655	717	941	1074	988	975	888	1024	1115	6.88 %
Packaged Liquor Stores	469	555	612	548	458	377	343	373	386	-2.42 %
Eating and Drinking Places	298	315	319	323	322	302	290	262	290	-0.35 %
Home Furnishings and Appliances	180	242	299	400	374	291	288	273	309	6.99 %
Building Materials and Farm Impl.	1553	1671	1940	1581	1569	1072	1061	911	1164	-3.55 %
Auto Dealers and Auto Supplies	2170	2459	2574	3003	2373	2003	2044	1878	2182	0.07 %
Service Stations	679	698	748	827	937	985	1088	1119	1095	6.16 %
Other Retail Stores	213	222	248	229	223	185	175	170	183	-1.89 %
All Retail Stores	645	686	766	786	728	618	587	558	619	-0.52 %

Source: California State Board of Equalization

TABLE 30

Taxable Retail Sales Per Capita by Store Type

Escondido, California

(Constant 1983 Dollars)

Retail Store Type	1975	1976	1977	1978	1979	1980	1981	1982	1983	Compounded Growth 1975-1983
Apparel Stores	242.88	261.58	260.04	284.20	296.34	287.44	293.60	310.93	275.77	1.60 %
General Merchandise	1583.86	1601.79	1650.93	1469.12	1287.07	1005.17	1000.68	834.34	680.70	-10.03 %
Drug Stores	246.57	244.19	229.09	224.06	203.40	173.71	148.61	163.77	160.67	-5.22 %
Food Stores	584.77	599.96	811.41	858.10	806.40	709.67	692.74	731.93	760.75	3.34 %
Packaged Liquor Stores	149.04	169.04	164.94	158.28	134.50	110.88	95.79	109.74	100.11	-4.86 %
Eating and Drinking Places	627.59	689.27	751.79	736.26	713.88	660.03	669.43	612.24	644.45	0.33 %
Home Furnishings and Appliances	260.21	327.57	387.12	482.09	562.24	405.67	347.98	336.85	333.69	3.16 %
Building Materials and Farm Impl.	770.94	890.35	1115.63	1128.07	1255.00	895.41	780.46	587.41	826.20	0.87 %
Auto Dealers and Auto Supplies	2024.16	2152.48	2497.61	2551.81	2169.14	1706.91	1594.30	1553.30	1995.69	-0.19 %
Service Stations	849.73	824.05	779.64	828.89	871.71	930.86	896.50	768.79	717.30	-2.11 %
Other Retail Stores	730.04	768.73	832.79	758.05	765.22	605.02	624.31	561.84	625.45	-1.92 %
All Retail Stores	8069.80	8529.02	9480.99	9478.93	9064.90	7491.76	7144.40	6571.13	7120.76	-1.56 %

Source: California State Board of Equalization

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CONCLUSIONS

It is clear that individually, as well as cumulatively, there are one or more properties and/or structures in the Project Area which exhibit physical, social, and economic conditions of blight consistent with the definition of blight as set forth in Sections 33031 and 33032 of the California Health and Safety Code. These conditions have resulted in economic dislocation, deterioration, and/or disuse. As is set forth in previous discussions, these conditions have caused a reduction of, or lack of, proper utilization of the Project Area. The magnitude of the problem along with its complexity cannot be reasonably expected to be reversed or alleviated by private enterprise acting alone.

Not all properties in the Project Area are blighted. However, these non-blighted properties which have been included meet the criteria for inclusion set forth in Sections 33202 and 33321 of the California Health and Safety Code.

Only through a joint public/private relationship between the City, Agency, other County agencies, private developers, property owners, and residents can attempts be made to reverse the trend of dislocation, deterioration, and/or disuse.

Previous discussions of conditions in the Project Area clearly justify the characteristics of blight in the Project Area which are set forth in Chapter II of this report. The decline in the economic stability of the community, the disuse of properties, the lack of incentives for new development in the Project Area, and limited employment and housing opportunities are specific areas of concern of the Agency. These concerns are consistent with the intent of the use of the California Community Redevelopment Law as set forth in Sections 33035 through 33071 in the Declaration of State Policy and Sections 33250 through 33251 of the California Health and Safety Code.

IV

PROPOSED METHOD OF FINANCING THE REDEVELOPMENT OF THE PROJECT AREA

IV
PROPOSED METHOD OF FINANCING THE REDEVELOPMENT OF THE PROJECT AREA

GENERAL

The Escondido Redevelopment Agency intends to use tax increment financing as its primary source of revenue. Tax increment financing is a procedure whereby property tax revenue from certain areas is used to pay the cost of redeveloping those areas. As a financing tool, tax increment financing has been available to cities and counties in California since 1952.

The basic authority that is provided to cities and counties is provided for in the State Constitution and is contained in Sections 33000 et. seq. of the Health and Safety Code. Tax increment financing is the tool that makes redevelopment activities feasible.

Various provisions contained within the Health and Safety Code pertain to the financing of redevelopment projects. Among other things, these provisions permit the agency to borrow money, allow a city or county to advance funds, and authorize the issuance of bonds for redevelopment purposes.

The principal provision, however, is contained in Section 33670 of the Health and Safety Code. This provision implements Article XVI, Section 16 of the California Constitution which permits the Legislature to provide, in a specific way, for the allocation of property taxes for purposes of financing local redevelopment activities. The authority contained in Section 33670 makes most projects economically feasible in that it freezes the assessed value within the Project Area at the time the Redevelopment Plan is adopted and provides that any property tax revenue produced by an increase in assessed value over the frozen base may be utilized by the agency to repay indebtedness it incurs in conjunction with redeveloping the area. When all indebtedness is repaid, the base is unfrozen and this tax increment thereafter is paid to all of the local taxing entities within the Project Area.

As an example, if a project area was assessed at $10,000,000 and as a result of development the Project Area increased to an assessed value of $15,000,000, the taxes received on the $10,000,000 would continue to flow to the various taxing entities and the taxes resulting from the $5,000,000 would flow to the Agency.

It should be noted that although tax increment financing is a viable tool, the amendments to the California Redevelopment Law introduced by Assemblyman Montoya and approved by the State Legislature have restricted its flexibility of use for newly established project areas. For example, unlike prior to 1976, today a fiscal review by the County and other taxing agencies is required prior to adopting newly established project areas.

The Escondido Redevelopment Agency has the authority to undertake redevelopment projects under the Community Redevelopment Law and the Redevelopment Plan for the Escondido Redevelopment Project. In addition to establishing the procedures for the conduct of redevelopment acctivities, the law and the Redevelopment Plan also provide for a method of producing revenues that may be used to reimburse the Redevelopment Agency for costs incurred on behalf of, or for the benefit of, the redevelopment project. This financing method includes the repayment of direct Agency indebtedness or advances to the Agency by another public entity either in the form of cash or benefiting public improvement.

Specific Financing Authorization of the Redevelopment Plan

Upon adoption or amendment of the Plan by the City Council, the Agency will be authorized to finance this project with financial or other assistance for any public or private source including, but not limited to, the City of Escondido, County of San Diego, State of California, Federal government, property tax increment, interest income, Agency notes an bonds, or any other available source, for the Agency's activities , powers, and duties to implement this Plan pursuant to and in accordance with Part 1, Chapter 6, Articles 1 through 6 of the California Community Redevelopment Law (Health and Safety Code Sections 33600 et. seq.).

The City of Escondido may appropriate to the Agency such financial assistance as may be deemed necessary for administration expenses and overhead of the Agency. Such capital funds may be paid to the Agency as a grant to defray such expenses, or may be provided to the Agency as a loan until adequate tax increments or other funds are available to repay the loans or are sufficiently assured to permit borrowing adequate working capital from sources other than the City. "Administrative expenses may include, but are not limited to, expenses for redevelopment planning and dissemination of redevelopment information. The City, as it is able, may also supply additional assistance through City loans and grants for various public facilities.

The Agency may borrow money (by the issuance of bonds or otherwise) or accept financial or other assistance from any private lending institution and may execute trust deeds or mortgages on any real or personal property owned or acquired by the Agency.

As available, gas tax funds from the State of California and the County of San Diego may be used toward the cost of street improvements and bicycle associated improvements. There may also be some revenue accruing to the project from interest earned on investments of Agency funds.

For the purpose of establishing redevelopment revenue, the Agency will be authorized to issue and sell general obligation bonds, if needed and feasible, in an amount sufficient to finance the project.

The Agency will be authorized to obtain advances, borrow funds, and create indebtedness and other obligations in carrying out this Plan. This principal and interest on such advances, funds, indebtedness and other obligations may be paid from tax increments or any other funds available to the Agency. An Agency will be able to invest any money held in reserves or sinking funds, or any money not required for immediate disbursement, in property or securities in which savings and/or banks may legally invest money subject to their control.

The portion of taxes mentioned herein may be irrevocably pledged by the Agency for payment of the principal and interest on money advanced, loans, or any indebtedness (whether funded, refunded, assumed, or otherwise) by the Agency to finance or refinance, in whole or in part, the City of Escondido Redevelopment Project. The Agency will be able to make such pledges as to specific advances, loans, indebtedness, and other obligations as appropriate, in carrying out the project.

The Agency will be authorized to issue bonds on which the principal and interest are payable, in whole or in part, from sales and use taxes imposed pursuant to the applicable sections of the California Revenue and Taxation Codes.

The Agency shall be required to adopt an annual budget containing specific information identifying the proposed expenditures of the Agency, the proposed indebtedness to be incurred by the Agency, and the anticipated revenues of the Agency. The annual budget may be amended from time to time as determined by the Agency. All expenditures and indebtedness of the Agency shall be in conformity with the adopted or amended budget. The adopted budget shall create an indebtedness of the Agency.

As used herein, the word "taxes" shall include, without limitation, all levies on an ad valorem basis upon land or real property.

As used herein, the words "sales and use taxes" shall include, without limitation, all levies on tangible personal peroperty, with specific exemptions, as set forth in the California Revenue and Taxation Codes.

All taxes paid upon taxable property within the Project Area each year by or for the benefit of the State of California, County of San Diego, City of Escondido, any district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance or amendments thereto approving the Plan, shall be divided as follows:

1. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by, or for, each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Redevelopment Project (as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency) last equalized prior to the effective date of such ordinance, shall be allocated to, and when collected shall be paid into, the funds of the respective taxing agencies on all other

properties paid. For the purpose of allocating taxes levied by, or for, any taxing agency or agencies which did not include the territory of the redevelopment project on the effective date of such ordinance but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the County of San Diego last equalized on the effective date of said ordinance shall be used in determining the assessed valuation of the taxable property in the project on the effective date.

2. That portion of said levied taxes each year in excess of such amount shall be allocated to, and when collected shall be paid into, a special fund of the Agency to pay the principal of, and interest on, loans, moneys advanced, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Agency to finance or refinance, in whole or in part, this redevelopment project. Unless and until the total assessed valuation of the taxable property in the redevelopment project exceeds the total assessed value of the taxable property in such project as shown by the last equalized assessment roll referred to in Paragraph 1 hereof, all of the taxes levied and collected upon the taxable property in the project shall be paid into the funds of the respective taxing agencies. When said loans, advances, and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

   The portion of taxes mentioned in Paragraph 2 above may be irrevocably pledged by the Agency for the payment of the principal and interest on money advanced, loans, or any indebtedness (whether funded, refunded, assumed, or otherwise) by the Agency to finance or refinance, in whole or in part, the Escondido Redevelopment Project. The Agency is authorized to make such pledges as to specific advances, loans, indebtedness, and other obligations as appropriate, in carrying out the project.

3. Not less than twenty percent (20%) of all tax increment which is allocated to the Agency shall be used by the Agency for the purposes of increasing and improving the community's supply of housing for persons and families of low or moderate income, and very low-income households, unless one of the following findings are made:

   a. That no need exists in the community, the provision of which would benefit the Project Area, to improve or increase the supply of housing for persons and families of low or moderate income or very low-income households; or

   b. That some stated percentage less than twenty percent (20%) of the taxes which are allocated to the Agency is sufficient to meet such housing need; or

c. That a substantial effort to meet low- and moderate-income housing needs in the community is being made, and that this effort, including the obligation of funds currently avaialable for the benefit of the community form State, Local, and Federal sources for low- and moderate-income housing along, or in combination with the taxes allocated under this section, is equivalent in impact to the funds otherwise required to be set aside pursuant to this section. The City Council shall consider the need of low- or moderate-income or very low-income households from within, or adjacent to, the Project Area because of increased employment opportunities or because of any other direct or indirect result of implementation of the Redevelopment Plan.

The funds which are required to be used for the purpose of increasing the community's supply of housing for persons and families of low or moderate income shall be held in a separate Low- and Moderate-Income Housing Fund until used.

Any interest earned by the Low- and Moderate-Income Housing Fund shall accrue to the fund and may only be used in the manner prescribed in this section.

The expenditures or obligations incurred by the Agency pursuant to these provisions shall constitute an indebtedness of the project and Agency.

The Agency shall file a statement of indebtedness with the County of San Diego annually after which the County shall allocate and pay the portion of taxes herein set forth. The statement of indebtedness shall be prima facie evidence of the indebtedness of the Agency.

The provisions and requirements set forth in the Plan will emplement and fulfill the intent of the California Community Redevelopment Law and of Article XIII B and Section 16 of Article XVI of the California Constitution. The allocation and payment of the portion of taxes specified herein for the purpose of paying principal of, or interest on, loans, advances, or indebtedness incurred for a redevelopment activity as prescribed in law shall not be deemed the receipt by the Agency or proceeds of taxes levied by, or on behalf of, the Agency within the meaning or for the purpose of Article XIII B of the California Constitution, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to limitation of, any other public body within the meaning or for the purpose of Article XIII B of the California Constitution or any statutory provision enacted in emplementation of Article XIII B. The allocation and payment to the Agency of such portion of taxes shall not be deemed the appropriation by the Agency meaning or for purposes of Article XIII B of the California Constitution.

Any other loans, or grants, or financial assistance from the United States or any other public or private source may be utilized, if available.

The Agency will be authorized to issue bonds from time to time, if it deems appropriate to do so, in order to finance all or any part of the project for any of its corporate purposes.

Neither the members of the Agency or any persons executing the bonds are liable personally on the bonds by reason of their issuance.

The bonds and other obligations of the Agency are not a debt of the City and State, nor are any of its political subdivisions liable for them, nor in any event, shall the bonds or obligations be payable out of any funds or properties other than those of the Agency; and such bonds and other obligations shall so state on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The Agency will be authorized to issue such types of bonds as it may determine including bonds on which the principal and interest are payable:

1. Exclusively from the income and revenues of the Redevelopment Projects financed with the proceeds of the bonds, or with such proceeds together with financial assistance from the State or Federal Government in aid of the projects.

2. Exclusively from the income and revenues of certain designated Redevelopment Projects whether or not they were financed, in whole or in part, with the proceeds of the bonds.

3. In whole or part from tax increment allocated to, and paid into a special fund of, the Agency.

4. In whole or in part from sales and use taxes which are pledged therefore.

5. From its revenues generally.

6. From any contributions or other financial assistance, State or Federal Government.

7. By any combination of these methods.

The Agency will be authorized to undertake the rights and authorities as are set forth in Part 1, Chapter 6, Article 5 of the California Community Redevelopment Law (Health and Safety Code Section 33640 et. seq.).

The Agency will be authorized to adopt a sales and use tax ordinance pursuant to the applicable provisions of the California Revenue and Taxation code, and impose a tax for the privilege of selling tangible personal property at retail upon every retailer in the Project Area, which taxes shall be pledged towards the payment of principal and interest on bonds issued by the Agency. In accordance with the applicable provisions of the law, the rate of tax imposed shall be at a rate of one percent or less, with specific exemptions. The rate of tax imposed by the ordinance shall not exceed the rate of tax imposed by the City's sales and use tax ordinance.

The exercise of this tax provision implemented pursuant to this section in any fiscal year shall be deemed a transfer of financial responsibility from the City of Escondido to the Agency for such fiscal year within the meaning of Subdivision (a) of Section 3, Article XIII B of the California Constitution.

Twenty percent (20%) of the revenues from these taxes shall be used to promote the supply of housing for low- and moderate-income families unless the Agency finds that the unemployment rate in the contiguos census tract block groups or enumeration districts within the City's boundaries equal one and one-half times the average statewide rate of unemployment for the previous calendar quarter based on date prepared by the Employment Development Department of the State of California.

Any pledge of sales and use taxes pursuant to the Plan made with respect to taxes imposed to the payment of principal and interest on bonds of the Agency shall constitute the obligation of a contract between the Agency and the holder of the bonds and shall be protected from impairment by the United States and California Constitutions. The provisions of the Plan which authorize the imposition of the taxes may not be repealed during the time that any of the bonds remain outstanding.

The Agency shall pay to the State, appropriate and appliable costs of preparation to administer and operate the sales and use tax ordinance.

An affected taxing agency may elect to be allocated by resolution, in addition to the portion of taxes allocated pursuant to Paragraph 1 herein, all or any portion of tax revenues allocated to the Redevelopment Agency pursuant to Paragraph 2 herein, attributable to increases in the rate of tax imposed for the benefit of the taxing agency, which levy occurs after the tax year in which the ordinance adopting the Redevelopment Plan becomes effective. Said resolution shall be transmitted and receiveed by the Redevelopment Agency prior to the adoption and/or amendment of this Plan and shall apply to that portion of the Project Area thereafter being annexed to the Project Area. Upon receipt of such resolution, allocation of taxes pursuant to this seciton to the affected taxing agency which has elected to receive the allocation shall be made at the time or times allocations are made pursuant to Paragraph 1 herein.

An affected taxing agency, at any time after the adoption of such resolution, may elect not to receive all or any portion of the additional allocation of taxes pursuant to this section by rescinding such resolution or by amending the same, as the case may be, and giving notice thereof to the City Council, collecting taxes for the affected taxing agency. After receipt of a notice by such official or officials that an affected taxing agency has elected not to receive all or a portion of the additional allocation of taxes by rescission or amendment of the resolution, any allocation of taxes to the affected taxing agency required to be made pursuant to this section shall not thereafter be made but shall be allocated to the Redevelopment Agency and such affected taxing agency shall thereafter be allocated only the portion of taxes provided in Paragraph 1 herein.

After receipt of a notice by such official or officials that an affected taxing agency has elected to receive additional tax revenues attributable to only a portion of the increases in the rate of tax, only that portion of the tax revenues shall thereafter be allocated to the affected taxing agency in addition to the portion of taxes allocated pursuant to Paragraph 1 herein and the remaining portion thereof shall be allocated to the Redevelopment Agency.

As used in this section, "affected taxing agency" means and includes every public agency for the benefit of which a tax is levied upon property in the Project Area, whether levied by the public agency or on its behalf by another public agency.

Financing Limitations or Constraints

The Redevelopment Plan will contain certain limitations or constraints with regard to particular financing activities of the Agency, as follows:

1. A limitation on the number of dollars of taxes which may be divided and allocated to the Redevelopment Agency pursuant thereto will be established. It is estimated in the early stages of the Plan's formulation that this limitation will be set at $117 million of taxes which may be divided and allocated to the Agency or if bonds are issued or reimbursement agreements are entered into with other public agencies and/or private entities, a cumulative total of $250 million, plus the amounts described within and/or resulting from the entering into of reimbursement agreements with other public agencies. Taxes will not be divided and will not be allocated to the Agency beyond such limitation except by an amendment of the Redevelopment Plan.

2. A time limit on the establishing of loans, advances, and indebtedness to finance the redevelopment project, in whole or in part, shall be established. It is estimated that this time limit will be set at forty-five (45) years to be refined to a final time limit prior to adoption of the Plan. Such loans, advances, or indebtedness may be repaid over a period of time longer than such time limit.

No loans, advances, or indebtedness to be repaid from such allocation of taxes shall be established or incurred by the Agency beyond such time limitation. Such time limitation may be extended only by amendment of the Redevelopment Plan.

3. A limitation on the amount of bonded indebtedness which can be outstanding at one time without an amendment to the Plan will be established. It is estimated in the early stages of the Plan's formulation that this limitation will be set as $117 million, to be refined to a final limitation prior to adoption of the Plan. This outstanding bond indebtedness limitation shall only apply to the issuance of bonds to be repaid in whole or in part from the allocation of tax increment.

Financing Projections

The Redevelopment Agency is presently receiving no tax increment from the Project Area due to the fact that the Agency has not yet adopted the Redevelopment Plan. Upon adoption, the Agency upon providing evidence of incurring debt, will permit tax increment revenue to flow to the Redevelopment Agency.

The City of Escondido is located in the County of San Diego where taxes are collected through the County of San Diego Tax Collector. Table 31 provides a listing of the tax rate areas that are wholly or partially within the boundaries of the Escondido Redevelopment Project Area. It should be noted that the distribution of the property tax for each tax rate area may be different for each taxing jurisdiction due to the formula used by the County Tax Assessor for the allocation of property taxes.

TABLE 31

TAX RATE AREAS WITHIN THE
ESCONDIDO REDEVELOPMENT PROJECT AREA

Tax Rate Area Number	
4000	4057
4003	4073
4013	4074
4015	4075
4025	4076
4035	4077
4050	4081

The following is an estimate of the average distribution of the property tax revenues received by the taxing jurisdiction within the Project Area:

Taxing Jurisdiction	Percentage (%) of Tax Increment (1)
County of Escondido	25.32%
City of Escondido	14.45%
North County Cemetary District	.43%
San Diego County Flood Control District	2.42%
Escondido Union Elementary School	27.34%
Escondido Union High School	20.76%
Palomar Community College	6.26%
Department of Education Special Programs	.24%
Northern San Diego County Hospital District Maintenance	2.32%
CWA City of Escondido	.38%
Palomar Resource Conservation District	.08%
	100.00% (±)

(1) This is an approximate amount based upon 1983-84 AB-8 apportionments. Percent may vary depending on tax rate area and number of taxing jurisdictions.

It should be noted that two (2) districts will share in the tax increment percentage for their companion district set forth above. These include the following:

Additional Taxing Jurisdictions	Companion Taxing Jurisdictions
San Marcos Unified School District	Escondido Union Elementary and Union High School Districts
CWA Rincon Del Diablo Water District	CWA City of Escondido

There are fourteen (14) tax rate areas which either totally or partially encompass the Project Area. Not jurisdictions are represented in each tax rate area. Therefore, the percentage of tax increment shown in the above table for each taxing jurisdiction may vary by tax rate area; however, the above percentages represent a reasonable average that can be expected and are used herein to determine the potential fiscal impact. The above percentages are subject to verification by the County of San Diego Tax Collector and Auditor Controller.

It is important to note also, that the various taxing jurisdictions may have issued previous general obligation and revenue bonds for which they are receiving property tax revenues in addition to the one percent (1%) property tax levy. These bond indebtedness amounts are shown in Table 32.

TABLE 32

BONDED INDEBTEDNESS OF TAXING AGENCIES INCLUDED IN ESCONDIDO REDEVELOPMENT PROJECT AREA

AGENCY	As Of	Type of Bond(1)	Indebtedness Amount
County of San Diego	—	—	$ -0-
Flood Control Zone #1	—	—	-0-
Palomar Resource Conservation District	—	—	-0-
Palomar/Pomerado Hospital District	6/30/83	G/O	4,740,000
North County Cemetery District	—	—	-0-
County Water Authority	6/30/84	G/O	69,000,000
Rincon Del Diablo Water District Imp. District	6/30/84	G/O	40,000
San Marcos County Water District	6/30/84	G/O	2,786,000
San Marcos Unified School District	6/30/84	G/O	2,903,000
Escondido Union High School District	6/30/84	G/O	2,306,000
Escondido Union Elementary School District	6/30/84	G/O	1,400,000
Palomar Community College	6/30/84	G/O	850,000
City of Escondido	6/30/84	G/O	3,250,000
City of Escondido	6/30/84	Rev. Bond	9,000,000
TOTAL INDEBTEDNESS AMOUNT			$96,275,000

(1) G/O = General Obligation Bond; Rev. Bond = Revenue Bond

The computation of taxes associated with a particular tax rate area is based upon the specific indebtedness rate for particular agencies (e.g., School District, water district, fire district, etc.) plus a one percent (1%) of assessed valuation general rate authorized pursuant to Proposition 13, multiplied by the assessed valuation, as appropriate. The tax rates are based upon 1 percent of assessed valuation (market valuation).

The City's total assessed valuation for FY 1983-1984 as reported by the San Diego County Tax Assessor amounted to $1,804,794,447. This is based upon a total secured valuation of $1,736,606,310 and a total unsecured valuation of $68,188,137. The past five (5) years changes in assessed valuation are shown in Table 33, as follows:

TABLE 33

NET ASSESSED VALUTION GROWTH RATE

	Assessed Valuation*	Percentage (%) Increase
1980-1981	$1,329,615,032	-
1981-1982	1,493,373,063	12.32%
1982-1983	1,686,054,605	12.90%
1983-1984	1,804,794,447	7.04%
1984-1985	1,941,546,006	7.58%

SOURCE: County of San Diego Yearly Valuation Report

Preliminary estimates of the assessed valuation of the Project Area have been completed. This has been set forth as $651,300,000 or 33.55% of the City's total assessed valuation and is subject to verification by the County of San Diego and the State Board of Equalization.

Although the actual base year assessed valuation cannot be determined until the County's fiscal report has been prepared, it is estimated that the base year assessed valuation will be $651.3 million.

The City has experienced an average annual assessed valuation rate of growth of 9.96% (±) based upon the past experience of the last five (5) years in the City. Deletion of the assessed valuation due to annexations and large new developments on the periphery of the City results in an assessed valuation growth rate between five percent (5%) to seven percent (7%). In order to project annual development absorption of property in the Project Area, and to estimate potential tax increment revenue flows, an analysis of the development, rehabilitation and sale of property has been made. The conclusions of this preliminary analysis is set forth in the tax increment projection assumptions.

The Agency can only receive annual tax increment if it can show that it has created a debt which is an obligation of the Agency. Debt can be created by the sale of redevelopment bonds, the receipt of loans or advances of funds, the financial obligation to pay the cost of a project, or other obligations of law. Debt which has not been paid for by the Agency is considered outstanding indebtedness and is an obligation of the Agency and not any other entity.

When redevelopment activities are successful the property values within, as well as around, the Redevelopment Project Area will increase. Therefore, the assessed value of the property will be increased. The higher taxes resulting from the sale of property will reflect a rise in property values, NOT an increase in tax rates. The changed image of blighted areas and an improved economic base will increase the marketability of property in the area. Property not readily saleable today because of the deteriorating conditions will become marketable.

The Redevelopment Agency does not set tax rates; this has been pre-established by the passage of Proposition 13. Tax rates of agencies such as the County and special districts can only raise their proportionate share of the one percent (1%) assessed valuation tax rate by a vote of the people and if this occurs then all property within their boundaries, including the Project Area, will face higher taxes.

It is doubtful that a taxing agency will be required to raise tax rates due solely to the establishment of a Redevelopment Project Area. The Redevelopment Project Area usually represents only a small proportion of the tax base of other agencies. Should the people of the area vote an increased tax rate it would be for a variety of reasons other than redevelopment such as, inflation, increased service costs and requirements, or salary increases.

The taxes collected by the County Tax Collector based upon the one percent (1%) assessed valuation tax rate is placed in a distribution "pool" for all of the various agencies and entities authorized to receive property taxes. The agencies and entities receive a proportionate share of this pool of money. These agencies and entities will not lose any money they were already receiving prior to the adoption of the Project Area. For example, if they are presently receiving a proportionate share of $100 million, they will continue to receive that same proportionate share as long as the assessed valuation of the area remains constant or rises. As redevelopment activities proceed, it may be necessary for the Redevelopment Agency to acquire selected parcels of land. The temporary removal of these properties will result in a short-term property tax loss. However, after a sale of land to a private developer, the property will again become taxable.

At the end of the redevelopment project life, the taxing agencies will receive tax revenues based on the new higher assessed value in the Redevelopment Project Area. the tax increment which was flowing to the Redevelopment Agency will now flow to all the other taxing agencies. Thus, in the final analysis, the other taxing agencies will reap the revenue benefits of the redeveloped and revitalized Project Area.

It may be true that in the short-term, taxing agencies lose the tax revenue above the base value; however, as previously stated, they do gain the long-term benefit of a higher assessed valuation of the area which may not have occurred without the efforts of redevelopment or the catalyst of reinvestment of these revenues into the Project Area.

In addition, the Civic Center/Cultural facilities proposed to be completed through the administrative and financial authority of the Redevelopment Agency will induce additional increases in assessed valuation outside the Project Area and throughout the region due to this amenity which can be offered to new residents of the region.

The Plan provides a unique and exciting change for the City and all the public agencies in Escondido to form a partnership for collecive futures. Rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects indicates several points. It is belived these two (2) projects will create several hundred new jobs in the near-term and several hundred additional jobs in the mid- and long-term. As a result of the cultural acitivites alone, there should be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in the Escondido area and a total of $20 to $40 million throughout the North County region. Because of the economic stimulation from the redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent (2%) in the Project Area above the normal projections. This increased growth in assessed value is expected to occur through North County, decreasing in effect the farther from the Project Area.

In 1978, California voters approved Proposition 13 (now Article XIII A of the State Consitution), which places a statewide limitation on property tax revenues in the following ways:

a. The property tax rate is limited to an overall maximum of one percent of full cash value (market value) of land and improvements to the land. The amount raised by this tax rate is allocated among all taxing agencies as prescribed by law.

b. The only tax rate that may be applied to the value of property in addition to the one percent rate, is a rate approved by two-thirds of a taxing entity's voters and/or a rate sufficient to cover a taxing entity's voter-approved bond indebtedness obligations that existed prior to June 6, 1978.

c. The property values to which the maximum rate is applied are limited to the full cash value (market value) as of the 1975-76 base year, plus annual increases only for:

- A maximum two percent adjustment for inflation in value of property.

- The value of any improvements to property.

- Reassessment to current full market value when property changes ownership (is sold).

Therefore, the total amount of property tax revenue generated in the redevelopment area is a function of the amount of property value within the area and the total tax rate (the one percent (1%) basic rate plus any voter approved/bond debt rates). This rate, multiplied by the current total property value within the redevelopment area, provides the total property tax revenue generated in the redevelopment area. Generally, total property value consists of: 1) locally assessed secured value (land and improvements to the land), 2) state assessed secured value, and 3) locally assessed unsecured property value (personal property).

Again, it should be noted that the increase in property assessed valuation will be a result of property owner or tenant initiated activities resulting from the sale, improvement and/or development of assessed property and the Proposition 13 required two percent adjustment for inflation in the value of property.

<u>It is the intent of the redevelopment program to utilize tax increment financing as a supplement to other primary sources of revenue for implementation of the overall Project Area improvements</u>. As such it is appropriate to evaluate the tax increment annual cash flow needs in comparison to other revenues to determine the limitations for the Plan.

It is estimated that the redevelopment projects, excluding the Section 33334.2 housing set aside funds and the contingency requirement, is $71,000,000 as shown in the Anticipated Initial Projects List (see Appendix A), and as follows:

1)	Civic Center/Cultural Facility	$52,000,000
2)	Central Business District Improvements	$12,500,000
3)	Other Project Area Circulation Improvements	$ 4,500,000
4)	Other Public Facilities (school improvements)	$ 2,000,000
	TOTAL	$71,000,000[a]

(a) Excludes contingency costs of $3,550,000.

It should be noted, the City Council by Resolution No. 84-11 deleted the following projects from the Redevelopment Plan on September 19, 1984:

1) Harding Street bridge construction;
2) Tulip Street bride widening;
3) Mission Road improvements; and
4) South Escondido Boulevard improvements.

On November 7, 1984 at a City Council workshop, the City Council rescinded their action of September 19, 1984 (Resolution No. 84-11) and reinstated these projects into the Redevelopment Plan.

If the projects valued at $71,000,000 were financed at a tax exempt rate of 10.5% over a term of twenty-five (25) years, the annual debt service would be $8,200,000 annually, or a total 25-year cost of $205,000,000 (±), principal and interest.

It should be noted that should the rate of financing increase above or decrease below the 10.5% rate, the annual debt service required will increase or decrease, respectively. An example of this is shown in Table 34.

TABLE 34

ANNUAL DEBT SERVICE COMPARISONS

Principal Value: $71,000,000 [a] Term of Debt: 25 Years

Tax Exempt Interest Rate	Annual Debt Service (±)	Total 25-Year Cost (±)
9.0	$7,312,870	$182,821,750
9.5	7,601,673	190,041,825
10.0	7,894,817	197,370,425
10.5	8,192,071	204,807,775
11.0	8,493,207	212,330,175
11.5	8,798,006	219,950,150
12.0	9,106,257	227,656,425

[a] Excludes contingency costs.

In December, 1983, an analysis was prepared as to the feasibility of financing the development of the Civic Center/Cultural Facility. This Report is on file in the Office of the City Manager of the City of Escondido and is incorporated herein by reference. Based upon that analysis and cost/revenue projection, a multitude of scenarios were developed to identify the most desirable financing program for the development.

The Report presented a realistic scenario of the financial potential of the development based upon the estimated costs and the probable revenues that could be reasonably pledged to the development.

It was clear that the revenues projections summarized in the Report would not provide adequate annual revenues to meet annual debt service requirements. Even the best case situation showed annual deficits of revenue in the first (1st) through the fourteenth (14th) year of the program.

It was readily apparent that even with the most optimistic approach to projecting revenue, the development as proposed under a single phase financing program was not fully viable.

Therefore, one or more actions would have to be taken. These included, but were not limited to:

1) Reduce the development scope and/or project cost;

2) Aggressively pursue grant or foundation funding for applicable portions of the development;

3) Seeking long term low or no-interest loans from the City;

4) Increasing annual revenues for debt service by establishing an assessment district fee and/or property tax override to cover the deficit in the annual debt service requirement;

5) Utilizing tax increment revenue to supplement available other funding sources; and/or

6) Seeking a private developer that would construct and finance all or part of the development with appropriate lease payments by the City.

It was clearly noted, that to the degree the City and/or community could provide revenue sources in excess of the probable revenue stated therein, such as private foundation loans or grants, community equity investment pledges, public agency grants, donations, etc.; and, if development costs could be reduced, the amount of revenues which the City would have to raise in terms of the City Hall Fund, future City pledged revenues, and tax increment, and the potential need to use assessment districts and property tax overrides would be lessened.

In consideration of the Report and its recommendations, various revenue sources are now being pursued to provide a comprehensive financing strategy for the Civic Center/Cultural Facility, and those other projects in the Central Business District and surrounding area which have a direct relationship on the use and development of this regional complex.

In order to minimize the financial burden to the property owners in terms of assessment district or other fees, to supplement other available revenues, and to provide a catalyst for revitalization of the Project Area, it is recommended that the tax increment from future increased assessed valuation of the Project Area be used to offset these financial liabilities to property owners. This combination approach will ensure project improvements, and at the same time, provide the necessary financial incentives for revitalization.

Preliminary projections of future tax increment revenue from the Project Area have been prepared as shown in Table 35 and Table 36 and are based upon the following preliminary assumptions:

TABLE 35

CITY OF ESCONDIDO
ESTIMATED TAX INCREMENT REVENUE PROJECTIONS

ESCONDIDO REDEVELOPMENT PROJECT (2004 Assessed Acres)
Revenue Projections
Assessed Valuation and Tax Increment
(Assumes Percentage Annual Increase)

Proposed Base Year: FY 1984-1985 — Projected Base Year Assessed Valuation: $651,300,000

Year	Annual Assessed Valuation	Forecasted Percent Increase	Assessed Valuation Increase	Other Assessed Valuation Increase	Total Assessed Valuation	Incremental Valuation	Estimated Annual Tax Increment	Cumulative Tax Increment	% Increase over Base Year
1	651,300,000	5.0	32,565,000	0	683,865,000	32,565,000	325,650	325,650	5.0
2	682,865,000	5.0	34,193,250	0	718,058,250	66,758,250	667,583	993,233	10.3
3	718,058,250	5.0	35,902,913	0	753,961,163	102,661,163	1,026,612	2,019,845	15.8
4	753,961,163	5.0	37,698,058	0	791,659,221	140,359,221	1,403,592	3,423,437	21.6
5	791,659,221	5.0	39,582,961	0	831,242,182	179,942,182	1,799,422	5,222,859	27.6
6	831,242,182	5.0	41,562,109	0	872,804,291	221,504,291	2,215,043	7,437,902	34.0
7	872,804,291	5.0	43,640,215	0	916,444,506	265,144,506	2,651,445	10,089,347	40.7
8	916,444,506	5.0	45,822,225	0	962,266,731	310,966,731	3,109,667	13,199,014	47.8
9	962,266,731	5.0	48,113,337	0	1,010,380,068	359,080,068	3,590,801	16,789,815	55.1
10	1,010,380,068	5.0	50,519,003	0	1,060,899,071	409,599,071	4,095,991	20,885,806	62.9
11	1,060,899,071	5.0	53,044,954	0	1,113,944,025	462,644,025	4,626,440	25,512,246	71.0
12	1,113,944,025	5.0	55,697,201	0	1,169,641,226	518,341,226	5,183,412	30,695,658	79.6
13	1,169,641,226	5.0	58,482,061	0	1,228,123,287	576,823,287	5,768,233	36,463,891	88.6
14	1,228,123,287	5.0	61,406,164	0	1,289,529,451	638,229,451	6,382,295	42,846,186	98.0
15	1,289,529,451	5.0	64,476,473	0	1,354,005,924	702,705,924	7,027,059	49,873,245	107.9
16	1,354,005,924	5.0	67,700,296	0	1,421,706,220	770,406,220	7,704,062	57,577,307	118.3
17	1,421,706,220	5.0	71,085,311	0	1,492,791,531	841,491,531	8,414,915	65,992,222	129.2
18	1,492,791,531	5.0	74,639,577	0	1,567,431,108	916,131,108	9,161,311	75,153,533	140.7
19	1,567,431,108	5.0	78,371,555	0	1,645,802,663	994,502,663	9,945,027	85,098,560	152.7
20	1,645,802,663	5.0	82,290,133	0	1,728,092,796	1,076,792,796	10,767,928	95,866,488	165.3
21	1,728,092,796	5.0	86,404,640	0	1,814,497,436	1,163,197,436	11,631,974	107,498,462	178.6
22	1,814,497,436	5.0	90,724,872	0	1,905,222,308	1,253,922,308	12,539,223	120,037,685	192.5
23	1,905,222,308	5.0	95,261,115	0	2,000,483,423	1,349,183,423	13,491,834	133,529,519	207.2
24	2,000,483,423	5.0	100,024,171	0	2,100,507,594	1,449,207,594	14,492,076	148,021,595	222.5
25	2,100,507,594	5.0	105,025,380	0	2,205,532,974	1,554,232,974	15,542,330	163,563,925	238.6

COMMUNITY SYSTEMS ASSOCIATES, INC
an affiliate of ALFRED GOBAR ASSOCIATES

TABLE 35
(continued)

CITY OF ESCONDIDO
ESTIMATED TAX INCREMENT REVENUE PROJECTIONS

ESCONDIDO REDEVELOPMENT PROJECT (2004 Assessed Acres)
Revenue Projections
Assessed Valuation and Tax Increment
(Assumes Percentage Annual Increase)

Proposed Base Year: FY 1984-1985 | Projected Base Year Assessed Valuation: $651,300,000

Year	Annual Assessed Valuation	Forecasted Percent Increase	Assessed Valuation Increase	Other Assessed Valuation Increase	Total Assessed Valuation	Incremental Valuation	Estimated Annual Tax Increment	Cumulative Tax Increment	% Increase over Base Year
26	2,205,532,974	3.0	66,165,989	0	2,271,698,963	1,620,398,963	16,203,990	179,767,915	248.8
27	2,271,698,963	3.0	68,150,969	0	2,339,849,932	1,688,549,932	16,885,499	196,653,414	259.3
28	2,339,849,932	3.0	70,195,498	0	2,410,045,430	1,758,745,430	17,587,454	214,240,868	270.0
29	2,410,045,430	3.0	72,301,363	0	2,482,346,792	1,831,046,793	18,310,468	232,551,336	281.1
30	2,482,346,793	3.0	74,470,404	0	2,556,817,197	1,905,517,197	19,055,172	251,606,508	291.6
31	2,556,817,197	3.0	76,704,516	0	2,633,521,713	1,982,221,713	19,822,217	271,428,725	304.4
32	2,633,521,713	3.0	79,005,651	0	2,712,527,364	2,061,227,364	20,612,274	292,040,999	316.5
33	2,712,527,364	3.0	81,375,821	0	2,793,903,185	2,142,603,185	21,426,032	313,467,031	329.0
34	2,793,903,185	3.0	83,817,096	0	2,877,720,281	2,226,420,281	22,264,203	335,731,234	341.8
35	2,877,720,281	3.0	86,331,608	0	2,964,051,889	2,312,751,889	23,127,519	358,858,753	355.1
36	2,964,051,889	3.0	88,921,557	0	3,052,973,446	2,401,673,446	24,016,734	382,875,487	368.8
37	3,052,973,446	3.0	91,589,203	0	3,144,562,649	2,493,262,649	24,932,626	407,808,113	382.8
38	3,144,562,649	3.0	94,336,879	0	3,238,899,528	2,587,599,528	25,875,995	433,684,108	397.3
39	3,238,899,528	3.0	97,166,986	0	3,336,066,514	2,684,766,514	26,847,665	460,531,773	412.2
40	3,336,066,514	3.0	100,081,995	0	3,436,148,509	2,784,848,509	27,848,485	488,380,258	427.6
41	3,436,148,509	3.0	103,084,455	0	3,539,232,964	2,887,932,964	28,879,330	517,259,588	443.4
42	3,539,232,964	3.0	106,176,989	0	3,645,409,953	2,994,109,953	29,941,100	547,200,688	459.7
43	3,645,409,953	3.0	109,362,299	0	3,754,772,252	3,103,472,252	31,034,723	578,235,411	476.5
44	3,754,772,252	3.0	112,643,168	0	3,867,415,420	3,216,115,420	32,161,154	610,396,565	493.8
45	3,867,415,420	3.0	116,022,463	0	3,983,437,883	3,332,137,883	33,321,379	643,717,944	511.6

COMMUNITY SYSTEMS ASSOCIATES, INC.
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TABLE 36

CITY OF ESCONDIDO
ESTIMATED TAX INCREMENT REVENUE PROJECTIONS

ESCONDIDO REDEVELOPMENT PROJECT (2004 Assessed Acres)
Revenue Projections
Assessed Valuation and Tax Increment
(Assumes Percentage Annual Increase & North County Fair)

Proposed Base Year: FY 1984-1985 | Projected Base Year Assessed Valuation: $651,300,000

Year	Annual Assessed Valuation	Forecasted Percent Increase	Assessed Valuation Increase	Other Assessed Valuation Increase	Total Assessed Valuation	Incremental Valuation	Estimated Annual Tax Increment	Cumulative Tax Increment	% Increase over Base Year
1	651,300,000	5.0	32,565,000	0	683,865,000	32,565,000	325,650	325,650	5.0
2	683,865,000	5.0	34,193,250	130,000,000	848,058,250	196,758,250	1,967,583	2,293,233	30.2
3	848,058,250	5.0	42,402,913	0	890,461,163	239,161,163	2,391,612	4,684,845	36.7
4	890,461,163	5.0	44,523,058	0	934,984,221	283,684,221	2,836,842	7,521,687	43.6
5	934,984,221	5.0	46,749,211	0	981,733,432	330,433,432	3,304,334	10,826,021	50.7
6	981,733,432	5.0	49,086,672	0	1,030,820,104	379,520,104	3,795,201	14,621,222	58.3
7	1,030,820,104	5.0	51,541,005	0	1,082,361,109	431,061,109	4,310,611	18,931,833	66.2
8	1,082,361,109	5.0	54,118,055	0	1,136,479,164	485,179,164	4,851,792	23,783,625	74.5
9	1,136,479,164	5.0	56,823,958	0	1,193,303,122	542,003,122	5,420,031	29,203,656	83.2
10	1,193,303,122	5.0	59,665,156	0	1,252,968,278	601,668,278	6,016,683	35,220,339	92.4
11	1,252,968,278	5.0	62,648,414	0	1,315,616,692	664,316,692	6,643,167	41,863,506	102.0
12	1,315,616,692	5.0	65,780,835	0	1,381,397,527	730,097,527	7,300,975	49,164,481	112.1
13	1,381,397,527	5.0	69,069,876	0	1,450,467,403	799,167,403	7,991,674	57,156,155	122.7
14	1,450,467,403	5.0	72,523,370	0	1,522,990,773	871,690,773	8,716,908	65,873,063	133.8
15	1,522,990,773	5.0	76,149,539	0	1,599,140,312	947,840,312	9,478,403	75,351,466	145.5
16	1,599,140,312	5.0	79,957,016	0	1,679,097,328	1,027,797,328	10,277,973	85,629,439	157.8
17	1,679,097,328	5.0	83,954,866	0	1,763,052,194	1,111,752,194	11,117,522	96,746,961	170.7
18	1,763,052,194	5.0	88,152,610	0	1,851,204,804	1,199,904,804	11,999,048	108,746,009	184.2
19	1,851,204,804	5.0	92,560,240	0	1,943,765,044	1,292,465,044	12,924,650	121,670,659	198.4
20	1,943,765,044	5.0	97,188,252	0	2,040,953,296	1,389,653,296	13,896,533	135,567,192	213.4
21	2,040,953,296	5.0	102,047,665	0	2,143,000,961	1,491,700,961	14,917,010	150,484,202	229.0
22	2,143,000,961	5.0	107,150,048	0	2,250,151,009	1,598,851,009	15,988,510	166,472,712	245.5
23	2,250,151,009	5.0	112,507,550	0	2,362,658,559	1,711,358,559	17,113,586	183,586,298	262.8
24	2,362,658,559	5.0	118,132,928	0	2,480,791,487	1,829,491,487	18,294,915	201,881,213	280.9
25	2,480,791,487	5.0	124,039,574	0	2,604,831,061	1,953,531,061	19,535,311	221,416,524	299.9

TABLE 36
(continued)

CITY OF ESCONDIDO
ESTIMATED TAX INCREMENT REVENUE PROJECTIONS

ESCONDIDO REDEVELOPMENT PROJECT (2004 Assessed Acres)
Revenue Projections
Assessed Valuation and Tax Increment
(Assumes Percentage Annual Increase & North County Fair)

Proposed Base Year: FY 1984-1985

Projected Base Year Assessed Valuation: $651,300,000

Year	Annual Assessed Valuation	Forecasted Percent Increase	Assessed Valuation Increase	Other Assessed Valuation Increase	Total Assessed Valuation	Incremental Valuation	Estimated Annual Tax Increment	Cumulative Tax Increment	% Increase over Base Year
26	2,604,831,061	3.0	78,144,932	0	2,682,975,993	2,031,675,993	20,316,760	241,733,284	311.9
27	2,682,975,993	3.0	80,489,280	0	2,763,465,273	2,112,165,273	21,121,653	262,854,937	324.3
28	2,763,465,273	3.0	82,903,958	0	2,846,369,231	2,195,069,231	21,950,692	284,805,629	337.0
29	2,846,369,231	3.0	85,391,077	0	2,931,760,308	2,280,460,308	22,804,603	307,610,232	350.1
30	2,931,760,308	3.0	87,952,809	0	3,019,713,117	2,368,413,117	23,684,131	331,294,363	363.6
31	3,019,713,117	3.0	90,591,394	0	3,110,304,511	2,459,004,511	24,590,045	355,884,408	377.6
32	3,110,304,511	3.0	93,309,135	0	3,203,613,646	2,552,313,646	25,523,136	381,407,544	391.9
33	3,203,613,646	3.0	96,108,409	0	3,299,722,055	2,648,422,055	26,484,221	407,891,765	406.6
34	3,299,722,055	3.0	98,991,662	0	3,398,713,717	2,747,413,717	27,474,137	435,365,902	421.8
35	3,398,713,717	3.0	101,961,412	0	3,500,675,129	2,849,375,129	28,493,751	463,859,653	437.5
36	3,500,675,129	3.0	105,020,254	0	3,605,695,383	2,954,395,383	29,543,954	493,403,607	453.6
37	3,605,695,383	3.0	108,170,861	0	3,713,866,244	3,062,566,244	30,625,662	524,029,269	470.2
38	3,713,866,244	3.0	111,415,987	0	3,825,282,231	3,173,982,231	31,739,822	555,769,091	487.3
39	3,825,282,231	3.0	114,758,467	0	3,940,040,698	3,288,740,698	32,887,407	588,656,498	505.0
40	3,940,040,698	3.0	118,201,221	0	4,058,241,919	3,406,941,919	34,069,419	622,725,917	523.1
41	4,058,241,919	3.0	121,747,258	0	4,179,989,177	3,528,689,177	35,286,892	658,012,809	541.8
42	4,179,989,177	3.0	125,399,675	0	4,305,388,852	3,654,088,852	36,540,889	694,553,698	561.0
43	4,305,388,852	3.0	129,161,666	0	4,434,550,518	3,783,250,518	37,832,505	732,386,203	580.9
44	4,434,550,518	3.0	133,036,516	0	4,567,587,034	3,916,287,034	39,162,870	771,549,073	601.3
45	4,567,587,034	3.0	137,027,611	0	4,704,614,645	4,053,314,645	40,533,146	812,082,219	622.3

I. Table 35, Estimate "A"

1) Estimated FY 1984-85 base year assessed valuation of \$651,300,00(+). (\$325,000/acre)

2) The Project Area will increase in assessed valuation at a rate of five percent (5%) annually, based upon a two percent (2%) annual tax assessor increase, one percent (1%) rehabilitation increase and two percent (2%) new development increase.

3) The five percent (5%) annual increase will occur for a period of twenty five (25) years at which time it will decrease to approximately three percent (3%) (i.e. 2% annual tax assessor increase, 0.5% rehabilitation increase, and 0.5% new development increase).

4) The North County Fair Shopping Center assessed valuation increase has been deleted from this projection.

II. Table 36, Estimate "B"

1) Estimated FY 1984-85 base year assessed valuation of \$651,300,000(+). (\$325,000/acre)

2) The Project Area will increase in assessed valuation at a rate of five percent (5%) annually, based upon a two percent (2%) annual tax assessor increase, one percent (1%) rehabilitation increase and two percent (2%) new development increase.

3) The five percent (5%) annual increase will occur for a period of twenty five (25) years at which time it will decrease to approximately three percent (3%) (i.e. 2% annual tax assessor increase, 0.5% rehabilitation increase, and 0.5% new development increase).

4) The North County Fair Shopping Center assessed valuation increase has been included in this projection at an assessed valuation increase of \$130,000,000 in Year #2.

Initial economic impact and projections relative to tax increment financing revenue is difficult to determine without having conclusive knowledge with regard to: 1) negotiated agreements with taxing agencies; 2) final Project Area rate of growth; 3) assessed valuation trends; and 4) future legislation. However, Table 35 and Table 36 present a reasonable scenario with respect to projecting tax increment revenue over 45-years. It should be noted that these scenarios may be modified as a final result of the County fiscal analysis and actual rates of development of the Project Area.

It is anticipated that the projected tax increment revenue will be used to finance all or a portion of the project costs depending on the availability of the tax increment on an annual basis, the priority/scheduling of project implementation, and the availability of other alternative revenue resources.

The redevelopment projects of $71,000,000 have a total project cost of $205,000,000 (±). When added to contingency amount of $3,550,000, to be spent on administrative and miscellaneous costs, the total projects cost (excluding interest) is $74,550,000 or $208,550,000. Assuming the allocation of the maximum amount of housing set-aside funds (i.e. 20%) or $41,710,000 the total projects cost is estimated to be $205,260,000 (±). For purposes of defining the financial limitation of the Redevelopment Plan, a limit of $250,000,000 has been used.

Based upon the projection of tax increments as shown in Table 35, it is estimated that the cumulative tax increment flow would reach $250,000,000 in Year #30. This not-to-exceed amount equates to 38.84% of the total flow of tax increment over the forty-five (45) years ($643,717,943). Using Table 36, the tax increment limit would be reached in Year #27. This equates to 30.79% of the total tax increment over the forty-five (45) years ($812,082,220)

Using the limits of the Redevelopment Plan (i.e., $117,000,000 and $250,000,000) Table 37 provides an analysis of the financial impact parameters of the Plan's financing program on the individual taxing entities not accounting for the years in which the impact occurs, but rather looks at the cumulative impact.

As previously discussed, there are fourteen (14) tax rate areas which either totally or partially encompass the Project Area and not all of the taxing jurisdictions are represented in each tax rate area. Therefore, the percentage of tax increment shown in Table 37 for each taxing jurisdiction may vary by tax rate area; however, the impact stated represents a reasonable analysis of what could be expected. This impact is subject to verification by the County of San Diego Tax Collector, Auditor Controller, and Assessor.

Table 38 and Table 39 provide an analysis of the average annual diversion of tax increment by a) financial limit; b) 25-year average annual diversion; and c) 45-year average annual diversion. Table 38 shows this analysis for the $117,000,000 financial limit, and Table 39 shows this analysis for the $250,000,000 financial limit.

The cost of projects contemplated under the Redevelopment Plan, as estimated based upon 1984 dollars, has previously been identified. It should be noted that these are estimates and may be revised, modified, or changed as a result of inflation, final design, formulation of specifications, financing and debt service, and implementation.

In order to understand the relationship of annual available tax increment versus annual required revenues to off-set project debt service plus the twenty percent (20%) required housing set-aside over the first twenty (20) years of the Redevelopment Plan, Table 40 and Table 41 have been prepared to show the annual surplus/deficit calculations of tax increment. Table 40 utilizes the tax increment projection excluding North County Fair. Table 41 utilizes the tax increment projection including North County Fair.

COMMUNITY SYSTEMS ASSOCIATES, INC — an affiliate of ALFRED GOBAR ASSOCIATES

TABLE 37

ESCONDIDO REDEVELOPMENT PLAN
PRELIMINARY ESTIMATES OF
TAX INCREMENT IMPACT ON TAXING JURISDICTIONS

Preliminary Estimates of Revenue Impact (±)

	Percentage (%) of Tax Increment (1)	Plan Limitations	
		$117,000,000	$250,000,000
County of Escondido	25.32%	$ 29,624,400	$ 63,300,000
City of Escondido	14.45%	16,906,500	36,125,000
Escondido Cemetary District	.43%	503,100	1,075,000
San Diego County Flood Control District	2.42%	2,831,400	6,050,000
Escondido Union Elementary School	27.34%	31,987,800	68,350,000
Escondido Union High School	20.76%	24,289,200	51,900,000
Palomar Community College	6.26%	7,324,200	15,650,000
County Department of Education Special Programs	.24%	280,800	600,000
Northern San Diego County Hospital District Maintenance	2.32%	2,714,400	5,800,000
CWA City of Escondido	.38%	444,600	950,000
Palomar Resource Conservation District	.08%	93,600	200,000

(1) This is an approximate amount based upon 1983-84 AB-8 apportionments. Percent may vary depending on tax rate area and number of taxing jurisdictions.

TABLE 38

ESCONDIDO REDEVELOPMENT PLAN
PRELIMINARY ESTIMATES OF
TAX INCREMENT IMPACT ON TAXING JURISDICTIONS

$117,000,000 Limit
Preliminary Estimates of Revenue Impact (+)

	Percentage (%) of Tax Increment (1)	Plan Limitation $117,000,000	25-Year Average Annual Diversion	45-Year Average Annual Diversion
County of Escondido	25.32%	$ 29,624,400	$ 1,184,976	$ 658,320
City of Escondido	14.45%	16,906,500	676,260	375,700
Escondido Cemetary District	.43%	503,100	20,124	11,180
San Diego County Flood Control District	2.42%	2,831,400	113,256	62,920
Escondido Union Elementary School	27.34%	31,987,800	1,279,512	710,840
Escondido Union High School	20.76%	24,289,200	2,076,000	1,153,333
Palomar Community College	6.26%	7,324,200	292,968	162,760
County Department of Education Special Programs	.24%	280,800	11,232	6,240
Northern San Diego County Hospital District Maintenance	2.32%	2,714,400	108,576	60,320
CWA City of Escondido	.38%	444,600	17,784	9,880
Palomar Resource Conservation District	.08%	93,600	3,744	2,080

(1) This is an approximate amount based upon 1983-84 AB-8 apportionments. Percent may vary depending on tax rate area and number of taxing jurisdictions.

TABLE 39

ESCONDIDO REDEVELOPMENT PLAN
PRELIMINARY ESTIMATES OF
TAX INCREMENT IMPACT ON TAXING JURISDICTIONS

$250,000,000 Limit
Preliminary Estimates of Revenue Impact (±)

	Percentage (%) of Tax Increment (1)	Plan Limitation $250,000,000	25-Year Average Annual Diversion	45-Year Average Annual Diversion
County of Escondido	25.32%	$ 63,300,000	$ 2,532,000	$ 1,406,667
City of Escondido	14.45%	36,125,000	1,445,000	802,778
Escondido Cemetary District	.43%	1,075,000	43,000	23,889
San Diego County Flood Control District	2.42%	6,050,000	242,000	134,444
Escondido Union Elementary School	27.34%	68,350,000	2,734,000	1,518,889
Escondido Union High School	20.76%	51,900,000	2,076,000	1,153,333
Palomar Community College	6.26%	15,650,000	626,000	347,778
County Department of Education Special Programs	.24%	600,000	24,000	13,333
Northern San Diego County Hospital District Maintenance	2.32%	5,800,000	232,000	128,889
CWA City of Escondido	.38%	950,000	38,000	21,111
Palomar Resource Conservation District	.08%	200,000	8,000	4,444

(1) This is an approximate amount based upon 1983-84 AB-8 apportionments. Percent may vary depending on tax rate area and number of taxing jurisdictions.

TABLE 40

ESCONDIDO REDEVELOPMENT PROJECT
ESTIMATED REVENUE REQUIRED FOR DEBT SERVICE ON A $74,550,000 PROJECT (1)
(Tax Increment Projection Excluding North County Fair)

Year	Annual Tax Increment Total	20% Tax Increment Set-Aside	Tax Increment Required for Annual Project Debt Service (2)	Total Annual Tax Increment Required	Annual Tax Increment Surplus/Deficit
1	$ 325,650	$ 65,130	$ 8,598,295	$ 8,663,425	$ (8,337,775)
2	667,583	133,517	8,598,295	8,731,812	(8,064,229)
3	1,026,612	205,322	8,598,295	8,803,617	(7,777,005)
4	1,403,592	280,718	8,598,295	8,879,013	(7,475,421)
5	1,799,422	359,884	8,598,295	8,958,179	(7,158,757)
6	2,215,043	443,009	8,598,295	9,041,304	(6,826,261)
7	2,651,445	530,289	8,598,295	9,128,584	(6,477,139)
8	3,109,667	621,933	8,598,295	9,220,228	(6,110,561)
9	3,590,801	718,160	8,598,295	9,316,455	(5,725,654)
10	4,095,991	819,198	8,598,295	9,417,493	(5,321,502)
11	4,626,440	925,288	8,598,295	9,523,583	(4,897,143)
12	5,183,412	1,036,682	8,598,295	9,634,977	(4,451,565)
13	5,768,233	1,153,647	8,598,295	9,751,942	(3,983,709)
14	6,382,295	1,276,459	8,598,295	9,874,754	(3,492,459)
15	7,027,059	1,405,412	8,598,295	10,003,707	(2,976,648)
16	7,704,062	1,540,812	8,598,295	10,139,107	(2,435,045)
17	8,414,915	1,682,983	8,598,295	10,281,278	(1,866,363)
18	9,161,311	1,832,262	8,598,295	10,430,557	(1,269,246)
19	9,945,027	1,989,005	8,598,295	10,587,300	(642,273)
20	10,767,928	2,153,586	8,598,295	10,751,881	16,047
TOTAL	$95,866,487	$19,173,296	$171,965,900	$191,139,196	$(95,272,708)

(1) Includes project costs and contingencies and excludes housing set-aside and interest costs.

(2) 25-year financing at 10.5%

TABLE 41

ESCONDIDO REDEVELOPMENT PROJECT
ESTIMATED REVENUE REQUIRED FOR DEBT SERVICE ON A $74,550,000 PROJECT (1)
(Tax Increment Project Including North County Fair)

Year	Annual Tax Increment Total	20% Tax Increment Set-Aside	Tax Increment Required for Annual Project Debt Service (2)	Total Annual Tax Increment Required	Annual Tax Increment Surplus/Deficit
1	$ 325,650	65,130	$ 8,598,295	$ 8,663,425	$ (8,337,775)
2	1,967,583	393,517	8,598,295	8,991,812	(7,024,229)
3	2,391,612	478,322	8,598,295	9,076,617	(6,685,005)
4	2,836,842	567,368	8,598,295	9,165,663	(6,328,821)
5	3,304,334	660,867	8,598,295	9,259,162	(5,954,828)
6	3,795,201	759,040	8,598,295	9,357,335	(5,562,134)
7	4,310,611	862,122	8,598,295	9,460,417	(5,149,806)
8	4,851,792	970,358	8,598,295	9,568,653	(4,716,861)
9	5,420,031	1,084,006	8,598,295	9,682,301	(4,262,270)
10	6,016,683	1,203,337	8,598,295	9,801,632	(3,784,949)
11	6,643,167	1,328,633	8,598,295	9,926,928	(3,283,761)
12	7,300,975	1,460,195	8,598,295	10,058,490	(2,757,515)
13	7,991,674	1,598,335	8,598,295	10,196,630	(2,204,956)
14	8,716,908	1,743,382	8,598,295	10,341,677	(1,624,769)
15	9,478,403	1,895,681	8,598,295	10,493,976	(1,015,573)
16	10,277,973	2,055,595	8,598,295	10,653,890	(375,917)
17	11,117,522	2,223,504	8,598,295	10,821,799	295,723
18	11,999,048	2,399,810	8,598,295	10,998,105	1,000,943
19	12,924,650	2,584,930	8,598,295	11,183,225	1,741,425
20	13,896,533	2,779,307	8,598,295	11,377,602	2,518,931
TOTAL	$135,567,192	$27,113,439	$171,965,900	$199,079,339	$(63,512,147)

(1) Includes project costs and ntingencies and excludes housing set-aside and interest costs.

(2) 25-year financing at 10.5%

The analysis of this section is subject to verification, revision and refinement by the Agency's financial consultant prior to adoption of the Redevelopment Plan and issuance of financing for the Projects contemplated.

The improvement projects are viewed as being paramount to the achievement of objectives established by the Agency: an improved economic base which will increase marketability within the Project Area, the mitigation of blight conditions which presently exist, an increase in the assessed value of property within the Project Area, the establishment of a regional governmental and cultural complex; and the revitalization of the City's Central Business District. The short-term economic impacts are mitigated by the long-term achievement of the Plan and the positive results of its implementation.

As noted in the previous discussion, the estimated project costs are projected at $116,250,000 (i.e. project costs, contingencies, and housing set-aside). This is estimated in 1984 dollars and does not include the cost of debt service, financing, design and engineering, inflation, and other increment limits of the plan. It is not readily possible to determine the annual growth rate and/or number of years required to attain the Agency's financial objectives.

In order to mitigate fiscal impacts resulting from the Plan, the following mitigation measures can be pursued by the Agency:

1. The term of the Plan can be reduced from 45 years to some other term consistent with the flow of increment forecasted using: 1) a reasonable annual rate of growth; 2) a capital cost of $116,250,000; and 3) debt service associated with the cost pursuant to the financial limitation of the Plan.

2. A broad "cooperative agreement" can be entered into by and between the Agency and the taxing entities authorizing the roles and responsibilities by each relative to the implementation of the Redevelopment Plan and providing for specific project agreements to be executed at such time as an impact is documented to exist by the taxing entities resulting from the adoption and/ or implementation of the Redevelopment Plan.

3. Contribute tax increment to the taxing agencies beginning in the year that the tax increment exceeds required debt services, or at an earlier date as mutually agreed upon between the taxing agencies and the Redevelopment Agency.

4. Restrict the tax increment the Agency will receive to not exceed the one percent (1%) ad valorem tax as authorized by Proposition 13. Tax rates in excess of said ad valorem tax including, but not limited to, bond outstanding debt services would continue to flow to the appropriate and responsible jurisdictions.

5. Reduce the number of projects to be pursued by the Agency so as to reduce the financial limits of the Redevelopment Plan.

6. Utilize other revenue sources to supplement the available tax increment in order to reduce the amount of tax increment required to fund the proposed projects.

PROJECTS TO BE FINANCED WHOLLY OR PARTIALLY WITH TAX INCREMENT REVENUE

With respect to the specific goals and objectives for the Escondido Redevelopment Agency, specific improvements are planned for implementation within the Project Area. It must be emphasized that, for the most part, the specific details of projects and developments are not known in detail at this time.

The reason for presenting this list of projects at this time is twofold: 1) these projects give the public an idea of the intentions of the Agency, and 2) the list serves as a guideline for the future expenditure of Agency funds.

It must be emphasized that approval of the Redevelopment Plan in no way authorizes approval of the projects. All projects must be subject to public hearings at each annual Agency budgetary review session and upon City Council review and approval individually before implementation. Furthermore, additional public hearings are also held during the environmental review process, as appropriate. Without this legal process none of the projects may be implemented.

It is anticipated that the Agency may undertake a variety of physical, social, economic, and environmental projects to ensure that the goals of this Redevelopment Plan are fulfilled. The projects as set forth are an indication of the types of projects contemplated by the Agency or the City. They will be all encompassing if approved as part of the Redevelopment Plan.

Projects anticipated to be pursued at adoption of the Redevelopment Plan are set forth in an Anticipated Initial Projects List, identified in this section for planning purposes and shall be construed as a limitation on the Agency to carry out and implement the Redevelopment Plan.

The projects list is a summary of needed improvements within the Project Area, as developed by the Project Area Committee, Planning Commission and Redevelopment Agency. The purpose of these projects is to promote revitalization, redevelopment, development, and the mitigation of blight within the Project Area that is viable, both physically and economically, through the provision of improvements.

The projects anticipated to be undertaken either wholly or partially with tax increment financing through the implementation of the Redevelopment Plan are identified herein. Projects have been generally prioritized as follows:

PRIORITY "A" PROJECTS $52,000,000

Civic Center/Cultural Facility

1) City Hall
2) Community Theater
3) Auditorium
4) Fine Arts Facility
5) Convention Facility
6) Governmental Office Facility

Other Public Facilities $2,000,000

1) Temporary and permanent school facilities, offices and/or athletic facilities.

Housing Projects 20% (±) of tax increment

1) Provide for improving the quality and/or quantity of very-low, low- and moderate-income housing for the community pursuant to the provisions of the California Community Redevelopment Law.

   a) Housing rehabilitation loans and grants.

PRIORITY "B" PROJECTS

Central Business District Improvements $12,500,000

1) Traffic Circulation and Parking Improvements:

   Street improvements, curbs, gutters, street lights, intersection treatments and restriping of existing parking within, but not limited to, the following areas:

   a) Grand Avenue east of Centre City Parkway;
   b) Valley Parkway east of Centre City Parkway;
   c) Broadway between and 5th Avenue and Washington Street;
   d) Escondido Boulevard between 5th Avenue and Washington Street;
   e) Second Avenue east of Centre City Parkway;
   f) The alley between Grand Avenue and 2nd Avenue from Juniper Avenue to Escondido Boulevard; and
   g) The alley between Grand Avenue and Valley Parkway from Hickory Street to Orange Street.

2) Storm Drainage Improvements:

   Upgrading line sizes and replacement of existing drainage system within, but not limited to, the following areas:

   a) Broadway from Grand Avenue to Valley Parkway;
   b) Valley Parkway from Broadway to Maple Street; and
   c) Maple Street from Valley Parkway to the Flood Control Channel.

3) Pedestrian Circulation Improvements:

   Sidewalks, benches, landscaping, street trees, lighting and intersection treatment within, but not limited to, the following areas:

a) Grand Avenue east of Centre City Parkway;
b) 2nd Avenue east of Centre City Parkway;
c) Valley Parkway east of Centre City Parkway;
d) Maple Street between 3rd Avenue and Valley Parkway;
e) Broadway between 3rd Avenue and Valley Parkway;
f) Escondido Boulevard between 3rd Avenue and Washington Street; and
g) The alley between Grand Avenue and 2nd Avenue from Escondido Boulevard to Juniper Street.

4) Private rehabilitation incentives:

Establishment of financial programs in order to provide low-interest loans and/or grants for existing building, business and/or property improvement and rehabilitation.

5) City entrance improvements:

Street improvements, curbs, gutters, street lights, intersection treatment restriping, landscaping, and community entrance signs along the corridors providing entrance into the Central Business District:

a) Valley Parkway, Grand Avenue and Second Avenue from Interstate 15 to Escondido Boulevard;
b) State Highway 78 from Interstate 15 to Broadway; and
c) Broadway from State Highway 78 to Second Avenue.

Housing Projects — 20% (±) of tax increment

1) Provide for improving the quality and/or quantity of very-low, low- and moderate-income housing for the community pursuant to the provisions of the California Community Redevelopment Law.

   a) Residential neighborhood infrastructures and right-of-way improvements.

PRIORITY "C" PROJECTS

Other Project Area Circulation Improvements — $4,500,000

1) Harding Street bridge construction;
2) Tulip Street bridge widening;
3) Mission Street improvements; and
4) South Escondido Boulevard improvements.

Housing Projects 20% (±) of tax increment

1) Provide for improving the quality and/or quantity of very-low, low- and moderate-income housing for the community pursuant to the provisions of the California Community Redevelopment Law.

   a) Financial assistance in providing new development affordable housing.

The estimated component costs for the various projects contemplated are shown on the Anticipated Initial Projects List (see Appendix A) and are given in 1984 dollars for the ultimate completion of such projects in furtherance of the Redevelopment Plan.

Impact of Tax Increment Financing

It is understood that the redistribution of tax dollars from the various affected taxing agencies to the redevelopment agency may have an impact on the revenue flow to the affected taxing agencies. To determine the individual impact on affected taxing agencies, the fiscal review procedures provides various reports (i.e. Fiscal Review Committee Report, Section 33352 Report to the City Council, and the County Auditor-Controller Report). It should be noted that the County called for the creation of a Fiscal Review Committee within the prescribed time according to law.

Section 33353.5 of the Health and Safety Code states:

> "....at the conclusion of the hearing, the fiscal review committee shall report to the agency on the fiscal impact of the redevelopment plan or the amendment to the redevelopement paln on each of the members of the fiscal reveiw committee.
>
> The fiscal review committee may suggest amendments to the plan, the adoption of which would alleviate or eliminate any fiscal effects which may be detrimental to the affected taxing entities."

In order to clearly understand the implications of Section 33353.5, it is necessary to define certain words. For purposes of this response the following definitions have been used:

1. "Fiscal" shall mean having to do with the public treasury or revenues.

2. "Impact" shall mean the power of an event, idea, etc. to produce changes.

Therefore "fiscal impact" shall mean the power of an event (i.e. the adoption and/or implementation of the redevelopment plan and project area) to produce changes (i.e. beneficial and/or adverse) in the public treasury or revenues of an entity.

Additional definitions which may be necessary to understand are the following:

1. "Alleviate" shall mean to make less hard to bear or to reduce or decrease.

2. "Eliminate" shall mean to take out, remove, get rid of, reject, omit.

3. "Effect" shall mean an influence or action upon something.

4. "Detrimental" shall mean causing damage or harm.

Therefore "the fiscal committee shall report to the Agency on the fiscal impact of the redevelopment plan" shall mean that the committee shall report to the Agency, the powers or events the redevelopment plan (i.e. beneficial and/or adverse) will have on the public treasury or revenues of the members of the fiscal review committee.

Additionally, "alleviate or eliminate any fiscal effects which may be detrimental to the affecting taxing entities shall mean" to reduce or decrease, or remove any event which may cause damage or harm to the public treasury or revenue of an entity.

Two questions then become apparent:

1. To what degree or scope must the affected taxing entity describe and substantiate damage or harm to public treasury or revenue of an entity? and

2. To what level of reduction, decrease or removal must the damage or harm be reduced?

In order to answer these two complimentary questions, it is necessary to refer to Section 33367(f) which reads as follows:

> The ordinance of the City Council adopting the Redevelopment Plan shall ".... when the project is financed in part or in whole from revenues derived from the allocations of taxes pursuant to Section 33670, a statement that the legislative body is convinced that the effect of tax increment financing will not cause a severe financial burden or detriment on any taxing agency deriving revenues from a tax increment project area."

Again the definition of pertinent words must be clarified as follows:

1. "Severe" shall mean serious, grave or restraintfulness.

2. "Financial" shall mean references to money matters where large sums are involved.

3. "Burden" shall mean anything one has to bear or put up with.

4. "Detriment" shall mean anything that causes damage or injury.

Therefore "will not cause a severe financial burden or detriment on any taxing agency" shall mean that the influence or action to adopt the redevelopment plan and its provisions of tax increment financing will not seriously, gravely, or restraintfully influence or act upon the money matters of the entity to such an extent that it could be considered damaging or injurious, or bearing.

Although this above discussion is not based upon legal proceedings it is a common understanding of the terms used. The difficulty in making the last determination, is the subjectivity of words serious, grave, and restraint. Therefore, in order to make such determination adequate substantiating data must be made available by the affected taxing entities so as to "convince" the City Council that such conditions do exist and that they cannot objectively make the findings of Section 33367(f).

Unless the affected taxing agencies provide substantiating documentation to support claims of individual or cummulative severe financial burden or detriment, the City Council must make their decision based upon the evidence presented and the testimony provided. The burden of proof in identifying this impact is placed on the affected taxing agency in conjuction with the broad economic and fiscal data provided by the Agency.

The EIR and this report clearly indicates the estimated total loss in revenue to the various taxing jurisdictions. These estimates are based upon the financial limits of the Plan and identify the worst case situation. As a result of the County Auditor-Controller analysis of the Redevelopment Plan, an updated estimate of the total fiscal impact may be required prior to adoption of the Plan.

Table 42 identifies the impact on taxing jurisdictions based upon the Plan's limitations. This is further amplied in Table 43 and Table 44, which show the 24-year and 45-year annual diversion of tax increment based upon the Plan's limitations.

Further evaluation of the fiscal implication of re-distributing property taxes or the use of tax increment, can be evaluated by reviewing the overall 45-year percentage of revenues received by each taxing jurisdiction in addition to the Redevelopment Agency, and comparing that against the present percentage allocation of property taxes.

Table 45 identifies the distribution of the one percent (1%) property tax revenue assuming a base valuation of the Project Area of $651,300,000. Similarly, distributions have been analyzed for four (4) assessed valuation projections as follows:

1) 5/2% Valuation

   This represents a base year valuation of $651,300,000 increasing 5% for years 1-25 and 3% for years 26-45. This analysis assumes the deletion of the North County Fair, and results in an assessed valuation in the Project Area of $3,867,415,420 in the 45th year.

TABLE 42

ESCONDIDO REDEVELOPMENT PLAN
PRELIMINARY ESTIMATES OF
TAX INCREMENT IMPACT ON TAXING JURISDICTIONS

Preliminary Estimates of Revenue Impact (±)

	Percentage (%) of Tax Increment (1)	Plan Limitations	
		$117,000,000	$250,000,000
County of Escondido	25.32%	$ 29,624,400	$ 63,300,000
City of Escondido	14.45%	16,906,500	36,125,000
Escondido Cemetary District	.43%	503,100	1,075,000
San Diego County Flood Control District	2.42%	2,831,400	6,050,000
Escondido Union Elementary School	27.34%	31,987,800	68,350,000
Escondido Union High School	20.76%	24,289,200	51,900,000
Palomar Community College	6.26%	7,324,200	15,650,000
County Department of Education Special Programs	.24%	280,800	600,000
Northern San Diego County Hospital District Maintenance	2.32%	2,714,400	5,800,000
CWA City of Escondido	.38%	444,600	950,000
Palomar Resource Conservation District	.08%	93,600	200,000

(1) This is an approximate amount based upon 1983-84 AB-8 apportionments. Percent may vary depending on tax rate area and number of taxing jurisdictions.

TABLE 43

ESCONDIDO REDEVELOPMENT PLAN
PRELIMINARY ESTIMATES OF
TAX INCREMENT IMPACT ON TAXING JURISDICTIONS

$117,000,000 Limit
Preliminary Estimates of Revenue Impact (±)

	Percentage (%) of Tax Increment (1)	Plan Limitation $117,000,000	25-Year Average Annual Diversion	45-Year Average Annual Diversion
County of Escondido	25.32%	$ 29,624,400	$ 1,184,976	$ 658,320
City of Escondido	14.45%	16,906,500	676,260	375,700
Escondido Cemetary District	.43%	503,100	20,124	11,180
San Diego County Flood Control District	2.42%	2,831,400	113,256	62,920
Escondido Union Elementary School	27.34%	31,987,800	1,279,512	710,840
Escondido Union High School	20.76%	24,289,200	2,076,000	1,153,333
Palomar Community College	6.26%	7,324,200	292,968	162,760
County Department of Education Special Programs	.24%	280,800	11,232	6,240
Northern San Diego County Hospital District Maintenance	2.32%	2,714,400	108,576	60,320
CWA City of Escondido	.38%	444,600	17,784	9,880
Palomar Resource Conservation District	.08%	93,600	3,744	2,080

(1) This is an approximate amount based upon 1983-84 AB-8 apportionments. Percent may vary depending on tax rate area and number of taxing jurisdictions.

TABLE 44

ESCONDIDO REDEVELOPMENT PLAN
PRELIMINARY ESTIMATES OF
TAX INCREMENT IMPACT ON TAXING JURISDICTIONS

$250,000,000 Limit
Preliminary Estimates of Revenue Impact (±)

	Percentage (%) of Tax Increment (1)	Plan Limitation $250,000,000	25-Year Average Annual Diversion	45-Year Average Annual Diversion
County of Escondido	25.32%	$ 63,300,000	$ 2,532,000	$ 1,406,667
City of Escondido	14.45%	36,125,000	1,445,000	802,778
Escondido Cemetary District	.43%	1,075,000	43,000	23,889
San Diego County Flood Control District	2.42%	6,050,000	242,000	134,444
Escondido Union Elementary School	27.34%	68,350,000	2,734,000	1,518,889
Escondido Union High School	20.76%	51,900,000	2,076,000	1,153,333
Palomar Community College	6.26%	15,650,000	626,000	347,778
County Department of Education Special Programs	.24%	600,000	24,000	13,333
Northern San Diego County Hospital District Maintenance	2.32%	5,800,000	232,000	128,889
CWA City of Escondido	.38%	950,000	38,000	21,111
Palomar Resource Conservation District	.08%	200,000	8,000	4,444

(1) This is an approximate amount based upon 1983-84 AB-8 apportionments. Percent may vary depending on tax rate area and number of taxing jurisdictions.

TABLE 45

ESCONDIDO REDEVELOPMENT PROGRAM

ANALYSIS OF DISTRIBUTION OF TOTAL TAXES OVER 45-YEARS
(Tax Increment and Taxes on Base Year Valuation)

	Base Year Valuation	5/2% Valuation	5/2% w/N.C.F. Valuation	7/5% Valuation	7/5% w/N.C.F. Valuation
Base Year Taxes	$ 6,513,000	$ 6,513,000	$ 6,513,000	$ 6,513,000	$ 6,513,000
Base Year Taxes x 45-years	293,085,000	293,085,000	293,085,000	293,085,000	293,085,000
Total Tax Increment (45-years)	-0-	643,717,944	812,082,219	1,374,978,127	1,602,924,854
Total Taxes	$293,085,000	$936,802,944	$1,105,167,219	$1,668,063,127	$1,896,009,854
Total Taxes less $250,000 Agency Tax Increment Revenue	N/A	$686,802,944	$ 855,167,219	$1,418,063,127	$1,646,009,854

	Dollars	% of Total Taxes	Dollars	% of Total Taxes	Dollars	% of Total Taxes	Dollars	% of Total Taxes	Dollars	% of Total Taxes
Redevelopment Agency	$ -0-	-0- %	$250,000,000	26.69%	$250,000,000	22.62%	$250,000,000	14.99%	$250,000,000	13.19%
City of Escondido	941,128	14.45%	99,243,025	10.59%	123,571,663	11.18%	204,910,121	12.28%	237,848,423	12.57%
Elementary School District	1,780,654	27.34%	187,771,924	20.04%	233,802,717	21.16%	387,698,458	23.24%	450,019,094	23.74%
High School District	1,352,098	20.76%	142,580,291	15.22%	177,532,714	16.06%	294,389,905	17.65%	341,711,645	18.02%
County of San Diego	1,649,091	25.32%	173,898,505	18.56%	216,528,339	19.59%	359,053,583	21.53%	416,769,695	21.98%
College District	407,713	6.26%	42,993,864	4.59%	53,533,467	4.84%	88,770,751	5.32%	103,040,216	5.43%
Hospital District	151,101	2.32%	15,933,828	1.70%	19,839,879	1.80%	32,899,064	1.97%	38,187,428	2.01%
Other Districts	231,211	3.55%	24,381,504	2.60%	30,358,436	2.75%	50,341,241	3.02%	58,433,349	3.08%

N.C.F. = North County Fair development valuation

X/XX = Annual assessed valuation growth rate - years 1-25/annual assessed valuation growth rate - years 26-45

2) <u>5/2% Valuation without North County Fair</u>

This represents a base year valuation of $651,300,000 increasing 5% for years 1-25 and 3% for years 26-45. This analysis assumes the inclusion of the North County Fair, and results in an assessed valuation in the Project Area of $4,567,587,034 in the 45th year.

3) <u>7/5% Valuation</u>

This represents a base year valuation of $651,300,000 increasing 7% for years 1-25 and 5% for years 26-45. This analysis assumes the deletion of the North County Fair, and results in an assessed valuation in the Project Area of $8,932,483,083 in the 45th year.

4) <u>7/5% Valuation without North County Fair</u>

This represents a base year valuation of $651,300,000 increasing 7% for years 1-25 and 5% for years 26-45. This analysis assumes the inclusion of the North County Fair, and results in an assessed valuation in the Project Area of $10,489,763,851 in the 45th year.

In the 5/2% with North County Fair and the 7/5% with North County Fiar valuation calculations, the percentage loss in property tax revenues to each taxing jurisdiction is insignificant, particularly compared to the additional property tax revenues that would result from outside the Project Area and induced by the redevelopment program.

The percentage change in the overall distribution of property taxes from the base year distribution for each taxing jurisdiction equates as follows:

	Agency	Taxing Jurisdictions
5/2% Valuation	27%	(27%)
5/2% Valuation with North County Fair	23%	(23%)
7/5% Valuation	15%	(15%)
7/5% Valuation with North County Fair	13%	(13%)

The Escondido Redevelopment Plan, like any other Plan to be adopted in the County will provide an additive effect on the amount of tax revenue diverted to redevelopment agencys. On the other hand, the redevelopment process has been shown to have substantial long-term spin-off effects both within and outside Project Areas in the following ways:

1. Enhancing development opportunities:

2. Stabilizing declining local revenues;

3. Establishing a momentum for development outside the Project Area creating accelerated property tax revenue cash flows;

4. Providing job opportunities and housing availability;

5. Addressing required infrastructure improvements to protect the health, safety and general welfare of the community.

The difficulty in any long-term benefit anaylsis is the ability to accurately project and quantify these spin-off effects in comparison to estimating the potential loss revenue to the taxing jurisdictions from the Project Area.

In considering the use of the California Community Redevelopment Law and in particular the granted authority of tax increment financing, it is of substantial importance to see where we are today after Proposition 13. As we now know, Proposition 13 had a devasting affect on the ability of local cities to fund existing operations, maintenance, and capital facilities and more importantly to finance new facility costs such as streets, sewers, schools, fire stations, libraries, sewer plants, etc. Before Proposition 13 property taxes paid by new residents along with enhanced industrial and commercial development taxes helped pay for all this public paraphernalia, helped along sometimes by contributions from well filled local treasurys. Since Proposition 13, new residents pay fewer taxes, the local wells are drying up, and state and federal assistance is disappearing.

Despite the newly discovered fiscal freedoms following Proposition 13, such as the ability to levy virtually any non-property tax if revenues go into the general fund, or the use of special districts which are not really special districts within the meaning of Proposition 13 and therefore can levy non-property taxes even if the money goes into a special fund, or that local governments can even levy property taxes in excess of one percent of market value if the money goes into a local pension fund, most local governments are likely to find it politically difficult and perhaps philsophically undesirable as well, to levy broad new taxes that strengthen the local coffers sufficiently to allow such new spending on public capital facilities to serve new development or revitalize deteriorating areas. The fiscal evolution is most active therefore in areas where existing laws have gaps or require subjective interpretation.

Although there are a variety of arguments, pro and con, as to where the responsibility falls for financing new and/or revitalized developments, infrastructure, facilities, etc., the most decisive arguments are not theoretical, but practical. They include:

1. New development and older deteriorating areas, both rural and urban need new, technologically advanced, and ever-increasingly expanded facilities.

2. There is little money in local government funds to pay for it, and not much interest on the part of existing residents to tax themselves to foot the cost.

3. The state and federal governments are unlikely candidates for generous sources of future financial assistance.

4. For the time being the only source of moneys for facilities is likely to be new developemnts, both direct and indirect.

What then is the next step in this financing dilemma. Lets look at some additional financing tools available as alternatives to tax increment financing.

Special assessments are a desirable financing vehicle. The are exempt from Proposition 13, no 2/3's vote is required, they are not subject to the 1% property tax limit or the GANN spending limit. They can unequivocally be used to pay for streets, sewers, storm drains, sidewalks, street lights, flood control systems, parks, plantings, parkway, curbs and gutters. The evolutionary edge is assessments for fire stations, police stations, libraries, schools, and transit systems. The inherent drawbacks are that assessment practice is not altogether streamlined, requiring complex administrative choreography down to minute detail. Assessment bonds are often in small amounts and are sold to specialized buyers, and are somewhat expensive compared to other kinds of public bond issues. Assessments have a bad public image. The constituents find something suspicious in the legalistic notion that special assessments are not taxes eventhough they feel the same. Therefore elected officials run the risk of attack.

In order to see the magnitude of the impact of using assessments for funding project costs, a general analysis has been prepared to show a typical assessment spreads by Project Area using population, housing units and acres as the spread factors and using the debt service on the Plan's projects (i.e. $74,550,000 - includes project cost and contingencies, excludes housing set-aside) as the spread amounts. These are shown in Table 46. A similar spread City-wide is shown in Table 47. As is evident, spreading the cost by Project Area can be viewed as having a substantial monetary impact on projected property owners and households in the Project Area and the community.

TABLE 46

ASSESSMENT OF PROJECT COSTS SPREAD BY PROJECT AREA

By Plan Project Cost		$ 74,550,000
Annual Debt Service	—	8,530,706
	Annual $/unit of measurement for 25 years	
Projected Population (17,979 persons)	$ 474.48/person	
Projected Housing Units (7,852 units)	$1,086.43/unit	
Acres (2,004 assessable acres)	$4,243.36/acre	

TABLE 47

ASSESSMENT OF PROJECT COSTS SPREAD CITY-WIDE (1)

By Plan Project Cost		$ 74,550,000
Annual Debt Service	—	8,530,706

	Annual $/unit of measurement for 25 years
Projected Population (79,855 persons)	$ 106.83/person
Projected Housing Units (31,823 units)	$ 268.06/unit
Acres (16,000 acres)	$ 533.16/acre

(1) Based upon 1990 population, housing acreage projected characteristics.

As an option, special taxes require a 2/3's vote and are authorized by Proposition 13. Although special taxes can provide the necessary revenues for various public facilities and improvements, the tough road to haul is the receipt of a favorable note. Unless the voters want something very much that cannot be obtained any other way, or if the area is uninhabited and the land owner is anxious to develop, the likelihood of a 2/3's vote is slim.

Developer exactions are the legal and legislative equivalent of extortion. The developer wants permission to subdivide and develop his property, the public agency merely seeks the generosity of the developer to contribute streets, sewers, storms drains, waterlines etc., otherwise no permission. Recent creativity by the public overseers have broaden the extraction demand to include facilities which serve beyond the area of the subdivision, operation and maintenance payments, and such items conjectually related to the subdivisions, shuch as low income housing and other items which serve the general needs of the community.

The private sector's motto is: "You get what you pay for." Increasingly popular among public officials, is the public sector analogue: "You pay for what you get." Paying for the infrastructure and capital facilities through development fees and user charges have long been used as a means for paying for these costs. Since Proposition 13, public agencies have substantially increased fees. Development and building permission fees, utility connection fees, user charges, and even questionable impact fees have become a developers nightmare of balancing his pro forma from one community to another.

These are just a few additional financing vehicles to overcome the financial burden of providing capital facilities and infrastructure, and though after neutralizing the adverse conditions of each, there still remains a gap between the public cost of improvement and development of the community, and the private sectors ability to equitably pursue their business endeavors. This problem is compounded when the issue is stretched from new development of virgin developable property, to the redevelopment, rehabilitation and revitalization of urban vacant or developed properties or structures, which are or would potentially create a drain on the physical, social, or economic character or condition of the community and region.

In order to narrow this gap, cities and counties have and continued to use the California Community Redevelopment Law as an additional mechanism for financing and regulating the improvement of an area. The use of the redevelopment law has become a necessity for many cities where it was once a luxury.

It is readily apparent that if the Agency is to fund the total cost of the proposed projects consistent with a 20-year General Plan, then one or more of the following conditions will have to exist:

1. The annual pledge of tax increment to affected taxing entities will have to be minimized or subordinated;

2. The project term of the Plan will need to exceed 30 years; and/or

3. Supplemental revenue resources will be required to complement tax increment financing resources.

V

RELOCATION PLAN AND METHODLOGY

V
RELOCATION PLAN AND METHODOLOGY

The Escondido Redevelopment Agency intends to adopt a Resolution captioned:

> "A RESOLUTION OF THE ESCONDIDO REDEVELOPMENT AGENCY ADOPTING AN AGENCY RELOCATION PLAN PURUSANT TO THE CALIFORNIA GOVERNMENT CODE"

In accordance with the provisions of the California Administrative Code, Title 25, Chapter 6, Section 6038. This plan is required by the California Department of Housing and Community Development requiring local jurisdictions to adopt Relocation Guidlines pursuant to Government Code Section 7267.8 providing fair and equitable treatment to the public on a public project. Further, Section 334411 of the California Community Redevelopment Law and Section 6038b(5) of the California Relocation Assistance Guidelines require a plan for relocation of persons and businesses affected by displacement is on file in the Office of the City Clerk.

The proposed Relocation Plan is set forth as follows:

ESCONDIDO REDEVELOPMENT AGENCY
ESCONDIDO, CALIFORNIA

RELOCATION ASSISTANCE PLAN

ADOPTED BY THE ESCONDIDO REDEVELOPMENT AGENCY
RESOLUTION NO. ____

COMMUNITY SYSTEMS ASSOCIATES, INC.
203 SOUTH BREA BOULEVARD
BREA, CALIFORNIA 92621
(714) 529-7888

OVERVIEW

This Relocation Plan has been drafted pursuant to the provisions of the California Redevelopement Law (California Health and Safety Code Section 33000 et.seq.), the California Relocation Assistance Act (California Government Code Section 7620 et. sq.), and the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act. Further, this plan is presented in conformance with Section 600.83 of the Escondido Redevelopment Plan, adopted by the Redevelopment Agency on ___________ _____, 1984 which provides for the relocation of individuals displaced by the Agency acquisition of real property as required for implementation of the Escondido Redevelopment Project.

The express objectives of the Escondido Redevelopment Project is to seek correction of deficiencies within the Project Area. The Redevelopment Project Area in the Redevelopment Plan encompasses approximately twenty percent (20%) of the land area of the City of Escondido.

State and Federal laws require that the Redevelopment Agency make definitive provision for the relocation of all displaced residents and businesses and give assurance that adequate replacement housing be available before displacement activities begin. California Government Code Section 7261 reads as follows:

> "....within a reasonable period of time, prior to displacement, to the extent it can be reasonably accomplished, there will be available in areas not generally less desireable in regard to public utilities and public and commercial facilities and reasonably accessible to their places of employment, and at rents or prices within the financial means of the families and indivciduals displaced, decent, safe, and sanitary dwellings equal in number to the number of, and available to, such displaced persons who require such dwellings..."

The California Redevelopment Law (Health and Safety Code Section 33441.1) states as follows:

> "...that no persons or families of low and moderate income shall be displaced unless or until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents comparable to those at the time of their displacement."

The following report is an evaluation of the relocation needs of the community as required under the Redevelopment Plan including analysis of the Project Area, residential housing resources, relocation advisory assistance program, relocation assistance payments program, and recommendation for the implementation of the Relocation Plan.

The Community in General

The Project Area is located in the central portion of the City of Escondido and occupies approximately 2,002(+) acres of assessable property and 1,159(+) of non-assessable property totalling 4.94 square miles. It should be noted that this area represents the traditional central business district and other business and industrial activity centers of the community, and is approximately ninety-one percent (91%) developed.

The City is located in North San Diego County, recently one of the fastest growing areas of Southern California.

Major circulation corridors include:

1) Interstate Highway 15 or the Escondido Freeway - which bisects the City from north to south and forms a portion of the western boundary of the Project Area itself.

2) State Highway 78 - which essentially bisects the City and Project Area from west to east, but is reduced to a major roadway as it travels eastward towards the eastern City limits.

3) County Highway 14 or Mission Avenue - which bisects the Project Area from east to west and functions as a major roadway through town.

4) County Highway 6 or Valley Parkway - which is located within the core of the City and Project Area and serves as a primary east-west connection from the central City to the outlying community.

5) Centre City Parkway or Old Highway 395 - which is also located within the core of the City and Project Area and serves as the primary north-south arterial from the central City to the outlying community.

Escondido is situated in a valley approximately thirty (30) miles north of San Diego and about twenty (20) miles inland from Oceanside. The area is principally the Escondido Drainage Basin; bounded on the north by Oat Hills and Bear Ridge; on the eastern extreme by Paradise Mountain; on the south by Lake Hodges and the San Diegiuto Drainage Basin; and on the west by Mt. Whitney, the San Marcos City limits and the east rim of the Merriam Mountains. The City covers approximately 25 square miles, or 16,000 acres, and includes all of the Project Area.

POPULATION GROWTH

The City of Escondido was incorporated in 1888 and began as an isolated center for railroad transport of agricultural products to more populated areas. The City has developed a diversified, self-sufficient economy over the years as a result of its historical isolation in the North County. Since 1970 the population has nearly doubled. The average annual growth rate is 5.38% over the last fourteen (14) years, but has varied on an annual basis as shown in Table 1

TABLE 1

CITY OF ESCONDIDO
POPULATION GROWTH

YEAR	POPULATION	ANNUAL GROWTH RATE
1970	36,792	-
1971	39,700	7.90%
1972	41,800	5.29%
1973	44,550	6.58%
1974	46,400	4.15%
1975	48,050	6.34%
1976	51,300	6.76%
1977	53,800	4.87%
1978	57,100	6.41%
1979	60,000	5.08%
1980	63,950	6.58%
1981	66,330	3.72%
1982	68,710	3.59%
1983	72,741	5.14%
1984	74,248	2.82%
OVERALL AVERAGE ANNUAL FOR 14 YEAR PERIOD:	2,677/year	5.38%/year

SOURCE: 1970 and 1980 U. S. Census, State Department of Finance

Age Sex Distribution

The median age of the City's residents is approximately 30.8 years. The population of the City is composed of nearly equal numbers of male and female residents with a relatively large senior citizen population and youth population, as shown in Table 2.

TABLE 2

CITY OF ESCONDIDO 1980
COMPARISON OF AGE AND SEX

Age Years	Males No.	Males %	Females No.	Females %	Total No.	Total %
0-4	2,513	8.1%	2,400	7.2%	4,913	7.6%
5-9	2,228	7.2%	2,121	6.3%	4,349	6.8%
10-14	2,280	7.4%	2,149	6.4%	4,429	6.9%
15-19	2,672	8.7%	2,743	8.2%	5,415	8.4%
20-24	3,273	10.6%	3,178	9.5%	6,451	10.0%
25-34	5,388	17.5%	5,236	15.6%	10,624	16.5%
35-44	3,122	10.1%	3,274	9.8%	6,396	9.9%
45-54	2,572	8.3%	2,885	8.6%	5,457	8.5%
55-64	2,593	8.4%	3,257	9.4%	5,850	9.1%
65-74	2,476	8.0%	3,420	10.2%	5,896	9.2%
75+	1,734	5.6%	2,841	8.5%	4,575	7.1%
TOTAL	30,851	100.0%	33,504	100.0%	64,355	100.0%

SOURCE: 1980 U. S. Census

Ethnicity

Approximately 90% of the population in the City is composed of white individuals with a relatively small minority population. Table 3 indicates the City's ethnic breakdown:

TABLE 3

CITY OF ESCONDIDO ETHNIC DISTRIBUTION

Race/ Ethnicity	Persons No.	Persons %
White	57,721	90.3%
Black	276	0.4%
American Indian, Eskimo and Aleutian	712	1.1%
Asian and Pacific Island	1,165	1.8%
Other	4,076	6.4%
TOTAL	63,950	100.0%
Spanish Origin*	9,378	14.7%

*Spanish/Hispanic Origin is an ethnic, rather than a racial, category: thus persons of Spanish/Hispanic origin are counted separately in the "Spanish/ Hispanic Origin" category regardless of race.

SOURCE: 1980 U.S. Census

EMPLOYMENT CHARACTERISTICS

The four (4) major industrial categories for employment in the City are manufacturing, retail trades, education and health services, and personal services which commanded 63% of the employment force in 1980 as shown in Table 4. The four (4) primary types of occupations utilized in the work force include sales and clerical, precision production and craftsmen, professional and technical personnel, and services as shown in Table 5.

TABLE 4

CITY OF ESCONDIDO
EMPLOYMENT CHARACTERISTICS 1980

Type of Industry	Total	% Share
Agriculture, Fishing and Mining	897	3.3%
Business and Personal Services	2,986	11.0%
Construction	2,637	9.8%
Education and Health Services	3,197	11.8%
Finance, Insurance and Real Estate	1,809	6.7%
Government	868	3.2%
Manufacturing	5,428	20.2%
Retail Trade	5,403	20.0%
Transportation, Communication and Utilities	1,560	5.8%
Wholesale Trade	933	3.7%
Other	1,150	4.3%
	26,868	100.0%

TABLE 5

CITY OF ESCONDIDO
EMPLOYMENT CHARACTERISTICS 1980

Employment Occupation	Total	% Share
Administration and Management	2,982	11.2%
Farming, Fishing and Forestry	790	2.9%
Laborer and Equipment Cleaning	1,207	4.5%
Machine Operation, Assembly and Inspection	2,089	7.8%
Precision Production and Craftsman	4,266	15.8%
Professional and Technical	3,717	13.8%
Sales and Clerical	7,531	27.9%
Services	3,362	12.5%
Transporting and Moving	984	3.6%
	26,928	100.0%

City Land Use Designations

The land use and development pattern of the City is consistent with the growth of the community. A large number of vacant properties exist within the City which have the potential for in-fill development. Many neglected vacant properties have become dumping grounds for debris and litter. There are also a substantial number of underdeveloped, deteriorated, and/or dilapidated properties which have development recycling potential.

Project Area Land Use

The Project Area is located in the central portion of the City of Escondido and is focused around the Central Business District and the circulation corridors leading into the CBD. The emphasis of the redevelopment program is on the development, revitalization, enhancement, and improvement of the Central Business

District and those surrounding areas which are impacted by the activity of the CBD. The Project Area is an irregularly shaped contiguous area.

Although the project area extends outward in different directions from the center of the CBD, each of these axis orientations has a direct relationship to the circulation, infrastructure, and activity characteristics of the CBD.

Table 6 indicates the General Plan designations for the Project Area.

TABLE 6

CITY OF ESCONDIDO
GENERAL PLAN DESIGNATIONS OF THE PROJECT AREA

Assessed Property	Acreage(±)
Residential:	
Low Density (up to 7 DU/net acre)	126
Medium Density (up to 15 DU/net acre)	286
High Density (up to 30 DU/net acre)	242
Commercial:	
General Commercial	628
Central Business District	92
Highway (tourist) oriented	74
Professional	85
Industrial:	
Manufacturing, warehousing and distribution	471
SUB-TOTAL	2,004
Non-Assessed Property	
Public Space:	
Parks	23
Rights-of-way	1,134
SUB-TOTAL	1,157
TOTAL	3,161

SOURCE: City of Escondido; June 1983

Population and Housing Characteristics

The Project Area contains a population of approximately 15,182 persons, and has approximately 6,636 dwelling units, based upon the 1980 U.S. Census.

The housing characteristics of the Project Area and the City of Escondido are identified in Table 7 and Table 8.

TABLE 7

PROJECT AREA AND CITY OF ESCONDIDO OCCUPANCY OF DWELLING UNITS

	Owner Occupied	Renter Occupied	Vacant	Total
CITY:	13,669	11,377	2,081	27,127
% of Total	50.39%	41.94%	7.67%	100.00%
PROJECT AREA:	2,043	4,140	453	6,636
% of Total	30.79%	62.39%	6.83%	100.00%
% of City	14.95%	36.39%	21.77%	24.46%
% of City Total	7.53%	15.26%	6.67%	24.46%

SOURCE: 1980 U. S. Census

COMMUNITY SYSTEMS ASSOCIATES, INC

TABLE 8

PROJECT AREA AND
CITY OF ESCONDIDO
TYPES OF DWELLING UNITS

	Single Family (detached or attached)	Multiple Family	Mobile Homes or Trailers	Total
CITY:	14,537	9,326	3,264	27,127
% of Total	53.59%	34.38%	12.03%	100.00%
PROJECT AREA:	2,793	3,351	492	6,636
% of Total	42.09%	50.50%	7.41%	100.00%
% of City	19.21%	35.93%	15.07%	24.46%
% of City Total	10.30%	34.38%	12.03%	24.46%

SOURCE: 1980 U. S. Census

The Escondido General Plan provides for various densities of residential land utilization, as shown in Table 9. The Escondido Redevelopment Plan intends to be consistent with these density patterns. Currently, approximately 20.69% of the Project Area is designated as residential land uses.

TABLE 9

CITY OF ESCONDIDO
PROJECT AREA PERMITTED
RESIDENTIAL GENERAL PLAN DENSITIES

Land Use Designation	Density DU/AC	Acres in Project Area (±)
Agricultural Residential	2.0 du/10 ac.	-0-
Rural Residential	1.0 du/net ac.	-0-
Low-low density residential	2.0 du/net ac.	-0-
Low density residential	7.0 du/net ac.	126
Medium density residential	15.0 du/net ac.	286
Medium-high density residential	22.0 du/net ac.	242
TOTAL RESIDENTIAL ACREAGE		654 (±)

SOURCE: City of Escondido; 12/21/83 General Plan

Building Intensities and Standards

The design and development standards for pursuing redevelopment objectives will be consistent with the Zoning Ordinance of the City of Escondido. The Zoning Map and Ordinance was adopted and has been amended since 1968, and contains various chapters pertaining to development of the City.

Project Area Projected Housing and Population Activity

The Redevelopment Plan will not substantially increase population in the Project Area beyond that which the adopted General Plan and Zoning Ordinance of the City will permit. The present population of the Project Area is approximately 15,182 (±) persons with an ultimate long-range population projection of 24,240 (±) as shown in Table 10. This projection is based upon the ultimate holding capacity and build out of the Project Area using the General Plan's range of density for each residential land, and a persons/household index of 2.30.

TABLE 10

ESCONDIDO REDEVELOPMENT PROJECT AREA
MAXIMUM POPULATION PROJECTION ESTIMATE

Based upon the Holding Capacity of the General Plan

Land Use Designation	Density DU/AC	Acres in Project Area (±)	Dwelling Unit Estimate(±)	Population Estimate(±)
Agricultural Residential	2.0 du/10 ac.	-0-	-0-	-0-
Rural Residential	1.0 du/net ac.	-0-	-0-	-0-
Low-low density residential	2.0 du/net ac.	-0-	-0-	-0-
Low density residential	7.0 du/net ac.	126	882	2,028
Medium density residential	15.0 du/net ac.	286	4,290	9,867
Medium-high density residential	22.0 du/net ac.	242	5,324	12,245
TOTAL		654 (±)	10,496(±)	24,140(±)

However, this is grossly misstated due to the fact that it assumes that all properties will develop in accordance with the high General Plan designated densities and that much of the residential land is vacant. In reality, of the 654 acres of residential property, 89.95 acres or 13.75% is vacant and has the potential for development. This is shown in Table 11. The present estimated number of dwelling units in the Project Area is 6,636(±) dwelling units. Assuming development of the residential vacant property at the General Plan's maximum density, the additional dwelling units would equate to 1216(±) units. Based upon a persons/household index of 2.30, the additional population base would equate to 2,797 persons, or a total project population of 17,979 persons for the Project Area. This is a population increase of 18.42% over the present estimated population base of the Project Area.

TABLE 11

ESCONDIDO REDEVELOPMENT PROJECT AREA
REALISTIC POPULATION PROJECTION ESTIMATE
BASED UPON THE HOLDING CAPACITY OF THE GENERAL PLAN

	Density DU/AC	Acres in Project Area (±)	Dwelling Unit Estimate(±)	Population Estimate
Present Land Utilization Characteristics	10.15 du/net ac.	564.05(±)	6,636	15,182
Vacant Residential Property:				
Agricultural Residential	2.0 du/10 ac.	-0-	-0-	-0-
Rural Residential	1.0 du/net ac.	-0-	-0-	-0-
Low-low density residential	2.0 du/net ac.	-0-	-0-	-0-
Low density residential	7.0 du/net ac.	19.13	134	308
Medium density residential	15.0 du/net ac.	68.00	1,020	2,346
Medium-high density residential	22.0 du/net ac.	2.82	62	143
TOTAL		654.00	7,852	17,979

Because the Project Area is primarily built out and, due to the fact that residential development will primarily be rehabilitation activities, it is anticipated that the long-range projection of population of the Project Area will not be substantial.

With regard to housing projects and/or programs, it shall be the Agency's policy to limit housing efforts to rehabilitation, rental assistance, interest subsidy, and various other incentive programs to the private sector. The Agency shall avoid acquisition, development and/or ownership of residential properties for the purposes of leasing or renting. Acquisition, development, and/or ownership of residential properties shall be limited to the provisions of this Plan and/or as required to conform to relocation and/or housing replacement provisions of State law, should other approaches be impractical.

However, it is the intent of the City that the Redevelopment Agency will provide a valuable mechanism to meeting future housing needs. There is further, the intent of utilizing a percentage of tax increment funds which accrue to the Agency for housing assistance throughout the City.

Redevelopment and Relocation Plan Intent

The conditions of blight existing within the Escondido Redevelopment Project Area respresent physical, social, economic, and environmental liabilities to the community in general, and the Project Area inparticular. The adoption of the Escondido Redevelopment Plan properly provides for the development, redevelopment and revitalization of properties in order to deal with these liabilities in a manner which is consistent with, and in the interest of, the health, safety, and general welfare of the people and property owners of the community. The Redevelopment Plan is an action plan and guideline for implementing the objectives of the Community Redevelopment Law and the intent of the General Plan so as to ensure that the policies, goals, and objectives of the City of Escondido and the Escondido Redevelopment Agency and the laws of the State of California are complied with and implemented in a manner which is most in keeping with the community's general welfare.

It is the concerted goal of the Agency, as expressed in the Redevelopment Plan and this Relocation Plan, to provide decent, safe, and sanitary replacement housing for all those individuals displaced from their homes within the Project Area and to assist all businesses and nonprofit local community institutions to be displaced by the project in finding appropriate replacement sites. Replacement properties shall meet the following general criteria:

1. Generally not less desireable in regard to public utilities and public commercial facilities.

2. Available at rents or prices within the financial means of the displaced families;

3. Provide reasonable accessibility to places of employment and necessary public services, and

4. Available and ready for occupancy prior to the displacement of the affected individuals.

Should permanent relocation sites not be immediately available at the time of displacement, the Agency will provide for adequate temporary housing facilities, available at acceptable rental rates, until such time that comparable permanent replacement housing can be found or created.

The Agency shall pursue the successful relocation off all affected individuals and businesses in a manner conducive to the least amount of personal hardship. Further, the Agency shall ensure that no persons of low and moderate income levels should be displaced prior to the immediate availability of replacement housing having rents comparable to those at the time of their displacement.

Prior to commencing specific projects with the redevelopment area as indicated in the Redevelopment Plan, the Agency shall adopt a Replacement Housing Plan and shall provide for the compilation of complete information relative to the nature of all improvements and structures to be removed by the project. Further, a survey and identification of the specific social and financial needs of all affected individuals, businesses, and nonprofit organizations shall be undertaken by means of personal interviews, mailed questionnaires, or a combination of both. By such methods, the Agency may derive complete information relative to the relocation housing needs within the Project Area. The City's Housing Element and Housing Plan shall be reviewed for all pertinent economic and demographic information critical to the assessment of available residential housing resources and to the location of acceptable replacement properties. An inventory shall be made of available industrial and general commercial space to meet the relocation needs of businesses and nonprofit organizations to be affected in the implementation of the Redevelopment Plan. If necessary, the Agency shall prepare a last resort housing study in conformance with Section 33411.4 of the California Health and Safety Code.

The Agency shall make provision for the implemntation of a relocation advisory assistance payment program for those individuals and businesses displaced by the redevelopment projects described in the Redevelopment Plan. The Agency shall adopt the Relocation Assistance Guidelines as currently existing in the Redevelopment Law, California Health and Safety Code, and under the State Uniform Relocation Assistance Act. The provisions of the Redevelopment Law shall take precedence in the event of any conflicting regulations.

The Agency relocation program shall include, but not be limited to, the following summary specifications as derived from the Redevelopement Law.

RELOCATION ADVISORY ASSISTANCE PROGRAM GENERAL POLICY

It is the policy of the Escondido Redevelopment Agency that no persons or family of low and moderate income shall be displaced unless or until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents comparable to those at the time of their displacement.

The Agency shall ensure that uniform, fair, and equitable treatment be afforded each person displaced from his or her home, business,, or other property and such persons not suffer disproportionate injury as a result of actions taken for the benefit of the public as a whole.

Eligibility For Advisory Services

Relocation Advisory Assistance will be made available to any person (including residents, business owners and operators, farm operations, and nonprofit organizations) who:

1. Occupies real property from which he will be displaced or;

2. Moves from real property as a result of its acquisition, in whole or in part, by the Agency; or

3. Moves from real property after initiation of negotiations for its acquisition by the Agency provided that the property is subsequently acquired; or

4. Moves from real property as a result of the receipt of a written notice of the Agency's intent to displace, or as a result of written encouragement by the Agency; or

5. Moves from real property as a result of its acquisition, in whole or in part, by any person having an agreement with, or acting on behalf of, the Agency; or

6. Moves his personal property from real property as a result of anyone of the actions described above.

Assistance to be Provided

In carrying out its relocation responsibilities the Agency, as a minimum, will provide the following services:

1. As soon as feasible after the initiation of negotiations to acquire property, but in no event more than 30 days after such date, provide to each eligible person a written explanation of relocation payments and assistance, eligibility requirements therefore, and procedures to be followed to obtain such benefits together with an estimate of replacement housing payment amounts to which such person appears eligible and such additional information as may be required by State and Federal Law.

2. Determine the nature and extent of the need of each eligible person for relocation assistance.

3. Assure all eligible persons that, within a reasonable time prior to their displacement, there will be available comparable replacement housing units sufficient in number and kind to meet the needs of each displacee; and the assistance will be provided to make application or otherwise secure such housing.

4. Provide each eligible person lawfully occupying property at least 90 days written notice prior to the date he shall be required to move from such property.

5. Provide current and continuing information on the availability, prices, and rental or lease rates of comparable housing and replacement business or other nonresidential facilities.

6. Assist each eligible displaced person to obtain and move to decent, safe, and sanitary replacement housing available at a rental or sales price within his ability to pay. In carrying out this responsibility, the Agency will provide, or cause to be provided to each residential displacee, a minimum of three referrals to housing units which meet the definition of comparable replacement housing as contained in the Uniform Relocation Act and implementing Federal Guidelines so as to assure each displacee a reasonable choice of replacement housing. No residential occupant may be required to move unless or until three such referrals are made. Any housing unit so referred shall have been inspected by a representative of the Agency to assure that it is decent, safe, and sanitary.

7. Assist each eligible person to complete applications for relocation benefits and assistance.

8. Assist each eligible displaced business, farm operation, or nonprofit organization in securing replacement facilities and becoming reestablished in a suitable replacement location.

9. Provide services needed to ensure that the relocation process does not result in different or separate treatment due to race, color, religion, national origin, sex, marital status, age, or other arbitrary circumstances.

10. Provide other advisory assistance to eligible persons in order to minimize hardships which might result from the relocation process, including counseling and referrals with regard to housing, financing, employment, training, health and welfare, business assistance programs of the Small Business Administration and other organizations and the like. Such services also shall include, where necessary to the successful relocation of eligible displacees, transportation to view available replacement housing within the local area.

11. Assure that personal contact is maintained with each eligible person to the maximum extent practicable.

12. Assure that all records of individual displacee relocation matters be maintained on a confidential basis except as may be required by law.

Termination of Advisory Assistance

The Agency's responsibilities for relocation assistance will be considered as fulfilled when:

1. An eligible person moves to decent, safe, and sanitary replacement housing or to a replacement business or other nonresidential facility and receives all relocation payments to which he is entitled; or

2. An eligible person moves to substandard replacement housing, refuses reasonable offers of additional assistance in moving to decent, safe, and sanitary housing and receives all relocation payments to which he is entitled; or

3. All reasonable efforts to trace an eligible person who has moved without notifying the Agency of his forwarding address have failed; or

4. An eligible business concern or nonprofit organization has vacated the acquired property and ceased operations and has received all relocaiton payments to which it is entitled; or

5. A displaced person refuses reasonable offers of assistance, payments, and replacement facilities.

Grievance Procedures

The Agency shall adopt formal grievance procedures for use by persons who believe that the Agency has failed to properly determine their eligibility for relocation payments or has failed to properly determine the amount of relocation payments to which the aggrieved party is entitled; by persons who believe the Agency has failed to provide adequate housing referrals or to adequately inspect his or her replacement dwelling; and by persons who believe the Agency has failed to adequately administer requirements of State or Federal Law as regards their relocation.

Relocation Appeals Board

In accordance with the provisions of California Redevelopment Law, a Relocation Appeals Board will be constituted subject to the approval of the City Council. The Board will consist of five members. Its function will be to hear complaints brought to it by residents of the Project Area relating to relocation to determine whether the Agency has complied with applicable provisions of law, and, after a public hearing, to transmit its finding and recommendations to the Redevelopment Agency.

The Agency may adopt such procedural regulations as it determines are necessary to the Board's efficient and effective functioning.

RELOCATION PAYMENTS PROGRAM

It shall be the policy of the Agency that in all matters of relocation payments, each displacee shall be treated fairly and equitably and that administration of the payments program shall be undertaken in such a manner as to assure uniformity of treatment. It shall also be the policy of the Agency that relocation payments be made promptly after Agency review and approval and may be paid in advance of a move where necessary to avert hardship.

Basic Eligibility Requirements

Basic eligibility for relocation payments is established by any person who:

1. Moves from real property or moves his personal property from real property as a result of its acquisition, in whole or in part, by the Agency; or

2. Moves from real property or moves his personal property from real property as a result of its acquisition, in whole or in part, by any person having an agreement with, or acting on behalf of, the Agency; or

3. Moves from real property or moves his personal property from real property following the Agency's first written offer to acquire the real property, provided that the real property is subsequently acquired; if the real property is not subsequently acquired, the Agency may declare the person eligible for relocation payments; or

4. Moves from real property or moves his personal property from real property as a result of a written notice to vacate such real property.

Application for Payments

All claims for relocation payments shall be made upon forms provided for that purpose by the Agency.

Documentation of Claims

All claims for relocation payments shall be supported by documentation of the claimant's eligibility therefore and the amount claimed. Such documentation must be acceptable to the Agency as sufficient justification for expenditure of public funds prior to its approval of the claims.

Time For Filing of Claims

All claims for relocation payments shall be filed with the Agency within 18 months of the claimant's move from the property from which he was displaced, or, if it is later, 18 months from the date the claimant received final payment from the Agency or a person acting on behalf of, or having an agreement with, the Agency for the real property. The Agency may waive this requirement where it deems the reason for failure to file within the prescribed time period reasonable.

Compensation for Moving Expenses, Residents

Residential occupants may receive compensation either for: 1) the actual, reasonable expenses involved in moving household members of their personal property; or 2) compensation on the basis of a Dislocation Allowance totaling an amount up to $500. The choices are further explained below.

No eligibility requirements other than those noted on the preceding page accrue to compensation for moving expenses.

1. Eligible Expenses, Actual Reasonable Moving Costs

   If a resident contracts his move, reimbursement may be made for the following expenses:

   a. Transportation of persons and personal property not to exceed a distance of 50 miles unless the Agency finds that a longer move is reasonable and justified.

   b. Packing, crating, unpacking, and uncrating personal property.

   c. Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property.

   d. Storage of personal property is determined reasonable, necessary, and justified by the Agency, generally not to exceed a 12-month period.

   e. Insurance of personal property in connection with the move and any necessary storage.

   Compensation for actual reasonable moving expenses may be in full amount of such expenses, without dollar limitation, subject to the restrictions noted above.

2. Ineligible Moving Expenses

   A displaced resident is not entitled to compensation for costs incurred in moving any structure or real property in which he has retained ownership, for costs incurred in searching for a replacement dwelling, or for such other costs as are termed ineligible in the Redevelopment Law.

3. Bid Requirement

   Persons who contract their moves and claim compensation for actual reasonable moving expenses will be required to obtain at least three competitive bids for such moves if the total cost is estimated by the Agency to exceed $5,000. Bid specifications and completed bids will be subject to review and approval by the Agency. Where bids must be obtained, compensation for moving expenses will be limited to the amount of the approved low bids.

4. Method of Payment

   Payment for claims under this part may be made directly to movers upon presentation of approved invoices and relocation claims or to displacees upon presentation of paid receipts and approved relocation claims.

Fixed Moving Payment/Dislocation Allowance

Residents who move themselves, and others who contract their moves, may elect to receive a fixed moving allowance in lieu of compensation for actual reasonable moving expenses. The amount of the Fixed Moving Payment will be based upon the number of rooms occupied by the claimant and whether or not the claimant woned the furniture. Amounts are determined in accordance with the schedules published by the Federal Highway Administration. Maximum payment amount under this method, based upon the number of rooms, is $300.

Each resident electing to receive the Fixed Moving Payment will also receive a Dislocation Allowance in the amount of $200.

No more than $500 may be paid to the occupants of any one dwelling unit.

Replacement Housing Payments for Residential Tenants

Displaced residential tenants may be eligible for either of two types of payments designed to assist with the cost of replacement housing: 1) a Rental Assistance Payment to assist with the cost of replacement rental housing; or 2) a Downpayment Assistance Payment to assist with costs associated with the purchase of replacement housing.

1. Eligibility Requirements

   To be eligible for a Replacement Housing Payment for tenants, a displaced tenant (or a homeowner choosing to rent rather than repurchase must meet the Basic Eligibility Requirements previously set forth, and further must:

   a. Have been the occupant of the dwelling from which he was displaced for a period of at least 90 days immediately preceding the initiation of negotiations for its acquisition; and

   b. Must move to and occupy decent, safe, and sanitary housing, as defined by thge State Uniform Relocation Assistance Act, within one year of the date he moves from the dwelling acquired for the project.

2. Rental Assistance Payment

   The Rental Assistance Payment is designed to assist with the costs of replacement rental housing. Essentially, it makes up the difference in cost between the Project Area dwelling and a comparable replacement dwelling for a period of four years or 48 months.

   a. Calculation of Amounts

      The Rental Assistance Payment shall be calculated as 48 times the amount needed to rent a comparable replacement dwelling less the amount the displacee paid in rent for the Project Area dwelling; except that where the amount a displacee actually pays for his replacement dwelling is lower than the amount needed to rent a comparable dwelling, then the lower amount shall be substituted therefore.

b. Determination of Price, Comparable Dwelling

The price of comparable rental housing shall be determined by the Agency either through evaluation of rental rates for comparable dwellings available on the market at the time of the displacee's move, in which case the average price shall be used; or on the basis of a schedule of average rental prices obtained through extensive market research and maintained on a current basis. Under either method, the price determined to represent the cost of comparable housing will be based upon units most similar to that from which displacement occurred but shall be restricted to only those units which are in decent, safe, and sanitary condition and large enough to meet the occupancy needs of the displaced household.

c. Determination of Prior Rent and Income

The amount determined by the Agency to represent the displacee's rent prior to displacement shall be the average rent paid for the three months immediately preceding the initiation of negotiations to acquire the dwelling.

Monthly gross income shjall be determined as a projection of income for the one-year period following displacement, divided by twelve. All income calculations must be supported by independent evidence of income such as verifications from employers and providers of public assistance, or, if such documentation is impracticable, by the previous year's Federal income tax return or comparable document.

d. Maximum Payment Amount

Rental Assistance payments shall not exceed $4,000 for any one dwelling unit.

e. Method of Payments

Rental Assistance Payments may be disbursed in four equal annual installments or in one lump sum payment as provided in the law. Displacees shall be provided with sufficient forms to make claims at the time of relocation; it shall be the displacee's responsibility to file for each payment on a timely basis at least thirty (30) days in advance of the payment date.

3. Downpayment Assistance Payment

Residential tenants who purchase standard replacement housing for their occupancy within one year of the move from the Project Area and who occupy that housing within the year's period, may recieve a Downpayment Assistance Payment of up to $4,000 to assist in meeting downpayment requirements on the replacement dwelling.

a. Calculation of Amount

The payment will be based upon the amount required as a downpayment on a dwelling which is comparable to that from which displacement occurred, or, if it is less, the amount required as a downpayment on the dwelling actually purchased by the displacee. In either case, the downpayment shall be that which would be required by conventional financing.

b. Determination of Amount

The payment will be based upon the amount required as a downpayment on a dwelling which is comparable to that from which displacement occurred, or, if it is less, the amount required as a downpayment on the dwelling actually purchased by the displacee. In either case, the downpayment shall be that which would be required by conventional financing.

c. Determination of Comparable Costs and Downpayment

The price of a comparable dwelling and of teh downpayment required for it shall be determined by the Agency by evaluation of conventional lending requirements either for units found available on the market at the time of the displacee's move or through use of a schedule of average sales prices of comparable housing units. The methods noted above with respect to selection of comparables for rental housing shall be applied to sales housing as well.

d. Incidental Expenses

Expenses incidental to the purchase of comparable (or, if lesser, actual) replacement housing are eligible for compensation and shall be added to the amount determined to represent required downpayment for comparable replacement housing. Incidental expenses are compensated on a shared basis with the displacee.

e. Payment Amount

The total downpayment requirement will consist of the amount required as a downpayment on comparable dwelling plus expenses incidental to the purchase of comparable housing (or, if lesser, the cost associated with the actual purchase transaction). The first $2,000 of the total is payable as an outright grant.

f. Maximum Payment Amount

The Agency's contribution shall not exceed $4,000. For this maximum to be achieved, the applicant must contribute $2,000 and the total downpayment requirement must total at least $6,000. No more than $4,000 may be paid on behalf of any one dwelling unit.

g. Method of Payment

The entire Downpayment Assistance Payment must be applied to the purchase of replacement dwelling as must be the applicant's contribution. The Agency's contribution is reimbursable to the applicant at the time escrow closes. If this presents too great a financial hardship, the Agency's contribution may be paid directly into the applicant's escrow account. Where assisted financing results in downpayment less than that which would be required by conventional means, the excess of the Agency's contribution and the applicant's contribution must be paid to reduce the mortgage amount on the replacement dwelling; othewise, the payment shall be reduced to reflect the actual downpayment requirement.

Replacement Housing Payments for Homeowners

Displaces homeowners may be eligible to receive Replacement Housing Payments in amounts of up to $15,000 to enable them to secure comparable replacement housing. The payment is designed to make up the difference, if any, between the amount paid by the Agency for the Project Area dwelling and the amount needed to purchase a standard, comparable replacement dwelling which is decent, safe, and sanitary.

1. Eligibility Requirements

To be eligible for a Replacement Housing Payment, a displaced homeowner must meet the basic Eligibility Requirements previously set forth, and further must:

a. Have been the legal owner of the acquired dwelling for at least 180 days immediately preceding the initiation of negotiations for its acquisition; and

b. Must have been the occupant of the acquired dwelling for the same period; and

c. Must purchase and occupy decent, safe, and sanitary replacement housing within one year of the date final payment is made of the acquired dwelling, or, if it is later, one year from the date of his move.

2. Differential Component

The differntial compotent of the Replacement Housing Payments represents the difference in price between the Project Area dwelling and a comparable replacement dwelling (or, if it is lesser, the actual replacement dwelling).

a. Calculation of Amount

The differential component shall be calculated by subtracting from the amount determined as necessary to purchase a home on the private market which is both comparable to the Project Area dwelling and standard, that amount paid for the Project Area dwelling. If, however, a claimant purchases a replacement dwelling which costs less than the amount needed to purchase a comparable replacement dwelling, then the lower amount shall be used. If a displaced homeowner purchases replacement housing at a price less than the price paid for the acquired dwelling, then no payment shall be made.

b. Determination of Price, Comparable Dwelling

The price determined by the Agency to represent the cost of comparable replacement housing shall be based either on an evaluation of sales prices of housing available on the market at the time the displacee moves, or on a schedule of average sales prices of comparable dwellings, as described in more detail in the preceding section relative to Rental Assistance Payments.

3. Interest Differential Component

The interest differential component of the Replacement Housing Payment is designed to compensate for any loss of favorable financing resulting from displacement from an owner-occupied residence.

a. Special Eligibility Requirement

In order to receive compensation for loss of favorable financing, and applicant, in addition to meeting both the Basic Eligibility Requirements and those previously described for the Replacement Housing Payment, must also have had a bona fide mortgage on the Project Area dwelling for at least the 180 days immediately preceding the Agency's initiation of negotiations to acquire that dwelling.

b. Calculation of Amount

The interest differntial shall be no more than that amount calculated to represent in current dollars the value of the difference in interest rates of the mortgage(s) on the acquired dwelling and the mortgage(s) on the replacement dwelling, over the remaining term(s) of the loan(s) on the acquired dwelling at the time of its acquisition for the project. The calculation shall be made in the manner required by the Uniform Relocation Act.

4. Incidental Expense Component

Compensation for costs incidental to the purchase of replacement housing such as escrow fees, appraisal fees, recording fees, and similar charges may be added to the preceding components. Eligible costs do not include prepaid interest, taxes, or insurance.

5. Maximum Payment Amount

Total compensation to be paid to occupants of any one owner-occupied dwelling unit shall not exceed $15,000. This maximum amount is to include all three payment components, as applicable.

Compensation for Moving Expenses, Nonresidential Occupants

Nonresidential occupants may receive compensation either for: 1) the actual, reasonable expenses involved in moving personal property to replacement locations or otherwise disposing of personal property; or 2) compensation on the basis of a flat rate payment calculated to equal average annual net business earnings. These choices are further explained as follows.

No eligibility requirements other than the Basic Eligibility Requirements accrue to compensation for actual reasonable moving expense payments. Special eligibility requirements are imposed for the alternative payment.

1. Eligible Expenses, Actual Reasonable Moving Costs

The following costs may be included in a claim for actual moving expenses:

a. Transportation of personal property from the acquired site to the replacement site to a 50-mile maximum, unless the Agency determines that a longer move is reasonable and justified.

b. Packing, crating, unpacking, and uncrating the personal property.

c. Disconnecting, dismantling, removing, reassembling, and reinstalling relocated and substitute machinery, equipment and other personal property, including connection to utilities available nearby and modifications required to adapt such personal property to the replacement structure or to the utilities, or to adapt the utili ties to the personal property.

d. Storage of personal property, as determined necessary, reasonable, and justified by the Agency, generally not to exceed a 12-month period.

e. Insurance of personal property in connection with the move and any necessary storage.

f. Licenses, permits, or certifications required by the displaced person to the extent such cost is necessary to the reestablishment of the use at the replacement location and does not exceed either the cost for one year or for the remaining useful life of the existing license, permit or certification, whichever is less.

g. Professional services, including architects', attorneys', and engineers' fees and consultants' charges necessary for planning the move of the personal property, moving the personal property, or installing the relocated personal property at the replacement location.

h. Relettering of signs and reprinting of replacement stationery made obsolete by the move.

i. Other moving-related expenses not listed as ineligible as the Agency determines to be reasonable and necessary to the reestablishment of the business, nonprofit organization, or other nonresidential occupant.

2. Ineligible Moving Expenses

No displacee shall be entitled to compensation for any of the following expenses:

a. The cost of moving any structure or other real property in which the displacee reserved ownership.

b. Interest on loans to cover moving expenses.

c. Loss of goodwill.

d. Loss of profits.

e. Loss of trained employees.

f. Physical changes at the replacement location.

g. Any additional expense incurred as a result of operating in a new location.

h. Personal injury.

i. Legal fees or other costs of preparing a claim for relocation payments or for representing the claimant before the Agency or the U.S. Department of Housing and Urban Development.

j. Expenses incurred in searching for a replacement dwelling.

3. Bid Requirement

Persons claiming compensation for actual reasonable moving expenses shall be required to obtain at least three competitive bids for all phases of their moves if the total cost is estimated by the Agency to exceed $5,000. Bid specifications and completed bids will be subject to review and approval by the Agency. Where bids must be obtained, compensation for moving expense will be limited to the amount of an approved low bid. Costs incurred in obtaining bids will be compensable.

4. Self-Moves

Nonresidential occupants who move all or a portion of their personal property themselves, without the services of movers or other contractors, may be compensated for the expenses incurred in moving in an amount not in excess of the lowest acceptable bid obtained by the Agency for that portion of the move, without submission of documentation of moving expenses actually incurred, provided the Agency determines that such a procedure is reasonable. Alternatively, the Agency may require the submittal of documentation of all costs and may reimburse in the amount of approvable, reasonable, and actual costs.

5. Eligible Expenses, Actual Loss of Personal Property

A nonresidential displacee may elect not to relocate all or a portion of his personal property including goods held for sale. Compensation for such actual direct loss of personal property shall be the lesser of the appraised fair market value of the item(s) for continued use at the Project site, less the proceeds form its sale, or the estimated costs of moving the item(s) as determined by the Agency. Persons claiming compensation under this section must make bona fide efforts to sell the personal property. Costs incurred in such efforts shall be added to the amount determined as reasonable compensation for loss. The value of goods held for sale shall be based on the cost to the displacee.

6. Eligible Expenses, Substitute Equipment

A nonresidential displacee may elect not to move all or a portion of his machinery, equipment, or other personal property and instead replace such items with substitute personal property. Compensation for such substitute equipment shall be the lesser of: a) the cost of the substitute equipment, delivered and installed at the replacement site, minus proceeds from the sale of the replaced equipment; or b) the estimated cost of relocating the replaced equipment, as determined by the Agency.

Persons claiming compensation under this section will be required to make bona fide efforts to sell the personal property being replaced and to transfer ownership of any equipment or other personal property not sold or traded in to the Agency.

7. Eligible Expenses, Searching for a Replacement Location

Nonresidential displacees may be compensated for certain expenses incurred in searching for a replacement site. Such expenses may include transportation; meals and lodging away from home; time spent searching based upon reasonable salary or earnings as determined by the Agency; and fees paid to a real estate agent or broker to locate a replacement site.

Total compensation under this section may not exceed $500.

8. Maximum Payment Amount

Except as noted above with respect to limitations on certain elements of moving expenses, there is no dollar limit on claims for actual reasonable moving expenses.

9. Method of Payment

Payment for claims under this part may be made directly to movers or other contractors upon presentation of approvable invoices and relocation claims, or to displacees upon presentation of paid receipts and approvable relocation claims.

Payment in Lieu of Moving and Related Expenses

Businesses and nonprofit organizations may elect to receive a flat rate payment in lieu of compensation for actual, reasonable, moving expenses provided they meet certain specific eligibility requirements. The payment may be made in amounts equal to the business' average annual net earnings and may not be less than $2,500 nor more than $10,000.

1. Eligibility Requirements

To qualify, the displaced business or nonprofit organization must meet the Basic Eligibility Requirements set forth in the Uniform Relocation Assistance Act and the following additional criteria:

a. It must be determined by the Agency that the concern could not have been relocated without a substantial loss of patronage;

b. The concern may not be part of an enterprise having at least one other similar establishment which is not being acquired for the Project and which is engaged in the same or similar business or service; except that a sole remaining establishment with average annual gross income over the two taxable years prior to displacement of less than $4,000 and average annual net receipts over the same period of less than $1,000 shall not be considered "another establishment"; and

c. The concern must have had either average annual gross income over the two taxable years immediately preceding displacement of at least $2,000 or average annual net receipts over the same period of at least $1,000.

2. Calculation of Amount of Payment

Payment under this section is equal to the average annual net earnings of the business over the two taxable years preceding displacement, except that no payment shall be made in an amount less than $2,500 nor in an amount more than $10,000. Businesses with net earnings of less than $2,500 shall be compensated in the amount of $2,500. Those with net receipts of more than $10,000 shall be compensated in the amount of $10,000. Nonprofit organizations shall be eligible to receive $2,500 and need not meet the third qualifying criteria, above.

3. Documentation in Support of Claims

The Agency will require persons filing claims for payment under this section to support such claims with evidence of bona fide operation of business and with copies of Federal income tax returns for the two taxable years preceding displacement. Under exceptional circumstances, certified income/expense statements may be accepted in lieu of tax returns. Nonprofit organizations need submit only verification of tax exempt status.

4. Method of Payment

Payments in lieu of moving and related expenses will be made directly to claimants upon presentation of approved relocation claims.

In addition to the administration of the aforementioned relocation assistance program, the Agency shall recommend the updating of existing rental surveys and other housing information maintained by the City at such time that relocation assistance procedures commence in force. Such methods will hopefully increase the efficiency of the relocaiton program while decreasing the potential for individual hardship.

The Agency shall reserve the ability to establish such additional regulations and relocation program alternatives as are judged necessary to successfully implement the Redevelopment Plan and specific Project Area requirements.

VI

ANALYSIS OF THE PRELIMINARY PLAN

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ANALYSIS OF THE PRELIMINARY PLAN

The Escondido Redevelopment Plan and Project Area necessitated the preparation of a Preliminary Plan. The Preliminary Plan was adopted by the Planning Commission on August 15, 1984 by Resolution No. 3918 and approved by the Escondido Redevelopment Agency on August 15, 1984 by Resolution 84-10.

In accordance with the State Law, the Preliminary Plan contained:

1. A description of the boundaries of the Project Area. The Project Area boundaries as specified in the Redevelopment Plan are identical with those in the Preliminary Plan.

2. A general statement of the land uses, circulation systems, population, densities, building intensities, and standards as the basis for the redevelopment of the Project Area. These provisions are adequate to assure a sound environment by resolving the existing problems of land use and development.

3. A description of the purposes of the law as set forth in the California Community Redevelopment Law would be attained by the redevelopment of the Project Area through the removal of existing blight and the provision for appropriate land uses and construction policies.

4. An indication that the proposed redevelopment conforms to the City of Escondido General Plan.

5. A general description of the impact of the project upon residents thereof and upon the surrounding neighborhood.

The provisions of the Redevelopment Plan with respect to land use, layout of principal streets, population densities, and building intensities and standards are in agreement with the Preliminary Plan for the Project Area and the General Plan of the City of Escondido.

The Preliminary Redevelopment Plan is incorporated herein by reference, and is on file in the office of the City Clerk of the City of Escondido.

VII

REPORT AND RECOMMENDATION OF THE PLANNING COMMISSION

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REPORT AND RECOMMENDATION OF THE PLANNING COMMISSION

On October 23, 1984 the Escondido Planning Commission reviewed the Escondido Redevelopment Plan and Project Area and approved Resolution No. 3949 and Resolution No. 3950. They further prepared a report to the City Council/ Redevelopment Agency on the Redevelopment Plan and reviewed and commented upon the Environmental Assessment and Draft Environmental Impact Report. Resolution No. 3949 and Resolution No. 3950 is incorporated herein by reference and the Planning Commission Report is set forth herein.

TO: Mayor and Members of the Escondido City Council; Chairman and Members of the Escondido Redevelopment Agency

FROM: Chairman and Members of the Escondido Planning Commission

DATE: October 23, 1984

SUBJECT: Report of the Escondido Planning Commission
Re: Escondido Redevelopment Plan and Project Area

Background

The Escondido City Council and Redevelopment Agency have pursued the use of the California Community Redevelopment Law, Sections 33000 et. seq. to alleviate physical, social, environmental, and economic blight conditions in the community which could not have been corrected by the private enterprise acting alone.

On August 15, 1984 by Resolution No. 3918 and pursuant to Section 33322 of the California Health and Safety Code, the Escondido Planning Commission selected the Escondido Redevelopment Project Area at the direction of the Escondido City Council. In addition, in cooperation with the Escondido Redevelopment Agency, the Planning Commission prepared and approved a Preliminary Plan for the Escondido Redevelopment Project Area. Subsequently, the Draft Redevelopment Plan for the Escondido Project Area was prepared by Community Systems Associates, Inc., consultant to the Escondido Redevelopment Agency, along with input and participation of the Project Area Committee, staff, City Council and Redevelopment Agency.

Section 33330 of the California Health and Safety Code states:

> "33330. Each agency shall prepare or cause to be prepared, and approve, a Redevelopment Plan for each Project Area and for the purpose may hold hearings and conduct examinations, investigations, and other negotiations. The Agency shall consult with the Planning Commission of the community and with the Project Area Committee, if applicable, in preparing a Redevelopment Plan."

In addition, Section 33331 of the California Health and Safety Code states:

> "33331. Every Redevelopment Plan shall conform to the General Plan insofar as the latter applies to the Project Area."

Finally, Sections 33346 and 33347 of the California Health and Safety Code state:

> "33346. Before the Redevelopment Plan of each Project Area is submitted to the legislative body, it shall be submitted to the Planning Commission for its report and recommendations concerning the Redevelopment Plan and its conformity to the General Plan adopted by the Planning Commission or the legislative body. The Planning Commission may recommend for, or against, the approval of the Redevelopment Plan.

"33347. Within 30 days after a Redevelopment Plan is submitted to it for consideration, the Planning Commission shall make and file its report and recommendations with the Agency. If the Planning Commission does not report upon the Redevelopment Plan within 30 days after its submission by the Agency, the Planning Commission shall be deemed to have waived its report and recommendations concerning the plan and the Agency may thereafter approve the Plan without the report and recommendations of the Planning Commission."

Section 65402 of the Government Code provides in part:

"a) If a General Plan or part thereof has been adopted, no real property shall be acquired by dedication or otherwise for street, square, park, or other public purposes, and no real property shall be disposed of, no street shall be vacated or abandoned, and no public building or structure shall be constructed or authorized, if the adopted General Plan or part thereof applies thereto, until the location, purpose, and extent of such acquisition or disposition, such street vacation or abandonment, or such public building or structure have been submitted to and reported upon by the planning agency as to conformity with said adopted General Plan or part thereof;

b) A local agency shall not acquire real property for any of the purposes specified in Paragraph (a) nor dispose of any real property, nor construct or authorize a public building or structure, in any County or City, if such County or City has adopted a General Plan or part thereof and such General Plan or part thereof is applicable thereto, until the location, purpose, and extent of such acquisition, disposition, or such public building or structure have been submitted to and reported upon by the planning agency having jurisdiction as to conformity with said adopted General Plan or part thereof."

The actions of the Planning Commission and this report is intended to fulfill the requirements of these sections.

CITY REDEVELOPMENT POLICY

On July 11, 1984, the City Council adopted Resolution No. 84-180 setting forth a policy relative to the preparation and processing of a Redevelopment Plan and Project Area. Said policy stated the following:

Escondido Redevelopment Program Goal

It shall be the goal of the City Council of the City of Escondido to pursue the adoption of a Redevelopment Plan and Project Area in accordance with the California Redevelopment Law, in order to facilitate and expedite the financing and construction of the Escondido Civic and Cultural Center, and to pursue projects which are intended to enhance the economic climate of the City of Escondido's downtown business district.

Escondido Redevelopment Program Objectives and Policies

In order to provide direction in the Redevelopment Plan and Project Area formation and adoption process, the following objectives and policies are approved and adopted by the Escondido City Council:

A. OBJECTIVE: Community Input and Participation

To solicit and encourage input by citizens, business persons, and property owners of the City in order to formulate a plan which accommodates the needs of the City and responds to the concerns of the community.

Policies:

1. Pursuant to Section 33385 of the California Health and Safety Code, a Project Area Committee shall be designated consisting of twenty one (21) members who represent residential owners occupants, residential tenants, business owners and tenants, members of existing organizations (including, but not limited to the Civic Center Committee, Downtown Revitalization Committee, Chamber of Commerce) and representatives of the community who indicated concern with the City's redevelopment program in 1977. Said committee shall be expanded as necessary.

2. All meetings of the City Council, Redevelopment Agency, Planning Commission and Project Area Committee shall be publicly noticed, and a mailing list shall be established so as to provide notice of such meetings to each individual on the mailing list.

3. A status report shall be prepared each month summarizing the activities completed to date and actions taken by the City Council, Redevelopment Agency, Planning Commission and Project Area Committee for public distribution to those who request it.

4. Public hearing notices for required meetings shall be issued in accordance with the Municipal Code of the City and the California Community Redevelopment Law.

B. OBJECTIVE: Project Area Designation and Projects to be Identified

To identify and designate a project area and applicable projects consistent with the limited intent of the City Council to maximize the benefit of a redevelopment program and minimize the authority of the Redevelopment Agency.

Policies:

1. The Project Area Committee and Planning Commission shall recommend the size and configuration of the Project Area, based upon a) the requirements of the California Community Redevelopment Law; and b) the impact area of the Civic Center/Cultural facility.

2. Projects to be implemented pursuant to the Redevelopment Plan shall be limited to:

   a) Civic Center development including the City Hall, community theater, auditorium, fine arts facility, convention facility, regional governmental office building, parking facilities, and associated landscaping, infrastructures and common area improvements.

   b) Public facilities and infrastructure improvements within the City's public rights-of-way and directly associated with the development and use of the Civic Center.

   c) Housing financial assistance to increase and improve the community's supply of "low- and moderate-income housing" available at affordable housing costs as required by Section 33334.2 of the California Health and Safety Code.

   d) Other projects as may be determined, defined and recommended by the Project Area Committee, Planning Commission, or community, provided that there is a consensus as to the projects definition, scope and financial parameters and is finally approved by the City Council/Redevelopment Agency.

C. OBJECTIVE: Limitations on Redevelopment Agency Authority

To limit the Redevelopment Agency's authority to those rights and privileges required that are absolutely necessary for the implementation of the redevelopment program.

Policies

1. The Redevelopment Agency shall have no authority to acquire real or personal property by the use of eminent domain or condemnation.

2. The Redevelopment Plan shall be prepared in conformance with the City's Municipal Code, General Plan and Zoning Ordinance and shall not establish requirements or procedures in excess of that which is set forth in those documents.

3. The Redevelopment Agency shall not incorporate standards, requirements, and/or conditions in the Redevelopment Plan which limits or precludes the use, ownership, and/or development of any privately owned or privately leased property within the recommended project area.

4. The Redevelopment Plan shall incorporate provisions that, should this or future City Councils and/or Redevelopment Agencies of the City desire to amend the Redevelopment Plan by expanding the project area, adding additional projects, increasing the scope or financial limitations, or increasing the authority of the Agency, that a public hearing process with citizen input shall be followed, including the reactivation of the Project Area Committee.

D. OBJECTIVE: Public Agency Cooperation

To ensure that every reasonable effort is made by the Project Area Committee, Planning Commission, Redevelopment Agency, City Council and staff to coordinate the redevelopment program with other public agencies of the community.

Policies

1. The staff, Project Area Committee, Redevelopment Agency and City Council shall make every reasonable effort to work closely with and cooperate with affected public agencies to ensure that their needs and concerns are considered, and that impacts are minimized.

2. The Redevelopment Plan's financial limitations shall be set at a level not to exceed that which is absolutely necessary for the projects contained in the Redevelopment Plan.

3. The use of tax increment shall not be the one source of financing for projects set forth in the Redevelopment Plan, and shall supplement other revenues, including but not limited to, revenues of the City to be set aside for the City Hall portion of the development, and the City's recent expenditure of funds for the Civic Center land.

Consideration of the Draft Redevelopment Plan

In conjunction with their responsibilities and direction by the City Council and Redevelopment Agency, the Planning Commission had several meetings. A list of these meetings is hereinafter set forth:

July 24, 1984
August 15, 1984
October 23, 1984

Copies of the Planning Commission Minutes are attached for reference. The meetings were all open and public. Additionally, notices of said meetings were published in the Times-Advocate and/or posted for public notification. Copies of the minutes, together with a record of all information presented to the Planning Commission are on file in the office of the Secretary of the Planning Commission and the Executive Director of the Escondido Redevelopment Agency.

Community Workshops

The Project Area Committee scheduled three (3) community workshops for the purpose of providing the community with an opportunity to be apprised of the redevelopment program and to answer their questions. One (1) workshop was conducted on September 13, 1984. A second and third one are intended to be conducted on October 30, 1984, and December 1, 1984, respectively. Each workshop was proposed to be held on a different day of the week and at different times of the day so as to provide the greatest opportunity for citizens of the community to attend the workshops. In addition, notices were sent out to community groups and organizations, and notices were published in the local newspapers, advertising the workshops.

Survey of Information Submitted to the Planning Commission

Information submitted to the Planning Commission included a variety of technical and informational documents. They included the following:

1. A map of the Escondido Redevelopment Project Area as adopted by the Planning Commission on August 15, 1984 by Resolution No. 3918;

2. The Preliminary Plan for the Escondido Redevelopment Project Area as approved by the Redevelopment Agency on August 15, 1984 by Resolution No.

3. The original Draft Escondido Redevelopment Plan for the Project Area as prepared by Community Systems Associates, Inc., consultants to the Escondido Redevelopment Agency;

4. A Draft Environmental Impact Report on the Redevelopment Plan as prepared by Community Systems Associates, Inc. and submitted to the California Office of Planning and Research State Clearinghouse;

5. Copies of Articles 2, 4, and 5 of the California Redevelopment Law and Section 33367 of same;

6. Information document entitled "Handbook for the Implementation of the Escondido Redevelopment Program" prepared by Community Systems Associates, Inc.; and

7. Oral presentations at the meetings by Community Systems Associates, Inc. and City Staff.

Findings and Recommendations

On October 23, 1984 by Resolution No. 3950, the Planning Commission authorized the preparation of this report and found that the Escondido Redevelopment Plan is in conformance with the City's adopted General Plan. To document this conformity the Planning Commission was advised of the following:

1. The City has adopted General Plan which contains the State mandated elements.

2. Section 500.10 of the Redevelopment Plan identifies the Plan's conformity with the General Plan as follows:

   "The Plan for redevelopment of the Project Area as ordered is based upon the Preliminary Redevelopment Plan which was approved by the Planning Commission and was considered and reviewed through the public hearing process as required by law, and conforms and complies with the goals, objectives, and policies of the Escondido General Plan. Properties which are developed in accordance with the land use designations of the Escondido General Plan, as that General Plan may be amended from time to time and the land use provisions as are hereinafter set forth, are declared to be conforming land uses within the Project Area. The Agency shall not change the land use designations of these properties declared to be conforming land uses within the Project Area. However, the Agency may request the City Council to consider General Plan land use designation changes in order to effectuate the intent of the Redevelopment Plan. That portion of the General Plan contained within the Project Area is set forth in Appendix II, Exhibit A."

3. Section 500.22 of the Redevelopment Plan identifies the land use relationships between the Plan and the General Plan as follows:

"The Land Use Plan Map designates the permitted land uses and principal streets located within the Project Area and is designated as attached Appendix II, Exhibit B, which by this reference becomes a part hereof. Land uses different from those designated in said Land Use Plan Map may be authorized by the Agency if these land uses are consistent with the then adopted General Plan, as amended, and if the Agency finds that these land uses are compatible with the goals and purposes of this Redevelopment Plan. In addition, the map illustrates immediate adjacent streets, public rights-of-way, easements, and other public, semi-public, and private permitted land uses."

4. Sections 550.23, 500.24, and 500.25 which relate to commercial, industrial, and residential, land uses and property devoted to public purpose have language which generally states:

   "Areas designated for .... uses on the Map attached hereto shall be developed according to the regulations, requirements, restrictions, and provisions of the Municipal Code, as amended, pertaining to the development of said .... standard Land Use Designations as adopted under the Escondido General Plan as amended."

5. Section 1100.00 provides an automatic amendment procedure of the Redevelopment Plan consistent with the General Plan, as follows:

   ".... In addition, this Redevelopment Plan, and in particular, the authorized land use designations, shall be deemed to be amended whenever the Escondido General Plan is amended...."

In adopting Resolution No. 3950, the Planning Commission made the following findings:

"1. Within the Escondido Redevelopment Project Area there is a need to correct problems relative to circulation, land use incompatibility, and structural dilapidation and deterioration and other conditions of blight present and anticipated on certain properties. These conditions have caused physical, social, and economic liabilities which necessitates the proposed Redevelopment Plan. The implementation of the goals and policies set forth in said plan will ensure developments which are consistent with, and in the interest of, the health, safety, and general welfare of the people and property owners within the Project Area in particular, and the community in general.

2. Said proposed Redevelopment Plan is consistent with, and conforms to, the goals, policies, standards, and land use considerations of the Preliminary Redevelopment Plan as prepared and approved by the Planning Commission and Redevelopment Agency.

3. Pursuant to Section 33346 of the Community Redevelopment Law said proposed Redevelopment Plan is consistent with the goals and objectives of the Escondido General Plan and conforms to the standards, regulations, requirements, and intent of the Municipal Code and Zoning Ordinance of the City of Escondido.

4. Said proposed Redevelopment Plan has been prepared pursuant to the requirements and regulations of the Community Redevelopment Law, and in particular, Section 33405 et. seq.

5. Said proposed Redevelopment Plan is consistent with previously prepared studies of the City of Escondido relating to deficiencies in the City's infrastructure, and in particular the revitalization of the Central Business District and the development of the City's Civic Center/Cultural facilities.

6. Pursuant to Section 65402 of the Government Code, with respect to activities which may be undertaken within the Project Area pursuant to the Redevelopment Plan and that are referred to in said section, such activities and undertakings conform to the General Plan of the City of Escondido."

7. The final Draft Redevelopment Plan contains projects and provides authority to the Redevelopment Agency consistent with their policy on redevelopment adopted by Resolution 84-180 on July 11, 1984."

Resolution No. 3950 was introducted by a motion made by Commissioner Kelley and seconded by Commissioner Mitchell. The vote taken was as follows:

	YES	NO	ABSTAIN
Chairman Mitchell	X		
Vice-Chairman Daniel	X		
Commissioner Barber	X		
Commissioner Cate	X		
Commissioner Kelley	X		
Commissioner Rider	X		
Commissioner Tucker			X

Also, on October 23, 1984, the Planning Commission adopted Resolution No. 3940 relative to their review and approval of the draft Environmental Impact Report. The Planning Commission found as follows:

1. The Report does adequately consider the environmental impact of the proposed Redevelopment Plan and Project Area.

2. The proposed Redevelopment Plan and Project Area will have no significant adverse environmental effects.

3. The report reveals positive and adverse environmental effects of the proposed Redevelopment Plan and Project Area but the environmental benefits to be derived from the proposed Redevelopment Plan do outweigh the adverse environmental effects.

4. Any significant adverse environmental effects of the proposed Redevelopment Plan and Project Area will be sufficiently mitigated by the imposition of development standards, requirements, and conditions.

5. Specific environmental documentation will be prepared on each individual project associated with the implementation of the Redevelopment Plan.

Resolution No. 3949 further recommended the concurrence by the Escondido City Council and Redevelopment Agency with the above findings and that the Council and Agency approve and adopt the draft Environmental Impact Report, as modified to reflect the deletion of projects pursuant to the action of the Redevelopment Agency according to Resolution No. RDA 84-11 adopted on September 19, 1984, and the receipt of comments from responsible agencies.

Resolution No. 3949 was introduced by a motion made by Commissioner Cate and seconded by Commissioner Rider. The vote taken was as follows:

	YES	NO	ABSTAIN
Chairman Mitchell	X		
Vice-Chairman Daniel	X		
Commissioner Barber	X		
Commissioner Cate	X		
Commissioner Kelley	X		
Commissioner Rider	X		
Commissioner Tucker			X

Finally, a motion was made by Commissioner Daniel and seconded by Commissioner Barber to strongly recommend to the City Council/Redevelopment Agency that they reconsider the recommendations of the Civic Center/Cultural Committee relative to the development of the fine arts facility, and the development and possible duplication of the community theater and auditorium, aside from the recommendations and conclusions of the consultants. This motion was defeated by the following vote:

	YES	NO	ABSTAIN
Chairman Mitchell		X	
Vice-Chairman Daniel	X		
Commissioner Barber	X		
Commissioner Cate		X	
Commissioner Kelley		X	
Commissioner Rider		X	
Commissioner Tucker			X

Finally, the Planning Commission recommended as follows:

1. The Escondido Planning Commission recommends the concurrence by the Escondido City Council and Redevelopment Agency with the stated resolutions and the above findings and that said Council and Agency consider approval and certification of the Draft Environmental Impact Report, adopt the Escondido Redevelopment Project Area, and adopt the Escondido Community Redevelopment Plan.

2. The Planning Commission did not recommended amendments, revisions and/or modifications be incorporated into the Final Redevelopment Plan.

The Planning Commission recommended the above stated revisions to the Draft Environmental Impact Report. These will be set forth in the Final Environmental Impact Report for further reference.

The approval of this Report and the adoption of Resolutions No. 3949 and 3950 of the Planning Commission was subject to the Planning Commission reserving their rights and privileges to provide the Redevelopment Agency and City Council with additional input and recommendations on the Redevelopment Plan and the Final Environmental Impact Report prior to or at the public hearing to be scheduled on these documents, as appropriate and necessary.

Prepared Pursuant to Planning Commission
Direction of October 23, 1984.

/s/ Rolf Gunnerson
Rolf Gunnerson
Community Development Director

October 23, 1984
(date)

VIII

THE SUMMARY REFERRED TO IN SECTION 33387
OF THE
STATE COMMUNITY REDEVELOPMENT LAW

VIII
THE SUMMARY REFERRED TO IN SECTION 33387
OF THE
STATE COMMUNITY REDEVELOPMENT LAW

A Project Area Committee was designated by the City Council on July 18, 1984 by Resolution No. 84-185 for the purpose of reviewing the Escondido Redevelopment Plan and Project Area. The Project Area Committee consists of twenty one (21) members appointed by the City Council consistent with Chapter 4, Article 6.5 of the California Health and Safety Code. A summary of the minutes and records associated with a Project Area Committee and its meetings with the Redevelopment Agency, as referred to in Section 33387 of the California Community Redevelopment Law is on file in the office of the City Clerk of the City of Escondido and is incorporated herein by reference.

Resolution 84-185 set forth the following directions to the Project Area Committee:

1) To recommend, in conjunction with the Planning Commission and Redevelopment Agency, a project area, specific projects to be included within the redevelopment plan, and scope of the redevelopment program.

2) To review, comment, and participate in the initial formulation of the preliminary and final redevelopment plan for the Escondido Redevelopment Project Area;

3) To consult with and advise the Escondido Redevelopment Agency on matters concerning policies which deal with the planning and provision of residential facilities associated with redevelopment project activities.

4) To consult with the Redevelopment Agency on other policy matters which affect the residents and businesspersons of the Project Area;

5) To represent community interest and advise the City Council and Redevelopment Agency as to community concerns.

6) To perform other responsibilities as specifically requested and/or directed to be performed by the City Council of the City of Escondido and/or the Escondido Redevelopment Agency; and

7) To serve at the will and pleasure of the City Council of the City of Escondido consistent with their intent and direction as set forth herein.

Resolution 84-185 also contained the following:

1) The Project Area Committee for the Escondido Redevelopment Project Area was established to consist of twenty one (21) members.

2) The City Council appointed eleven (11) persons as members of said Project Area Committee to each serve a term of two (2) years beginning as of the date of the resolution.

3) The City Council appointed ten (10) persons as members of said Project Area Committee to each serve a term of one (1) year beginning as of the date of the resolution.

The names of the Project Area Committee are attached hereto.

On November 6, 1984 the Project Area Committee considered the final Redevelopment Plan and reviewed the Draft Environmental Impact Report. By a unanimous decision, the Project Area Committee approved their Report dated October 16, 1984 to the City Council/Redevelopment Agency as attached hereto.

TO: Mayor and Members of the Escondido City Council;
Chairman and Members of the Escondido Redevelopment Agency

FROM: Chairman and Members of the Escondido Project Area Committee

DATE: October 25, 1984

SUBJECT: Report of the Escondido Project Area Committee
Re: Escondido Redevelopment Plan and Project Area

Background

On July 18, 1984 by Resolution No 84-185 the Escondido City Council created the Project Area Committee for the Escondido Redevelopment Project pursuant to Section 33385 of the California Health and Safety Code.

Section 3347.5 of the California Health and Safety Code states:

"33347.5. If a Project Area Committee exists within the Project Area, the Redevelopment Plan shall be submitted to such Committee before it is submitted to the legislative body. The Committee may, if it chooses, prepare a report and recommendation for submission to the legislative body."

This report is intended to summarize the activities and actions of the Project Area Committee subsequent to receiving the Draft Escondido Redevelopment Plan in compliance with Section 33347.5 of the California Health and Safety Code.

Responsibilities of the Project Area Committee

Section 33385 of the California Health and Safety Code states:

"33385. The legislative body of a City or County shall call upon the residents and existing community organizations in a Redevelopment Project Area, within which a substantial number of low- and moderate-income families are to be displaced by the redevelopment project, to form a Project Area Committee. The Project Area Committee shall include, when applicable, residential owner occupants, residential tenants, businessmen, and members of existing organizations within the Project Area. The members of the community shall serve without compensation.

The legislative body shall approve a representative Project Area Committee in each Project Area within sixty (60) days after the Project Area is selected.

For Project Areas selected prior to March 7, 1973, the legislative body may, but shall not be required to, call upon the residents and existing community organizations to form a Project Area Committee.

If the project will not displace a substantial number of low- and moderate-income families the Agency shall either call upon the residents and existing community organizations to form a Project Area Committee or the Agency shall consult with, and obtain the advice of, residents and community organizations as provided for Project Area Committees in Section 33386 and provide such persons and organizations with the Redevelopment Plan prior to submitting it to the legislative body.

Nothing contained in this section shall prevent an Agency, or the legislative body of any City or County, from creating any other committee for a Project Area."

Further, Section 33386 of the California Health and Safety Code states:

"33386. The Redevelopment Agency through its staff, consultants, and Agency members shall, upon the direction and approval of the legislative body consult with, and obtain the advice of, the Project Area Committee concerning those policy matters which deal with the planning and provision of residential facilities or replacement housing for those to be displaced by project activities. The Agency shall also consult with the committee on other policy matters which affect the residents of the Project Area. The provisions of this section shall apply throughout the period of preparation of the Redevelopment Plan and for a three-year period after the adoption of the Redevelopment Plan, subject to one-year extensions by the legislative body."

In conjunction with these provisions, Resolution No 84-185 contained the following direction for the Project Area Committee:

1) To recommend, in conjunction with the Planning Commission and Redevelopment Agency, a project area, specific projects to be included within the redevelopment plan, and scope of the redevelopment program.

2) To review, comment, and participate in the initial formulation of the preliminary and final redevelopment plan for the Escondido Redevelopment Project Area;

3) To consult with and advise the Escondido Redevelopment Agency on matters concerning policies which deal with the planning and provision of residential facilities associated with redevelopment project activities.

4) To consult with the Redevelopment Agency on other policy matters which affect the residents and businesspersons of the Project Area;

5) To represent community interest and advise the City Council and Redevelopment Agency as to community concerns.

6) To perform other responsibilities as specifically requested and/or directed to be performed by the City Council of the City of Escondido and/or the Escondido Redevelopment Agency; and

7) To serve at the will and pleasure of the City Council of the City of Escondido consistent with their intent and direction as set forth herein.

Resolution 84-185 also contained the following:

1) The Project Area Committee for the Escondido Redevelopment Project Area was established to consist of twenty one (21) members.

2) The City Council appointed eleven (11) persons as members of said Project Area Committee to each serve a term of two (2) years beginning as of the date of the resolution.

3) The City Council appointed ten (10) persons as members of said Project Area Committee to each serve a term of one (1) year beginning as of the date of the resolution.

CITY REDEVELOPMENT POLICY

On July 11, 1984, the City Council adopted Resolution No. 84-180 setting forth a policy relative to the preparation and processing of a Redevelopment Plan and Project Area. Said policy stated the following:

Escondido Redevelopment Program Goal

It shall be the goal of the City Council of the City of Escondido to pursue the adoption of a redevelopment plan and project area in accordance with the California Redevelopment Law, in order to facilitate and expedite the financing and construction of the Escondido Civic and Cultural Center, and to pursue projects which are intended to enhance the economic climate of the City of Escondido's downtown business district.

Escondido Redevelopment Program Objectives and Policies

In order to provide direction in the redevelopment plan and project area formation and adoption process, the following objectives and policies are approved and adopted by the Escondido City Council:

A. OBJECTIVE: Community Input and Participation

To solicit and encourage input by citizens, business persons, and property owners of the City in order to formulate a plan which accommodates the needs of the City and responds to the concerns of the community.

Policies:

1. Pursuant to Section 33385 of the California Health and Safety Code, a Project Area Committee shall be designated consisting of twenty one (21) members who represent residential owners occupants, residential tenants, business owners and tenants, members of existing organizations (including, but not limited to the Civic Center Committee, Downtown Revitalization Committee, Chamber of Commerce) and representatives of the community who indicated concern with the City's redevelopment program in 1977. Said committee shall be expanded as necessary.

2. All meetings of the City Council, Redevelopment Agency, Planning Commission and Project Area Committee shall be publicly noticed, and a mailing list shall be established so as to provide notice of such meetings to each individual on the mailing list.

3. A status report shall be prepared each month summarizing the activities completed to date and actions taken by the City Council, Redevelopment Agency, Planning Commission and Project Area Committee for public distribution to those who request it.

4. Public hearing notices for required meetings shall be issued in accordance with the Municipal Code of the City and the California Community Redevelopment Law.

B. OBJECTIVE: Project Area Designation and Projects to be Identified

To identify and designate a project area and applicable projects consistent with the limited intent of the City Council to maximize the benefit of a redevelopment program and minimize the authority of the Redevelopment Agency.

Policies:

1. The Project Area Committee and Planning Commission shall recommend the size and configuration of the Project Area, based upon a) the requirements of the California Community Redevelopment Law; and b) the impact area of the Civic Center/Cultural facility.

2. Projects to be implemented pursuant to the redevelopment plan shall be limited to:

   a) Civic Center development including the City Hall, community theater, auditorium, fine arts facility, convention facility, regional governmental office building, parking facilities, and associated landscaping, infrastructures and common area improvements.

   b) Public facilities and infrastructure improvements within the City's public rights-of-way and directly associated with the development and use of the Civic Center.

   c) Housing financial assistance to increase and improve the community's supply of "low- and moderate-income housing" available at affordable housing costs as required by Section 33334.2 of the California Health and Safety Code.

   d) Other projects as may be determined, defined and recommended by the Project Area Committee, Planning Commission, or community, provided that there is a consensus as to the projects definition, scope and financial parameters and is finally approved by the City Council/Redevelopment Agency.

C. OBJECTIVE: Limitations on Redevelopment Agency Authority

To limit the Redevelopment Agency's authority to those rights and privileges required that are absolutely necessary for the implementation of the redevelopment program.

Policies

1. The Redevelopment Agency shall have no authority to acquire real or personal property by the use of eminent domain or condemnation.

2. The Redevelopment Plan shall be prepared in conformance with the City's Municipal Code, General Plan and Zoning Ordinance and shall not establish requirements or procedures in excess of that which is set forth in those documents.

3. The Redevelopment Agency shall not incorporate standards, requirements, and/or conditions in the redevelopment plan which limits or precludes the use, ownership, and/or development of any privately owned or privately leased property within the recommended project area.

4. The Redevelopment Plan shall incorporate provisions that, should this or future City Councils and/or Redevelopment Agencies of the City desire to amend the Redevelopment Plan by expanding the project area, adding additional projects, increasing the scope or financial limitations, or increasing the authority of the Agency, that a public hearing process with citizen input shall be followed, including the reactivation of the Project Area Committee.

D. OBJECTIVE: Public Agency Cooperation

To ensure that every reasonable effort is made by the Project Area Committee, Planning Commission, Redevelopment Agency, City Council and staff to coordinate the redevelopment program with other public agencies of the community.

Policies

1. The staff, Project Area Committee, Redevelopment Agency and City Council shall make every reasonable effort to work closely with and cooperate with affected public agencies to ensure that their needs and concerns are considered, and that impacts are minimized.

2. The Redevelopment Plan's financial limitations shall be set at a level not to exceed that which is absolutely necessary for the projects contained in the redevelopment plan.

3. The use of tax increment shall not be the one source of financing for projects set forth in the Redevelopment Plan, and shall supplement other revenues, including but not limited to, revenues of the City to be set aside for the City Hall portion of the development, and the City's recent expenditure of funds for the Civic Center land.

CONSIDERATION OF DRAFT REDEVELOPMENT PLAN

In conjunction with their responsibilities and direction by the City Council, the Project Area Committee had several meetings. A list of these meetings is hereinafter set forth:

July 20, 1984
July 21, 1984
August 14, 1984
October 25, 1984
November 6, 1984

Copies of the Project Area Committee minutes are attached for reference, as appropriate. Pursuant to Section 33387 of the California Health and Safety Code, the meetings were all open and public. Additionally, notices of said meetings were published in the Times-Advocate and/or posted for public notification. Copies of the minutes, together with a record of all information presented to the Project Area Committee, are on file in the office of the City Clerk of the City of Escondido and the Executive Director of the Escondido Redevelopment Agency.

COMMUNITY WORKSHOPS

The Project Area Committee scheduled three (3) community workshops for the purpose of providing the community with an opportunity to be apprised of the redevelopment program and to answer their questions. One (1) workshop was conducted on September 13, 1984. A second and third one are intended to be conducted on October 30, 1984, and December 1, 1984, respectively. Each workshop was proposed to be held on a different day of the week and at different times of the day so as to provide the greatest opportunity for citizens of the community to attend the workshops. In addition, notices were sent out to community groups and organizations, and notices were published in the local newspapers, advertising the workshops.

SUMMARY OF INFORMATION SUBMITTED TO THE PROJECT AREA COMMITTEE

Information submitted to the Project Area Committee included a variety of technical and informational documents. They included the following:

1. A map of the Escondido Redevelopment Project Area as adopted by the Planning Commission on August 15, 1984 by Resolution No. 3918;

2. The Preliminary Plan for the Escondido Redevelopment Project Area as approved by the Redevelopment Agency on August 15, 1984 by Resolution No. 84-10.

3. The original Draft Escondido Redevelopment Plan for the Project Area as prepared by Community Systems Associates, Inc., consultants to the Escondido Redevelopment Agency;

4. A Draft Environmental Impact Report on the Redevelopment Plan as prepared by Community Systems Associates, Inc. and submitted to the California Office of Planning and Research State Clearinghouse;

5. Copies of Articles 2, 4, and 5 of the California Redevelopment Law and Section 33367 of same;

6. Information document entitled "Handbook for the Implementation of the Escondido Redevelopment Program" prepared by Community Systems Associates, Inc.; and

7. Oral presentations at the meetings by Community Systems Associates, Inc. and City Staff.

PROJECT AREA COMMITTEE RECOMMENDATION RE: PRELIMINARY PLAN AND PROJECT AREA

Pursuant to their direction to consider a redevelopment project area and preliminary redevelopment plan, the following recommendations were made by the Project Area Committee at the conclusion of their meeting of July 21, 1984. (Fourteen [14] members and four [4] alternates voting).

1. It was moved by John Armstrong and seconded by Joe Ovies that the project area boundaries as determined by the Committee and shown on the project area boundary map be approved. Motion carried 18-0.

   Note: The project area will be described as two sub-project areas consisting of: a) the urban downtown core, and b) the North County Fair properties.

2. It was moved by Joe Ovies and seconded by Fred Grimes that the Civic Center project, including all components (City Hall, community theater, auditorium, fine arts facility, convention facility, government office facility), is a priority "A" project and that the entire project should be funded by tax increment financing. Motion carried 18-0.

3. It was moved by Fred Grimes and seconded by Etta Green that a school capital outlay program in the amount of two million dollars ($2,000,000) be a priority "A" project. Motion carried 18-0.

4. It was moved by Ed Smith and seconded by Fred Grimes that the Central Business District revitalization projects involving improvements to traffic circulation and parking, pedestrian circulation, storm drainage, private rehabilitation incentives, and City entrance enhancements (including State Route 78 landscaping and the Valley Parkway entrance corridor) at an estimated cost of $18.5 million ($18,500,000) be a priority "B" project. Motion carried 16-2; Betty Cowan and Etta Green voted no (regarding inclusion of the entrance enhancements estimated at $4 million).

5. It was moved by Fred Einer and seconded by Roger Granbo that the following projects be designated priority "C":

   Mission Avenue widening, estimated at $2 million;
   South Escondido Blvd. street and landscape improvements, estimated at $1 million;
   Tulip Street bridge widening, estimated at $.5 million;
   Harding Street, estimated at $1 million.

   Motion carried 18-0.

6. It was moved by Joe Ovies and seconded by Etta Green that the 20% tax increment allocation for housing improvements required by State Law be used for infrastructure, rehabilitation loans and grants, and new development in the following order of priority:

   Rehabilitation -- "A"
   Infrastructure -- "B"
   New Development -- "C"

   Motion carried 17-1.

7. It was moved by Luis Gonzales and seconded by Betty Cowan to minimize the use of tax increment financing on all these projects to the extent possible, by the use of other funds which may become available. Motion carried 18-0.

8. It was moved by Bob Johnson and seconded by Roger Granbo that the redevelopment plan have a financing limit of $250 million, time limit of 45 years, and that no eminent domain power be allowed. Motion carried 18-0.

   (Note: This financial limit is based upon a project cost of about $120 million.)

9. It was moved by John Armstrong and seconded by Joe Ovies that Jack Raymond be authorized to represent the Project Area Committee at the Planning Commission meeting on July 24, 1984, and City Council meeting on July 25, 1984.

It was the general consensus of the Committee that the project area size, and the Projects List constitutes an aggressive program of redevelopment intended to be consistent with City Council policy direction.

FINDINGS AND RECOMMENDATIONS

On October 25, 1984 the Project Area Committee authorized the preparation of this report and approved the following findings and recommendations.

Findings:

The Project Area Committee has reviewed the Project Area and Draft Redevelopment Plan and has found as follows:

1. The Plan provides a mechanism to alleviate and eliminate blight conditions within the described Project Area as defined under the California Redevelopment Law, Sections 33031 and 33032.

2. The Plan is consistent with the General Plan of the City.

3. The Plan provides for the implementation of various activities associated with improving the quality and quantity of housing for low-, very low-, and moderate-income families.

4. The Plan does not indicate that there will be a substantial number of families displaced; however, if this activity is pursued, adequate safeguards are contained in the Plan in the interest of the community's health, safety, and general welfare.

5. The Plan responds to specific conditions of blight which have become evident as a result of substantial studies. The Plan's implementation program is consistent with the General Plan and the recommendations of these studies as they relate to blight alleviation.

6. The final Draft Redevelopment Plan contains projects and provides authority to the Redevelopment Agency consistent with the policy on redevelopment adopted by City Council Resolution 84-180 on July 11, 1984.

Recommendations:

The Escondido Redevelopment Project Area Committee, having been appointed by the Escondido City Council and representing a broad base of the community, has conducted several months of review of the Plan, its background, criteria, and the ramifications thereof. We recognize that the Plan represents the intent for orderly redevelopment and revitalization of all elements of the City's needs and do hereby sincerely endorse the Plan and forward the same to the various City Agencies with the following recommendations and considerations.

1. The Plan as approved by the Project Area Committee be forwarded to the City Council and Redevelopment Agency for approval and adoption.

2. In the event effected taxing entities can prove a severe financial burden or detriment, the City Council and Redevelopment Agency consider, as one (1) alternative to alleviating same, the reasonable and justifiable reduction of the Project Area to the degree said reduction will not detrimentally impact or preclude the effective implementation of the goals, objectives, standards, and provisions of the Plan as a comprehensive tool of the community to alleviate and mitigate physical, social, economic, and environmental blight conditions in the community and the intent of the City's Redevelopment Program, pursuant to the City Council Resolution No. 84-180, dated July 11, 1984.

3. The Project Area Committee further recommended that the City Council reconsider their recent past action and re-incorporate the following projects into the Final Redevelopment Plan:

   a) Harding Street bridge construction;
   b) Tulip Street bridge widening;
   c) Mission Street improvement; and
   d) South Escondido Boulevard improvements

   The Project Area Committee also recommended certain revisions to the Draft Environmental Impact Report. These are set forth in the Final Environmental Impact Report for further reference.

The approval of this Report by the Project Area Committee was subject to the Project Area Committee reserving their rights and privileges to provide the Redevelopment Agency and City Council with additional input and recommendations on the Redevelopment Plan and the Final Environmental Impact Report prior to or at the public hearing to be scheduled on these documents, as appropriate and necessary.

Prepared Pursuant to Project Area Committee
Direction of October 25, 1984.

/s/ Rod Wood
Rod Wood
Assistant City Manager/Redevelopment Manager

October 25, 1984
(date)

ESCONDIDO REDEVELOPMENT PROJECT AREA COMMITTEE

Jack Raymond, Chairperson

John Armstrong	Bob Johnson
Bill Aste	Thomas W. Knipstein
Leon C. Covell	Doug Masson
Betty Cowan	Ernie Ottoson
Luis Gonzales	Joe Ovies
Roger Granbo	Jim Palecek
Etta Green	John B. Roberts
Fred Grimes	Jan Rudolf
Bob Jacobson	Ed Smith
Judy Jasso	Gladys Young

ALTERNATE MEMBERS

Barry Baker	Tom Knight
Sid Colquitt	Martha T. McMakin
Fred Einer, Jr.	Kris Murphy
James H. Fehlberg	Bob Shuster
Larry Hancock	Mary Tucker
Chuck Herr	Fred Vaught
Ronald T. Kenney, Sr.	Gene Wilson

COMMUNITY SYSTEMS ASSOCIATES, INC
an affiliate of ALFRED GOBAR ASSOCIATES

IX

THE REPORT REQUIRED BY SECTION 65402 OF THE GOVERNMENT CODE

IX
THE REPORT REQUIRED BY SECTION 65402 OF THE GOVERNMENT CODE

Section 65402 of the Government Code provides that the Planning Commission shall report to the Redevelopment Agency and the City Council as to the conformity of the acquisition, dedication, or disposition of real property, the construction or authorization of public buildings or structures, and the vacation or abandonment of streets with the adopted General Plan or part thereof.

The Escondido Redevelopment Plan and Project Area does not specifically identify the location, purpose, or extent of all acquisition, disposition, or such public building or structure construction the Agency anticipates pursuing during the life span of the Plan and Project Area. It does, however, identify those public projects it initially intends to pursue. These are identified in the Plan. The general location, purpose, and extent of these projects are herein further identified. The Redevelopment Plan further identifies the techniques, methods, and procedures should the Redevelopment Agency intend to pursue such activities further. Should this be the desire of the Redevelopment Agency, the procedures as outlined in Section 600.30, Section 600.90, and Section 600.100 shall be applied to said acquisition, disposition, and construction.

The Redevelopment Agency finds that these initial projects and the actions required to implement said projects are in conformity with the adopted General Plan or parts thereof.

In the future through the public hearing and review process, the Planning Commission shall have to find that said acquisition, disposition, and/or construction is in conformity with the adopted General Plan or part thereof. If the Planning Commission disapproves the location, purpose, or extent of such acquisition, disposition, and/or construction, the disapproval may be overruled by the Redevelopment Agency.

The Redevelopment Agency intends to determine such future acquisition, disposition, and/or construction on an annual basis during the preparation and adoption of the budget and capital improvement program.

X

THE REPORT REQUIRED BY SECTION 22151 OF THE PUBLIC RESOURCES CODE

X
THE REPORT REQUIRED BY SECTION 22151 OF THE PUBLIC RESOURCES CODE

An Environmental Assessment and Draft Environmental Impact Report was prepared on the impact of the proposed Redevelopment Plan and the Project Area.

The Environmental Impact Report (EIR) has been prepared in accordance with the California Environmental Quality Act (CEQA: Public Resources Code, Section 2100 et. seq.), and the revised 1983 State CEQA Guidelines (Section 15000 et. seq. of the California Administrative Code), and with the guidelines for environmental procedures of the Escondido Redevelopment Agency. The report serves as an analysis of significant environmental impacts of the proposed Escondido Redevelopment Plan and Project Area and, as such, is an informational document designed to inform the public, agency officials and decision making bodies of potential environmental effects, whether direct or indirect, and to recommend feasible mitigation measures.

Certain anticipated projects have been initially identified for implementation within the Redevelopment Plan document, although the specific details of such projects have not been determined at this time. These projects generally include a regional cultural facility, circulation and infrastructure improvements, pedestrian improvements and housing rehabilitation activities. Pursuant to Section 15151 of the CEQA Guidelines, the intent of this report is to provide succinct and reasonable documentation of a sufficient degree of analysis to allow for anticipated projects with an intelligent account of environmental consequences. Further environmental analysis will be required for such anticipated projects, or related projects and development proposals in furtherance of the Redevelopment Plan when the Agency determines that consideration of corresponding impacts were not included in this report, new information has become available, or substantial changes have occurred in the Project Area that significantly effect and change the degree of impacts previously considered.

The formulation of a Redevelopment Agency and Redevelopment Plan does set forth specific anticipated projects and courses of action, and provides the Agency with a mechanism to eliminate blighting conditions in the Project Area through implementation of such projects. Chapter I of the Redevelopment Plan in part states:

> "This Plan provides the Agency with powers, duties, and obligations to implement and further the program generally formulated in this Plan for the redevelopment, rehabilitation, and revitalization of the area within the boundaries of the project (the 'Project Area'). This Plan presents a plan and establishes specific projects for the redevelopment, rehabilitation, and revitalization of certain areas within the Project Area. In addition, this Plan presents a process and a basic framework within which specific plans will be presented, specific projects will be established, and specific solutions will be proposed, and by which tools are provided to the Agency to fashion, develop, and proceed with such specific plans, projects and solutions."

The statement clearly identifies the Plan as the "process and basic framework" for specific plans, specific projects, and specific solutions towards mitigating the blight in the community. It clearly states that the Plan is a tool to the Agency to fashion, develop, and proceed with specific plans, projects and solutions.

Moreover, the EIR clearly is a Program EIR and will be used in evaluating future, more detailed project proposals in accordance with the Plan and the need for, and focus of, additional environmental documentation, if any. When specifically detailed project proposals become available, further CEQA compliance may be required. Pursuant to Section 15180 of CEQA the EIR prepared on a Redevelopment Plan shall be treated as a Program EIR with no further environmental analysis required unless required by Sections 15162 and 15163. Such further analysis, if determined necessary by the Agency, would take the form as either a subsequent EIR or a supplemental EIR, and would be done in consideration of the specific project or development in the Project Area. In accordance with the scope for a Program EIR the report serves to avoid duplicative reconsideration of basic policies, allow early consideration of policy alternatives and program-wide mitigation, ensure consideration of cumulative impacts, and reduce paperwork.

The California Office of Planning and Research and the CEQA Guidelines encourage the use of tiering so that the EIR can focus on issues ripe for discussion. Tiering involves the use of subsequent environmental documents including, but not limited to, subsequent EIRs, supplemental EIRs, Addendums to an EIR, and even Program EIRs to supplement previous EIRs used to establish programs, plans, policies or ordinances. The report also utilizes the tiering process by drawing from previous program and policy determinations, and from basic environmental considerations and analyses to support discussion presented in this report.

It should be noted, the major impact of forming a Redevelopment Project Area and adopting a Redevelopment Plan is the economics of capital improvement and projects accomplished by the Escondido Redevelopment Agency. The implementation of the Plan results from the Agency's ability to accomplish community improvements, to attract private developers, and to establish development standards to control and mitigate various degrees of blight. The Escondido Redevelopment Agency's economic component results from its ability to acquire land and construct capital improvements in order to eliminate blight and increase the assessed value of the Project Area and the Agency's ability to recover the costs it incurs by tax increment revenues resulting from the increase in assessed valuation.

Due to the conceptual nature of public improvement projects contemplated under the Redevelopment Plan, specific construction impacts cannot be reasonably determined at this time. The present degree of specificity of anticipated projects does not permit an exhaustive and comprehensive evaluation as to probable impacts. However, consistent with the known detail of specific projects contemplated, a reasonable good faith effort of disclosure and rational evaluation of potential impacts is provided by the document. Additional focused environmental assessment will be required, by law, at the time specific design of certain projects, are formulated. The Redevelopment Agency will be responsible for determining the necessity for subsequent or supplement EIRs, as required under CEQA (Sections 15162 and 15163), from which specific details and environmental concerns will be addressed.

The EIR is scheduled for a review by the Redevelopment Agency at the public hearing on the Plan. The following provides details of the preparation, review, and anticipated approval of the Final Environmental Impact Report:

1.	Notice of Preparation	August 17, 1984
2.	Draft EIR Transmitted for Comments	September 19, 1984
3.	Notice of Completion (A-95)	September 19, 1984
4.	State Clearinghouse Review Period	September 19, 1984 - November 2, 1984
5.	Final EIR Prepared	November 12, 1984
6.	Planning Commission Review and Comment	October 23, 1984
7.	Project Area Committee Review and Comment	October 25, 1984
8.	City Council/Redevelopment Agency Review, Comment, and Approval (Public Hearing)	December 19, 1984
9.	Notice of Determination	December 27, 1984

The Final Environmental Impact Report has been prepared and transmitted to the City Council/Redevelopment Agency and contains letters and comments received as of the date of this report. The Final Environmental Impact Report is on file in the office of the City Clerk and is incorporated herein by reference.

Because the Redevelopment Plan is a general planning and implementation program for the City, the Final Environmental Impact Report should be acceptable as a base environmental document. However, as specific projects are considered and approved, detailed Environmental Impact Reports may be required and considered.

XI

THE REPORT OF THE COUNTY FISCAL OFFICER REQUIRED BY SECTION 33328 OF THE STATE COMMUNITY REDEVELOPMENT LAW

XI
THE REPORT OF THE COUNTY FISCAL OFFICER REQUIRED BY SECTION 33328 OF THE STATE COMMUNITY REDEVELOPMENT LAW

Section 33328 of the Health and Safety Code provides that the Auditor/Controller of the County of San Diego shall provide a report to the Redevelopment Agency and each of the taxing agencies containing the following information:

1. The total assessed valuation of all taxable property within the Project Area as shown on the base year assessment roll.

2. The identifications of each taxing agency levying taxes in the Project Area.

3. The amount of tax revenue to be derived by each taxing agency from the base year assessment roll from the Project Area, including State subventions for homeowners, business inventory, and similar such subventions.

4. The total advalorem tax revenues from all property within its boundaries, whether inside or outside the Project Area, for each taxing agency.

5. The estimated first-year taxes available to the Redevelopment Agency, if any, based upon information submitted by the Redevelopment Agency, broken down by taxing agencies.

6. The assessed valuation of the project area for the preceding year, or if requested by the Redevelopment Agency, for the preceding five years, except for state assessed property on the board roll. However, in preparing this information, the requirements of Section 33670.5 shall be observed. The assessed value shall be reported by block if the property is divided by blocks, or by any other geographical area as may be agreed upon by the agency and county officials.

A report has been prepared and submitted to the Redevelopment Agency by the County of San Diego pursuant to Section 33328. Said report dated October 16, 1984 is attached hereto for reference.

A report of the County Auditor which would identify the 1984-1985 secured and unsecured tax rolls for the Project Area has also been received and is attached hereto for reference.

A report of the State Board of Equalization dated October 17, 1984 would identifies the 1984-1985 assessed values of state-assessed property located within the Project Area has been received and is attached hereto for reference.

It should be noted that the October 16, 1984 Auditor/Controller Report was found to be in possible error at the Fiscal Review Committee meeting of October 18, 1984 in that it: 1) did not identify the amount of tax revenue received by the

Library District, Rincon del Diablo Municipal Water District, the San Diego County Flood Control District, out of the one percent (1%) tax levey; and 2) indicated that the bond indebtedness and tax override revenues would be receipt of revenue by the Agency, which is contrary to the Agency's intent.

The Chairman of the Fiscal Review Committee directed the Auditor/Controller's office to revise the report accordingly and submit the revised report to the Agency on or before November 1, 1984.

On October 19, 1984 the Agency's consultant confirmed the need for this revised Report. As of the date of this Agency's Report, no additional information has been provided to the Agency.

ESCONDIDO REDEVELOPMENT AGENCY

ESCONDIDO REDEVELOPMENT PROJECT

BASE YEAR ASSESSMENT ROLL REPORT

PER HEALTH AND SAFETY CODE 33328

OCTOBER 16, 1984

COUNTY OF SAN DIEGO

OFFICE OF THE AUDITOR AND CONTROLLER

1600 Pacific Highway • San Diego, CA 92101

Rod Calvao

Auditor and Controller

236-3711

October 17, 1984

TO: Escondido Redevelopment Agency and Each Taxing Agency Involved

FROM: Auditor and Controller

SUBJECT: ESCONDIDO REDEVELOPMENT PROJECT

It is our pleasure to submit this report for the Escondido Redevelopment Project in accordance with Health and Safety Code Section 33328. The report contains three tables, the first reports the total assessed value of the area, the second identifies each taxing agency levying taxes within the area, and the third estimates the first year taxes available to the redevelopment agency.

We do not have the State assessed values at this time (Table One). This will be supplied as soon as it becomes available.

If you have any questions regarding this report, please contact Jim Griego in our Property Tax Services Division, 236-2309.

ROD CALVAO
Auditor and Controller

MGT:RC:io

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BASE YEAR ASSESSMENT ROLL REPORT
PER HEALTH AND SAFETY CODE 33328

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Table I

per H.S. 33328, a

1984-85 BASE ASSESSED VALUE

HS. 33328, a

ESCONDIDO REDEVELOPMENT AGENCY
ESCONDIDO REDEVELOPMENT PROJECT
1984-85 BASE ASSESSED VALUE

Assessed Value	
Secured	$ 556,344,805
State	N/A
Unsecured	47,001,348
TOTAL	$ 603,346,153

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Table II
per H.S. 33328, b,c,d

TABLE II
H.S. 33328, b,c,d

ESCONDIDO REDEVELOPMENT AGENCY
ESCONDIDO REDEVELOPMENT PROJECT
TAXING AGENCY SECURED BASE YEAR REVENUE AND
TOTAL TAXING AGENCY AD VALOREM TAX REVENUE

Taxing Agency	*Project Area Base Year Revenue	Total Taxing Agency Revenues: Agency Assessed Value - Base	Total Taxing Agency Revenues: Total Revenues
1% Funds (See Schedule I)	$5,563,448	$61,508,831,521	$615,088,315
City of Escondido	110,435	1,968,462,078	390,740
School Districts			
Gen. Elem. Escondido Union	48,122	2,645,770,828	274,631
Gen. Bond Esc. 1958-65D	39,894	2,313,919,488	174,007
Gen. Bond Esc. 1969A	21,918	2,645,770,828	105,566
Gen. Bond Orange Glen 59A-68B	2,243	331,851,340	39,557
Gen. Bond Rich Mar 1959C	19	1,522,001,313	4,109
Gen. Bond Rich Mar 1964C-73B	1,720	1,521,707,881	372,971
Hi. Bond Escondido 1959	-0-	3,235,611,981	-0-
Hi. Bond Escondido 1963A & B	13,513	3,235,611,981	79,5[illegible]
Hi. Bond Esc. 1963C-69C	47,901	3,235,318,549	282,120
Unif. Bond San Marcos 1959	-0-	1,521,707,881	-0-
Unif. Bond San Marcos 1963A & B	81	1,521,707,881	17,500
Unif. Bond San Marcos 1963C-69C	287	1,521,707,881	62,238
Unif. Bond San Marcos 1973C	1,159	1,521,707,881	251,234
Palomar C.C. 1963A & B	5,897	15,181,450,471	160,923
Other Educational Purposes			
Oceanside Project 19/87001	18	13,708,431,478	35,642
Carlsbad Project 19/86001	7	13,353,125,867	13,353
Escondido Elem. Proj. 19/86901	1,947	12,949,481,344	45,323
Vista Project 19/85702	-0-	22,311,392,192	-0-
Special Districts			
Northern S.D. Hospital	24,646	8,699,586,645	385,392
San Marcos Co. Water	433	1,123,861,518	109,015
Rincon del Diablo Muni. Wtr	2,985	512,785,113	37,382
MWD Remainder thereof	49,773	11,527,232,587	179,825
MWD Rincon del Diablo	39,348	1,779,904,091	299,024
MWD Bueno Colorado	749	2,898,762,730	486,992
CWA City of Escondido D/S	36,309	1,373,561,460	97,386
CWA Rincon del D. D/S	2,820	1,065,377,524	75,535
CWA San Marcos D/S	316		77,133
Total	$6,015,988		$619,145,500

*Excludes State Assessed Value

TABLE II
H.S. 33328, b,c,d

ESCONDIDO REDEVELOPMENT AGENCY
ESCONDIDO REDEVELOPMENT PROJECT
TAXING AGENCY UNSECURED BASE YEAR REVENUE AND
TOTAL TAXING AGENCY AD VALOREM TAX REVENUE

Taxing Agency	Project Area Base Year Revenue	Total Taxing Agency Revenues	
		Agency Assessed Value - Base	Total Revenues
1% Funds (See Schedule II)	$ 470,013	$2,641,935,907	$26,419,359
City of Escondido	-0-	80,447,807	-0-
School Districts			
Gen. Elem. Escondido Union	4,794	81,211,253	7,707
Gen. Bond Esc. 1958-65D	3,496	68,810,974	5,271
Gen. Bond Esc. 1969A	1,908	81,211,253	3,354
Gen. Bond Orange Glen 59A-68B	55	12,400,279	1,255
Gen. Bond Rich Mar 1959C	3	60,292,528	211
Gen. Bond Rich Mar 1964C-73B	239	60,292,528	17,732
Hi. Bond Escondido 1959	162	85,283,647	298
Hi. Bond Escondido 1963A & B	1,178	85,283,647	2,175
Hi. Bond Esc. 1963C-69C	4,198	85,283,647	7,752
Unif. Bond San Marcos 1959	2	60,292,528	163
Unif. Bond San Marcos 1963A & B	12	60,292,528	898
Unif. Bond San Marcos 1963C-69C	42	60,292,528	3,141
Unif. Bond San Marcos 1973C	139	60,292,528	10,298
Palomar C.C. 1963A & B	512	306,559,455	3,341
Other Educational Purposes			
Oceanside Project 19/87001	-0-	277,357,591	832
Carlsbad Project 19/86001	-0-	257,909,599	-0-
Escondido Elem. Proj. 19/86901	207	265,227,467	1,167
Vista Project 19/85702	150	517,817,972	1,657
Special Districts			
Northern S.D. Hospital	2,529	241,481,257	12,992
San Marcos Co. Water	83	55,878,129	5,728
Rincon del Diablo Muni. Wtr	504	20,869,364	1,638
MWD Remainder thereof	6,762	424,114,130	100,515
MWD Rincon del Diablo	4,432	47,538,673	11,932
MWD Bueno Colorado	203	91,538,344	22,793
CWA City of Escondido D/S	3,094	67,704,227	4,739
CWA Rincon del D. D/S	139	15,043,189	1,053
CWA San Marcos D/S	57	55,739,019	3,902
Total	$ 504,913		$26,651,903

TABLE II
H.S.33328, b,c,d

SCHEDULE I

ESCONDIDO REDEVELOPMENT AGENCY
ESCONDIDO REDEVELOPMENT PROJECT
Secured 1% Proposition 13

	Tax Revenue*
County General	$ 1,438,536
North County Cemetery District	23,394
San Marcos Cemetery District	376
Gen. Elem. Escondido Union	1,505,101
High Escondido Union	1,142,785
San Marcos Unified School Dist.	27,932
Palomar Community College	348,468
County School Service	41,132
County School Service - Capital Outlay	10,371
Children Institution Tuition	8,775
Regional Occupational Centers	26,236
Trainable Mentally Retarded Minors Hi. Sch.	11,839
Physically Handicapped Minors Hi. Sch.	18,235
Vista Project (19/85701)	2,654
Autistic Pupils Minors Hi. School	553
Development Centers for handicapped	2,637
Escondido City Tax	802,119
San Marcos County Water	1,753
Palomar Pomerado Hospital Dist.	129,340
C.W.A. City of Escondido	21,212
TOTAL	$ 5,563,448

*Excludes State Assessed Value

TABLE II
H.S.33328, b,c,d

SCHEDULE II

ESCONDIDO REDEVELOPMENT AGENCY
ESCONDIDO REDEVELOPMENT PROJECT
Unsecured 1% Proposition 13

	Tax Revenue
County General	$ 121,531
North County Cemetery District	1,964
San Marcos Cemetery District	44
Gen. Elem. Escondido Union	126,650
High Escondido Union	96,165
San Marcos Unified School Dist.	3,244
Palomar Community College	29,439
County School Service	3,475
County School Service - Capital Outlay	876
Children Institution Tuition	741
Regional Occupational Centers	2,216
Trainable Mentally Retarded Minors Hi. Sch.	1,000
Physically Handicapped Minors Hi. Sch.	1,540
Vista Project (19/85701)	224
Autistic Pupils Minors Hi. School	47
Development Centers for handicapped	225
Escondido City Tax	67,710
San Marcos County Water	203
Palomar Pomerado Hospital Dist.	10,927
C.W.A. City of Escondido	1,792
TOTAL	$ 470,013

TABLE OF CONTENTS

SCHEDULE I

Table III
H.S. 33328, e

ESTIMATED PROJECT TAX INCREMENT
IMPACT BY FUND OVER A 20 YEAR PERIOD
ESTIMATED GROWTH 7.5%

	Base *Revenue	1 Year	5 years	10 years	20 years
County General	$1,560,067	$117,005	$1,940,754	$ 8,125,015	41,423,737
North Co. Cemetery Dist.	25,358	1,902	31,550	132,075	673,342
San Marcos Cem. D.	420	32	524	2,188	10,233
Gen. Elem. Escondido	1,631,751	122,381	2,029,930	8,498,347	43,327,103
High Escondido Union	1,238,950	92,921	1,541,276	6,452,587	32,897,212
San Marcos Unif	31,176	2,338	38,785	162,376	827,834
Palomar C.C.	377,907	28,343	470,124	1,968,181	10,034,378
Other Educational Funds	132,776	9,958	165,175	691,507	3,525,503
Escondido City Tax	869,829	65,237	1,082,085	4,530,173	23,096,169
San Marcos Co. Wide	1,956	147	2,437	10,202	51,997
Palomar Pomerado Hosp.	140,267	10,520	174,494	730,525	3,724,430
C.W.A.	23,004	1,725	28,617	119,807	610,825
Debt Service Funds	487,440	36,558	606,385	2,538,646	11,547,363
Total	$6,520,901	$489,067	$8,112,136	$33,961,629	171,750,126

*Excludes State Assessed Value

Table III
H.S. 33328, e

ESTIMATED PROJECT TAX INCREMENT
IMPACT BY FUND OVER A 20 YEAR PERIOD
ESTIMATED GROWTH 10%

	Base *Revenue	1 Year	5 years	10 years	20 years
County General	$1,560,067	$156,007	$ 2,676,466	$11,749,124	$ 67,086,776
North Co. Cemetery Dist.	25,358	2,536	43,503	190,973	1,090,451
San Marcos Cem. D.	420	42	720	3,161	18,059
Gen. Elem. Escondido	1,631,751	163,175	2,799,447	12,288,985	70,169,363
High Escondido Union	1,238,950	123,895	2,125,554	9,330,737	53,277,942
San Marcos Unif	31,176	3,118	53,484	234,788	1,340,635
Palomar C.C.	377,907	37,791	648,341	2,846,080	16,250,944
Other Educational Funds	132,776	13,278	227,794	999,966	5,709,740
Escondido City Tax	869,829	86,983	1,492,286	6,550,828	37,404,833
San Marcos Co. Wide	1,956	196	3,357	14,732	84,109
Palomar Pomerado Hosp.	140,267	14,027	240,644	1,056,377	6,031,856
C.W.A.	23,004	2,300	39,461	173,236	989,208
Debt Service Funds	487,440	48,744	836,254	3,670,985	40,458,705
Total	$6,520,901	$652,092	$11,187,311	$49,109,972	$299,912,621

*Excludes State Assessed Value

Table III
H.S. 33328, e

ESTIMATED PROJECT TAX INCREMENT
IMPACT BY FUND OVER A 20 YEAR PERIOD
ESTIMATED GROWTH 12%

	Base *Revenue	1 Year	5 years	10 years	20 years
County General	$1,560,067	$187,208	$ 3,299,838	$15,061,811	$ 94,694,183
North Co. Cemetery Dist.	25,358	3,043	53,636	244,817	1,539,177
San Marcos Cem. D.	420	50	884	4,043	24,454
Gen. Elem. Escondido	1,631,751	195,810	3,451,459	15,753,865	99,045,174
High Escondido Union	1,238,950	148,674	2,620,614	11,961,543	75,202,686
San Marcos Unif	31,176	3,741	65,943	300,989	1,892,329
Palomar C.C.	377,907	45,349	799,348	3,648,543	22,938,509
Other Educational Funds	132,776	15,933	280,844	1,281,893	8,059,327
Escondido City Tax	869,829	104,379	1,839,885	2,208,841	52,797,532
San Marcos Co. Wide	1,956	235	4,138	18,885	118,716
Palomar Pomerado Hosp.	140,267	16,832	296,692	1,354,227	8,514,066
C.W.A.	23,004	2,760	48,657	222,097	1,396,348
Debt Service Funds	487,440	58,493	1,031,028	4,706,028	29,586,981
Total	$6,520,901	$782,507	$13,792,966	$56,767,582	$395,810,482

*Excludes State Assessed Value

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TE OF CALIFORNIA

TATE BOARD OF EQUALIZATION
020 N STREET, SACRAMENTO, CALIFORNIA
BOX 1799, SACRAMENTO, CALIFORNIA 95808)
(916) 322-2323

October 17, 1984

Mr. Rod Calvao
San Diego County Auditor
1600 Pacific Highway, Room 166
San Diego, CA 92101

Dear Mr. Calvao:

Pursuant to Section 33328 et seq. of the Health and Safety Code, the 1984-85 assessed values of state-assessed property located within the boundaries of the proposed Escondido Redevelopment Project Area are enclosed.

These assessed values will continue to be valid if the project boundaries remain fixed and the ordinance adopting and approving the redevelopment plan for this project becomes effective prior to August 20, 1985.

Very truly yours,

Jay E. Hubert
Area Office Administrator
VALUATION DIVISION

JEH:ss
Enclosure

cc: Mr. Marshall B. Krupp, President
Community Systems Associates, Inc.

ESCONDIDO REDEVELOPMENT PROJECT AREA

Company		1984-85 Assessed Values	
	Land	Improvements	Personal
Tax-rate Area 4000			
San Diego Gas & Electric Co.	100,100	3,599,290	4,930
Pacific Bell	270,000	22,988,280	99,670
Western Union Telegraph Co.		100,510	24,200
Atchison, Topeka & Santa Fe RR Co.	520,640	18,580	9,640
TOTAL	890,740	26,706,660	138,440
Tax-rate Area 4003			
San Diego Gas & Electric Co.		215,720	
Pacific Bell		374,220	
TOTAL		589,940	
Tax-rate Area 4013			
San Diego Gas & Electric Co.		2,611,070	
Pacific Bell	165,000	3,382,700	64,190
Atchison, Topeka & Santa Fe RR Co.	22,210	4,460	5,180
TOTAL	187,210	5,998,230	69,370
Tax-rate Area 4014			
San Diego Gas & Electric Co.	60,000	263,420	
Pacific Bell		161,860	
TOTAL	60,000	425,280	
Tax-rate Area 4015			
San Diego Gas & Electric Co.		126,590	
Pacific Bell		213,090	
Atchison, Topeka & Santa Fe RR Co.	24,680	3,630	4,070
TOTAL	24,680	343,310	4,070
Tax-rate Area 4025			
San Diego Gas & Electric Co.		274,850	
Pacific Bell		356,340	
Atchison, Topeka & Santa Fe RR Co.	37,010	3,990	4,280
TOTAL	37,010	635,180	4,280
Tax-rate Area 4030			
San Diego Gas & Electric Co.		10,790	
Pacific Bell		1,440	
TOTAL		12,230	
Tax-rate Area 4033			
San Diego Gas & Electric Co.	374,400	125,850	
Pacific Bell		99,530	
TOTAL	374,400	225,380	
Tax-rate Area 4035			
San Diego Gas & Electric Co.		68,860	
Pacific Bell		47,870	
Atchison, Topeka & Santa Fe RR Co.	39,300	6,470	7,150
TOTAL	39,300	123,200	7,150

ESCONDIDO REDEVELOPMENT PROJECT AREA (cont.)

Company	Land	1984-85 Assessed Values Improvements	Personal
Tax-rate Area 4049			
Pacific Bell		1,000	
Tax-rate Area 4050			
San Diego Gas & Electric Co.		13,620	
Pacific Bell		34,230	
TOTAL		47,850	
Tax-rate Area 4057			
San Diego Gas & Electric Co.		17,770	
Pacific Bell		10,090	
TOTAL		27,860	
Tax-rate Area 4073			
San Diego Gas & Electric Co.		1,646,280	
Pacific Bell	768,000	4,825,200	92,880
Western Union Telegraph Company			3,420
Atchison, Topeka & Santa Fe RR Co.	348,270	14,020	16,040
TOTAL	1,116,270	6,485,500	112,340
Tax-rate Area 4074			
San Diego Gas & Electric Co.		44,190	
Pacific Bell		31,620	
TOTAL		75,810	
Tax-rate Area 4075			
San Diego Gas & Electric Co.		37,350	
Pacific Bell		53,530	
TOTAL		90,880	
Tax-rate Area 4076			
San Diego Gas & Electric Co.		13,360	
Pacific Bell		18,110	
TOTAL		31,470	
Tax-rate Area 4077			
Pacific Bell		900	
Tax-rate Area 4078			
San Diego Gas & Electric Co.		620	
Pacific Bell		530	
TOTAL		1,150	
Tax-rate Area 4081			
Pacific Bell		7,030	
Tax-rate Area 74019			
Pacific Bell		2,300	
GRAND TOTAL WITHIN PROJECT	2,729,610	41,831,160	335,650

COMMUNITY SYSTEMS ASSOCIATES, INC.

an affiliate of ALFRED GOBAR ASSOCIATES

October 19, 1984

Mr. Richard W. "Jake" Jacobsen, Jr.
Deputy Chief Administrative Officer
COUNTY OF SAN DIEGO
1600 Pacific Highway
San Diego, California 92101

Dear Mr. Jacobsen:

Thank you for your efforts in conducting the Fiscal Review Committee meeting on October 18, 1984 relative to the Escondido Redevelopment Plan. I believe that it provided all of the taxing jurisdiction representatives with a greater insight into the Redevelopment Agency's intent and program scope.

We would certainly appreciate if the following items could be forwarded to us prior to November 1, 1984:

1) The revised and corrected Auditor and Controller Report per Section 33328 of the California Health and Safety Code;

2) The Report of the Fiscal Review Committee per Section 33353.5 of the California Health and Safety Code; and

3) A transcript of the Fiscal Review Committee's meeting of October 18, 1984.

Your earliest response to this correspondence would be greatly appreciated. If I can provide any further information, please do not hesitate to call.

Sincerely,

COMMUNITY SYSTEMS ASSOCIATES, INC.

Marshall B. Krupp
Marshall B. Krupp
President

MBK/b

cc: Mr. Vern Hazen, City Manager
City of Escondido

COMMUNITY SYSTEMS ASSOCIATES, INC
an affiliate of ALFRED GOBAR ASSOCIATES

XII

THE REPORT OF THE FISCAL REVIEW COMMITTEE

XII
THE REPORT OF THE FISCAL REVIEW COMMITTEE

Section 33353.5 of the California Health and Safety Code provides that:

> "In the event a Fiscal Review Committee is created pursuant to Section 33353, at the conclusion of the hearing the Fiscal Review Committee shall report to the Agency on the fiscal impact of the Redevelopment Plan or the amendment to the Redevelopment Plan on each of the members of the Fiscal Review Committee.
>
> The Fiscal Review Committee may suggest amendments to the plan, the adoption of which would alleviate or eliminate any fiscal effects which may be detrimental to the affected taxing entities."

On August 17, 1984 a Statement of Preparation of the Redevelopment Plan was transmitted to the County officials, taxing entities, and State Board of Equalization. Said statements were received by the County by certified mail. Pursuant to Section 33353,..."the County or any affected taxing entity may call for the creation of a Fiscal Review Committee within 15 days after receipt of documents from the Agency under Section 33327...". The County of San Diego called for the creation of the Fiscal Review Committee according to the prescribed time. As of the date of this Agency's Report, no Fiscal Review Committee Report has been received by the Agency. The Chairman of the Committee has transmitted a tape of the meeting to the Agency. This is on file in the office of the City Clerk and is incorporated herein by reference. The Committee met on October 18, 1984 to review the fiscal implications of the Redevelopment Plan.

XIII

NEIGHBORHOOD IMPACT REPORT

XIII

NEIGHBORHOOD IMPACT REPORT

Section 33352(e) of the California Health and Safety code states that if the Project Area contains low- or moderate-income housing, a neighborhood impact report which describes in detail the impact of the project upon the residents of the Project Area and the surrounding areas, in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood shall be prepared. The neighborhood impact report shall also include: 1) the number of dwelling units housing persons and families of low or moderate income expected to be destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project; 2) the number of persons and families of low or moderate income expected to be displaced by the project; 3) the general location of housing to be rehabilitated, developed, or constructed pursuant to Section 33413; 4) the number of dwelling units housing persons and families of low or moderate income planned for construction or rehabilitation, other than replacement housing; 5) the projected means of financing the proposed dwelling units for housing persons and families of low and moderate income planned for construction or rehabilitation; and 6) a projected timetable for meeting the Plan's relocation, rehabilitation, and replacement housing objectives.

The Redevelopment Plan provides the Agency with powers, duties, and obligations to implement and further the program generally formulated in the Plan for the redevelopment, rehabilitation, and revitalization of the area within the boundaries of the Project (the "Project Area"). The Plan does not present a Specific Plan, but does establish specific projects for the redevelopment, rehabilitation, and revitalization of the Project Area. The Plan presents a process and a basic framework by which tools are provided to the Agency to fashion, develop, and proceed with such specific plans, projects, and solutions.

The neighborhood impact of the proposed project can be discussed only in general terms since specific redevelopment actions are not defined at this time. The following activities may be undertaken by the Agency in the Project Area in the future and these actions may have a significant neighborhood impact. The assessment of that impact can be addressed only when the specific action to be taken has been determined in detail.

Within the broad goals, and as an indicator in the evaluation and determination of project priorities, the following specific redevelopment objectives are established by the Agency:

1. The elimination of existing blighted conditions, be they properties or structures, and the prevention of recurring blight in and about the Project Area.

2. The development of property within a coordinated land use pattern of residential, commercial, industrial, recreational, and public facilities in the Project Area consistent with the goals, policies, objectives, standards, guidelines, and requirements as set forth in the City's adopted General Plan and Zoning Ordinance.

3. The development of public services and facilities including, but not limited to, recreational, maintenance, and operational services and facilities as are necessary and required for the development of the Project Area.

4. The elimination of environmental deficiencies including inadequate street improvements, inadequate utility systems, and inadequate public services; and mitigation of freeway or highway impacts, including its circulation, movement and its potential social, physical, and environmental characteristics of blight.

5. The development of a more efficient and effective circulation corridor system free from hazardous vehicular, pedestrian, and bicycle interfaces and designed to their ultimate circulation flow.

6. The implementation of techniques to mitigate blight characteristics resulting from exposure to freeway, highway, and public right-of-way corridor activity and affecting adjacent properties within the Project Area.

7. Beautification activities to eliminate all forms of blight including, but not limited to, visual blight, in order to encourage community identity.

8. The encouragement, promotion, and assistance in the development and expansion of local commerce and needed commercial and industrial facilities, increasing local employment prosperity, and improving the economic climate within the Project Area, and the various other isolated vacant and/or underdeveloped properties within the Project Area.

9. The acquisition, assemblage, and/or disposition of sites of usable and marketable sizes and shapes for commercial, industrial, recreational, and public facilities, parking, streets, utilities, and civic or cultural projects within the Project Area.

10. The creation of a more cohesive and unified community by strengthening the physical, social, and economic ties between residential, commerical, industrial, and recreational land uses within and about the Project Area.

11. The acquisition and disposition of property for the purpose of providing relocation housing, as may be required, to implement the objectives of this Plan.

12. To provide for very low-, low- and moderate-income housing availability as required by County, Region, or State law and requirements, as necessary and desirable, consistent with the goals and objectives of the community.

13. To encourage the coordination, cooperation, and assistance of other local agencies, as may be deemed necessary, to ensure that projects undertaken by this Agency are implemented to their fullest and practical extent.

14. The achievement of a physical environment reflecting a high level of concern of architectural and urban design principles deemed important by the community.

15. To encourage community involvement and citizen participation in the adoption of policies, programs, and projects so as to ensure that the Redevelopment Plan is implemented in accordance with the objectives and goals of the General Plan.

16. To provide a procedural and financial mechanism by which the Agency can assist, complement, and coordinate public and private development, redevelopment, revitalization, and enhancement of the community.

17. To assist and supplement the financing and construction of the Escondido Civic Center and Cultural facilities, and to enhance the economic climate of the City's Central Business District.

The redevelopment program is intended to alleviate blight and improve the physical, social, and economic character of the community. In conjunction with the overall redevelopment objectives, the following general land utilization objectives are established by the Agency:

1. To encourage the development of well-planned and quality designed residential, commercial, and industrial development which meets the adopted high standards of this community.

2. To provide for sufficient land area within the Project Area for appropriate types of commercial and industrial development, properly located to provide services and goods to meet the commercial and industrial needs of the area, the community, and the region.

3. To provide for required community facilities and open space including parks and recreational, civic center, and cultural facilities.

4. To provide an adequate traffic circulation and control system within the Project Area so as to provide for efficient and safe movement of people, goods, and services in conformance with the General Plan.

5. To provide for the installation and improvement of streets, public utilities, sewer, and water services necessary to the ultimate development of the Project Area.

6. To provide the direction, purpose, and climate for combined public and private investment which will result in benefits to the community as a whole.

7. To provide for site location, ultimate development, and/or expansion of civic and public buildings, facilities, and services.

8. To provide for the beautification and revitalization of the Project Area enabling the community to further establish an identity and a quality of life which is desired by its citizens and businessmen.

9. To provide assistance, enticements, and encouragement to ensure that the Project Area is developed to its fullest and ultimate usage, ensuring that the standards and requirements of the Municipal Code and the policies, goals, and objectives of the General Plan are met.

10. To provide a smooth plan that implements the transitional character of the Central Business District.

By implementing these objectives through the use of the California Redevelopment Law and the redevelopment techniques as are hereinafter set forth, the Escondido Redevelopment Agency will be able to respond to the blight conditions which presently and/or potentially exist in the community.

The Agency proposes to eliminate or alleviate and prevent the conditions of blight existing in the Project Area, to strive for economic revitalization and Project Area beautification, and to mitigate the negative social, physical, and environmental impacts resulting from existing and anticipated development or deterioration in the Project Area through the following activities:

1. The acquisition of real property by purchase, gift, devise, or any other lawful interest, with the specific exception of exercising the power of eminent domain. The Redevelopment Agency shall have no authority to acquire property the use of eminent domain or condemnation.

2. The combining of parcels or properties, site preparation and the construction of necessary off-site improvements.

3. Providing for owner participation in the redevelopment of property in the Project Area.

4. Extending reasonable preference to persons who are engaged in business in the Project Area to reenter businesses within the Project Area, provided that said business reentry conforms with this Plan, the General Plan and Municipal Code of the City of Escondido.

5. The redevelopment of land by private enterprise or public agencies for use in accordance with this Plan.

6. Providing for open space and recreational land use.

7. Encouraging public and private improvements so as to prevent, mitigate, or eliminate existing and/or anticipated blight conditions in the Project Area.

8. The disposition of property including the lease or sale of land at a value determined by the Agency for reuse in accordance with this Plan and under all the conditions contained within it.

9. Providing relocation assistance to displaced residential and nonresidential occupants (if any).

10. Demolishing or removing certain existing buildings and improvements on land acquired by the Agency.

11. The demolition, removal, rehabilitation, alteration, modernization, general improvement, or any combination thereof, of existing structures in the Project Area where such are permitted or required under the Redevelopment Plan.

12. The vacation or closure of certain street areas and dedication of other areas for public street purposes.

13. The preparation, by the Agency, of acquired land for building sites. In connection therewith the Agency may cause streets, bridges, railroad crossings, bikeways, and pedestrian ways to be designed, installed, constructed, or reconstructed; may cause sidewalks, curbs, and public utilities to be constructed and installed; and may cause landscaping and other on-site and off-site improvements to be completed in conformity with the Redevelopment Plan.

14. Provide for the use of twenty percent (20%) of tax increment resulting from the Project Area, to be used for the purpose of increasing and improving the community's supply of housing for persons and families of very low, low or moderate income should particular findings not be made by the Agency.

15. Provide replacement housing for dwelling units of families of low and moderate income destroyed or removed within the Project Area.

16. Negotiate arrangements with taxing jurisdictions to alleviate any financial burden or detriment caused to the taxing entity as a result of the adoption of the Redevelopment Plan.

PROJECT IMPACT ON RESIDENTS AND NEIGHBORHOODS

General Discussion

The Agency has identified those activities or actions which may have a significant effect on the environment and these are discussed in the Environmental Assessment and the Final Environmental Impact Report.

As with all Redevelopment Programs the fear of the unknown is often expressed by impacted residents who, through their lack of exposure to the process, have difficulty in seeing the benefits that are derived through redevelopment.

Many people confuse community redevelopment with the Federal urban renewal projects which were started in the 1940's, 1950's, and 1960's, many of which are still continuing today. These efforts at saving our cities are not the same; community redevelopment should not be confused with urban renewal. Urban renewal efforts were Federal programs with Federal funds, Federal direction, and substantial Federal control imposed upon ailing central cities primarily in the major metropolitan areas. On the other hand, community redevelopment is a local program authorized by the State of California emphasizing local funds, local direction, and local control. The early Federal urban renewal programs represented a massive infusion of Federal funds, manpower and bureaucracy into cities to remedy and eliminate blight. On the other hand, community redevelopment represents the efforts of the local citizens and their elected officials, as well as private enterprise, to deal with the decay and deterioration of their communities.

Most of the earlier Federal urban renewal projects were limited to single-purpose activities with little interrelationship between individual projects on an area wide or on a city wide scale. A single project, even if it encompasses an entire city block, is frequently just a pinpoint in the midst of decaying cities. A single project or piecemeal approach cannot stop the spread of deterioration and remedy the conditions which caused it.

In contrast, community redevelopment activities take a broader approach to urban problems. A Project Area is selected which provides a sufficient area to justify large scale planning for a diversity of economic and social activities and functions. Redevelopment gives cities a new chance to change the course of their communities, recapture their population and markets, and provide for necessary and required improvements for future growth.

Because redevelopment is a locally controlled program, it has been shown throughout California that redevelopment has created substantial employment and housing opportunities and has enhanced private investment far beyond previous Federally controlled urban renewal programs. It has also proven to be a highly successful program for community business revitalization and improvement of the physical, social, and economic environments of our cities.

Redevelopment is one of California's effective ways to breathe new life into deteriorated and blighted areas which are plagued by a variety of social, physical, environmental, and economic conditions which act as a barrier to new investment by private enterprise, and to provide a mechanism for pursuing major capital facilities and improvements required for enhancing development opportunities.

Redevelopment under the California Community Redevelopment Law is one of the last available processes which has the authority, scope, and finances to provide the necessary stimulus to reverse deteriorating trends, remedy blight, and create a new image for many communities. Community redevelopment means:

1. Comprehensive planning.

2. Financial support through tax increment financing.

3. Citizen participation.

Cities with limited financial resources can use redevelopment as an effective tool to initiate capital public projects, property owner rehabilitation, and private development and investment.

Deteriorating or blighted areas have social, economic, physical, and environmental conditions which constitute a danger to the health, safety, and general welfare of the people of the community. These deficiencies include:

1. Economic Deficiencies

   a. Depreciated property values.

   b. Loss of jobs and businesses.

   c. Underutilized and underdeveloped land.

   d. Inadequate government revenue generation and an increasing need for public services and facilities.

   e. Multiplicity of property owners and incompatible mixture of land uses.

2. Environmental Deterioration

   a. Lack of attractive, usable open spaces.

   b. Aging, deteriorating, and poorly maintained structures.

   c. A clutter of utility lines, jumble of signs, and a lack of architectural unity and quality.

   d. Absence of a positive community image.

3. Physical Deterioration

   a. Confusing and inefficient internal street patterns.

   b. Inadequate and obsolete utilities, drainage, sewers, street lighting, and circulation corridors.

   c. Aging and deteriorating buildings intermingled with historically significant structures and well maintained buildings.

   d. Confusing, ineffective, and visually depressing freeway access.

   e. Absence of a safe and convenient pedestrian and vehicular circulation system.

4. Social Deterioration

   a. Center of poverty and unemployment.

   b. Deteriorating, unsafe, and substandard housing conditions.

   c. Inadequate and/or ineffective social programs and government services.

   d. Lack of community and neighborhood identity.

   e. Crime, ill health, transmission of disease, infant mortality, and juvenile delinquency.

Incremental tax revenues generated within a Project Area can be available for redevelopment. Other areas of the community will continue to receive revenues based on the increases in their assessed value and population. Property tax revenues generated outside a Project Area will not be diverted to the Redevelopment Agency.

Revitalization of blighted areas will help relieve the excessive tax burden shouldered by other areas of the community. As the Project area is revitalized it will begin to generate enough revenues to pay its own way and soon will generate revenues which can be used to benefit the rest of the community.

Although the Redevelopment Agency has separate and different functions than the City Council, it coordinates, and in many cases, acts as a single body on pursuing community improvement and revitalization activities. It therefore cannot be considered another layer of government.

A Redevelopment Plan includes an analysis and inventory of existing physical, social, and economic conditions as well as problems and opportunities within the Project Area. A Redevelopment Plan is formulated for the Project Area and an action program is selected to achieve the goals and objectives of a redevelopment program. The Redevelopment Plan generally contains three (3) components as follows:

- <u>Component I</u> is a legal description of the Project Area in written and graphic format.

- <u>Component II</u> is the legal footnotes and description of the Community Redevelopment Law which sets forth the actions, duties, responsibilities, and authority which the Redevelopment Agency does and does not have.

- <u>Component III</u> is the description and authorities for financing the activities of the Redevelopment Agency and Plan.

Property owners, residents, and businessmen in a Redevelopment Project Area have an opportunity to participate actively in improving the quality of life in their neighborhood. However, this does not mean that all property within a Project Area is deteriorated. A community redevelopment program includes a large amount of reuse and enhancement of existing facilities as well as reinforcement of existing neighborhoods.

Property owners, residents, and businessmen benefit from redevelopment, as follows:

- There will be a wider range of jobs available.

- More recreation and leisure time opportunities will be created.

- Community services will be improved.

- New construction will occur.

- Traffic circulation patterns will be improved.

- Property values will increase.

- Loans to improve property may be more readily available.

- Housing will become more accessible.

- Properties will be improved.

- Poor health and safety conditions will be eliminated.

Blighted areas and those areas which lack necessary and required community improvements which stagnate growth are not a lost cause. There is always a chance to turn them around. An improved area will encourage new investment, new jobs, and new opportunities for shopping, recreation, and residency in the city. Redevelopment efforts will have positive effects which will spill over the boundaries of the Redevelopment Project Area.

These positive effects outside the Project Area include:

- More job opportunities within the city area--retail, service, and office jobs.

- Construction jobs created by the development of new buildings and new infrastructure.

- New shopping and recreation opportunities within the community.

- More dollars flowing into city coffers as a result of redevelopment activities--sales tax, bed tax, and residential revenues.

- New residential opportunities for all income levels in the community.

- Reversal of the financial drain of the blighted area into a positive financial asset to the City.

In the long term the community's taxing agencies will receive additional property tax revenue which would not have occurred without the catalyst of the redevelopment activities.

Pursuant to the City Council's redevelopment policy, the Redevelopment Agency will have absolutely no authority to acquire real or personal property by eminent domain or condemnation. Should the Agency find it necessary to acquire property within a Project Area the Redevelopment Agency must pay the fair market value for the land and improvements as required by law. But getting a fair price for your property is not all. The Redevelopment Agency, under the California Relocation Assistance Act, must offer relocation assistance and allowances to defray certain costs and alleviate the inconvenience of your move. In all cases, negotiated settlements are the goal. A negotiated sale is one which is acceptable and fair to both the buyer and the seller.

If a home or business is displaced due to property acquisition by the Redevelopment Agency they are entitled by law to certain relocation benefits.

When they meet the legal qualifications, relocation benefits include:

- Assistance in finding a new location.

- Payments to help cover moving costs.

- Dislocation allowance.

- Additional payments for certain other costs.

Each community is different and has different goals and needs. The people who have a business, own property, or reside in the Project Area participate in decisions affecting their families and lifestyles. Without their participation there can be no Plan which will fit their needs and desires. They do have a part to play in community redevelopment.

Living within the boundaries of a Redevelopment Project Area does not necessarily mean that these residents are slum dwellers or that a particular area is blighted. Residents may very well reside in an area which is surrounded by, or adjacent to, deteriorated areas. They may live in an area which needs public improvements such as better street lighting, curbs, drainage facilities, alley improvements, or parks. They may live in an area which could benefit from rehabilitation and beautification.

Redevelopment activities are part of a well thought-out Redevelopment Plan with input from the City Council, Planning Commission, Project Area Committee, and other citizens. The Plan is specifically designed to fulfill the needs and desires of the majority of residents, property owners, and businessmen and their desires for the future of the City. Public hearings are held for each budget review session, for every individual project, and for all appropriate environmental studies.

The Redevelopment Plan will be carried out in a series of stages. Participants should be able to estimate from the Plan when redevelopment activities are likely to affect the area of their residence or business. Fair and timely notices are given to residents and businesses which will be directly affected by redevelopment activities. The law requires 90-day notice to property owners and tenants if it is necessary to acquire property.

Participants have an opportunity to help decide what is going to happen to their neighborhood. Redevelopment does not try to surprise them. It is not intended to be a "bolt out of the blue" without any warning. A public information program is instituted to keep citizens well informed about redevelopment.

Redevelopment will not occur overnight. It takes hard work and active citizen participation. Many citizens are impatient to see the first shovelful of dirt turned, the first decaying building cleared, and the first signs of new construction or the first rehabilitation of buildings. However, careful planning and proper phasing of development is critical to a successful Plan. Hasty development or approval of the wrong projects can actually delay the full benefits of redevelopment and can hamper future efforts. In redevelopment, as in other facets of life, haste can make waste. It is essential to make the right choices so that the objectives of the Redevelopment Plan and community goals can be achieved. The implementation of the redevelopment program is an essential element of the City's annual budget process. Therefore, redevelopment projects approved as part of the annual budget will conceivably be undertaken during that budget year. The benefits of those projects will be seen thereafter.

When the Redevelopment Project Area is adopted, the current assessed values within the Project Area only are designated as the "base value." This includes the assessed value of all land and improvements within the boundaries of the Project Area.

Any increase in assessed value over the base value within the Project Area only and the taxes resulting from this increased assessed valuation per the standard tax rate becomes a source of revenue for the Redevelopment Agency.

As the Redevelopment Plan is implemented property values within the Project Area will rise--both land and structures will become more valuable. This increases the assessed value. When the assessed value rises the tax revenues generated by the property will increase. This increase in tax revenue is the tax increment. For example, if property was assessed at $100,000 this year, the taxes paid by the property owner at the tax rate of one percent would be $1,000 pursuant to Proposition 13. If, as a result of the two percent (2%) annual assessed valuation increase and the improvement of the property, the property increased in assessed valuation to $500,000, the taxes paid by the property owner at the same tax rate would be $5,000. The difference between $1,000 and $5,000, or $4,000, is called "tax increment," and it is these funds which become the revenue of the Redevelopment Agency.

The Redevelopment Agency can only receive annual tax increment if it can show that it has created a debt which is an obligation of the Redevelopment Agency. Debt can be created by the sale of redevelopment bonds, the receipt of loans or advances of funds, the financial obligation to pay the cost of a project, or other obligations of law. Debt which has not been paid for by the Redevelopment Agency is considered indebtedness and is an obligation of the Redevelopment Agency and not any other entity.

When redevelopment activities are successful the property values within, as well as around, the Redevelopment Project Area will increase. Therefore, the assessed value of the property will be increased. The higher taxes resulting from the sale of property will reflect a rise in property values, NOT an increase in tax rates. The changed image of blighted areas an improved economic base will increase the marketability of property in the area. Property not readily salable today because of the deteriorating conditions will become marketable.

The Redevelopment Agency does not set tax rates. This has been preestablished by the passage of Proposition 13. Tax rates of taxing agencies such as the County and special districts can only be raised by a vote of the people thereby increasing the taxing agencies' proportionate share. If this occurs then all property within their boundaries, including the Project Area, will face higher taxes.

It is doubtful that a taxing agency will be required to raise tax rates due solely to the establishment of a Redevelopment Project Area. The Redevelopment Project Area usually represents only a small proportion of the tax base of other agencies. Should the people of the area vote an increased tax rate it would be for a variety of reasons other than redevelopment, such as inflation, increased service costs and requirements, or salary increases.

The taxes collected by the County Tax Collector based upon the 1% of assessed valuation tax rate are placed in a distribution "pool" for all of the various agencies and entities authorized to receive property taxes. The agencies and entities receive a proportionate share of this pool of money. These agencies and entities will NOT lose any money they were already receiving prior to the adoption of the Project Area. For example, if they are presently receiving a proportionate share of $100 million, they will continue to receive that same proportionate share as long as the assessed valuation of the area remains constant or rises. As redevelopment activities proceed, it may be necessary for the Redevelopment Agency to acquire selected parcels of land. The temporary removal of these properties will result in a short-term property tax loss. However, after a sale of land to a private developer, the property will again become taxable.

At the end of the redevelopment project life, the taxing agencies will receive tax revenues based on the new, higher assessed value in the Redevelopment Project Area. The tax increment which was flowing to the Redevelopment Agency will now flow to all the other taxing agencies. Thus, in the final analysis, the other taxing agencies will reap the revenue benefits of the redeveloped and revitalized Project Area. It is true that in the short term, taxing agencies lose the tax revenue above the base value; however, as previously stated, they do gain the long-term benefit of a higher assessed valuation of the area which may not have occurred without the efforts of redevelopment or the catalyst of reinvestment of these revenues into the Project Area.

School District tax revenue is not directly affected by the Redevelopment Plan. Through other state legislation, School Districts are allocated direct State subventions or subsidies to offset certain financial burdens placed upon them through a revenue deficit in the tax pool. Therefore, a Redevelopment Project Area's freeze on the assessed valuation or the subsequent tax increment revenue to the Redevelopment Agency does not usually affect the revenue to the School District.

The Redevelopment Agency has the authority to enter into particular agreements and arrangements with taxing agencies who can show some financial burden that is caused through redevelopment of the Project Area. This arrangement can include the redistribution of tax increment, the construction of improvements for the taxing agency, and other cooperative projects between the taxing agency and the Redevelopment Agency.

There are no barriers to the economic benefits of redevelopment. Redevelopment will have an influence far greater than the Project Area boundaries would imply. All increases in tax revenues outside the Project Area will flow directly to the other agencies.

Cities receive revenues from a number of sources in addition to property taxes. Other revenues generated as a direct result of redevelopment activities go to the City. For example, increased retail sales due to a revitalized retail area and new stores will mean more sales tax revenues for the City. New residents in the Project Area will result in increased population-based revenues. New job opportunities mean less people receiving unemployment subsidies.

Provisions of the Community Redevelopment Law require that twenty percent (20%) of the tax increment be set aside for projects which improve the quality and/or quantity of housing for very-low, low-, and moderate-income families and persons. This revenue does not have to be set aside if: 1) no need exists in the community for such housing improvement; 2) a stated percentage less than twenty percent (20%) will sufficiently meet this housing need; or 3) a substantial effort to meet this need is being undertaken by the City or Agency through some other source.

Redevelopment affects communities by promoting positive efforts that affect not only the target areas, but the community as a whole. More job opportunities are created, retail sales increase, manufacturing and construction activity is enhanced, and overall economic vitality occurs.

The influx of additional employment brings with it more expendable income which in return promotes new sales within the City and additional sales tax revenue from City government. The additional funds can be used to ease the financial burden on City services and expand City-wide improvements.

The addition of new housing helps ease shortages by allowing for the construction of new and affordable dwellings that private enterprise could not undertake on its own due to the high cost of land and improvements.

For example the construction of the Civic Center and governmental center will provide an accessible facility to the community and the region to obtain governmental and quasi-governmental services. The cultural facility will provide a place where residents and their children can expand their cultural awareness. This complex will also attract people to the Central Business District providing a greater shopper base for the businesses in the Central Business District.

SPECIFIC CONSIDERATIONS

Relocation

The Redevelopment Plan and the associated proposed projects do not identify the need to relocate residents of the Project Area and surrounding areas. Therefore, there will not be an adverse impact on the residents in the Project Area and/or low- or moderate-income housing. Should such occurrence be required and necessary during the term of the Plan, the provisions of Section 600.80 entitled "Relocation of Persons Displaced by the Projects" shall apply. The Agency is also required to adopt relocation rules and regulations pursuant to the California Relocation Assistance Law (Government Code Section 7260 et. seq.) in order to mitigate any adverse impacts which might occur as a result of the future relocation activities should it be required. The recommended rules are contained in Chapter V of this Report.

Traffic Circulation

The Redevelopment Plan and associated proposed projects may result in potential street improvement-related concerns and temporary traffic and circulation impacts. These impacts will be short term during construction of the project and may include such negative impacts as:

1. Full or partial closure of streets;

2. Deteriorating of vehicular and pedestrian movement;

3. Noise, vibration, and dust; and

4. Conflicts with construction vehicles.

Completion of street improvement projects will result in greater circulation efficiencies for pedeistrians and vehicles, reduction in traffic hazards, and improved safety of the City's circulation network.

The Redevelopment Plan identifies the following projects to be undertaken by the Agency to improve pedestrian and vehicular circulation:

1) Traffic Circulation and Parking Improvements:

Street improvements, curbs, gutters, street lights, intersection treatments and restriping of existing parking within, but not limited to, the following areas:

a) Grand Ave. east of Centre City Pkwy.
b) Valley Pkwy east of Centre City Pkwy.
c) Broadway between 5th Avenue and Washington St.
d) Escondido Blvd. between 5th Ave. and Washington St.
e) Second Ave. east of Centre City Pkwy.
f) The alley between Grand Ave. and 2nd Ave. from Juniper to Escondido Blvd.
g) The alley between Grand Ave. and Valley Pkwy. from Hickory to Orange St.

2) Pedestrian Circulation Improvements:

Sidewalks, benches, landscaping, street trees, lighting and intersection treatment within, but not limited to, the following areas:

a) Grand Ave. east of Centre City Pkwy.
b) 2nd Ave. east of Centre City Pkwy.
c) Valley Pkwy. east of Centre City Pkwy.
d) Maple St. between 3rd and Valley Pkwy.
e) Broadway between 3rd and Valley Pkwy.
f) Escondido Blvd. between 3rd and Washington St.
g) The alley between Grand and 2nd Ave. from Escondido Blvd. to Juniper

3) City entrance improvements:

Street improvements, curbs, gutters, street lights, intersection treatment restriping, landscaping, and community entrance signs along the corridors providing entrance into the Central Business District:

a) Valley Pkwy, Grand Ave. and Second Ave. from Interstate 15 to Escondido Blvd.
b) State Highway 78 from Interstate 15 to Broadway
c) Broadway from State Highway 78 to Second Ave.

4) Other Project Area circulation improvements:

a) Harding Street bridge construction;
b) Tulip Street bridge widening;
c) Mission Street improvements; and
d) South Escondido Boulevard improvements.

Environmental Quality

The Redevelopment Plan and associated proposed projects will not have an adverse impact on the environmental quality of the Project Area neighborhoods and the surrounding areas. Rather, the improvement of the Project Area and the alleviation of the physical, social, environmental, and economic deterioration of the Project Area will enhance the environmental quality. Further environmental quality aspects are discussed in the final Environmental Impact Report.

Availability of Community Facilities and Services

The Redevelopment Plan and associated proposed projects will not reduce the availability of community facilities and services to the neighborhoods of the Project Area or surrounding areas. Although tax increment financing will result in a base level of tax revenue flow to the various affected taxing agencies, the comments received by the various districts do not contain quantitative and qualitative data to indicate what community facilities and service would be eliminated or reduced to significant levels as a result of the adoption or implementation of the Redevelopment Plan and the Project Area.

Section 15161(c) of the California Environmental Impact Report Guidelines states:

> "Reviewers should focus on the sufficiency of the EIR in discussing possible impacts upon the environment, ways in which adverse effects might be minimized, and alternatives to the project in light of the intent of the Act to provide decision makers with useful information about such factors. Public agencies reviewing projects should explain the basis for their comments, and whenever possible, should submit data or references in support of such comments."

The majority of the data received by the Districts providing facilities and services do not provide data or reference to support potential claims that facilities will be eliminated, services will be reduced, and/or the availability of facilities and services will be modified as a result of the adoption of implementation of the Redevelopment Plan.

The Redevelopment Plan provides a mechanism to implement projects which would improve and increase community facilities and services. In addition, the Plan provides a procedure whereby the Agency may enter into Cooperative Agreements with public agencies to undertake projects which improve and increase.

The primary purpose of the Redevelopment Planis to revitalize the transitional character of the Central Business District and to implement the Civic Center/ Cultural facility which will enhance the availability of public facilities in the region. These include the following:

1) City Hall
2) Community Theater
3) Auditorium
4) Fine Arts Facility
5) Convention Facility
6) Governmental Office Facility

Also the Plan calls for the development of the public facilities as follows:

1) Temporary and permanent school facilities, offices, and/or athletic facilities.

The construction of the Civic Center and governmental center will provide an accessible facility to the community and the region to obtain governmental and quasi-governmental services. The cultural facility will provide a place where residents and their children can expand their cultural awareness. This complex will also attract people to the Central Business District providing a greater shopper base for the businesses in the Central Business District.

Finally, the Agency intends to enter into tax sharing agreements with the various taxing jurisdictions within the Project Area, which may contain specific public facility improvements that will benefit the entire Project Area and community. These projects are unknown at this time.

Effect on School Population and Quality of Education

School District tax revenue is not directly affected by the Redevelopment Plan. Through other state legislation, School Districts are allocated direct State subventions or subsidies to offset certain financial burdens placed upon them through a revenue deficit in the tax pool. Therefore, a Redevelopment Project Area's freeze on the assessed valuation or the subsequent tax increment revenue to the Redevelopment Agency does not usually affect the revenue to the School District.

The Redevelopment Plan will not substantially increase enrollment in the Project Area beyond that which the adopted General Plan and Zoning Ordinance of the City will permit. The present population of the Project Area is approximately 15,182 (±) persons with an ultimate long-range population projection of 24,240 (±) as shown in Table 48. This projection is based upon the ultimate holding capacity and build out of the Project Area using the General Plan's range of density for each residential land, and a persons/household index of 2.30.

However, this is grossly misstated due to the fact that it assumes that all properties will develop in accordance with the high General Plan designated densities and that much of the residential land is vacant. In reality, of the 654 acres of residential property, 89.95 acres or 13.75% is vacant and has the potential for development. This is shown in Table 49. The present estimated

TABLE 48

ESCONDIDO REDEVELOPMENT PROJECT AREA
MAXIMUM POPULATION PROJECTION ESTIMATE

Based upon the Holding Capacity of the General Plan

Land Use Designation	Density DU/AC	Acres in Project Area (±)	Dwelling Unit Estimate(±)	Population Estimate(±)
Agricultural Residential	2.0 du/10 ac.	-0-	-0-	-0-
Rural Residential	1.0 du/net ac.	-0-	-0-	-0-
Low-low density residential	2.0 du/net ac.	-0-	-0-	-0-
Low density residential	7.0 du/net ac.	126	882	2,028
Medium density residential	15.0 du/net ac.	286	4,290	9,867
Medium-high density residential	22.0 du/net ac.	242	5,324	12,245
TOTAL		654 (±)	10,496(±)	24,140(±)

TABLE 49

ESCONDIDO REDEVELOPMENT PROJECT AREA
REALISTIC POPULATION PROJECTION ESTIMATE
BASED UPON THE HOLDING CAPACITY OF THE GENERAL PLAN

	Density DU/AC	Acres in Project Area (±)	Dwelling Unit Estimate(±)	Population Estimate
Present Land Utilization Characteristics	10.15 du/net ac.	564.05(±)	6,636	15,182
Vacant Residential Property:				
Agricultural Residential	2.0 du/10 ac.	-0-	-0-	-0-
Rural Residential	1.0 du/net ac.	-0-	-0-	-0-
Low-low density residential	2.0 du/net ac.	-0-	-0-	-0-
Low density residential	7.0 du/net ac.	19.13	134	308
Medium density residential	15.0 du/net ac.	68.00	1,020	2,346
Medium-high density residential	22.0 du/net ac.	2.82	62	143
TOTAL		654.00	7,852	17,979

number of dwelling units in the Project Area is 6,636(±) dwelling units. Assuming development of the residential vacant property at the General Plan's maximum density, the additional dwelling units would equate to 1216(±) units. Based upon a persons/household index of 2.30, the additional population base would equate to 2,797 persons, or a total project population of 17,979 persons for the Project Area. This is a population increase of 18.42% over the present estimated population base of the Project Area.

Because the Project Area is primarily built out and, due to the fact that residential development will primarily be rehabilitation activities, it is anticipated that the long-range projection of population of the Project Area will not be substantial. Based upon typical school enrollment models, it is anticipated that there will not be a substantial increase in enrollment. Because the Project Area's portion of tax increment represents a small portion of the School District's entire tax apportionment, it is expected that the growth of the District outside the Project Area can compensate for minimal increases of annual enrollments and the facilities required.

The use of the redevelopment financing mechanism may be able to be used, to supplement the needed capital facilities for educational purposes in the Project Area. However, it should be noted that any growth in the Project Area would have occurred irrespective of the Redevelopment Plan consistent with the adopted General Plan and in conformance with that already established document.

Under current law, and assuming State budgetary appropriations are adequate, the School Districts would receive replacement revenue from the State to the extent that the School Districts did not receive property tax revenue due to establishment of the proposed Project Area and the use of tax increment financing.

Establishment of hold harmless or indemnification agreements, or other Agency/District cooperative agreements can be formulated and executed at any time that a documented impact can be shown to exist by the Districts. Said agreements are authorized by the Redevelopment Plan.

Documentation of the loss of revenue submitted to the Agency, along with a request by the Districts to pursue such agreements, can be a part of the Agency's annual budget. Such an agreement can be considered a potential mitigation measure if and when a documented impact exists which is a result of the adoption of the Redevelopment Plan and/or its implementation. Any commitment of the Agency to mitigate the Districts' impacts must be based upon a consumated agreement between the Agency and the District, documentation of actual impact, and justification that said impact is due to the implementation of the Redevelopment Plan and/or the financing mechanism permitted by law and the Consitution.

Throughout the Redevelopment Plan preparation and adoption process, discussions have occurred between the Agency and representatives of the school districts to formalize a mutually acceptable agreement relative to the implementation of the redevelopment program. Final agreements are intended to be available at the public hearing of December 19, 1984 and entered into the record, as appropriate.

collective futures. Rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects indicated that these two (2) projects will create several hundred new jobs in the near term and several hundred additional jobs in the mid- and long-term. As a result of the cultural activities alone, there should be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million throughout the County. Finally, because of the economic stimulation from the redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent (2%) in the Project Area. This increased growth in assessed value is expected to occur throughout North County, decreasing in effect the farther from the Project Area.

Based on our conservative projections, this would increase the tax increment $790,842,000 over normal growth just within the Project Area over the 45-year life of the Plan. The School Districts would, of course, receive their normal full share of this increase outside the Project Area. The Agency has not analyzed this increase outside the Project Area, but suspect it would be significantly more than that within the Project Area.

The net result of the Redevelopment Plan is the tremendous social, economic and cultural opportunities that will be provided to our mutual constituents that would remain unmet if these projects do not proceed. It's one of those rare Redevelopment plans that not only solve the blight and economic problems in a community, but stimulates and provides economic growth and cultural opportunities for an entire region and each District.

Property Assessments and Taxes

In 1978,, California voters approved Proposition 13 (now Article XIII A of the State Constitution), which places a statewide limitation on property tax revenues in the following ways:

1. The property tax rate is limited to an overall maximum of one percent of full cash value (market value) of land and improvements to the land. The amount raised by this tax rate is allocated among all taxing agencies as prescribed by law.

2. The only tax rate that may be applied to the value of property in addition to the one percent rate, is a rate approved by two-thirds of a taxing entity's voters and/or a rate sufficient to cover a taxing entity's voter-approved bond indebtedness obligations that existed prior to June 6, 1978.

3. The property values to which the maximum rate is applied are limited to the full cash value (market value) as of the 1975-76 base year, plus annual increases only for:

- The value of any improvements to property.

- Reassessment to current full market value when property changes ownership (is sold).

Therefore, the total amount of property tax revenue generated in the redevelopment area is a function of the amount of property value within the area and the total tax rate (the one percent basic rate plus any voter approved/bond debt rates). This rate, multiplied by the current total property value within the redevelopment area, provides the total property tax revenue generated in the redevelopment area.

Generally, total property value consists of: 1) locally assessed secured value (land and improvements to the land), 2) state assessed secured value, and 3) locally assessed unsecured property value (personal property).

At the end of the Redevelopment Project life, the taxing agencies will receive tax revenues based on the new, higher assessed value in the Redevelopment Project Area. The tax increment which was flowing to the Redevelopment Agency will not flow to all the other taxing agencies. Thus, in the final analysis, the other taxing agencies will reap the revenue benefits of the redeveloped and revitalized Project Area. It is true that in the short term, taxing agencies lose the tax revenue above the base value; however, as previously stated, they do gain the long-term benefit of a higher assessed valuation of the area which may not have occurred without the efforts of redevelopment or the catalyst of reinvestment of these revenues into the Project Area.

Again, it should be noted that the increase in property assessments will be a result of property owner or tenant initiated activities resulting from the sale, improvement and/or development of assessed property and the Proposition 13 required two percent (2%) adjustment from inflation in the value of property.

Other Matters Affecting the Physical and Social Quality of the Neighborhood

The Redevelopment Plan and associated proposed projects are intended to promote development, redevelopment and revitalization that is viable, both physically and economically, within the Project Area boundaries. The primary reason leading to the preparation of the Plan for the Project Area is the need to correct problems within the Project Area boundaries, including problems relative to circulation, infrastructure and public facility inadequacies, and to assist the private sector in providing the type of revitalization of the transitional character of the Central Business District which will maximize the use of property within the Project Area boundaries and prevent the recurrence of the blight conditions.

nism for community improvement.

The Plan provides for certain other projects which will benefit the entire community and, in particular, the Central Business District. These include:

1) Public Improvements

Storm Drainage Improvements:

Upgrading line sizes and replacement of existing drainage system within, but not limited to, the following areas:

a) Broadway from Grand Avenue to Valley Pkwy.
b) Valley Pkwy. from Broadway to Maple St.
c) Maple St. from Valley Pkwy. to the Flood Control Channel

2) Housing Projects

Provide for quality very-low, low-, and moderate-income housing for the community pursuant to the provisions of the California Community Redevelopment Law.

a) Housing Rehabilitation loans and grants
b) Residential neighborhood infrastructures and right-of-way improvements
c) Financial assistance in providing new development affordable housing

3) Rehabilitation Projects

Private rehabilitation incentives:

Establishment of financial programs in order to provide low-interest loans and/or grants for existing building, business and/or property improvement and rehabilitation.

The Number of Dwelling Units Housing Units Housing Persons and Families of Low or Moderate Income Expected to be Destroyed or Removed from the Low- and Moderate-Income Housing Market as Part of a Redevelopment Project

The Redevelopment Plan does not forecast nor does the Agency expect to destroy or remove dwelling units housing persons and families of low or moderate income from the low- and moderate-income housing market upon adoption of the Plan. However, this shall not preclude the Agency from implementing the provisions of the Redevelopment Plan.

The Redevelopment Plan does not forecast nor does the Agency expect to displace persons and families of low or moderate income. However, this shall not preclude the Agency from implementing the provisions of the Redevelopment Plan.

The General Location of Housing to be Rehabilitated, Developed, or Constructed Pursuant to Section 33413

Any and all housing to be rehabilitated, developed, or constructed pursuant to Section 33413 as a result of the implementation of the Redevelopment Plan shall be generally located in the areas of the Project Area designed for residential development on the General Plan and Zoning Map of the City or on properties having the same designations within the City of Escondido.

The Number of Dwelling Units Housing Persons and Families of Low or Moderate Income Planned for Construction or Rehabilitation, Other Than Replacement Housing

Section 700.33 of the Plan states:

> "Not less than twenty percent (20%) of all taxes which are allocated to the Agency pursuant to Section 700.32 shall be used by the Agency for the purposes of increasing and improving the community's supply of housing for persons and families of low or moderate income, and very low-income households, unless one of the following findings is made:
>
> 1) That no need exists in the community, the provision of which would benefit the Project Area to improve or increase the supply of housing for persons and families of low or moderate income or very low-income households; or
>
> 2) That some stated percentage less than twenty percent (20%) of the taxes which are allocated to the Agency pursuant to Section 700.32 is sufficient to meet such housing need; or
>
> 3) That a substantial effort to meet low- and moderate-income housing needs in the community is being made, and that this effort, including the obligation of funds currently available for the benefit of the community from State, local, and Federal sources for low and moderate-income housing alone or in combination with the taxes allocated under this section, is equivalent in impact to the funds otherwise required to be set aside pursuant to this section. The City Council shall consider the need that can be reasonably foreseen because of displacement of persons and families of low or moderate income or very low-income households from within or adjacent to the Project Area, because of increased employment opportunities, or because of any other direct or indirect result of implementation of the Redevelopment Plan.

of the Agency and the City Council that such use will be of benefit to the project. Such determination by the Agency and the City Council shall be final and conclusive as to the issue of benefit to the Project Area.

Nothing in this section shall be construed as relieving any other public entity or entity with the power of eminent domain of any legal obligations for replacement or relocation housing arising out of its activities.

The funds which are required to be used for the purpose of increasing the community' supply of housing for persons and families of low or moderate income shall be held in a separate Low- and Moderate-Income Housing Fund shall accrue to the fund and may only be used in the manner prescribed in this section.

The expenditures or obligations incurred by the Agency pursuant to this section shall constitute an indebtedness of the project and Agency.

The Agency shall annually file a statement of indebtedness with the County of San Diego, after which the County shall allocate and pay the portion of taxes hereinabove set forth. The statement of indebtedness shall be prime facie evidence of the indebtedness of the Agency.

The provisions and requirements of this Chapter implements and fulfills the intent of the California Community Redevelopment Law and of Article XIII B and Section 16 of Article XVI of the California Constitution. The allocation and payment of the portion of taxes specified in Section 700.32 for the purpose of paying principal of, or interest on, loans, advances, or indebtedness incurred for a redevelopment activity as prescribed in law shall not be deemed the receipt by the Agency of proceeds of taxes levied by or on behalf of the Agency within the meaning or for the purpose of Article XIII B of the California Constitution, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to limitation of, any other public body within the meaning or for purpose of Article XIII B of the California Constitution or any statutory provision enacted in implementation of Article XIII B. The allocation and payment to the Agency of such portion of taxes shall not be deemed the appropriation by the Agency meaning or for purposes of Article XIII B of the California Constitution."

Further, Section 600.120 of the Plan states:

"In carrying out the purpose of Section 700.33, the Agency may exercise any or all of its powers, including the following:

1) Acquire land or building sites.

2) Improve land or building sites with on-site or off-site improvements.

4) Construct buildings or structures.

5) Acquire buildings or structures.

6) Rehabilitate buildings or structures.

7) Provide subsidies to or for the benefit of persons or families of very low, low, or moderate income.

8) Develop plans, pay principal and interest on bonds, loans, advances or other indebtedness, or pay financing or carrying charges.

The Agency may use these funds inside or outside the Project Area. The Agency may only use these funds outside the Project Area upon a resolution of the Agency and the City Council that such use will be of benefit to the Project. Such determination by the Agency and the City Council shall be final and conclusive as to the issue of benefit to the Project Area.

If insufficient suitable housing units are available in the community for low- and moderate-income persons and families to be displaced from a Redevelopment Project Area, the City Council shall assure that sufficient land land be made available for suitable housing for rental or purchase by low- and moderate-income persons or families displaced by the Redevelopment Project, and the Agency may, to the extent of that deficiency, direct or cause the develop the community, both inside and outside of the Redevelopment Project Areas."

Finally, Section 600.111, Part 8 states:

"The Agency may, inside or outside the Project Area, acquire land, donate land, improve sites, or construct or rehabilitate structures in order to provide housing for persons and families of low or moderate income, and very-low income households, and may provide subsidies to, or for the benefit of, such persons and families or households to assist them in obtaining housing within the community. Except as otherwise authorized by law, nothing in this section shall empower the Agency to operate a rental housing development beyond such period as is reasonably necessary to sell or lease the housing development."

The numbers of units assisted using these funds shall be based upon the amount of tax increment; the cost of land and/or improvements of each unit; financing cost; architecture, engineer and design costs; and the cost that replacement housing has on reducing the amount of available funds.

"With regard to housing projects and/or programs, it shall be the Agency's policy to limit housing efforts to rehabilitation, rental assistance, interest subsidy, and various other incentive programs to the private sector. The Agency shall avoid acquisition, development and/or ownership of residential properties for the purposes of leasing or renting. Acquisition, development, and/or ownership of residential properties shall be limited to the provisions of this Plan and/or as required to conform to relocation and/or housing replacement provisions of State law, should other approaches be impractical."

It is the intent of the City that the City's Redevelopment Agency will provide a valuable mechanism to meeting future housing needs. There is the intent of utilizing a percentage of tax-increment funds which accrue to the Agency for housing assistance throughout the City.

The Projected Means of Financing the Proposed Dwelling Units for Housing Persons and Families of Low and Moderate Income Planned for Construction or Rehabilitation

The projected means of financing the proposed dwelling units for housing persons and families of low- and moderate-income which may be constructed or rehabilitatd may include, but not be limited to:

1. Tax increment financing pursuant to Section 700.33 of the Plan.

2. Mortgage revenue bonds.

3. Leveraging of redevelopment revenues through private and public lending institutions.

4. Federal and State grants and appropriations, as available.

A Projected Timetable for Meeting the Plan's Relocation, Rehabilitaiotn, and Replacement Housing Objectives

The Plan's relocation, rehabilitation, and replacement housing objectives will be met on an ongoing and as-needed basis, and will conforem to the provisions as set forth in the Community Redevelopment Law, the Agency's Relocation Plan, and the Agency's Housing Replacement Plan required on each such destroyed housing unit. For example, displaced persons, if any, will receive permanent housing facilities within three years from the time occupants are displaced.

COMMUNITY SYSTEMS ASSOCIATES, INC
an affiliate of ALFRED GOBAR ASSOCIATES

XIV

AGENCY ANALYSIS OF THE REPORT SUBMITTED BY THE COUNTY AS REQUIRED BY SECTION 33328 OF THE STATE COMMUNITY REDEVELOPMENT LAW AND SUMMARY OF CONSULTATION WITH COUNTY AND AFFECTED TAXING AGENCIES

XIV
AGENCY ANALYSIS OF THE REPORT SUBMITTED BY THE COUNTY AS REQUIRED BY SECTION 33328 OF THE STATE COMMUNITY REDEVELOPMENT LAW AND SUMMARY OF CONSULTATION WITH COUNTY AND AFFECTED TAXING AGENCIES

ANALYSIS OF REPORT OF COUNTY FISCAL OFFICER

As of the date of this Agency Report two (2) reports make up the County Fiscal Officer's (Auditor-Controller's) report pursuant to Section 33328 of the California Health and Safety Code. These include the following dated documents.

1) State of California, Board of Equalization report providing the FY 1984-84 assessed values of state assessed property within the Escondido Redevelopment Project Area dated October 17, 1984.

2) County of San Diego, Office of the Auditor and Controller report providing the FY 1984-85 secured and unsecured values within the Escondido Redevelopment Project Areas dated October 17, 1984 (original report).

For purposes of reference, the estimates of total assessed valuation used in the draft and final Environmental Impact Report, and other documentation of the Agency was projected at $651,300,000.

State Report

The Report of the State Board of Equalization identifies that the Project Area contains twenty (20) tax rate areas. These tax rate areas identify the following entities as having assessable property within the Project Area.

San Diego Gas and Electric Company
Pacific Bell
Western Union and Telegraph Company
Atchison, Topeka and Santa Fe Railroad Company

The FY 1984-85 assessed values of state assessed property indicate the following:

	Dollars	% of Total State Assessed Values
Land Assessed Values	$ 2,729,610	6.08%
Improvement Assessed Values	$41,831,160	93.17%
Personal Assessed Values	$ 335,650	.75%
Total State Assessed Values	$44,896,420	100.00%

County Report

The Report of the County Office of the Auditor and Controller provides a variety of information. For purposes of this analysis, we will refer to the County's original Report dated October 17, 1984. The Report identifies the FY 1984-85 assessed values (excluding State assessed property) of the Project Area as follows:

	Dollars	% of Total State Assessed Values
Secured assessed values	$556,344,805	92.21%
Unsecured assessed values	$ 47,001,348	7.49%
Total Assessed Values	$603,346,153	100.00%

When combined with the State's assessed values, the Project Area has a FY 1984-85 valuation of $648,242,573. This is in variance with the projected assessed valuation of $651,300,000 or $3,057,427 or an assessed valuation reduction of .47%. This is a reasonable and varifiable variance.

Section 33676 Resolutions

Section 33676 of the Community Redevelopment Law (Sections 33000 et seq., of the Health and Safety Code of the State of California) provides that any affected taxing agency may elect to be allocated, in addition to the portion of taxes allocated to the County pursuant to subdivision (a) of Section 33670 of said Law, all or any portion of the tax revenue allocated to a Redevelopment Agency pursuant to subdivision (b) of said section 33670 attributable to increases in tax rates which occur after a Redevelopment Plan becomes effective.

The Agency has received no resolutions (as of the preparation of this report).

It is recommended that the Agency accept and file said resolutions, if submitted to the Agency prior to the December 19, 1984 public hearing.

SUMMARY OF CONSULTATION WITH COUNTY AND AFFECTED TAXING AGENCIES

On August 17, 1984 the Agency transmitted its Statement of Preparation of the Redevelopment Plan. Subsequently, similar notices were transmitted by certified mail to all of the taxing jurisdictions affected by the Redevelopment Plan and identified by the County, requesting their comments to be prepared and submitted to the Agency. On August 17, 1984 a certified mailed Notice of Preparation of an Environmental Impact Report was transmitted to all taxing agencies and environmental review bodies. Similarly, comments were requested on the effect the proposed Redevelopment Plan would have on their office, service, or jurisdiction. Consistent with the intent of Section 33328 of the California Health and Safety code, a letter was transmitted to all affected taxing entities requesting consultation. The letter contained the following request:

> "Section 33328 of the California Health and Safety Code provides that prior to the publication of notice of the legislative body's public hearing on the Plan, the Agency shall consult with each taxing agency which levies taxes, or for which taxes are levied, on property in the Project Area with respect to the Plan and to the allocation of taxes pursuant to Section 33670.' It has been, and continues to be, the Redevelopment Agency's position to confer with, and respond to, the concerns and inquiries of affected taxing agencies as a part of the redevelopment process. To this end, this letter is intended to further seek your input in this matter and, in good faith, open the lines of communication between City and yourselves.
>
> We would hope that pertinent discussions will occur, as necessary. If this is desired, please make the necessary arrangements with our office. Should we not hear from you prior to ___________ ___, 1984 we will presume that no further discussions are required and we will proceed with the schedule set forth above.
>
> Your earliest response to this request would be greatly appreciated and will ensure that your needs and the City's are met."

Meetings were scheduled between several of the taxing jurisdictions and representatives of the Redevelopment Agency. As of preparation of this report the Agency staff has met with the following taxing jurisdictions:

County of San Diego
Escondido Union School District
San Marcos Unified School District
North County Cemetary District
Escondido Union High School District
Palomar Community College District
Palomar Resource Conservation District
Palomar/Pomorado Hospital District
Rincon del Diablo Water District
San Diego County Flood Control District
County of San Diego Department of Education

Every attempt was made by City appointed staff, and representatives of the Agency's consultant to solicit affected taxing agency comments relative to the Redevelopment Plan. Specific inquiries included such questions as:

1. What will the projected cost of providing additional services be to the Redevelopment Project Area as a result of adoption and implementation of the Redevelopment Plan?

2. What are the severe financial burdens or detriments associated on the taxing agency deriving revenues from the Project Area?

3. What amendments (if any) are suggested to the Redevelopment Plan, the adoption of which would alleviate or eliminate the detrimental fiscal effect on the affected taxing entity?

4. How can the Agency use of redevelopment activities assist in bettering the quality of service of the taxing entity consistent with redevelopment law?

5. Are the estimates of taxing agency revenue loss a true projection as viewed by the taxing entity and does this projected revenue loss equate to projected expenditures for future cost?

Pursuant to the California Health and Safety Code, the Agency has pursued discussions with the various affected taxing jurisdictions in order to seek mitigation measures that would eliminate or alleviate potential financial detriments or burdens resulting from the adopting and/or implementation of the Redevelopment Plan. These discussions were pursued with each jurisdiction by a mitigation team of individuals representing the Redevelopment Agency. Persons on the mitigation team included:

Councilmember Doug Best
Councilmember Doris Thurston
Councilmember James Rady
Mr. Rodrick Wood
Mr. Jack Anderson
Mr. Marshall Krupp
Mr. Dave Chapman
Mr. Ron Null
Mr. Vernon Hazen

Upon the conclusion of the initial discussion, Mr. Rodrick Wood, Assistant City Manager, transmitted a proposal to the following taxing jurisdictions as the framework for a formal agreement between the City, Agency, and each jurisdiction. Letters, as attached hereto, were sent to the following:

1) San Diego County Department of Education
   Mr. Dick Adams

2) Rincon Del Diablo Municipal Water District
   Mr. Gary Arant

3) Escondido Union School District
Mr. Don Hout

4) North County Cemetary District
Mr. Dewey Ausmus

5) County of San Diego
Mr. Richard Jacobson

6) Escondido Union High School District
Mr. Forest Fouts

7) Palomar Resources Conservation District
Mr. Bob Dresselhaus

8) San Marcos Unified School District
Dr. William Streshly

9) Palomar Community College District
Dr. Omar Scheidt

10) Palomar/Pomerado Hospital District
Mr. Bob Edwards

It is the opinion of staff that the proposals along with the additional property tax revenues which will occur outside the Project Area and within each District boundary resulting from the implementation of the projects set forth in the Redevelopment Plan, will not only mitigate any potential financial detriments or burdens on each jurisdiction, but will also result in a combination of District projects, services and property tax revenues which exceed the property tax revenue the Districts would have received without the Redevelopment Plan.

RECOMMENDATIONS TO ALLEVIATE IMPACTS

The Redevelopment Agency has consistently indicated, publicly and privately, its desire to reach a cooperative arrangement with each of the taxing agencies and reasonably alleviate impacts,if any in good faith. Several recommendations have been made relative to the adoption of the Redevelopment Plan and the alleviation of impacts.

Taxing Agencies

As it relates to the Redevelopment Plan, formal comments have been received by several jurisdictions.

In addition, our meetings with the taxing jurisdictions have resulted in various informal comments.

In order to respond to some of the concerns raised by the affected taxing entities, the following Redevelopment Plan and/or Project Area modifications and/or amendments are recommended and the distribution and allocation of tax increment revenues is suggested.

Tax Sharing Agreements

At the time of preparation of this Report, no final terms and conditions have been recommended to be included in tax sharing agreements between the Redevelopment Agency and any one taxing jurisdiction.

Redevelopment Plan Modifications

At the time of preparation of this Report no recommendations had been developed relative to Plan modifications. Appropriate recommendations may be incorporated herein prior to the public hearing on the Redevelopment Plan and the final approval of this Report of the Redevelopment Agency.

Project Area Modifications

At the time of preparation of this Report no recommendations had been developed relative to Project Area modifications. Appropriate recommendations may be incorporated herein prior to the public hearing on the Redevelopment Plan and the final approval of this Report of the Redevelopment Agency.

Allocation of Tax Increment Revenue

It is hereby recommended that the tax increment the Agency shall receive shall not exceed the one percent ad valorem tax as authorized by Proposition 13. Tax rates in excess of said ad valorem tax including, but not limited to, bond outstanding debt services shall continue to flow to the appropriate and responsible jurisdictions.

At the time of preparation of this Report no further recommendations had been developed relative to the allocation of tax increment revenue. Appropriate recommendations may be incorporated herein prior to the public hearing on the Redevelopment Plan and the final approval of this Report of the Redevelopment Agency.

VERNON HAZEN
CITY MANAGER

CITY OF ESCONDIDO

100 VALLEY BLVD., ESCONDIDO,
CALIFORNIA 92025
(619) 741-4631

October 17, 1984

Mr. Dick Adams
San Diego County
Department of Education
6401 Linda Vista Road
San Diego, CA 92111

Dear Dick:

I was glad to have an opportunity to talk with you on the phone. the projects proposed by the Escondido Redevelopment Agency should be of major importance to our youth and the education system. I've outlined the basics of our request which I think serves both our interests.

We believe the Escondido Redevelopment Plan provides a unique and exciting chance for the City and all the public agencies in Escondido to form a partnership for our collective futures. We've done a rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects. We believe these two projects will create several hundred new jobs in the near term and several hundred additional jobs in the mid and long term. As a result of the cultural activities alone, there should be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in the Escondido area and a total of $20 to $40 million throughout North County. Finally, because of the economic stimulation from the redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent in the Project Area. This increased growth in assessed value is expected to occur throughout North County, decreasing in effect the farther from the Project Area.

The normal tax increment is estimated to be $812,082,000. Based on our conservative projections, this additional 2% growth in assessed value would increase the tax increment an additional $790,842,000 over normal growth just within the Project Area over the 45-year life of the Plan. This would mean an additional $1,898,000 that the Department of Education would not receive if the projects were not to occur. The Department of Education would, of course, receive its normal full share of this increase outside the Project Area. We have not analyzed this increase outside the Project Area, but suspect it would be significantly more than that within the Project Area.

A key factor of this Redevelopment Plan is the tremendous social, cultural, educational and economic opportunities that will be provided to our mutual constituents throughout North County. There is a complete void of any meaningful fine arts, performing arts or large meeting facilities in North San Diego County. As a result, cultural, social and educational opportunities in the arts have been severely constricted. The Civic Center project will fulfill this need. The Escondido Development Plan as much or more so than any other plan in San Diego County meets the intent as identified in Section 33071 of the State code. This section states:

> "The Legislature further finds and declares that a fundamental purpose of redevelopment is to expand the supply of low-and moderate-income housing, to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic, and psychological growth and well-being of all citizens."

The Redevelopment Agency would request the Office of Education to participate with us in this effort by extending the use of your tax increment for the Agency's projects. As identified in the third paragraph, we believe this investment of .14 of 1 percent of the $74 million in projects over the 45-year plan will generate a net increase in your revenues of $1.9 million. There may also be some other benefits the District can extend such as:

1) The Agency would agree to extend its bonding authority to the Office of Education to finance education projects. The bonds would be debt serviced from the Office's funds.

2) The Agency would agree to provide a reasonable use of the Community Theater and Conference/ Meeting Facility at operational and maintenance cost only; the exact use would be agreed upon and identified in the Reimbursement Agreement.

3) The Agency would be willing to work with the Office of Education to help promote cultural/ educational programs for youth throughout San Diego County.

4) The Agency may be able to provide some office space for the Office of Education's purposes. The space would be provided at operational and maintenance cost.

If you concur with this proposal, please let me know and I will have the Agency's attorney prepare a formal Reimbursement Agreement. I have not discussed this specific proposal with the City Council and it is subject to their final approval.

Sincerely,

Rod Wood

RODERICK J. WOOD
Assistant City Manager

2/1017-4/4

cc: Doug Best
Doris Thurston
Jack Anderson
Marshall Krupp
Vernon Hazen
Dave Chapman
Ron Null

VERNON HAZEN
CITY MANAGER

CITY OF ESCONDIDO

100 VALLEY BLVD., ESCONDIDO,
CALIFORNIA 92025
(619) 741-4631

October 15, 1984

Mr. Gary Arant
Manager
Rincon Del Diablo Municipal
  Water District
P. O. Box 271389
Escondido, CA 92025

Dear Gary:

I would be pleased to accept an opportunity to meet with you and the District Board. Your observations of the complexity of tax increment financing and reimbursement agreements are accurate. It has taken me the better part of three months to learn and understand the intricacies of redevelopment.

We will receive the official breakdown on the tax sharing between the various taxing agencies within the Project Area from the County Auditor in mid-October. Until we have the official breakdown, I suggest we use the .14 of 1% estimate you and I developed for illustration purposes.

We believe the Escondido Redevelopment Plan provides a unique and exciting chance for the City and all the public agencies in Escondido to form a partnership for our collective futures. We've done a rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects. We believe these two projects will create several hundred new jobs in the near term and several hundred additional jobs in the mid and long term. As a result of the cultural activities alone, there should be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in the Escondido area and a total of $20 to $40 million throughout North County. Finally, because of the economic stimulation from the redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent in the Project Area. This increased growth in assessed value is expected to occur throughout North County, decreasing in effect the farther from the Project Area.

Mr. Gary Arant
October 15, 1984
Page Two

The normal increment is estimated to be $812,082,000. Based on our conservative projections, this additional 2% growth in assessed value would increase the tax increment an additional $790,842,000 over normal growth just within the Project Area over the 45 year life of the Plan. This would mean an additional $1,107,000 that the Rincon District would not receive if the projects were not to occur. The Rincon District would, of course, receive its normal full share of this increase outside the Project Area. We have not analyzed this increase outside the Project Area but suspect it would be significantly more than that within the Project Area.

The net result of this Redevelopment Plan is the tremendous social, economic and cultural opportunities that will be provided to our mutual constituents that would remain unmet if these projects do not proceed. It's one of those rare Redevelopment plans that not only solve the blight and economic problems in a community but also stimulate and provide economic growth and cultural opportunities for an entire region.

The Redevelopment Agency seeks through a Reimbursement Agreement to use a portion of the Rincon District's tax increment for the Agency's projects. The maximum amount of funds the Agency is allowed to use towards its projects is $74 million or $250 million if all projects are debt serviced. The total amount of District increment used over the 45-year plan would be $103,600 or $350,000 if all projects are debt serviced. The earlier the projects are funded the sooner the District would start receiving excess increment. For this reason we propose to use all tax increment from all sources until at least the Civic Center project is fully funded.

In exchange for the use of the District's tax increment, the Agency could provide several benefits for the District. First and foremost is the estimated $1.1 million in new property tax increase the District will likely receive as a result of the Civic Center and downtown revitalization projects. Second, the Agency can extend its bonding authority and capacity to the District to help fund any projects the District might choose to fund through debt service. District funds would be used to repay this debt service. Finally, the District can loan funds to the Agency with interest to fund District projects. What this allows really is the use of some of the future tax increment now because all funds can be repaid to the District for its future projects.

In reality, each public agency participating in the Redevelopment Plan is investing in Escondido's future. We believe this investment wil be repaid many fold, but, more importantly, it will provide an improved economy and quality of life for our new residents. It is this return to the Agencies and community as a whole that has motivated nearly every City in California to pursue redevelopment.

If this approach is satisfactory to the District, I will have the Agency's legal counsel prepare a formal Reimbursement Agreement.

Sincerely,

S/

RODERICK J. WOOD
Assistant City Manager

2/108-6/4-2

cc: Doug Best
Doris Thurston
Jack Anderson
Marshall Krupp
Vern Hazen
Dave Chapman
Ron Null

VERNON HAZEN
CITY MANAGER

CITY OF ESCONDIDO

100 VALLEY BLVD., ESCONDIDO,
CALIFORNIA 92025
(619) 741-4631

October 12, 1984

Dr. Don Hout, Superintendent
Escondido Union School District
980 N. Ash
Escondido, CA 92027

Dear Don:

Pursuant to our conversations, this letter outlines a proposal I believe serves both of our interests and fully mitigates all impacts from the Escondido Redevelopment Agency Plan.

We believe the Escondido Redevelopment Plan provides a unique and exciting chance for the City and all the public agencies in Escondido to form a partnership for our collective futures. We've done a rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects. We believe these two projects will create several hundred new jobs in the near term and several hundred additional jobs in the mid and long term. As a result of the cultural activities alone, there should be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in the Escondido area and a total of $20 to $40 million throughout the County.

Because of the economic stimulation from the redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent in the Project Area. This increased growth in assessed value is expected to occur throughout North County, decreasing in effect the farther from the Project Area.

The normal tax increment is estimated to be $812,082,000. Based on our conservative projections, this additional 2% growth in assessed value would increase the tax increment an additional $790,842,000 over normal growth just within the Project Area over the 45-year life of the Plan. This would mean an additional $216,216,000 that the District would not receive if the projects were not to occur. The District would, of course, receive its normal full share of this increase outside the Project Area. We have not analyzed this increase outside the Project Area, but suspect it would be significantly more than that within the Project Area.

The net result of this Redevelopment Plan is the tremendous social, economic and cultural opportunities that will be provided to our mutual constituents that would remain unmet if these projects do not proceed. It's one of those rare Redevelopment plans that not only solves the blight and economic problems in a community but also stimulates and provides economic growth and cultural opportunities for an entire region.

The specific components of the Reimbursement Agreement are as listed:

Pursuant to our discussions for a Reimbursement Agreement between the School District and the Escondido Redevelopment Agency, I suggest the following as a basis for that agreement.

1. The Escondido Union School District agrees to relinquish its full 27.34% of the tax increment for 45 years to the Escondido Redevelopment Agency. The District further agrees to the following:

   a) The District shall subordinate all tax increment until the entire Civic Center project is funded.

   b) The District agrees to subordinate to the 20% tax increment required by State law to be used for low to moderate income housing.

   c) The District may loan funds with interest to the Agency to construct one elementary school in the next five years.

   d) The District agrees to eliminate school impact fees on development in the City of Escondido at such time as the Civic Center Project is fully funded.

   e) The District agrees to fund all mitigation projects to the maximum extent possible on a cash basis from accumulated tax increment.

f) The District agrees to support the Agency and Redevelopment Plan.

g) The District agrees to limit mitigation costs to not more than 27.34% of all increment in excess of the $250,000,000 allocated to the Agency.

2. The Escondido Redevelopment Agency agrees to mitigate all fiscal and environmental impacts resulting from the Redevelopment Plan. The mitigation shall be in the form of the following as excess tax increment becomes available but not to exceed the total tax increment less the amount required for Agency projects that would normally flow to the District.

a) The Agency agrees to fund eight new elementary schools, including the cost of property acquisition or exchange.

b) The Agency agrees to fund the rehabilitation and construction of additional classrooms as needed at all existing district schools.

c) The Agency agrees to fund two new middle schools, including the cost of property acquisition or exchange.

d) The Agency agrees to relocate the Del Dios Middle School. The District shall deed the Del Dios property to the Agency.

e) The Agency agrees to relocate the Central Elementary School when required. The District shall deed the Central School property to the Agency.

f) The Agency agrees to provide the District 10,000 square feet of unimproved administrative office space in the first Regional Governmental Building. The District will be responsible for the interior improvements and furnishings and fixtures. The Agency and City agree to lease this space at operational and maintenance cost. The Agency shall provide a meeting room for up to 80 people to be shared by all the tenants of the Regional Governmental Building. The furnishings and fixtures for this meeting room are to be funded from the tenants' tax increment.

g) The Agency will provide six traffic signals at elementary schools.

h) The Agency will provide computer hardware and software.

i) The Agency agrees to provide use of the Community Theater and Conference/ Meeting Facility at operating cost. The number of event days to be determined mutually between the District, Agency and City.

j) The Agency agrees to fund the mitigation projects earlier than tax increment is available to the extent that funds are received by the Agency from other sources designated for the purpose.

3. The City of Escondido concurs with the Redevelopment Plan and Tax Sharing Agreement between the District and the Agency. To further the interest of the Agreement, the City agrees to the following measures:

a) The City shall agree to allow the District a reasonable number of events in the Community Theater and Confrence/Meeting Facility at operating cost.

b) The City shall loan funds with interest to the Agency to fund two traffic signals in the next three years, two signals in the next 3 - 5 years and two signals in the next 5 - 7 years.

c) The City agrees to loan funds to the Agency with interest to pay for sewer and water improvements in conjunction with one new elementary school. This loan is to be repaid from the District's excess increment.

d) The Agency shall repay these loans from the District's 27.34% Tax Increment in excess of the $250,000,000 allocated to the Agency.

If these mitigation measures are satisfactory with the District Staff, please let me know. I will present this proposal to the City Council and Redevelopment Agency upon your approval. I have not discussed these terms with the Council or Agency Board, and a final agreement is obviously subject to their approval as well as your Board's.

Sincerely,

RODERICK J. WOOD
Assistant City Manager

2/109-9/4-2

cc: Doug Best
Doris Thurston
Vernon Hazen
Dave Chapman
Marshall Krupp
Jack Anderson
Ron Null

VERNON HAZEN
CITY MANAGER

CITY OF ESCONDIDO

100 VALLEY BLVD., ESCONDIDO,
CALIFORNIA 92025
(619) 741-4631

October 12, 1984

Mr. Dewey Ausmus
Superintendent
North County Cemetery District
2640 Glenridge Road
Escondido, CA 92027

Dear Dewey:

Pursuant to our conversations, this letter outlines an agreement that I believe fully mitigates all impacts to the Cemetery District from the Escondido Redevelopment Plan.

We believe the Escondido Redevelopment Plan provides a unique and exciting chance for the City and all the public agencies in Escondido to form a partnership for our collective futures. We've done a rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects. We believe these two projects will create several hundred new jobs in the near term and several hundred additional jobs in the mid and long term. As a result of the cultural activities alone there should be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in the Escondido area and a total of $20 to $40 million throughout the County.

Because of the economic stimulation from the redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent in the Project Area. This increased growth in assessed value is expected to occur throughout North County, decreasing in effect the farther from the Project Area.

The normal tax increment is estimated to be $812,082,000. Based on our conservative projections, this additional 2% growth in assessed value would increase the tax increment an additional $790,842,000 over normal growth just within the Project Area over the 45-year life of the Plan. This would mean an additional $3,400,000 that the Cemetery District would not receive if the projects were not to occur. The Cemetery District would, of course, receive its normal full share of this increase outside the Project Area. We have not analyzed this increase outside the Project Area, but suspect it would be significantly more than that within the Project Area.

The net result of this Redevelopment Plan is the tremendous social, economic and cultural opportunities that will be provided to our mutual constituents that would remain unmet if these projects do not proceed. It's one of those rare Redevelopment plans that not only solves the blight and economic problems in a community but also stimulates and provides economic growth and cultural opportunities for an entire region. We believe this Redevelopment Plan conforms with the State's intent for redevelopment as much or more so than any agency in San Diego County. Section 33071 of the State Law states this intent.

> "The Legislature further finds and declares that a fundamental purpose of redevelopment is to expand the supply of low-and moderate-income housing, to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic, and psychological growth and well-being of all citizens."

The specific components of the Reimbursement Agreement are as listed:

1. The North County Cemetery District agrees to relinquish its full approximate .43% of the tax increment in the Project Area for 45 years to the Escondido Redevelopment Agency. The District further agrees to the following:

    a) The District shall subordinate all tax increment until the entire Civic Center project can be funded.

    b) The District agrees to subordinate to the 20% tax increment required by State law to be used for low to moderate income housing.

    c) The District agrees to support the Agency and Redevelopment Plan.

    d) The District agrees to limit mitigation costs to not more than .43% of all increment in excess of the $250,000,000 allocated to the Agency.

2. The Escondido Redevelopment Agency agrees to mitigate all fiscal and environmental impacts resulting from the Redevelopment Plan. The mitigation shall be in the form of the following as excess tax increment becomes available but not to exceed the total tax increment less the amount needed for Agency projects that would normally flow to the District.

1) The Agency shall extend its bonding authority and capacity to finance any projects the District desires to implement its Master Plan. The District's tax increment that does not flow to the Agency could be used to fund these projects.

2) The Agency and City will allow the District reasonable use of the Conference/Meeting Facility for operational and maintenance costs. The specific number of days will be identified in the Reimbursement Agreement.

I think the increased tax increment from the Redevelopment projects will make it possible for the District to build out its Master Plan and as such benefit the community as a whole. It's always a pleasure to be able to work out an agreement that benefits everyone. If you are in concurrence with this proposal, please let me know and I will have our legal counsel prepare a formal Reimbursement Agreement. I have not presented this specific proposal to the City Council or Redevelopment Agency. Obviously, this Agreement is subject to their approval as well as that of your Board.

Sincerely,

RODERICK J. WOOD
Assistant City Manager

2/110-5/4-2

VERNON HAZEN
CITY MANAGER

CITY OF ESCONDIDO

100 VALLEY BLVD., ESCONDIDO,
CALIFORNIA 92025
(619) 741-4631

October 12, 1984

Mr. Richard Jacobson
Deputy C.A.O.
County of San Diego
1600 Pacific Highway
San Diego, CA 92101

Dear Jake:

Pursuant to our conversations, this letter outlines a proposal I believe serves both of our interests and fully mitigates the direct loss of tax increment to the County. We believe the Escondido Redevelopment Plan provides a unique and exciting chance for the City and County to form a partnership for our joint future. We've done a rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects. We believe these two projects could create several hundred new jobs in the near term and several hundred more in the mid and long term. As a result of the cultural activities alone, there likely will be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in Escondido and $20 to $40 million total in North County.

Because of the economic stimulation from the Escondido Redevelopment projects there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent in the Project Area. This growth would have a beneficial effect on commercial, industrial and residential property values. This increased growth in assessed value is expected to occur throughout North County decreasing in effect the farther from the Project Area.

The normal tax increment is estimated to be $812,082,000. Based on our conservative projections, this additional 2% growth in assessed value would increase the tax increment an additional $790,842,000 just in the project area over the 45-year life of the plan. This would mean an additional $200,241,000 that the County would not receive if the projects were not completed. The County would, of course, receive its normal full share of this increase outside the Project Area. We have not analyzed this increase outside the Project Area, but suspect it would be significantly more than that within the Project Area.

The net result of this Redevelopment Plan is the tremendous social, economic and cultural opportunities that will be provided to our mutual constituents that will remain unmet if these projects do not proceed. It's one of those rare Redevelopment Plans that not only solves the blight and economic problems in a community but also stimulates and provide economic growth and cultural opportunities for an entire region. We believe this Redevelopment Plan, as much or more so than in San Diego County, meets the intent of the State as defined in Section 33071. This Section states:

> "The Legislature further finds and declares that a fundamental purpose of redevelopment is to expand the supply of low-and moderate-income housing to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic, and psychological growth and well-being of all citizens."

Pursuant to our discussions for a Reimbursement Agreement, I suggest the following as a basis for that Agreement.

1. The County of San Diego agrees to relinquish all of its approximate 25.32% of the tax increment to the Escondido Redevelopment Agency for the 45-year life of the Redevelopment Plan. The County also agrees to the following:

    a) The County shall subordinate all of its tax increment until the Civic Center Project is fully funded.

    b) The County agrees to subordinate to the 20% of tax increment required by State law to be used for low-low, low and moderate income housing.

    c) The County may, at its sole discretion, elect to loan funds to the Redevelopment Agency to finance County projects.

    d) The County agrees to support the Agency and Redevelopment Plan.

    e) The County agrees to limit mitigation costs to not more than the 25.32% of all increment in excess of the $250,000,000 allocated to the Agency.

2. The Escondido Redevelopment Agency agrees to mitigate all fiscal and environmental impacts resulting from the Redevelopment Plan. The mitigation shall be in the form of the following as excess tax increment becomes available but not to exceed the total tax increment less the amount required for Agency projects that would normally flow to the County.

    a) The Agency agrees to provide the County 30,000 square feet of unimproved administrative office space in the first Regional Governmental Building. The County will be responsible for the interior improvements and furnishings and fixtures. The Agency and City agree to lease this space at operational and maintenance cost. The Agency shall provide a meeting room for up to 80 people to be shared by all the tenants of the Regional Governmental Building. The furnishings and fixtures for this meeting room are to be funded from the tenants' tax increment. This is expected to cost the Agency $6,000,000 inclusive of debt service.

    b) The Agency agrees to provide up to 80,000 square feet in the second regional government building for superior court space and administrative office space. The Agency agrees to use whatever funds from the Agency's $250 million that are required for the implementation of the Agency's projects. The County would use its tax increment to fund the short-fall for the building and any extra parking. This space would be provided at operation and maintenance cost. This could cost the Agency $35,000,000 inclusive of debt service.

    c) The Agency and City of Escondido agree to enter into a Joint Powers Agreement to develop and maintain Deer Park for park purposes. The County will dedicate the land at no cost for this purpose. It will be the sole responsibility of the City to fund the development and maintenance cost. The City and County shall jointly agree on the use and lease of the park property to the California Conservation Corps. The capital improvements could cost the City $15,000,000 inclusive of debt service. The annual operating cost could be $200,000 per year or $9,000,000 over the 45-year life of the Redevelopment Plan.

d) The City shall agree to annex and absorb the street, storm drain, and public service cost of the east side annexation area currently proposed by the County. This could cost the City $16,600,000 in capital improvements. The cost of extending City services to this area could be a net $288,000 per year or $12,960,000 over the 45-year life of the Redevelopment Plan.

e) The City agrees to cooperate through the Escondido Visitors and Information Bureau in the formation or support of some form of a north county tourist bureau. The City shall also fund up to $50,000 through the EVIB for a tourist information kiosk along Interstate 5 in cooperation with the County.

f) The City agrees upon annexation to take over and maintain Felicita Park. The park shall remain a regional park. This park needs $2,000,000 in additional capital improvements. The operation and maintenance cost would be $140,000 per year. This park is likely to be annexed in the next five years. This would mean a total of $5,600,000 over the remaining 40-year life of the Redevelopment Plan.

g) The City agrees to provide emergency police protection on a request basis to the urbanized incorporated area surrounding Escondido. The specific boundaries are to be mutually determined. The City would also be willing to negotiate a contract for full police protection of this area. We recognize the Sheriff would want to maintain Commander-in-Chief responsibility for this area. This would cost $100,000 per year or $4,500,000 over the 45-year life of the Redevelopment Plan.

h) The Agency will extend its bonding authority and capacity to the County for County projects. These projects would be funded from the County's share of excess tax increment.

i) The City will receive acknowledgment and inkind credit for the areas in the City that have remained in the County Flood Control District. Neither these areas nor the City have received benefit from this assessment since annexation. All income and benefit has flowed to the County. The annual tax going to the County from City land has not been determined as yet.

I believe these mitigation measures over the 45-year life of the Redevelopment Plan will more than mitigate any potential fiscal impacts to the County. It's our continued belief that, because of the economic benefits of this Redevelopment Plan, there are no net adverse fiscal impacts to the County. In fact, the County will appreciate a significant fiscal benefit from the Plan. As discussed, I will set up a meeting in a few days so we can discuss this proposal in some detail. Once we have some basic agreement, I will present this proposal to the City Council and Redevelopment Agency for their consideration.

Sincerely,

Roderick J. Wood
Assistant City Manager

j/4-2/109-4

VERNON HAZEN
CITY MANAGER

CITY OF ESCONDIDO

100 VALLEY BLVD., ESCONDIDO,
CALIFORNIA 92025
(619) 741-4631

October 12, 1984

Dr. Forest Fouts
Superintendent
Escondido Union High School District
240 S. Maple Street
Escondido, CA 92025

Dear Forest:

Pursuant to our conversations, this letter outlines a proposal I believe serves both our interests and fully mitigates all impacts from the Escondido Redevelopment Agency Plan.

We believe the Escondido Redevelopment Plan provides a unique and exciting chance for the City and all the public agencies in Escondido to form a partnership for our collective futures. We've done a rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects. We believe these two projects will create several hundred new jobs in the near term and several hundred additional jobs in the mid and long term. As a result of the cultural activities alone there should be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in the Escondido area and a total of $20 to $40 million throughout the County.

Because of the economic stimulation from the redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent in the Project Area. This increased growth in assessed value is expected to occur throughout North County, decreasing in effect the farther from the Project Area.

The normal tax increment is estimated to be $812,082,000. Based on our conservative projections, this additional 2% growth in assessed value would increase the tax increment an additional $790,842,000 over normal growth just within the Project Area over the 45-year life of the Plan. This would mean an additional $164,178,000 that the District would not receive if the projects were not to occur. The District would, of course, receive its normal full share of this increase outside the Project Area. We have not analyzed this increase outside the Project Area but suspect it would be significantly more than that within the Project Area.

The net result of this Redevelopment Plan is the tremendous social, economic and cultural opportunities that will be provided to our mutual constituents that would remain unmet if these projects do not proceed. It's one of those rare Redevelopment plans that not only solves the blight and economic problems in a community but also stimulates and provides economic growth and cultural opportunities for an entire region. This Redevelopment Plan, as much or more so than any other in San Diego County, conforms to the State's intent so stated in Section 33071 of the State Code. This Section states:

> "The Legislature further finds and declares that a fundamental purpose of redevelopment is to expand the supply of low-and moderate-income housing, to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic, and psychological growth and well-being of all citizens."

The specific components of the Reimbursement Agreement are as listed:

1. The Escondido Union High School District agrees to relinquish its full approximate 20.76% of the tax increment in the Project Area for 45 years to the Escondido Redevelopment Agency. The District further agrees to the following:

    a) The District shall subordinate all tax increment until the entire Civic Center project is funded.

    b) The District agrees to subordinate to the 20% tax increment required by State law to be used for low to moderate income housing.

    c) The District agrees to eliminate school impact fees on development in the City of Escondido when the Civic Center Project is fully funded.

    d) The District agrees to fund all mitigation projects to the maximum extent possible on a cash basis from accumulated tax increment.

e) The District agrees to support the Agency and Redevelopment Plans.

f) The District agrees to limit mitigation costs to not more than the 20.76% of all tax increment in excess of the $250,000,000 allocated to the Agency.

2. The Escondido Redevelopment Agency agrees to mitigate all fiscal and environmental impacts resulting from the Redevelopment Plan. The mitigation shall be in the form of the following as excess tax increment becomes available but not to exceed the total tax increment less the amount required for the Agency's projects that would normally flow to the District.

a) The Agency agrees to fund three new high schools, including the cost of property acquisition or exchange.

b) The Agency agrees to fund a new continuation high school, including the acquisition or exchange of land.

c) The Agency agrees to fund the refurbishment, additional classrooms, and improvement of school facilities at all District schools at least once during the 45-year plan.

d) The Agency agrees to provide the District 10,000 square feet of unimproved administrative office space in the first Regional Governmental Building. The District will be responsible for the interior improvements and furnishings and fixtures. The Agency and City agree to lease this space at operational and maintenance cost. The Agency shall provide a meeting room for up to 80 people to be shared by all the tenants of the Regional Governmental Building. The furnishings and fixtures for this meeting room are to be funded from the tenants' tax increment.

e) The Agency agrees to pay $550 per unit for "Senior Housing" units for low-low, low, and moderate income units through the subordination period, provided the total in any year does not exceed 20.76% of the 20% designated for housing. These funds are to be used for mitigation projects.

f) The Agency agrees to fund computer hardware and software.

g) The Agency agrees to provide reasonable use of the Community Theatre and Conference/Meeting Facility for operating and maintenance costs. The Agency agrees to provide up to 20 days per year in either the Community Theatre or Conference/Meeting Facility at operational and maintenance costs only.

h) The Agency agrees to fund the mitigation projects earlier than tax increment is available to the extent funds are received or loaned to the Agency from another source designated for this purpose.

3. The City of Escondido supports the Redevelopment Plan and Reimbursement Agreement between the District and the Agency. To further the intent of the Agreement, the City agrees to the following measures:

a) The City agrees to allow the District use of the Community Theatre and/or the Conference/Meeting Facility as outlined in 2-(g) above.

b) The City agrees to loan the Agency funds for improvement of the athletic facilities at the various high schools. This loan will not exceed $350,000 and is to be repaid with interest from the District's future tax increment.

If these mitigation measures are satisfactory with the District Negotiating Committee, please let me know. I will present this proposal to the City Council and Redevelopment Agency upon your conceptual approval. I have not discussed these specific terms with the City Council or Redevelopment Agency, and a final agreement is obviously subject to their approval as well as your Board's.

Sincerely,

RODERICK J. WOOD
Assistant City Manager

2/109-8/4-2

VERNON HAZEN
CITY MANAGER

CITY OF ESCONDIDO

100 VALLEY BLVD., ESCONDIDO,
CALIFORNIA 92025
(619) 741-4631

October 12, 1984

Mr. Bob Dresselhaus
Palomar Resources Conservation District
1523 E. Valley Parkway #201
Escondido, CA 92027

Dear Mr. Dresselhaus:

You received a letter from the Escondido Redevelopment Agency concerning the sharing of tax increment to support the Agency's Civic Center and downtown revitalization projects.

We believe the Escondido Redevelopment Plan provides a unique and exciting chance for the City and all the public agencies in Escondido to form a partnership for our collective futures. We've done a rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects. We believe these two projects will create several hundred new jobs in the near term and several hundred additional jobs in the mid and long term. As a result of the cultural activities alone, there should be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in the Escondido area and a total of $20 to $40 million throughout the County.

Because of the economic stimulation from the redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent in the Project Area. This increased growth in assessed value is expected to occur throughout North County, decreasing in effect the farther from the Project Area.

The normal tax increment is estimated to be $812,082,000. Based on our conservative projections, this additional 2% growth in assessed value would increase the tax increment an additional $790,842,000 over normal growth just within the Project Area over the 45-year life of the Plan. This would mean an additional $632,000 that the District would not receive if the projects were not to occur. The District would, of course, receive its normal full share of this increase outside the Project Area. We have not analyzed this increase outside the Project Area but suspect it would be significantly more than that within the Project Area.

The net result of this Redevelopment Plan is the tremendous social, economic and cultural opportunities that will be provided to our mutual constituents that would remain unmet if these projects do not proceed. It's one of those rare Redevelopment plans that not only solves the blight and economic problems in a community but also stimulates and provides economic growth and cultural opportunities for an entire region. We believe this Plan conforms to the State's intent for redevelopment as much or more so than any redevelopment agency in San Diego County. This intent is expressed in Section 33071 of the State Code. This Section states:

> "The Legislature further finds and declares that a fundamental purpose of redevelopment is to expand the supply of low-and moderate-income housing, to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic, and psychological growth and well-being of all citizens."

One area the Agency may be able to help the District is to extend its bonding authority and capacity to help fund District projects. The Agency can also extend a reasonable use of the Conference/ Meeting Facility at operational and maintenance cost. We're open to any other suggestions you might have as to how we may help you.

If you agree with the benefits of the Escondido Redevelopment Plan for the region and for the District, we would like to enter into a Tax Reimbursement Agreement. The Agreement would flow the District's tax increment to the Redevelopment Agency until the Agency's projects are funded. After this time all the increased increment would flow back to the District. This Agreement can also provide for the benefits listed in the prior paragraph.

Please let me know how you would like to proceed.

Sincerely,

RODERICK J. WOOD
Assistant City Manager

2/110-4/4-2

VERNON HAZEN
CITY MANAGER

CITY OF ESCONDIDO

100 VALLEY BLVD., ESCONDIDO,
CALIFORNIA 92025
(619) 741-4631

October 12, 1984

Dr. William Streshly
Superintendent
San Marcos Unified School District
270 W. San Marcos Boulevard
San Marcos, CA 92069

Dear Bill:

Pursuant to our conversations, this letter outlines a Reimbursement Agreement that I believe fully mitigates any impacts to the School District from the Escondido Redevelopment Plan.

We believe the Escondido Redevelopment Plan provides a unique and exciting chance for the City and all the public agencies in Escondido to form a partnership for our collective futures. We've done a rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects. We believe these two projects will create several hundred new jobs in the near term and several hundred additional jobs in the mid and long term. As a result of the cultural activities alone there should be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in the Escondido area and a total of $20 to $40 million throughout the County.

Because of the economic stimulation from the redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent in the Project Area. This increased growth in assessed value is expected to occur throughout North County decreasing in effect the farther from the Project Area.

The normal tax increment is estimated to be $812,082,000. Based on our conservative projections, this additional 2% growth in assessed value would increase the tax increment an additional $790,842,000 over normal growth just within the Project Area over the 45-year life of the Plan. This would mean an additional $158,000 that the School District would not receive if the projects were not to occur. The School District would, of course, receive its normal full share of this increase outside the Project Area. We have not analyzed this increase outside the Project Area, but suspect it would be significantly more than that within the Project Area.

The specific components of the Reimbursement Agreement are as listed:

1. The San Marcos Unified School District agrees to relinquish its tax increment in the Project Area for 45 years to the Escondido Redevelopment Agency. The District further agrees to the following:

   a) The District shall subordinate all tax increment until the entire Civic Center project can be funded.

   b) The District agrees to subordinate to the 20% tax increment required by State law to be used for low to moderate income housing.

   c) The District agrees to support the Agency and Redevelopment Plan.

   d) The District agrees to limit mitigation costs to not more than your pro-rata percentage of all increment in excess of the $250,000,000 allocated to the Agency.

2. The Escondido Redevelopment Agency agrees to mitigate all fiscal and environmental impacts resulting from the Redevelopment Plan. The mitigation shall be in the form of the following as excess tax increment becomes available but not to exceed the total tax increment less the amount required for Agency project that would normally flow to the District.

   a) The Agency will extend its bonding authority and capacity to finance school district capital projects. These projects are to be funded from the District's excess tax increment.

   b) The Agency will fund any capital improvement projects the District chooses with the tax increment that would flow to the District after completion of the Agency Projects.

c) The Agency and City will allow the District a reasonable use of the Community Theater for operational and maintenance costs. The specific number of days will be identified in the Reimbursement Agreement.

If this proposal is satisfactory, please advise and I'll have our legal counsel prepare a formal Reimbursement Agreement. I have not presented these specifics to the City Council or Redevelopment Agency, and the final agreement is obviously subject to their approval as well as that of your Board.

Sincerely,

RODERICK J. WOOD
Assistant City Manager

2/110-3/4-2

VERNON HAZEN
CITY MANAGER

CITY OF ESCONDIDO

100 VALLEY BLVD., ESCONDIDO,
CALIFORNIA 92025
(619) 741-4631

October 12, 1984

Dr. Omar Scheidt
President
Palomar Community College District
1140 W. Mission Road
San Marcos, CA 92069

Dear Omar:

Pursuant to our conversations, I've outlined a proposal that I believe works for both of our interests. I've tried to structure mitigation projects that would particularly benefit the College.

We believe the Escondido Redevelopment Plan provides a unique and exciting chance for the City and all the public agencies in Escondido to form a partnership for our collective futures. We've done a rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects. We believe these two projects will create several hundred new jobs in the near term and several hundred additional jobs in the mid and long term. As a result of the cultural activities alone, there should be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in the Escondido area and a total of $20 to $40 million throughout the County.

Because of the economic stimulation from the redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase the growth in assessed value by an additional two percent in the Project Area. This increased growth in assessed value is expected to occur throughout North County, decreasing in effect the farther from the Project Area.

The normal tax increment is estimated to be $812,082,219. Based on our conservative projections, this additional 2% growth in assessed value would increase the tax increment an additional $790,842,000 over normal growth just within the Project Area over the 45-year life of the Plan. This would mean an additional $49,506,000 that the College District would not receive if the projects were not to occur. The College District would, of course, receive its normal full share of this increase outside the Project Area. We have not analyzed this increase outside the Project Area, but suspect it would be significantly more than that within the Project Area.

The net result of this Redevelopment Plan is the tremendous social, economic and cultural opportunities that will be provided to our mutual constituents that would remain unmet if these projects do not proceed. It's one of those unusual Redevelopment Plans that not only solves the blight and economic problems in a community but also stimulates and provides economic growth and cultural opportunities for an entire region. We believe this Redevelopment Plan meets the State's intent for redevelopment as much or more than any Agency in San Diego County. Section 33071 of this State Law expresses that intent.

> "The Legislature further finds and declares that a fundamental purpose of redevelopment is to expand the supply of low-and moderate-income housing, to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic, and psychological growth and well-being of all citizens."

The specific components of the Reimbursement Agreement are as listed:

1. The Palomar Community College District agrees to relinquish its full approximate 6.26% of the tax increment in the Project Area for 45 years to the Escondido Redevlopment Agency. The District further agrees to the following:

   a) The District shall subordinate all tax increment until the entire Civic Center project can be funded.

   b) The District agrees to subordinate to the 20% tax increment required by State law to be used for low to moderate income housing.

   c) The District agrees to support the Agency and Redevelopment Plan.

   d) The District agrees to limit mitigation costs to not more than 6.26% of all increment in excess of the $250,000,000 allocated to the Agency.

2. The Escondido Redevelopment Agency agrees to mitigate all fiscal and environmental impacts resulting from the Redevelopment Plan. The mitigation shall be in the form of the following as excess tax increment becomes available but not to exceed the total tax increment less the amount required for the Agency projects that would normall flow to the District.

1) The Agency will extend its bonding authority and capacity to fund District projects. These projects would be funded from the District's share of the excess increment once the Civic Center is fully funded.

2) The Agency will provide classroom space, athletic facilities, maintenance facilities, computer equipment and any other capital projects requested by the District up to the District's share of tax increment in excess of the funds required for the Agency's projects. Based on a 7% growth rate in assessed value, this would be $84,692,000 in capital projects over the 45-year life of the Plan. I believe a large portion, but not all of this property tax loss, would be made up to the District's operation budget by the State. This obviously could be a major funding source for the College's capital improvement needs.

3) The Agency agrees to provide the District 2,500 square feet of unimproved administrative office space in the first Regional Governmental Building. The District will be responsible for the interior improvements and furnishings and fixtures. The Agency and City agree to lease this space at operational and maintenance cost. The Agency shall provide a meeting room for up to 80 people to be shared by all the tenants of the Regional Governmental Building. The furnishings and fixtures for this meeting room are to be funded from the tenants' tax increment.

4) The Agency and City will provide the District with reasonable use of the Community Theater and Conference/Meeting Facility for operational and maintenance cost. The specific number of event days will be mutually agreed upon in the Reimbursement Agreement.

5) The Agency could provide some classroom space in conjunction with the theater to provide performing arts technical skills education such as lighting, sound and stage handling. The theater may also be able to provide the students with paid employment for the professional productions. This employment, of course, could be listed on the students' resumes.

I truly believe these mitigation measures will provide the best mid and long term solutions for the College. Based on our consultant's advice and our conversations with other school districts, it is better for the districts to receive projects in lieu of a straight pass-through of the tax increment. If you feel the pass-through serves you best, we, of course, can structure our agreement like the one you have with San Marcos. Please let me know how you would like to proceed.

I have not discussed this specific proposal with the City Council or Redevelopment Agency, and it is obviously subject to their approval as well as your Board's.

Sincerely,

RODERICK J. WOOD
Assistant City Manager

2/110-6/4-2

cc: Doug Best
Doris Thurston
Vernon Hazen
Jack Anderson
Marshall Krupp
Ron Null
Dave Chapman

VERNON HAZEN
CITY MANAGER

CITY OF ESCONDIDO

100 VALLEY BLVD., ESCONDIDO,
CALIFORNIA 92025
(619) 741-4631

October 12, 1984

Mr. Bob Edwards
Executive Director
Palomar/Pomerado Hospital District
215 South Hickory, Suite 310
Escondido, CA 92025

Dear Bob:

In follow-up to our conversation, this letter will outline a proposal I believe will be in both of our interests. We believe the Escondido Redevelopment Plan provides a unique and exciting chance for the City and other public agencies in Escondido to form a partnership for our collective futures. We've done a rough analysis of the potential economic benefits from the Civic Center and downtown revitalization projects. We believe these two projects will create several hundred new jobs in the near term and several hundred more in the mid and long term. As a result of the cultural activities alone, there may be an increase in consumer spending at restaurants and other retail shops of $7 to $21 million in the Escondido area and perhaps $20 to $40 million total throughout North County.

Because of the economic stimulation from the Redevelopment projects, there should be significant new investment in real estate and development. This is projected to increase growth in assessed value by an additional two percent in the Project Area. This increased growth in assessed value is expected to occur throughout North County, decreasing in effect the farther from the Project Area.

The normal tax increment is estimated to be $812,082,000. Based on our conservative projections, this additional 2% growth in assessed value would increase the tax increment an additional $790,842,000 to just the Project Area over the 45-year life of the plan. This would mean an additional $18,347,000 that the Hospital District would not receive if the projects were not to occur. The Hospital District would, of course, receive its normal full share of this increase outside the Project Area. We have not analyzed this increase outside the project, but suspect it would be significantly more than that within the Project Area.

The net result of this Redevelopment Plan is the tremendous social, economic and cultural opportunities that will be provided to our mutual constituents that would remain unmet if these projects do not occur. It's one of those rare Redevelopment Plans that not only solves the blight and economic problems in the community, but also stimulates and provides economic growth and cultural opportunities for an entire region.

The specific components of the Reimbursement Agreement are as listed:

1. The Palomar/Pomerado Hospital District agrees to relinquish its full approximate 2.32% of the tax increment in the Project Area for 45 years to the Escondido Redevelopment Agency. The District further agrees to the following:

   a) The District shall subordinate all tax increment until the entire Civic Center project can be funded.

   b) The District agrees to subordinate to the 20% tax increment required by State law to be used for low to moderate income housing.

   c) The District agrees to support the Agency and Redevelopment Plan.

   d) The District agrees to limit mitigation costs to not more than 2.32% of all increment in excess of the $250,000,000 allocated to the Agency.

2. The Escondido Redevelopment Agency agrees to mitigate all fiscal and environmental impacts resulting from the Redevelopment Plan. The mitigation shall be in the form of the following as excess tax increment becomes available but not to exceed the total tax increment less the amount required for Agency projects that would normally flow to the District.

   a) The Agency and City will provide a reasonable use of the Conference/Meeting Facility and Community Theater to the District for operation and maintenance costs only. The specific number of days will be identified by mutual agreement in the Reimbursement Agreement.

b) The Agency shall extend its bonding authority and capacity to the Hospital District to fund district capital projects with the District's increment.

c) The Agency agrees to provide the District 5,000 square feet of unimproved administrative office space in the first Regional Governmental Building. The District will be responsible for the interior improvements and furnishings and fixtures. The Agency and City agree to lease this space at operational and maintenance cost. The Agency shall provide a meeting room for up to 80 people to be shared by all the tenants of the Regional Government Building. The furnishings and fixtures for this meeting room are to be funded from the tenants' tax increment.

d) The Redevelopment Agency agrees to split the cost with the Hospital District for the construction of a 5000 square foot, fully-equipped North County Regional Emergency Operations Center and Communication Center. The cost will be shared between the District's and City's future tax increment.

e) The Agency agrees to fund the Grand Avenue street improvements. The cost is to be shared between the District's and City's future tax increment in accordance with the current agreement.

I believe these mitigation measures over the 45-year life of the Redevelopment Plan will more than mitigate any fiscal impacts to the District. It's our belief that, in fact, the District and all other taxing agencies will receive a direct net benefit from the projects. This benefit will more than offset each agency's investment into the community and these projects.

If you are in concurrence with these basic proposals, I will direct our legal counsel to prepare a draft reimbursement agreement.

Sincerely,

Roderick J. Wood
Assistant City Manager
j/4-2/108-9