



Council Meeting Agenda

MAY 10, 2017
CITY COUNCIL CHAMBERS
4:30 P.M. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR	Sam Abed
DEPUTY MAYOR	John Masson
COUNCIL MEMBERS	Olga Diaz Ed Gallo Michael Morasco
CITY MANAGER	Jeffrey Epp
CITY CLERK	Diane Halverson
CITY ATTORNEY	Michael McGuinness
DIRECTOR OF COMMUNITY DEVELOPMENT	Bill Martin
DIRECTOR OF ENGINEERING SERVICES	Julie Procopio

ELECTRONIC MEDIA:

Electronic media which members of the public wish to be used during any public comment period should be submitted to the City Clerk's Office at least 24 hours prior to the Council meeting at which it is to be shown.

The electronic media will be subject to a virus scan and must be compatible with the City's existing system. The media must be labeled with the name of the speaker, the comment period during which the media is to be played and contact information for the person presenting the media.

The time necessary to present any electronic media is considered part of the maximum time limit provided to speakers. City staff will queue the electronic information when the public member is called upon to speak. Materials shown to the Council during the meeting are part of the public record and may be retained by the Clerk.

The City of Escondido is not responsible for the content of any material presented, and the presentation and content of electronic media shall be subject to the same responsibilities regarding decorum and presentation as are applicable to live presentations.



Council Meeting Agenda

**May 10, 2017
4:30 P.M. Meeting**

Escondido City Council

CALL TO ORDER

MOMENT OF REFLECTION:

City Council agendas allow an opportunity for a moment of silence and reflection at the beginning of the evening meeting. The City does not participate in the selection of speakers for this portion of the agenda, and does not endorse or sanction any remarks made by individuals during this time. If you wish to be recognized during this portion of the agenda, please notify the City Clerk in advance.

FLAG SALUTE

ROLL CALL: Diaz, Gallo, Masson, Morasco, Abed

PROCLAMATIONS: National Public Works Week
National Historic Preservation Month

PRESENTATIONS: Historic Preservation Awards

ORAL COMMUNICATIONS

The public may address the Council on any item that is not on the agenda and that is within the subject matter jurisdiction of the legislative body. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.) NOTE: Depending on the number of requests, comments may be reduced to less than 3 minutes per speaker and limited to a total of 15 minutes. Any remaining speakers will be heard during Oral Communications at the end of the meeting.

CONSENT CALENDAR

Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
3. **[APPROVAL OF MINUTES: Regular Meeting of April 26, 2017](#)**
4. **[TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2017 -](#)
Request the City Council receive and file the Quarterly Investment Report.**

Staff Recommendation: **Approval (City Treasurer's Office: Douglas W. Shultz)**

5. **[FINANCIAL REPORT FOR QUARTER ENDED MARCH 31, 2017 AND BUDGET ADJUSTMENT -](#)
Request the City Council receive and file the third quarter financial report and approve the following amendments to the Fiscal Year 2016/17 Operating Budget: approve an increase to the Fire Department operating budget in the amount of \$36,000; approve an increase to the Building Department operating budget of \$50,000; approve an increase to the Police Department budget in the amount of \$39,305; approve an increase to the Reidy Creek Golf Course operating budget of \$9,000; approve an increase to the General Capital Projects budget of \$429,000; and approve adjustments to General Fund revenue projections between revenue accounts.**

Staff Recommendation: **Approval (Finance Department: Sheryl Bennett)**

6. **[EMPLOYMENT AGREEMENTS - CITY MANAGER AND CITY ATTORNEY -](#)
Request the City Council approve the adoption of Resolution No. 2017-70 authorizing the Mayor and City Clerk to execute contracts for the City Manager and City Attorney positions.**

Staff Recommendation: **Approval (City Attorney's Office: Michael McGuinness)**

RESOLUTION NO. 2017-70

CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)

The following Resolutions and Ordinances were heard and acted upon by the City Council/Successor Agency/RRB at a previous City Council/Successor Agency/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

PUBLIC HEARINGS

7. **[AMENDMENT TO ARTICLE 67 \(DENSITY BONUS AND RESIDENTIAL INCENTIVES\) OF THE ESCONDIDO ZONING CODE \(AZ 16-0001\) -](#)
Request the City Council approve amending Article 67 (Density Bonus and Residential Incentives) of the Escondido Zoning Code to make the City's regulation of density bonus projects consistent with current State Density Bonus Law.**

Staff Recommendation: **Approval (Community Development Department: Bill Martin)**

ORDINANCE NO. 2017-05 (First Reading and Introduction)

8. **AMENDMENT TO ARTICLE 66 (SIGN ORDINANCE) OF THE ESCONDIDO ZONING CODE (AZ 17-0001) -**

Request the City Council approve amending Article 66 (Sign Ordinance) of the Escondido Zoning Code to modify the sign standards for primary and secondary schools in residential zones to allow private schools and charter schools to have sign identification opportunities similar to public schools.

Staff Recommendation: **Approval (Community Development Department: Bill Martin)**

ORDINANCE NO. 2017-08 (First Reading and Introduction)

WORKSHOP

9. **FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM AND FISCAL YEAR 2017/18 CIP BUDGET UPDATE -**

Request the City Council provide direction regarding the Fiscal Year 2017/18 Five-Year Capital Improvement Program and Budget.

Staff Recommendation: **Provide Direction (Finance Department: Sheryl Bennett)**

FUTURE AGENDA

10. **FUTURE AGENDA -**

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: **None (City Clerk's Office: Diane Halverson)**

COUNCIL MEMBERS' SUBCOMMITTEE REPORTS

CITY MANAGER'S WEEKLY ACTIVITY REPORT

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety and Community Development.

- **WEEKLY ACTIVITY REPORT -**

ORAL COMMUNICATIONS

The public may address the Council on any item that is not on the agenda and that is within the subject matter jurisdiction of the legislative body. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

ADJOURNMENT

UPCOMING MEETING SCHEDULE				
Date	Day	Time	Meeting Type	Location
May 17	Wednesday	4:00 PM	Town Hall Meeting	City Council Chambers
May 24	Wednesday	3:30 & 4:30 PM	Regular Meeting	City Council Chambers
May 31	-	-	No Meeting	-
June 7	Wednesday	3:30 & 4:30 PM	Regular Meeting	City Council Chambers

TO ADDRESS THE COUNCIL

The public may address the City Council on any agenda item. Please complete a Speaker's form and give it to the City Clerk. Submission of Speaker forms prior to the discussion of an item is highly encouraged. Comments are generally limited to 3 minutes.

If you wish to speak concerning an item not on the agenda, you may do so under "Oral Communications." Please complete a Speaker's form as noted above.

Nomination forms for Community Awards are available at the Escondido City Clerk's Office or at <http://www.escondido.org/city-clerks-office.aspx>

Handouts for the City Council should be given to the City Clerk. To address the Council, use the podium in the center of the Chambers, STATE YOUR NAME FOR THE RECORD and speak directly into the microphone.

AGENDA, STAFF REPORTS AND BACK-UP MATERIALS ARE AVAILABLE:

- Online at <http://www.escondido.org/meeting-agendas.aspx>
- In the City Clerk's Office at City Hall
- In the Library (239 S. Kalmia) during regular business hours and
- Placed in the Council Chambers (See: City Clerk/Minutes Clerk) immediately before and during the Council meeting.

AVAILABILITY OF SUPPLEMENTAL MATERIALS AFTER AGENDA POSTING: Any supplemental writings or documents provided to the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's Office located at 201 N. Broadway during normal business hours, or in the Council Chambers while the meeting is in session.

LIVE BROADCAST

Council meetings are broadcast live on Cox Cable Channel 19 and U-verse Channel 99 – Escondido Gov TV. They can also be viewed the following Sunday and Monday evenings at 6:00 p.m. on those same channels. The Council meetings are also available live via the Internet by accessing the City's website at www.escondido.org, and clicking the "Live Streaming –City Council Meeting now in progress" button on the home page.

Please turn off all cellular phones and pagers while the meeting is in session.

**The City Council is scheduled to meet the first four Wednesdays
of the month at 3:30 in Closed Session and 4:30 in Open Session.
(Verify schedule with City Clerk's Office)**

**Members of the Council also sit as the Successor Agency to the CDC, Escondido Joint Powers
Financing Authority and the Mobilehome Rent Review Board.**

**CITY HALL HOURS OF OPERATION
Monday-Friday 8:00 a.m. to 5:00 p.m.**



If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4643. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

Listening devices are available for the hearing impaired – please see the City Clerk.

CITY OF ESCONDIDO
April 26, 2017
3:30 P.M. Meeting Minutes
Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, April 26, 2017 in the City Council Chambers at City Hall with Mayor Abed presiding.

ATTENDANCE:

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Deputy Mayor John Masson, Councilmember Michael Morasco, and Mayor Sam Abed. Quorum present.

ORAL COMMUNICATIONS

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

MOTION: Moved by Councilmember Gallo and seconded by Deputy Mayor Masson to recess to Closed Session. Motion carried unanimously.

I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)

- a. **Agency Negotiator:** Sheryl Bennett and Jeffrey Epp
Employee Organization: Non-Sworn Police Bargaining Unit
- b. **Agency Negotiator:** Sheryl Bennett and Jeffrey Epp
Employee Organization: Escondido City Employee Association:
Administrative/Clerical/Engineering Bargaining Unit
- c. **Agency Negotiator:** Sheryl Bennett and Jeffrey Epp
Employee Organization: Escondido City Employee Association: Supervisory
Bargaining Unit

II. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))

- a. **Case Name:** John Myers v. City of Escondido
Case No: WCAB Case No. ADJ15588773

III. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)

- a. **Property:** A parcel on the north side of West Valley Parkway between
City Hall and the California Center for the Arts, Escondido;
APN 229-372-20
City Negotiator: Jeffrey Epp, Interim City Manager
Negotiating Parties: Craig Clark
Under Negotiation: Price and Terms of Agreement

- b. **Property:** Municipal Parking Lot #1, Municipal Parking Lot #2, and APNs 233-091-01 through -17
City Negotiator: Jeffrey Epp, Interim City Manager
Negotiating Parties: Touchstone Communities
Under Negotiation: Price and Terms of Agreement
- c. **Property:** APNs 238-073-06, -17, -038, -49, -50, -51, -52, -57
City Negotiator: Jeffrey Epp, Interim City Manager
Negotiating Parties: Terry Jackson
Under Negotiation: Price and Terms of Agreement
- d. **Property:** 901 West Washington Avenue (Public Works Yard)
City Negotiator: Jeffrey Epp, Interim City Manager
Negotiating Parties: Prospective Purchasers
Under Negotiation: Price and Terms of Agreement

IV. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION/SIGNIFICANT EXPOSURE (Government Code 54956.9(d)(2))

- a. **One Case:** Claim No. 4838
- b. **One Case:** Diana Provost v. City of Escondido

DEPUTY MAYOR MASSON ABSTAINED FROM ITEM III. b. AND LEFT THE CLOSED SESSION ROOM

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:38 p.m.

MAYOR

CITY CLERK

DEPUTY CITY CLERK

CITY OF ESCONDIDO

April 26, 2017
4:30 P.M. Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 4:43 p.m. on Wednesday, April 26, 2017 in the City Council Chambers at City Hall with Mayor Abed presiding.

MOMENT OF REFLECTION

The Moment of Reflection was led by Kelly Crews.

FLAG SALUTE

Deputy Mayor Masson led the Flag Salute.

ATTENDANCE:

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Deputy Mayor John Masson, Councilmember Michael Morasco, and Mayor Sam Abed. Quorum present.

Also present were: Jeffrey Epp, Interim City Manager; Michael McGuinness, Interim City Attorney; Bill Martin, Director of Community Development; Julie Procopio, Director of Engineering Services; Diane Halverson, City Clerk; and Jennifer Ekblad, Deputy City Clerk.

ORAL COMMUNICATIONS

Patti Thompson, Escondido, shared concerns regarding homelessness issues and encampments; requested that the City Council establish policies to assist the homeless.

Paige Richardson, Escondido, shared her experience as a homeless youth in the City of Escondido and asked the City Council to address homelessness issues.

Christopher Wyatt, San Marcos, commented on homeless issues and offered Wyatt & Associates Protection Services as an alternative solution for patrolling parks.

Darren Smith, San Diego, offered alternative solutions regarding homeless issues and shared information regarding Wyatt & Associates Protection Services.

Angelique Bennett, Escondido, spoke in opposition of puppy mills and asked the City Council to enact legislation to ban puppy mills in Escondido.

Laura Hunter, Escondido, spoke in opposition of the Council's decision to oppose AB 805 and SB 54 and asked the Council to revise their position to neutral.

CONSENT CALENDAR

MOTION: Moved by Councilmember Morasco and seconded by Councilmember Diaz to approve all Consent Calendar items with the exception of Items 3, 9, and 11. Item 11 was not discussed. Motion carried unanimously.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
3. **APPROVAL OF MINUTES: Regular Meeting of April 5, 2017**

MOTION: Moved by Deputy Mayor Masson and seconded by Councilmember Gallo to approve the minutes for the Regular Meeting of April 5, 2017. Motion carried unanimously.

4. **FISCAL YEAR 2013 STATE AND COMMUNITY CORRECTIONS POLICE GRANT - ADDITIONAL FUNDS AND BUDGET ADJUSTMENT -**

Request the City Council approve accepting Fiscal Year 2013 State & Community Corrections Police Grant funds in the amount of \$37,560; authorize the Chief of Police or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds. (File No. 0480-70)

Staff Recommendation: **Approval (Police Department: Craig Carter)**

5. **SUPPORTING THE SAN DIEGO COUNTY WATER AUTHORITY'S LONG TERM WATER SUPPLY PLAN AND LITIGATION AGAINST THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA -**

Request the City Council adopt Resolution No. 2017-53 supporting the San Diego County Water Authority's long term water supply plan and litigation against the Metropolitan Water District of Southern California. (File No. 0145-80)

Staff Recommendation: **None (City Council: Mayor Sam Abed)**

RESOLUTION NO. 2017-53

6. **AUTHORIZE THE MAYOR AND THE CITY CLERK TO EXECUTE MASTER AGREEMENTS FOR FEDERAL-AID AND STATE FUNDED PROJECTS -**

Request the City Council approve authorizing the Mayor and the City Clerk to execute a new Master Agreement for Federal-Aid funded projects and authorize the Director of Engineering Services to execute Program Supplements to Master Agreements for Federal-Aid and State Funded Projects. (File No. 0600-10 [A-0066-9])

Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**

RESOLUTION NO. 2017-54

7. **PURCHASE ONE (1) FREIGHTLINER CRANE TRUCK FROM NATIONAL AUTO FLEET GROUP -**

Request the City Council approve authorizing the Fleet Services Division to purchase one (1) new 2018 Freightliner M2 chassis, equipped with a Palfinger PK1800EH-C knuckle boom crane in the amount of \$198,069.28, through a Cooperative Purchase Contract with the National Joint Powers Alliance. (File No. 0470-25)

Staff Recommendation: **Approval (Public Works Department: Ed Domingue)**

RESOLUTION NO. 2017-56

8. REAUTHORIZATION OF COX COMMUNICATIONS COLLECTION AND REMITTANCE OF PEG FEES TO THE CITY OF ESCONDIDO -

Request the City Council approve authorizing Cox Communications to continue to collect and remit Public, Education, and Government (PEG) Fees to the City of Escondido. (File No. 0600-10 [A-2341])

Staff Recommendation: **Approval (City Manager's Office: Jay Petrek)**

RESOLUTION NO. 2017-57

9. APPROVAL TO FUND NEXT GENERATION REGIONAL COMMUNICATION SYSTEM (NEXTGEN RCS) INFRASTRUCTURE, RADIOS AND SUPPORT DEVICES, AUTHORIZATION OF A LEASE-PURCHASE AGREEMENT, AND BUDGET ADJUSTMENT -

Request the City Council approve a budget adjustment involving, a) the first installment of the NextGen RCS 'backbone' infrastructure, and b) the purchase and finance of portable and mobile radios, and support devices necessary to operate the system; and approve authorizing the Administrative Services Director to execute a lease-purchase agreement with "Leasing 2." (File No. 0470-25)

Staff Recommendation: **Approval (City Manager's Office: Jay Petrek)**

RESOLUTION NO. 2017-58

Jay Petrek, Assistant City Manager, presented the staff report and was available to answer questions.

MOTION: Moved by Deputy Mayor Masson and seconded by Councilmember Morasco to approve a budget adjustment involving, a) the first installment of the NextGen RCS 'backbone' infrastructure, and b) the purchase and finance of portable and mobile radios, and support devices necessary to operate the system; and approve authorizing the Administrative Services Director to execute a lease-purchase agreement with "Leasing 2," and adopt Resolution No. 2017-58. Motion carried unanimously.

10. NOTICE OF COMPLETION: EMERGENCY REPAIR OF THE SEWER PIPELINE ON NORTH HALE AVENUE -

Request the City Council approve authorizing the Director of Utilities to file a Notice of Completion for the Emergency Repair of the Sewer Pipeline on North Hale Avenue. (File No. 0600-10 [A-3208])

Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**

RESOLUTION NO. 2017-60

11. CONTINUING EMERGENCY AND NEED TO REPAIR THE SEWER PIPELINE IN GREEN TREE MOBILE HOME ESTATES -

Request the City Council approve declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue the emergency action and pass a resolution by four-fifths vote declaring that public interest and necessity demand the expenditure to safeguard life, health, or property. (File No. 0600-10 [A-3213])

Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**

RESOLUTION NO. 2017-61

This Item Was Not Discussed; No Council Action Was Taken

CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)

The following Resolutions and Ordinances were heard and acted upon by the City Council/Successor Agency/RRB at a previous City Council/Successor Agency/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

CURRENT BUSINESS

12. AMENDMENT TO ARTICLE 70: SECOND DWELLING UNITS OF THE ESCONDIDO ZONING CODE (AZ 16-0007) -

Request the City Council receive the staff report, provide direction to staff, and then refer this item back to the Planning Commission with direction to form a subcommittee to continue working on the Accessory Dwelling Unit Ordinance for the reasons stated in the staff report. The recommendation of the subcommittee would then go back to the Planning Commission and City Council for reporting and decision-making. (File No. 0810-20)

Staff Recommendation: **Refer to Planning Commission (Community Development Department: Bill Martin)**

Bill Martin, Director of Community Development, presented the staff report utilizing a PowerPoint presentation.

Beth Lauder, Escondido, spoke in favor of amending the Zoning Code regarding detached Accessory Dwelling Units

Doug Shultz, Escondido, spoke in favor of amending the Zoning Code regarding detached Accessory Dwelling Units and commented on the tax revenue benefits for the City.

LaRee Felan, Escondido, spoke in favor of adopting state codes for detached Accessory Dwelling Units

Tyler Felan, Escondido, spoke in favor of adopting state codes for detached Accessory Dwelling Units and shared California cities that have adopted legislation regarding detached Accessory Dwelling Units.

COUNCIL DIRECTION: Council referred this item back to the Planning Commission with direction to form a subcommittee to continue working on the Accessory Dwelling Unit Ordinance.

13. AMENDMENT TO THE 2012 BICYCLE MASTER PLAN TO INCLUDE CLASS IV BIKEWAY (CYCLE TRACKS) AS PART OF THE BICYCLE MASTER PLAN MISSING LINK PROJECT -

Request the City Council approve amending the City's Bicycle Master Plan to include Class IV Bikeway (Cycle Tracks) as part of the Bicycle Master Plan Missing Link Project. (File No. 1010-35)

Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**

RESOLUTION NO. 2017-52

Miriam Jim, Associate Engineer, presented the staff report utilizing a PowerPoint presentation; and introduced Charlie Swinger, KOA Corporation, who was available to answer questions.

MOTION: Moved by Councilmember Diaz and seconded by Deputy Mayor Masson to approve amending the City's Bicycle Master Plan to include Class IV Bikeway (Cycle Tracks) as part of the Bicycle Master Plan Missing Link Project and adopt Resolution No. 2017-52. Motion carried unanimously.

14. AUTHORIZATION FOR PAYMENTS TO THE SAN ELIJO JOINT POWERS AUTHORITY FOR ESCONDIDO'S SHARE OF THE SAN ELIJO LAND OUTFALL REPLACEMENT PROJECT AND BUDGET ADJUSTMENT -

Request the City Council approve authorizing payments to San Elijo Joint Powers Authority (SEJPA) for Escondido's cost share to replace the portion of the land outfall co-owned by the City of Escondido and SEJPA. Total payments shall be \$7,863,107. Half of this amount, or \$3,931,553.50, will be invoiced to the City in May, with the remaining half to be invoiced in September or later as the project progresses. It is also requested that the City Council approve a budget adjustment in the amount of \$2,000,000 from the Wastewater CIP Reserve Fund to CIP No. 800079 (Outfall Maintenance). This budget adjustment would increase the total funds available to CIP No. 800079 to \$7,945,133. (File No. 1330-45)

Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**

RESOLUTION NO. 2017-62

Christopher W. McKinney, Director of Utilities, and Angela Morrow, Deputy Director of Utilities/Construction and Engineering, presented the staff report utilizing a PowerPoint presentation.

Patricia Borchmann, Escondido, questioned staff regarding the size and capacity of the pipe and requested additional public noticing for joint projects.

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Morasco to approve authorizing payments to San Elijo Joint Powers Authority (SEJPA) for Escondido's cost share to replace the portion of the land outfall co-owned by the City of Escondido and SEJPA; approve a budget adjustment in the amount of \$2,000,000 from the Wastewater CIP Reserve Fund to CIP No. 800079; and adopt Resolution No. 2017-62. Motion carried unanimously.

FUTURE AGENDA

15. FUTURE AGENDA -

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: **None (City Clerk's Office: Diane Halverson)**

COUNCIL MEMBERS' SUBCOMMITTEE REPORTS

Councilmember Gallo stated there will be a North County Transit District public hearing regarding the budget on June 15; Transit District Board will receive public input regarding route changes.

Councilmember Morasco shared information regarding the Regional Solid Waste Joint Powers Authority regulations on organic waste; and commented on Escondido Disposal, Inc. new facility that is currently under construction.

Mayor Abed attended a SANDAG meeting and reported that 16 of 18 cities have agreed to oppose SB 805.

CITY MANAGER'S UPDATE/BRIEFING

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety and Community Development.

- CITY MANAGER'S UPDATE -

ORAL COMMUNICATIONS

Duncan McEwan, Escondido, spoke in opposition of puppy mills in Escondido and asked Council to enact legislation banning puppy mills.

Patricia Borchmann, Escondido, commented regarding the Council Action Plan and spoke in favor of Escondido's Climate Action Plan.

ADJOURNMENT

Mayor Abed adjourned the meeting at 7:11 p.m.

MAYOR

CITY CLERK

DEPUTY CITY CLERK



CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 4
Date: May 10, 2017

TO: Honorable Mayor and Members of the City Council

FROM: Douglas W. Shultz, City Treasurer

SUBJECT: Treasurer's Investment Report for the Quarter Ended March 31, 2017

RECOMMENDATION:

It is requested that the City Council receive and file the Quarterly Investment Report.

PREVIOUS ACTION:

The Investment Report for the quarter ended December 31, 2016, was filed with the City Clerk's Office on February 17, 2017, and presented to the City Council on March 1, 2017.

BACKGROUND:

From January 1, 2017 to March 31, 2017, the City of Escondido's (City)'s investment portfolio increased from \$110.39 million to \$113.23 million. The adjusted average annual yield slightly increased from 1.199 percent to 1.202 percent. An excess of cash receipt inflows over cash payment outflows for the quarter resulted in an increase of \$2.84 million in the book value of the investment portfolio. Major components of the net \$2.84 million increase are:

	<u>In Millions</u>
Sales Tax Allocations	\$ 9.22
Property Tax In-Lieu Allocation	6.16
County Property Tax Allocation	5.28
County Redevelopment Distribution	3.07
Franchise Fee	1.37
Debt Service Interest Payments	(5.36)
CALPERS Contributions	(7.02)
San Diego County Water Authority Payments	(5.35)
Employee Health and Benefit Payments	(2.28)
Cal FHA Loan Payment – Redevelopment Housing	(1.04)
Change in Operational Account Balance	<u>(1.21)</u>
Net Increase in Investment Portfolio	<u>\$ 2.84</u>

Details of the City's investment portfolio are included in the attached reports that are listed below:

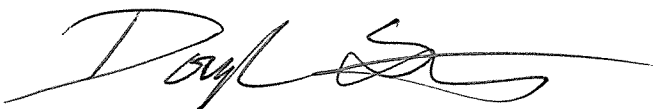
- Summary of Investment Allocation Graph as of March 31, 2017
- Summary of Investment Portfolio Yield for the last 12 months
- Summary and Detailed Reports of Investment Portfolio – January 2017 through March 2017
- Schedule of Investments Matured – January 2017 through March 2017
- Schedule of Funds Managed by Outside Parties as of March 31, 2017

There are adequate funds to meet the next six month's expected expenditures. The Bank of New York Mellon Trust's monthly statement is the source for the market valuation. At March 31, the current portfolio investment balance exceeded the City's \$23.2 million current investment policy requirement by \$21.6 million. As of March 31, 2017, the City is in compliance with all requirements of the City Investment Policy.

Investment transactions are executed in compliance with the City of Escondido's Investment Policy. Investment purchases have been made in accordance with the City's prioritized Investment Policy objectives of safety of principal, sufficiency of liquidity, and maximization of yield. The City's investment portfolio has therefore historically been comprised of United States Treasury Notes, obligations issued by United States Government Agencies, FDIC Insured Certificates of Deposit, Money Market accounts, and investments in the Local Agency Investment Fund (LAIF) established by the State Treasurer. Over the past five years, a decline in the City's average annual investment portfolio yield has been realized, decreasing from 1.87 percent at March 2012 to 1.20 percent at March 2017. This decline is representative of the continuous decline in investment interest rates and the portfolio's maturing, higher yielding investments being replaced with newer, lower yielding investments.

The Investment Committee will continue to monitor the City's portfolio trends and will investigate the feasibility of other allowable investment options that are consistent with the City's investment strategy and objectives. Additional information on these options and recommendations will continue to be communicated to the City Council by the Investment Committee.

Respectfully submitted,

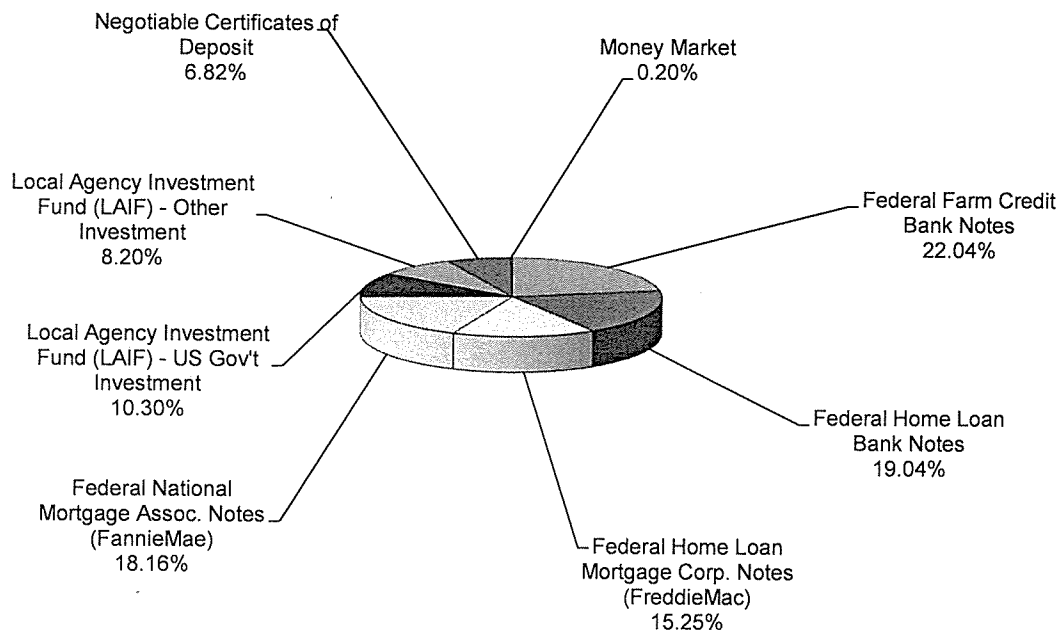


Douglas W. Shultz
City Treasurer

**City of Escondido
Summary of Investment Allocation
as of March 31, 2017**

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
Federal Farm Credit Bank Notes	\$ 24,981,389.00	\$ 24,838,213.80	22.04%
Federal Home Loan Bank Notes	21,535,254.85	21,457,824.15	19.04%
Federal Home Loan Mortgage Corp. Notes (FreddieMac)	17,435,547.28	17,183,275.45	15.25%
Federal National Mortgage Assoc. Notes (FannieMae)	20,528,082.67	20,466,701.55	18.16%
Local Agency Investment Fund (LAIF) - US Gov't Investment	11,610,298.01	11,610,298.01	10.30%
Local Agency Investment Fund (LAIF) - Other Investment	9,237,711.17	9,237,711.17	8.20%
Negotiable Certificates of Deposit	7,673,000.00	7,689,790.75	6.82%
Money Market	225,457.37	225,457.37	0.20%
Reported Total Investments - March 2017	\$113,226,740.35	\$112,709,272.25	100%
Reported Total Investments- December 2016	\$110,386,187.72	\$109,804,896.94	
Change from Prior Quarter	\$ 2,840,552.63	\$ 2,904,375.31	
Portfolio Effective Duration	1.860		
Portfolio Effective Duration - (Excluding LAIF and Money Market)	2.280		

**Summary of Investment Allocation as of March 31, 2017
(Excluding General Obligation Bond Proceeds)**



CITY OF ESCONDIDO
SUMMARY OF INVESTMENT PORTFOLIO YIELDS
FOR THE LAST 12 MONTHS
As of March 31, 2017

<u>Date</u>	<u>Book Value</u>	<u>Yield</u>
Mar-17	\$113,226,740.35	1.2640%
Feb-17	\$119,341,309.73	1.2240%
Jan-17	\$123,860,796.07	1.2130%
Dec-16	\$110,386,187.72	1.2510%
Nov-16	\$109,392,054.91	1.2340%
Oct-16	\$109,921,908.42	1.2380%
Sep-16	\$107,945,314.33	1.2100%
Aug-16	\$114,975,643.16	1.2010%
Jul-16	\$128,036,102.57	1.1320%
Jun-16	\$131,014,009.40	1.0920%
May-16	\$114,045,989.33	1.1180%
Apr-16	\$104,931,942.39	1.2470%
Average Portfolio Interest Yield		1.2020%

City of Escondido
Investment Portfolio - by Asset Class, Summary
Report Format: By Totals
Portfolio/Report Group: All Portfolios
As of 1/31/2017

<u>Description</u>	<u>Face Amount</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Days to Maturity</u>	<u>YTM @ Cost</u>
California Local Agency Investment Fund	28,448,009.18	28,448,009.18	28,448,009.18	28,448,009.18	1	0.751
Federal Agency Coupon Securities	87,015,000.00	88,623,342.94	86,980,626.25	87,514,402.39	891	1.331
Money Market Account	225,384.50	225,384.50	225,384.50	225,384.50	1	0.200
Negotiable Certificate of Deposit	7,673,000.00	7,673,000.00	7,703,438.96	7,673,000.00	681	1.616
Total / Average	<u><u>123,361,393.68</u></u>	<u><u>124,969,736.62</u></u>	<u><u>123,357,458.89</u></u>	<u><u>123,860,796.07</u></u>	<u><u>671</u></u>	<u><u>1.213</u></u>



Douglas W. Shultz, City Treasurer

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 1/31/2017

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
California Local Agency Investment Fund								
LAIF LGIP	LGIP7282	05/31/2011	28,448,009.18	28,448,009.18	28,448,009.18	1	0.751	23.06
Sub Total / Average			28,448,009.18	28,448,009.18	28,448,009.18	1	0.751	23.06
Federal Agency Coupon Securities								
FFCB 0.95 2/25/2019	3133EGBR5	07/14/2016	1,500,000.00	1,490,430.00	1,501,824.32	755	0.890	1.22
FFCB 1.4 2/2018	3133EEWH9	04/02/2015	3,000,000.00	2,996,880.00	3,000,000.00	426	1.000	2.43
FFCB 1.11 2/20/2018	3133EEQM5	02/20/2015	3,000,000.00	3,001,740.00	3,000,000.00	385	1.110	2.43
FFCB 1.14 6/29/2020	3133EGJD8	06/29/2016	2,000,000.00	1,949,600.00	1,995,671.05	1,245	1.205	1.62
FFCB 1.4 10/14/2021	3133EGYQ2	10/27/2016	2,000,000.00	1,941,460.00	1,994,563.94	1,717	1.460	1.62
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/2015	1,000,000.00	981,370.00	1,000,000.00	1,366	1.460	0.81
FFCB 1.55 9/27/2019	3133EG2D6	01/27/2017	2,000,000.00	2,004,460.00	2,002,071.45	969	1.510	1.62
FFCB 1.61 8/1/2018	3133ECW75	02/03/2014	1,000,000.00	1,006,730.00	1,002,458.83	547	1.440	0.81
FFCB 1.7 3/4/2019	3133EDTU6	05/27/2016	1,750,000.00	1,765,645.00	1,770,246.51	762	1.135	1.42
FFCB 1.8 11/12/2019	3133EEBN9	11/12/2014	5,000,000.00	5,035,800.00	5,000,000.00	1,015	1.800	4.05
FFCB 2.46 8/5/2020	3133ECW91	06/30/2016	1,500,000.00	1,538,145.00	1,572,602.56	1,282	1.047	1.22
FFCB 4.81 9/1/2020	31331S4M2	06/30/2016	310,000.00	339,986.30	350,379.30	1,309	1.080	0.25
FFCB 5.125 11/15/2018	31331YEJ5	12/26/2013	760,000.00	812,250.00	802,260.26	653	1.856	0.62
FHLB 1.05 12/29/2017	3130A3N83	12/29/2014	3,000,000.00	3,000,840.00	3,000,000.00	332	1.050	2.43
FHLB 1.375 2/18/2021	3130A7CV5	06/24/2016	2,000,000.00	1,965,680.00	2,007,429.80	1,479	1.280	1.62
FHLB 1.375 3/9/2018	313378A43	12/26/2013	2,000,000.00	2,009,020.00	1,996,996.79	402	1.516	1.62
FHLB 1.375 3/9/2018	313378A43	03/28/2013	3,000,000.00	3,013,530.00	3,015,864.21	402	0.883	2.43
FHLB 1.625 6/14/2019	313379EE5	06/16/2014	3,000,000.00	3,016,590.00	2,988,844.74	864	1.790	2.43
FHLB 1.75 12/14/2018	313376BR5	12/26/2013	895,000.00	902,876.00	893,553.10	682	1.841	0.73
FHLB 1.75 3/12/2021	313382K69	04/27/2016	1,000,000.00	996,390.00	1,009,866.12	1,501	1.500	0.81
FHLB 1.875 11/29/2021	3130AABG2	12/16/2016	2,000,000.00	1,988,120.00	1,979,456.03	1,763	2.100	1.62
FHLB 1.875 6/11/2021	313379RB7	06/24/2016	2,000,000.00	1,980,160.00	2,044,115.87	1,592	1.350	1.62
FHLB 4.625 9/11/2020	3133XD4P3	05/25/2016	2,350,000.00	2,591,486.00	2,613,549.22	1,319	1.410	1.90
FHLMC 1.7 2/28/2017	3137EADJ5	12/20/2013	1,500,000.00	1,502,535.00	1,499,569.88	178	1.060	1.22
FHLMC 1.125 8/12/2021	3137EAEC9	08/17/2016	3,000,000.00	2,892,060.00	2,975,219.97	1,654	1.314	2.43
FHLMC 1.25 10/2/2019	3137EADM8	03/16/2016	1,000,000.00	994,190.00	997,921.88	974	1.330	0.81
FHLMC 1.25 8/1/2019	3137EADK2	07/02/2015	3,000,000.00	2,989,500.00	2,978,585.43	912	1.546	2.43
FHLMC 1.4 8/22/2019	3134G3A91	03/15/2016	1,000,000.00	999,400.00	1,002,735.81	933	1.290	0.81

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 1/31/2017

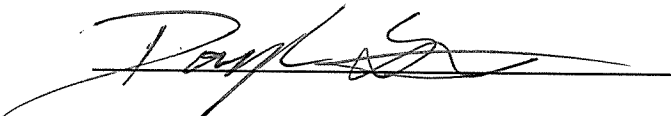
Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
FHLMC 1.55 8/21/2020	3134G3D64	05/26/2016	1,195,000.00	1,181,149.95	1,201,977.99	1,298	1.380	0.97
FHLMC 1.65 1/29/2021	3134G34D9	07/13/2016	2,410,000.00	2,378,718.20	2,459,285.93	1,459	1.123	1.95
FHLMC 1.65 8/28/2020	3134G3F96	05/26/2016	1,000,000.00	992,970.00	1,009,327.18	1,305	1.380	0.81
FHLMC 1.75 5/21/2021	3134G44H8	07/13/2016	2,000,000.00	1,972,860.00	2,043,295.09	1,571	1.230	1.62
FHLMC 2 3/12/2020	3134G3QX1	03/15/2016	1,250,000.00	1,263,125.00	1,270,696.16	1,136	1.450	1.01
FHLMC 5 2/16/2017	3137EAAM1	02/16/2012	5,000,000.00	5,009,350.00	5,008,408.19	16	1.048	4.05
FNMA 0.875 5/21/2018	3135G0WJ8	12/20/2013	1,500,000.00	1,496,520.00	1,487,764.26	475	1.526	1.22
FNMA 0.875 8/28/2017	3135G0MZ3	06/13/2014	2,000,000.00	2,002,500.00	1,997,913.57	209	1.061	1.62
FNMA 0.875 8/28/2017	3135G0MZ3	02/03/2014	2,000,000.00	2,002,500.00	1,997,922.84	209	1.060	1.62
FNMA 1 2/26/2019	3135G0J53	05/19/2016	1,000,000.00	993,900.00	997,761.11	756	1.110	0.81
FNMA 1 8/28/2019	3135G0P49	01/27/2017	2,000,000.00	1,978,240.00	1,977,316.63	939	1.447	1.62
FNMA 1.06 5/29/2018	3136G05G2	12/20/2013	500,000.00	498,915.00	496,939.91	483	1.540	0.41
FNMA 1.125 4/27/2017	3135G0JA2	05/31/2012	2,000,000.00	2,002,820.00	2,000,678.59	86	0.977	1.62
FNMA 1.25 5/6/2021	3135G0K69	05/19/2016	1,000,000.00	974,980.00	989,570.59	1,556	1.505	0.81
FNMA 1.25 8/17/2021	3135G0N82	10/11/2016	3,000,000.00	2,907,960.00	2,977,672.35	1,659	1.420	2.43
FNMA 1.25 8/28/2018	3136G1F53	03/16/2016	1,000,000.00	1,001,900.00	1,002,627.57	574	1.080	0.81
FNMA 1.75 1/30/2019	3136FTZZ5	02/03/2014	2,595,000.00	2,615,344.80	2,599,457.36	729	1.660	2.10
Sub Total / Average			87,015,000.00	86,980,626.25	87,514,402.39	891	1.331	70.54
Money Market Account								
Bank of America MM	MM0555	05/31/2011	225,384.50	225,384.50	225,384.50	1	0.200	0.18
Sub Total / Average			225,384.50	225,384.50	225,384.50	1	0.200	0.18
Negotiable Certificate of Deposit								
Ally Bank 1.1 6/19/2017	02006LFD0	06/18/2014	248,000.00	248,008.21	248,000.00	139	1.100	0.20
American Exp Centurion 2 11/28/2018	02587DWJ3	11/28/2014	247,000.00	248,995.74	247,000.00	666	2.000	0.20
American Exp Fed Svgs Bk 2 7/24/2019	02587CAJ9	07/24/2014	247,000.00	249,509.64	247,000.00	904	2.000	0.20
Barclays Bank 2.099 7/23/2019	06740KHK6	07/28/2014	247,000.00	250,112.50	247,000.00	903	2.099	0.20
Berkshire Bank 1 6/19/2017	084601DZ3	06/19/2015	248,000.00	247,912.36	248,000.00	139	1.000	0.20
BMW 1.95 6/20/2019	05580AAL8	06/20/2014	247,000.00	249,222.48	247,000.00	870	1.950	0.20
Capital One NA 2 8/12/2019	14042E5L0	08/12/2015	247,000.00	249,448.56	247,000.00	923	2.000	0.20
Cardinal Bank 1.25 6/19/2018	14147VEV4	06/19/2015	249,000.00	247,623.18	249,000.00	504	1.250	0.20

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 1/31/2017

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
Celtic Bank 1.25 12/20/2017	15118RJL2	12/20/2013	246,000.00	245,548.59	246,000.00	323	1.250	0.20
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	08/05/2014	248,000.00	247,579.66	248,000.00	552	1.500	0.20
Cit Bank 2.2 11/26/2019	17284C4L5	11/26/2014	247,000.00	250,734.86	247,000.00	1,029	2.200	0.20
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/2015	249,000.00	250,661.90	249,000.00	1,351	2.000	0.20
Compass Bank 1.2 5/14/2018	20451PKT2	05/13/2015	248,000.00	246,506.84	248,000.00	468	1.200	0.20
Discover FS 2 6/18/2019	254671W48	06/18/2014	247,000.00	249,508.73	247,000.00	868	2.000	0.20
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/2014	247,000.00	250,700.80	247,000.00	939	2.050	0.20
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/2015	248,000.00	247,975.50	248,000.00	910	1.600	0.20
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/2015	248,000.00	246,946.79	248,000.00	1,002	1.500	0.20
Flushing Bank 1.45 6/26/2018	34387ABQ1	06/26/2015	248,000.00	247,306.69	248,000.00	511	1.450	0.20
Gold Coast Bank 1.2 10/30/2017	38058KCS3	12/30/2013	246,000.00	245,777.37	246,000.00	272	1.200	0.20
Goldman Sachs 1.1 6/19/2017	38147JH96	06/18/2014	248,000.00	248,008.26	248,000.00	139	1.100	0.20
Iberia Bank 1 10/16/2017	45083AEK43	04/16/2015	247,000.00	246,486.46	247,000.00	258	1.000	0.20
KEY BANK NA 1.35 10/29/2018	49306SVK9	10/28/2015	248,000.00	247,030.77	248,000.00	636	1.350	0.20
Leader Bank NA 1.05 4/21/2017	52168UCU4	10/23/2014	248,000.00	248,105.85	248,000.00	80	1.050	0.20
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/2014	247,000.00	248,505.84	247,000.00	910	1.850	0.20
Park National Bank 2.1 3/26/2019	700654AV8	09/26/2014	247,000.00	250,092.00	247,000.00	784	2.100	0.20
Private Bank 1.1 7/21/2017	74267GUT2	07/21/2014	248,000.00	247,917.14	248,000.00	171	1.100	0.20
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/2014	247,000.00	250,070.33	247,000.00	924	2.100	0.20
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/2015	247,000.00	250,974.87	247,000.00	1,263	2.250	0.20
SYNOUVUS 1.2 11/6/2017	87164DFW5	11/05/2014	248,000.00	247,767.90	248,000.00	279	1.200	0.20
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/2014	247,000.00	251,035.24	247,000.00	1,028	2.000	0.20
Unity Bank 1.65 10/30/2020	91330ABCO	10/30/2015	249,000.00	247,363.90	249,000.00	1,368	1.650	0.20
Sub Total / Average			7,673,000.00	7,703,438.96	7,673,000.00	681	1.616	6.22
Total / Average			123,361,393.68	123,357,458.89	123,860,796.07	671	1.213	100.00

City of Escondido
Investment Portfolio - by Asset Class, Summary
Report Format: By Totals
Portfolio/Report Group: All Portfolios
As of 2/28/2017

<u>Description</u>	<u>Face Amount</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Days to Maturity</u>	<u>YTM @ Cost</u>
California Local Agency Investment Fund	28,948,009.18	28,948,009.18	28,948,009.18	28,948,009.18	1	0.777
Federal Agency Coupon Securities	82,015,000.00	82,663,232.94	81,999,924.60	82,494,881.47	916	1.348
Money Market Account	225,419.08	225,419.08	225,419.08	225,419.08	1	0.200
Negotiable Certificate of Deposit	7,673,000.00	7,673,000.00	7,699,671.17	7,673,000.00	653	1.616
Total / Average	<u><u>118,861,428.26</u></u>	<u><u>119,509,661.20</u></u>	<u><u>118,873,024.03</u></u>	<u><u>119,341,309.73</u></u>	<u><u>675</u></u>	<u><u>1.224</u></u>



Douglas W. Shultz, City Treasurer

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 2/28/2017

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
California Local Agency Investment Fund								
LAIF LGIP	LGIP7282	05/31/2011	28,948,009.18	28,948,009.18	28,948,009.18	1	0.777	24.35
Sub Total / Average			28,948,009.18	28,948,009.18	28,948,009.18	1	0.777	24.35
Federal Agency Coupon Securities								
FFCB 0.95 2/25/2019	3133EGBR5	07/14/2016	1,500,000.00	1,491,300.00	1,501,756.66	727	0.890	1.26
FFCB 1 4/2/2018	3133EEWH9	04/02/2015	3,000,000.00	2,996,460.00	3,000,000.00	398	1.000	2.52
FFCB 1.11 2/20/2018	3133EEQM5	02/20/2015	3,000,000.00	3,005,310.00	3,000,000.00	357	1.110	2.52
FFCB 1.14 6/29/2020	3133EGJD8	06/29/2016	2,000,000.00	1,950,780.00	1,995,768.41	1,217	1.205	1.68
FFCB 1.4 10/14/2021	3133EGYQ2	10/27/2016	2,000,000.00	1,945,360.00	1,994,652.59	1,689	1.460	1.68
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/2015	1,000,000.00	982,000.00	1,000,000.00	1,338	1.460	0.84
FFCB 1.55 9/27/2019	3133EG2D6	01/27/2017	2,000,000.00	2,004,820.00	2,002,011.59	941	1.510	1.68
FFCB 1.61 8/1/2018	3133ECW75	02/03/2014	1,000,000.00	1,006,450.00	1,002,332.97	519	1.440	0.84
FFCB 1.7 3/4/2019	3133EDTU6	05/27/2016	1,750,000.00	1,765,662.50	1,769,502.55	734	1.135	1.47
FFCB 1.8 11/12/2019	3133EEBN9	11/12/2014	5,000,000.00	5,035,150.00	5,000,000.00	987	1.800	4.21
FFCB 2.46 8/5/2020	3133ECW91	06/30/2016	1,500,000.00	1,532,670.00	1,571,016.86	1,254	1.047	1.26
FFCB 4.81 9/1/2020	31331S4M2	06/30/2016	310,000.00	339,422.10	349,515.57	1,281	1.080	0.26
FFCB 5.125 11/15/2018	31331YEJ5	12/26/2013	760,000.00	809,939.60	800,448.18	625	1.856	0.64
FHLB 1.05 12/29/2017	3130A3N83	12/29/2014	3,000,000.00	3,002,280.00	3,000,000.00	304	1.050	2.52
FHLB 1.375 2/18/2021	3130A7CV5	06/24/2016	2,000,000.00	1,969,780.00	2,007,289.14	1,451	1.280	1.68
FHLB 1.375 3/9/2018	313378A43	12/26/2013	2,000,000.00	2,008,360.00	1,997,205.97	374	1.516	1.68
FHLB 1.375 3/9/2018	313378A43	03/28/2013	3,000,000.00	3,012,540.00	3,014,759.24	374	0.883	2.52
FHLB 1.625 6/14/2019	313379EE5	06/16/2014	3,000,000.00	3,016,650.00	2,989,206.25	836	1.790	2.52
FHLB 1.75 12/14/2018	313376BR5	12/26/2013	895,000.00	902,831.25	893,612.50	654	1.841	0.75
FHLB 1.75 3/12/2021	313382K69	04/27/2016	1,000,000.00	998,740.00	1,009,682.08	1,473	1.500	0.84
FHLB 1.875 11/29/2021	3130AABG2	12/16/2016	2,000,000.00	1,992,540.00	1,979,782.31	1,735	2.100	1.68
FHLB 1.875 6/11/2021	313379RB7	06/24/2016	2,000,000.00	1,985,560.00	2,043,339.97	1,564	1.350	1.68
FHLB 4.625 9/11/2020	3133XD4P3	05/25/2016	2,350,000.00	2,573,320.50	2,607,954.55	1,291	1.410	1.98
FHLMC 1 7/28/2017	3137EADJ5	12/20/2013	1,500,000.00	1,501,860.00	1,499,637.54	150	1.060	1.26
FHLMC 1.125 8/12/2021	3137EAEC9	08/17/2016	3,000,000.00	2,900,430.00	2,975,639.47	1,626	1.314	2.52
FHLMC 1.25 10/2/2019	3137EADM8	03/16/2016	1,000,000.00	994,220.00	997,981.62	946	1.330	0.84
FHLMC 1.25 8/1/2019	3137EADK2	07/02/2015	3,000,000.00	2,987,460.00	2,979,242.90	884	1.546	2.52
FHLMC 1.4 8/22/2019	3134G3A91	03/15/2016	1,000,000.00	999,560.00	1,002,653.71	905	1.290	0.84

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 2/28/2017

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
FHLMC 1.55 8/21/2020	3134G3D64	05/26/2016	1,195,000.00	1,182,034.25	1,201,827.46	1,270	1.380	1.01
FHLMC 1.65 1/29/2021	3134G34D9	07/13/2016	2,410,000.00	2,382,044.00	2,458,340.08	1,431	1.123	2.03
FHLMC 1.65 8/28/2020	3134G3F96	05/26/2016	1,000,000.00	999,120.00	1,009,127.06	1,277	1.380	0.84
FHLMC 1.75 5/21/2021	3134G44H8	07/13/2016	2,000,000.00	1,975,700.00	2,042,523.44	1,543	1.230	1.68
FHLMC 2 3/12/2020	3134G3QX1	03/15/2016	1,250,000.00	1,262,562.50	1,270,186.04	1,108	1.450	1.05
FNMA 0.875 5/21/2018	3135G0WJ8	12/20/2013	1,500,000.00	1,496,625.00	1,488,485.52	447	1.526	1.26
FNMA 0.875 8/28/2017	3135G0MZ3	06/13/2014	2,000,000.00	2,002,060.00	1,998,193.09	181	1.061	1.68
FNMA 0.875 8/28/2017	3135G0MZ3	02/03/2014	2,000,000.00	2,002,060.00	1,998,201.12	181	1.060	1.68
FNMA 1 2/26/2019	3135G0J53	05/19/2016	1,000,000.00	994,220.00	997,844.03	728	1.110	0.84
FNMA 1 8/28/2019	3135G0P49	01/27/2017	2,000,000.00	1,978,840.00	1,977,993.02	911	1.447	1.68
FNMA 1.06 5/29/2018	3136G05G2	12/20/2013	500,000.00	499,025.00	497,117.30	455	1.540	0.42
FNMA 1.125 4/27/2017	3135G0JA2	05/31/2012	2,000,000.00	2,002,000.00	2,000,457.66	58	0.977	1.68
FNMA 1.25 5/6/2021	3135G0K69	05/19/2016	1,000,000.00	977,450.00	989,758.27	1,528	1.505	0.84
FNMA 1.25 8/17/2021	3135G0N82	10/11/2016	3,000,000.00	2,915,010.00	2,978,049.19	1,631	1.420	2.52
FNMA 1.25 8/28/2018	3136G1F53	03/16/2016	1,000,000.00	1,001,830.00	1,002,499.40	546	1.080	0.84
FNMA 1.75 1/30/2019	3136FTZZ5	02/03/2014	2,595,000.00	2,617,887.90	2,599,286.16	701	1.660	2.18
Sub Total / Average			82,015,000.00	81,999,924.60	82,494,881.47	916	1.348	69.00
Money Market Account								
Bank of America MM	MM0555	05/31/2011	225,419.08	225,419.08	225,419.08	1	0.200	0.19
Sub Total / Average			225,419.08	225,419.08	225,419.08	1	0.200	0.19
Negotiable Certificate of Deposit								
Ally Bank 1.1 6/19/2017	02006LFD0	06/18/2014	248,000.00	248,098.43	248,000.00	111	1.100	0.21
American Exp Centurion 2 11/28/2018	02587DWJ3	11/28/2014	247,000.00	248,825.90	247,000.00	638	2.000	0.21
American Exp Fed Svgs Bk 2 7/24/2019	02587CAJ9	07/24/2014	247,000.00	249,336.67	247,000.00	876	2.000	0.21
Barclays Bank 2.099 7/23/2019	06740KHK6	07/28/2014	247,000.00	249,921.07	247,000.00	875	2.099	0.21
Berkshire Bank 1 6/19/2017	084601DZ3	06/19/2015	248,000.00	248,021.63	248,000.00	111	1.000	0.21
BMW 1.95 6/20/2019	05580AAL8	06/20/2014	247,000.00	249,048.77	247,000.00	842	1.950	0.21
Capital One NA 2 8/12/2019	14042E5L0	08/12/2015	247,000.00	249,297.17	247,000.00	895	2.000	0.21
Cardinal Bank 1.25 6/19/2018	14147VEV4	06/19/2015	249,000.00	247,565.39	249,000.00	476	1.250	0.21
Celtic Bank 1.25 12/20/2017	15118RJL2	12/20/2013	246,000.00	246,057.96	246,000.00	295	1.250	0.21

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 2/28/2017

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	08/05/2014	248,000.00	247,439.62	248,000.00	524	1.500	0.21
Cit Bank 2.2 11/26/2019	17284C4L5	11/26/2014	247,000.00	250,601.33	247,000.00	1,001	2.200	0.21
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/2015	249,000.00	250,788.57	249,000.00	1,323	2.000	0.21
Compass Bank 1.2 5/14/2018	20451PKT2	05/13/2015	248,000.00	246,478.45	248,000.00	440	1.200	0.21
Discover FS 2 6/18/2019	254671W48	06/18/2014	247,000.00	249,326.00	247,000.00	840	2.000	0.21
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/2014	247,000.00	249,465.83	247,000.00	911	2.050	0.21
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/2015	248,000.00	247,813.75	248,000.00	882	1.600	0.21
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/2015	248,000.00	246,845.31	248,000.00	974	1.500	0.21
Flushing Bank 1.45 6/26/2018	34387ABQ1	06/26/2015	248,000.00	247,209.35	248,000.00	483	1.450	0.21
Gold Coast Bank 1.2 10/30/2017	38058KCS3	12/30/2013	246,000.00	245,966.67	246,000.00	244	1.200	0.21
Goldman Sachs 1.1 6/19/2017	38147JH96	06/18/2014	248,000.00	248,098.41	248,000.00	111	1.100	0.21
Iberia Bank 1 10/16/2017	45083AEK43	04/16/2015	247,000.00	246,631.62	247,000.00	230	1.000	0.21
KEY BANK NA 1.35 10/29/2018	49306SVK9	10/28/2015	248,000.00	246,998.95	248,000.00	608	1.350	0.21
Leader Bank NA 1.05 4/21/2017	52168UCU4	10/23/2014	248,000.00	248,116.71	248,000.00	52	1.050	0.21
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/2014	247,000.00	248,299.69	247,000.00	882	1.850	0.21
Park National Bank 2.1 3/26/2019	700654AV8	09/26/2014	247,000.00	249,849.86	247,000.00	756	2.100	0.21
Private Bank 1.1 7/21/2017	74267GUT2	07/21/2014	248,000.00	248,008.66	248,000.00	143	1.100	0.21
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/2014	247,000.00	249,900.55	247,000.00	896	2.100	0.21
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/2015	247,000.00	250,969.73	247,000.00	1,235	2.250	0.21
SYNOUVUS 1.2 11/6/2017	87164DFW5	11/05/2014	248,000.00	247,951.29	248,000.00	251	1.200	0.21
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/2014	247,000.00	249,261.24	247,000.00	1,000	2.000	0.21
Unity Bank 1.65 10/30/2020	91330ABC0	10/30/2015	249,000.00	247,476.59	249,000.00	1,340	1.650	0.21
Sub Total / Average			7,673,000.00	7,699,671.17	7,673,000.00	653	1.616	6.46
Total / Average			118,861,428.26	118,873,024.03	119,341,309.73	675	1.224	100.00

City of Escondido
Investment Portfolio - by Asset Class, Summary
Report Format: By Totals
Portfolio/Report Group: All Portfolios
As of 3/31/2017

<u>Description</u>	<u>Face Amount</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Days to Maturity</u>	<u>YTM @ Cost</u>
California Local Agency Investment Fund	20,848,009.18	20,848,009.18	20,848,009.18	20,848,009.18	1	0.821
Federal Agency Coupon Securities	84,015,000.00	84,660,814.94	83,946,014.95	84,480,273.80	878	1.344
Money Market Account	225,457.37	225,457.37	225,457.37	225,457.37	1	0.200
Negotiable Certificate of Deposit	7,673,000.00	7,673,000.00	7,689,790.75	7,673,000.00	622	1.616
Total / Average	<u><u>112,761,466.55</u></u>	<u><u>113,407,281.49</u></u>	<u><u>112,709,272.25</u></u>	<u><u>113,226,740.35</u></u>	<u><u>697</u></u>	<u><u>1.264</u></u>



Douglas W. Shultz, City Treasurer

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 3/31/2017

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
California Local Agency Investment Fund								
LAIF LGIP	LGIP7282	05/31/2011	20,848,009.18	20,848,009.18	20,848,009.18	1	0.821	18.49
Sub Total / Average			20,848,009.18	20,848,009.18	20,848,009.18	1	0.821	18.49
Federal Agency Coupon Securities								
FFCB 0.95 2/25/2019	3133EGBR5	07/14/2016	1,500,000.00	1,491,195.00	1,501,681.76	696	0.890	1.33
FFCB 1 4/2/2018	3133EEWH9	04/02/2015	3,000,000.00	2,995,380.00	3,000,000.00	367	1.000	2.66
FFCB 1.11 2/20/2018	3133EEQM5	02/20/2015	3,000,000.00	2,999,880.00	3,000,000.00	326	1.110	2.66
FFCB 1.14 6/29/2020	3133EGJD8	06/29/2016	2,000,000.00	1,951,640.00	1,995,876.19	1,186	1.205	1.77
FFCB 1.4 10/14/2021	3133EGYQ2	10/27/2016	2,000,000.00	1,943,860.00	1,994,750.73	1,658	1.460	1.77
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/2015	1,000,000.00	981,390.00	1,000,000.00	1,307	1.460	0.89
FFCB 1.55 9/27/2019	3133EG2D6	01/27/2017	2,000,000.00	2,001,200.00	2,001,945.32	910	1.510	1.77
FFCB 1.61 8/1/2018	3133ECW75	02/03/2014	1,000,000.00	1,005,960.00	1,002,193.62	488	1.440	0.89
FFCB 1.7 3/4/2019	3133EDTU6	05/27/2016	1,750,000.00	1,764,420.00	1,768,678.87	703	1.135	1.55
FFCB 1.8 11/12/2019	3133EEBN9	11/12/2014	5,000,000.00	5,026,050.00	5,000,000.00	956	1.800	4.43
FFCB 2.46 8/5/2020	3133ECW91	06/30/2016	1,500,000.00	1,531,515.00	1,569,261.26	1,223	1.047	1.33
FFCB 4.81 9/1/2020	31331S4M2	06/30/2016	310,000.00	338,451.80	348,559.30	1,250	1.080	0.27
FFCB 5.125 11/15/2018	31331YEJ5	12/26/2013	760,000.00	807,272.00	798,441.95	594	1.856	0.67
FHLB 1.05 12/29/2017	3130A3N83	12/29/2014	3,000,000.00	2,998,860.00	3,000,000.00	273	1.050	2.66
FHLB 1.375 2/18/2021	3130A7CV5	06/24/2016	2,000,000.00	1,969,380.00	2,007,133.41	1,420	1.280	1.77
FHLB 1.375 3/9/2018	313378A43	12/26/2013	2,000,000.00	2,004,580.00	1,997,437.56	343	1.516	1.77
FHLB 1.375 3/9/2018	313378A43	03/28/2013	3,000,000.00	3,006,870.00	3,013,535.88	343	0.883	2.66
FHLB 1.625 6/14/2019	313379EE5	06/16/2014	3,000,000.00	3,013,230.00	2,989,606.50	805	1.790	2.66
FHLB 1.75 12/14/2018	313376BR5	12/26/2013	895,000.00	902,491.15	893,678.27	623	1.841	0.79
FHLB 1.75 3/12/2021	313382K69	04/27/2016	1,000,000.00	996,680.00	1,009,478.31	1,442	1.500	0.89
FHLB 1.875 11/29/2021	3130AABG2	12/16/2016	2,000,000.00	1,992,640.00	1,980,143.55	1,704	2.100	1.77
FHLB 1.875 6/11/2021	313379RB7	06/24/2016	2,000,000.00	1,993,780.00	2,042,480.93	1,533	1.350	1.77
FHLB 4.625 9/11/2020	3133XD4P3	05/25/2016	2,350,000.00	2,579,313.00	2,601,760.44	1,260	1.410	2.08
FHLMC 1 7/28/2017	3137EADJ5	12/20/2013	1,500,000.00	1,500,540.00	1,499,712.45	119	1.060	1.33
FHLMC 1.125 8/12/2021	3137EAEC9	08/17/2016	3,000,000.00	2,896,920.00	2,976,103.90	1,595	1.314	2.66
FHLMC 1.25 10/2/2019	3137EADM8	03/16/2016	1,000,000.00	994,420.00	998,047.76	915	1.330	0.89
FHLMC 1.25 8/1/2019	3137EADK2	07/02/2015	3,000,000.00	2,988,960.00	2,979,970.80	853	1.546	2.66
FHLMC 1.4 8/22/2019	3134G3A91	03/15/2016	1,000,000.00	998,220.00	1,002,562.80	874	1.290	0.89

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 3/31/2017

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
FHLMC 1.55 8/21/2020	3134G3D64	05/26/2016	1,195,000.00	1,191,211.85	1,201,660.81	1,239	1.380	1.06
FHLMC 1.65 1/29/2021	3134G34D9	07/13/2016	2,410,000.00	2,379,176.10	2,457,292.88	1,400	1.123	2.14
FHLMC 1.65 8/28/2020	3134G3F96	05/26/2016	1,000,000.00	998,900.00	1,008,905.49	1,246	1.380	0.89
FHLMC 1.75 5/21/2021	3134G44H8	07/13/2016	2,000,000.00	1,973,040.00	2,041,669.12	1,512	1.230	1.77
FHLMC 2 3/12/2020	3134G3QX1	03/15/2016	1,250,000.00	1,261,887.50	1,269,621.27	1,077	1.450	1.11
FNMA 0.875 5/21/2018	3135G0WJ8	12/20/2013	1,500,000.00	1,494,885.00	1,489,284.07	416	1.526	1.33
FNMA 0.875 8/28/2017	3135G0MZ3	06/13/2014	2,000,000.00	1,999,560.00	1,998,502.56	150	1.061	1.77
FNMA 0.875 8/28/2017	3135G0MZ3	02/03/2014	2,000,000.00	1,999,560.00	1,998,509.22	150	1.060	1.77
FNMA 1 2/26/2019	3135G0J53	05/19/2016	1,000,000.00	993,460.00	997,935.83	697	1.110	0.89
FNMA 1 8/28/2019	3135G0P49	01/27/2017	2,000,000.00	1,978,760.00	1,978,741.89	880	1.447	1.77
FNMA 1.06 5/29/2018	3136G05G2	12/20/2013	500,000.00	499,055.00	497,313.71	424	1.540	0.44
FNMA 1.125 10/19/2018	3135G0E58	03/03/2017	2,000,000.00	1,996,760.00	1,997,695.79	567	1.200	1.77
FNMA 1.125 4/27/2017	3135G0JA2	05/31/2012	2,000,000.00	2,000,480.00	2,000,213.05	27	0.977	1.77
FNMA 1.25 5/6/2021	3135G0K69	05/19/2016	1,000,000.00	976,800.00	989,966.05	1,497	1.505	0.89
FNMA 1.25 8/17/2021	3135G0N82	10/11/2016	3,000,000.00	2,913,900.00	2,978,466.40	1,600	1.420	2.66
FNMA 1.25 8/28/2018	3136G1F53	03/16/2016	1,000,000.00	1,001,640.00	1,002,357.49	515	1.080	0.89
FNMA 1.75 1/30/2019	3136FTZZ5	02/03/2014	2,595,000.00	2,611,841.55	2,599,096.61	670	1.660	2.30
Sub Total / Average			84,015,000.00	83,946,014.95	84,480,273.80	878	1.344	74.51
Money Market Account								
Bank of America MM	MM0555	05/31/2011	225,457.37	225,457.37	225,457.37	1	0.200	0.20
Sub Total / Average			225,457.37	225,457.37	225,457.37	1	0.200	0.20
Negotiable Certificate of Deposit								
Ally Bank 1.1 6/19/2017	02006LFD0	06/18/2014	248,000.00	248,031.21	248,000.00	80	1.100	0.22
American Exp Centurion 2 11/28/2018	02587DWJ3	11/28/2014	247,000.00	248,234.51	247,000.00	607	2.000	0.22
American Exp Fed Svgs Bk 2 7/24/2019	02587CAJ9	07/24/2014	247,000.00	248,875.42	247,000.00	845	2.000	0.22
Barclays Bank 2.099 7/23/2019	06740KHK6	07/28/2014	247,000.00	249,438.66	247,000.00	844	2.099	0.22
Berkshire Bank 1 6/19/2017	084601DZ3	06/19/2015	248,000.00	247,976.39	248,000.00	80	1.000	0.22
BMW 1.95 6/20/2019	05580AAL8	06/20/2014	247,000.00	248,610.96	247,000.00	811	1.950	0.22
Capital One NA 2 8/12/2019	14042E5L0	08/12/2015	247,000.00	248,824.56	247,000.00	864	2.000	0.22
Cardinal Bank 1.25 6/19/2018	14147VEV4	06/19/2015	249,000.00	247,411.85	249,000.00	445	1.250	0.22

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 3/31/2017

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	Days to Maturity	YTM @ Cost	% of Portfolio
Celtic Bank 1.25 12/20/2017	15118RJL2	12/20/2013	246,000.00	245,907.95	246,000.00	264	1.250	0.22
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	08/05/2014	248,000.00	247,187.73	248,000.00	493	1.500	0.22
Cit Bank 2.2 11/26/2019	17284C4L5	11/26/2014	247,000.00	250,032.10	247,000.00	970	2.200	0.22
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/2015	249,000.00	250,036.01	249,000.00	1,292	2.000	0.22
Compass Bank 1.2 5/14/2018	20451PKT2	05/13/2015	248,000.00	246,366.99	248,000.00	409	1.200	0.22
Discover FS 2 6/18/2019	254671W48	06/18/2014	247,000.00	248,878.31	247,000.00	809	2.000	0.22
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/2014	247,000.00	249,153.20	247,000.00	880	2.050	0.22
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/2015	248,000.00	247,606.97	248,000.00	851	1.600	0.22
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/2015	248,000.00	246,637.61	248,000.00	943	1.500	0.22
Flushing Bank 1.45 6/26/2018	34387ABQ1	06/26/2015	248,000.00	247,009.09	248,000.00	452	1.450	0.22
Gold Coast Bank 1.2 10/30/2017	38058KCS3	12/30/2013	246,000.00	245,855.08	246,000.00	213	1.200	0.22
Goldman Sachs 1.1 6/19/2017	38147JH96	06/18/2014	248,000.00	248,031.20	248,000.00	80	1.100	0.22
Iberia Bank 1 10/16/2017	45083AEK43	04/16/2015	247,000.00	246,592.45	247,000.00	199	1.000	0.22
KEY BANK NA 1.35 10/29/2018	49306SVK9	10/28/2015	248,000.00	246,584.49	248,000.00	577	1.350	0.22
Leader Bank NA 1.05 4/21/2017	52168UCU4	10/23/2014	248,000.00	248,020.21	248,000.00	21	1.050	0.22
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/2014	247,000.00	248,041.25	247,000.00	851	1.850	0.22
Park National Bank 2.1 3/26/2019	700654AV8	09/26/2014	247,000.00	249,268.84	247,000.00	725	2.100	0.22
Private Bank 1.1 7/21/2017	74267GUT2	07/21/2014	248,000.00	247,967.39	248,000.00	112	1.100	0.22
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/2014	247,000.00	249,405.80	247,000.00	865	2.100	0.22
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/2015	247,000.00	250,232.22	247,000.00	1,204	2.250	0.22
SYNOUVUS 1.2 11/6/2017	87164DFW5	11/05/2014	248,000.00	247,847.93	248,000.00	220	1.200	0.22
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/2014	247,000.00	248,735.67	247,000.00	969	2.000	0.22
Unity Bank 1.65 10/30/2020	91330ABC0	10/30/2015	249,000.00	246,988.70	249,000.00	1,309	1.650	0.22
Sub Total / Average			7,673,000.00	7,689,790.75	7,673,000.00	622	1.616	6.80
Total / Average			112,761,466.55	112,709,272.25	113,226,740.35	697	1.264	100.00

City of Escondido
Transactions Summary
Investment Maturities
From 1/1/2017 to 3/31/2017

<u>Issuer</u>	<u>Symbol</u>	<u>CUSIP Number</u>	<u>Settlement Date</u>	<u>Maturity Date</u>	<u>Coupon Rate</u>	<u>Principal Matured</u>
Federal National Mortgage Association	FNMA	3135G0GY3	01/24/12	01/30/17	1.250	3,000,000
Federal Home Loan Mortgage Corp	FHLB	3137EAAM1	02/16/12	03/16/17	5.000	5,000,000
Total						<u><u>8,000,000</u></u>

CITY OF ESCONDIDO
 FUNDS MANAGED BY OUTSIDE PARTIES
 As of March 31, 2017

<u>Type of Funds / Institution</u>	<u>Market Value</u>	<u>Interest Rate</u>	<u>Type of Investment</u>
<u>BOND FUNDS</u>			
BANK OF NEW YORK:			
1993 Vineyard Golf Course Certificates of Participation	\$ 3,473.28	0.080%	Money Market
1986-1R/98 Auto Parkway Assessment District	337,557.91	0.253%	Money Market
1998-1 Rancho San Pasqual Assessment District	343,720.88	0.244%	Money Market
2007A & 2007B JPFA Lease Revenue Bonds (1995 CDC Refunding)	1.00	0.000%	Cash
2007 COP - Water Project	6,063,534.84	0.010%	Money Market
2012 JPFA Revenue Bonds (Water System Financing)	20,091,813.63	0.657%	LAIF/Money Market
2012 JPFA Revenue Bonds (Wastewater System Financing)	9,109,396.79	0.657%	LAIF/Money Market
2013 JPFA Reidy Creek Lease Revenue Bonds (2001 Refunding)	68,134.39	0.000%	Cash
2013 Community Facility District - Hidden Trails (2001 Refunding)	1.01	0.000%	Cash
2015 Community Facility District - Eureka Ranch (2006 Refunding)	0.00	0.000%	Cash
2015 G.O. Bonds (2006 Refunding)	0.00	0.000%	Cash
2015A Wastewater Bond (2004A Refunding)	497,500.00	0.000%	Cash
2015B Wastewater Bond (2004B Refunding)	215,000.00	0.000%	Cash
TOTAL FUNDS MANAGED BY OUTSIDE PARTIES	<u>\$ 36,730,133.73</u>		

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 5
Date: May 10, 2017

TO: Honorable Mayor and Members of the City Council
FROM: Sheryl Bennett, Director of Administrative Services
Joan Ryan, Assistant Finance Director
SUBJECT: Financial Report for the Quarter Ended March 31, 2017

RECOMMENDATION:

It is requested that the City Council receive and file the third quarter financial report and approve the following amendments to the Fiscal Year 2016/17 operating budget:

- Approve an increase to the Fire Department operating budget in the amount of \$36,000. This increase is needed to cover the costs associated with replacing the alerting system at Fire Station #3. The alerting system equipment is old and if it fails it could affect emergency response times from this station. This increase is covered by one-time revenue received in the current year from State Mandated Cost claims filed in prior years.
- Approve an increase to the Building Department operating budget of \$50,000. This increase will cover plan check review costs for projects submitted to Esgil. This increase will be covered by the applicant so there will be no additional costs to the City.
- Approve an increase to the Police Department budget in the amount of \$39,305. This increase will cover Police Officer overtime costs associated with the Mobile Field force mutual aid response in El Cajon. This increase is covered from increased collection of alarm registration fees.
- Approve an increase to the Reidy Creek Golf Course operating budget of \$9,000. This increase is needed to pay for a rebuilt greens roller used to smooth the golf course putting greens and fairway. This increase is covered by one-time revenue received in the current year from State Mandated Cost claims filed in prior years.
- Approve an increase to the General Capital Projects budget of \$429,000. Of this amount, \$50,000 will be used to make improvements to security gates at the Public Works Yard by adding key card readers. The remaining balance of \$379,000 will be used to reconstruct a major drainage channel and storm drains outside of the street right of way. The highest priority project is the Indian Creek Channel wall reconstruction. Over the past five years, three

segments of this wall have collapsed and required emergency repair. Funding for these projects was recently received from the State for a prior year reimbursement for underground storage tank cleanup costs paid for by the City.

- Approve adjustments to General Fund revenue projections between revenue accounts. This adjustment has no effect on the total General Fund revenue projected for the year. It is just an adjustment between revenue accounts to better reflect current revenue receipts for each revenue type for the current year.

FISCAL ANALYSIS:

Proposed Budget Amendments: The proposed amendments to the General Fund operating budget have no effect on the General Fund Reserves as all the adjustments have identified funding sources for their proposed budget increases.

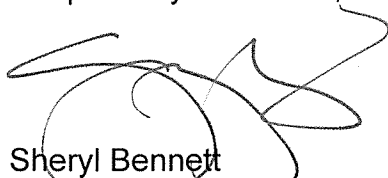
PREVIOUS ACTION:

On March 1, 2017, the City Council received the Fiscal Year 2016/17 second quarter financial report. The City Council approved amendments to the General Fund operating budget. These increases had no effect on Reserves, as all the increase had funding sources.

BACKGROUND:

Quarterly financial reports present written financial updates to the City Council concerning certain funds of the City based on the most recent financial information available. These quarterly financial reports include budgetary information for certain funds, along with the actual resources received to date, in addition to the use of these resources in fulfilling each fund's financial plan. The reports provide year-to-date information for the General Fund, Community Services Fund, Water and Wastewater Funds, and the Reidy Creek Golf Course Fund. The quarterly financial report is for internal use only.

Respectfully submitted,



Sheryl Bennett
Director of Administrative Services



Joan Ryan
Assistant Finance Director



CITY OF ESCONDIDO

THIRD QUARTER FINANCIAL REPORT

March 31, 2017

OVERVIEW

This report summarizes the City's overall financial position for the period of July 1, 2016 through March 31, 2017. While the focus of this report is the General Fund, the financial status of the Community Services Fund, the Water and Wastewater Funds, and the Reidy Creek Municipal Golf Course are included. This report is for internal use only. The figures presented here are unaudited and have not been prepared in accordance with Generally Accepted Accounting principles (GAAP).

The revenue projections and budget include adjustments for encumbrances, carryovers, and any other supplemental appropriations approved by the City Council as of March 31, 2017.

GENERAL FUND

At the end of the third quarter, General Fund revenues are at 61% of the amended budget, while expenditures are at 71%. Based on past history of revenue receipts and payment of expenditures, it appears that actual General Fund revenues through March are projected to be over budget by about \$699,000, mainly from one-time revenue, and actual expenditures through March are projected to be under budget by about \$2.6 million. The General Fund is projected to end the current fiscal year with a surplus.

**General Fund
Comparison of Projected Budget to Actuals
As of March 31, 2017**

	ANNUAL AMENDED BUDGET	PROJECTED BUDGET as of 3/31/17	ACTUAL as of 3/31/17
Total Revenue	\$92,351,449	\$55,641,180	\$56,340,436
Total Expenditures	\$93,771,730	\$68,845,068	\$66,200,705
Other Sources (Uses) – Note 1	\$354,826	\$354,826	354,826
Total Sources over (Uses) – Note 2	(\$1,065,455)		
Reserve Balance			\$17,392,319

Note 1: Total Sources (Uses) include transfers in and advances from other funds less transfers out and advance repayments.

Note 2: Council approved the use of General Fund surplus during the year-end report to Council on October 26, 2016.

General Fund Revenue: General Fund total revenue was up 12% compared to the prior year or about \$6.1 million if you exclude one-time revenue. This increase was due to the end of the Triple Flip and increased paramedic revenue. In addition, the City received one-time revenue from fire mutual aid of about \$616,000, an additional \$374,000 from the sale of city property; and \$46,000 from State Mandated Cost claims. Details of the General Fund revenue sources are outlined below.

General Fund Revenue	Amended Budget	FY 2016/17 Actual	FY 2015/16 Actual
Sales Tax	\$ 37,218,000	\$ 21,541,239	\$ 16,995,899
Property Tax	24,548,000	13,431,615	12,962,403
Other Taxes	11,940,000	7,822,108	7,685,861
Intergovernmental	2,887,315	1,905,652	1,944,981
Permits & Fees	1,097,000	799,783	623,318
Fines & Forfeitures	1,402,000	793,998	902,776
Charges for Services	8,790,689	6,614,458	5,572,192
Investment & Property	3,400,000	2,080,627	2,040,091
Other Revenue	452,710	91,604	295,377
One-Time Revenue	615,735	1,259,352	1,651,629
Total with One-Time Revenue	92,351,449	56,340,436	50,674,527
Total excluding One Time Revenue	\$ 91,735,714	\$ 55,081,084	\$ 49,022,898

Sales Tax: Sales Tax revenues were \$4.5 million higher than the previous year, or up about 27%. This increase is the result of a timing difference due to the end of the Triple Flip. Last year at this time, the city would have received 75% of the 1% sales tax due for each advance with the remaining 25% paid in January and May. In the current fiscal year, the local sales tax advances reverted back to the original 1% amount.

Sales tax receipts through March are on target to reach projected growth of 4%. This increase over the prior year is due to growth in sales from new autos and leasing. We will continue to monitor sales tax results closely with third quarter sales tax results due in mid June.

Property Tax: Property Tax revenues are up about 3.6% or about \$469,000 compared to the prior year. This is because assessed value growth for Escondido in fiscal year 2016/17 was up 5.3% compared to the prior year.

Other Taxes: Other Taxes are up about \$136,000 compared to the prior year. The majority of this increase is from the Property Transfer Tax. In addition, business licenses fees

and transient occupancy tax are both up about 6% over the prior year.

Permits & Fees: Permits and fees have increased over the prior year by about \$176,000 due to increased development.

Fines & Forfeitures: Fines and forfeitures have decreased over the prior year by about \$109,000 due to lower collection of vehicle code fines and parking ticket fines.

Charges for Services: Charges for Services have increased over the prior year by about \$1 million. Paramedic revenue has increased \$1.2 million due to increased transport fees as well as a more successful collection rate.

General Fund Expenditures: General Fund total expenditures are up 3.8% compared to the prior fiscal year or about \$2.4 million. The significant reasons for this change include increases to salaries, CalPERS contributions, workers' compensation, utilities costs, and building maintenance internal service charges.

General Fund Expenditures	Amended Budget	FY 2016/17 Actual	FY 2015/16 Actual
General Government	\$ 6,198,385	\$ 4,039,648	\$ 3,865,480
Community Services	4,668,575	3,196,628	3,071,696
Community Development	4,145,030	2,725,111	2,545,744
Public Works	12,284,100	7,892,117	7,822,133
Public Safety	63,095,755	46,293,097	44,391,461
Other Expenditures	3,379,885	2,054,104	2,058,380
Total	\$ 93,771,730	\$66,200,705	\$ 63,754,894

COMMUNITY SERVICES FUND

The Community Services Fund overall revenues are down about 4% compared to prior year's revenues at this time, but in line with budgeted amounts. There was a 41% decrease in lease revenue from Cell Towers which resulted in \$126,265 less revenue than the prior year. Expenditures are in line with the prior year and budgeted amounts. The Community Services budget for FY 2016/17 was balanced by using \$36,285 of fund balance. After looking at projected revenues and expenditures, the Fund will likely end the year without having to use fund balance and may be able to reduce the \$223,100 General Fund transfer.

Community Services Fund	Annual Budget	FY 16/17 Actual	FY 15/16 Actual
Revenues	3,294,385	2,037,776	2,130,039
Expenditures	(3,553,770)	(2,433,620)	(2,408,400)
Other Sources (Uses)	223,100	223,100	223,100
Total Sources Over Uses	(36,285)	(172,744)	(55,261)

REIDY CREEK GOLF COURSE FUND

Reidy Creek Golf Course Fund revenues are down 4% from the prior year and expenditures are in line with the prior year. The courses loss of revenue was due to flooding that occurred on the back nine of the course during the significant rains we had this winter. Based on this trend the Fund is projected to end the year with a loss slightly higher than last fiscal year; which is projected to be approximately \$140,000.

Reidy Creek Golf Course	Annual Budget	FY 16/17 Actual	FY 15/16 Actual
Revenues	664,395	379,534	396,641
Expenditures	664,395	(495,966)	(493,591)
Other Sources (Uses)		122,000	131,000
Total Sources Over (Under) Uses		5,568	34,050

ENTERPRISE FUNDS

Water Fund: The Water Fund operating revenue increased by \$4.2 million or 11.6% from the prior year. The increase is due to a 7% increase in water consumption and a 5.5% rate increase in March 2016. Operating expenses increased by \$4.5 million or 15.9% compared to the prior year; these increased costs were primarily from negotiated staff contracts, purchased water and City water.

Water Fund	Annual Budget	FY 2016/17 Actual	FY 2015/16 Actual
Operating Revenues	55,175,000	40,440,866	36,239,310
Operating Expenses	(50,676,535)	(32,669,689)	(28,196,658)
Operating Income	4,498,465	7,771,177	8,042,652
Nonoperating Rev (Exp)	(1,761,400)	(566,654)	231,176
Transfer to Capital			
Projects and Debt Srvc	(4,523,835)	(4,571,035)	(3,566,516)
Total Sources over Uses	(1,786,770)	2,633,488	4,707,312

Beginning in fiscal year 2014/15, both the Water and Wastewater funds have set up an Operating, Debt and Capital Reserve that will be used to ensure that both funds have adequate cash reserves to meet operating, capital and debt service requirements. The monies in this reserve can be used to meet emergency cash flow requirements, fund future capital projects and provide protection from default on annual debt service payments.

Wastewater Fund: Operating revenue increased \$241,000 from the prior year due to the following: Sewer Service Charges increased \$781,000 due to a 6% rate increase in March 2016; \$1.2 million increase in San Diego Treatment charges due to a rate increase of \$600 per thousand kilo gallons and to \$600,000 in capital reimbursements; \$1.2 million decrease in Recycled Water sales due lower irrigation needs because of heavier rainfall; and \$561,000 decrease in other revenues. Operating expenditures increased by 3.9% due to increases in staffing, repairs/maintenance and administrative costs.

Wastewater Fund	Annual Budget	FY 2016/17 Actual	FY 2015/16 Actual
Operating Revenues	33,500,000	24,645,844	24,405,166
Operating Expenses	(23,836,550)	(16,287,903)	(15,647,604)
Operating Income	9,663,450	8,357,941	8,757,562
Nonoperating Rev (Exp)	(1,610,340)	(1,214,176)	(1,470,821)
Transfer to Capital Projects and Debt Svc	(9,923,135)	(6,294,938)	(10,872,641)
Total Sources over Uses	(1,870,025)	848,827	(3,585,900)

FOR MORE INFORMATION

This summary report is based on detailed information generated by the City's finance department. If you have any questions or would like additional information on this report, please contact the Finance department at (760) 839-4676 or visit www.escondido.org.

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 6

Date: May 10, 2017

TO: Honorable Mayor and Members of the City Council

FROM: Jeffrey R. Epp, City Manager
Michael R. McGuinness, City Attorney

SUBJECT: Employment Agreements – City Manager and City Attorney

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-70 authorizing the Mayor and City Clerk to execute contracts for the City Manager and City Attorney positions.

BACKGROUND:

The City Manager and City Attorney serve pursuant to the California Government Code, the Escondido Municipal Code and an employment agreement. They are the only two city employees who report directly to the City Council. Thus, their employment agreements implement the authorizing provisions of state law and the municipal code and provide the specific terms and conditions of employment, compensation, and benefits. This arrangement is typical for most California cities.

City Manager Graham Mitchell first announced his resignation in December of 2016, and the resignation became effective on March 8, 2017. At the closed session on February 22, 2017, the City Council determined to appoint then City Attorney Jeffrey Epp to serve as the Interim City Manager. To fill Mr. Epp's position as City Attorney, the City Council appointed Assistant City Attorney Michael McGuinness as the Interim City Attorney. Employment contracts were entered into between the City and Mr. Epp and Mr. McGuinness.

The current form of employment agreement used in the City of Escondido was developed at the request of the City Council in 1999. At that time, the City Council retained the services of an outside attorney to negotiate and develop the agreement. Other than changes to the method for calculating the base salary, and the elimination of certain fringe benefits several years ago, the basic provisions of the agreement have remained intact since 1999. The most recent amendments, other than those unique to the existing Interim contracts, occurred in 2013 when a three-year salary structure and draw down of leave balances was provided in anticipation of succession and transition in the positions.

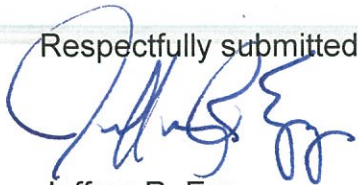
Mr. Epp's City Manager appointment is fulfilled by entering into a new contract reflecting the permanency of the appointment. Mr. Epp will receive a base salary of \$286,000 per year. The one-year severance benefit previously provided to Mr. Epp as City Attorney, reduced to four months in his Interim Contract, has been eliminated in its entirety. The Contract further provides that either party may terminate the contract with ninety (90) days written notice.

Honorable Mayor and Members of the City Council
May 10, 2017
Page 2

The City Attorney appointment is fulfilled by a new employment agreement with Mr. McGuinness, also reflecting the permanency of his appointment. The contract includes in material part the same form of agreement previously used by the Council for his Interim appointment. The contract no longer includes a provision allowing Mr. McGuinness to return to his previous position as Assistant City Attorney which was included for his job security during the Interim period and now includes provision for management leave that had been removed from the Interim contract given its limited duration. Mr. McGuinness will have a base salary of \$230,000.

Adoption of Resolution 2017-70 will authorize the Mayor and City Clerk to execute the agreements for these positions.

Respectfully submitted,



Jeffrey R. Epp
City Manager



Michael R. McGuinness
City Attorney

RESOLUTION NO. 2017-70

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE MAYOR AND CITY
CLERK TO EXECUTE, ON BEHALF OF THE
CITY, EMPLOYMENT AGREEMENTS FOR
CITY MANAGER AND CITY ATTORNEY

WHEREAS, City Manager, Graham Mitchell first announced his resignation in December of 2016, and the resignation became effective on March 8, 2017; and

WHEREAS, in Closed Session on February 22, 2017, the City Council determined to appoint then City Attorney Jeffrey Epp to serve as the Interim City Manager; and

WHEREAS, the City Council also appointed then Assistant City Attorney, Michael McGuinness as the Interim City Attorney; and

WHEREAS, in Closed Session on May 3, 2017, the City Council unanimously voted to appoint Jeffrey Epp as the City Manager and Michael McGuinness as the City Attorney; and

WHEREAS, the Escondido City Manager and Escondido City Attorney serve the City of Escondido pursuant to Employment Agreements with the City; and

WHEREAS, the City Council desires and deems it in the best public interest to provide for ongoing employment of Jeffrey Epp to serve as the City Manager for the City of Escondido, and Michael McGuinness to serve as the City Attorney for the City of Escondido, pursuant to Agreements governing the terms and conditions by which they shall serve.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the Mayor and City Clerk are hereby authorized to execute, on behalf of the City, an Employment Agreement with Jeffrey Epp to serve as the City Manager (attached and incorporated by this reference as Exhibit "A") and an Employment Agreement with Michael McGuinness to serve as the City Attorney (attached and incorporated by this reference as Exhibit "B").



CITY OF ESCONDIDO
AT WILL EMPLOYMENT AGREEMENT

Between: CITY OF ESCONDIDO
201 N. Broadway
Escondido, California 92025
("Employer")

And: Jeffrey R. Epp
1467 Rimrock Drive
Escondido, CA 92027
("Employee")

Witness that whereas:

- A. Employer and Employee wish to enter into an Agreement providing for Employee to serve as the City Manager for the City of Escondido, as provided by the California Government Code and Chapter 2, Article 3 of the Escondido Municipal Code; and
- B. Employee has been employed by Employer pursuant to previous contracts, more recently as Interim City Manager since March 8, 2017. It is the mutual intent of the parties to replace all prior agreements with this new Agreement effective May 10, 2017; and
- C. It is the desire of the Employer to provide certain benefits and establish certain conditions of employment of the Employee for the purpose of securing and retaining the services of the Employee;
- D. Employee desires to be employed as the City Manager for the City of Escondido.

NOW THEREFORE, in consideration of the mutual covenants set forth below, the parties agree as follows:

SECTION 1. Duties.

Employer employs Employee as the City Manager of the City of Escondido to perform the functions and duties specified by law and in the Escondido Municipal Code, and to perform such other legally permissible and proper duties and functions as the Council shall from time to time assign. It is acknowledged by Employer and Employee that, as provided in Escondido Municipal Code Sections 2-49 and 2-50, the City Manager takes direction from the Council as a whole, provided that the Council may expressly authorize a Council subcommittee, the Mayor, or other council member to give direction on particular matters and such subcommittee, the Mayor, or council member may give direction to the City Manager within the scope of such Council authorization. Employer and Employee understand that no such direction from the Council shall be contrary to or in violation of law or applicable City Manager Code of Professional Responsibility. With respect to such authorizations the Council acts only through duly enacted resolutions, ordinances, or minute action.

SECTION 2. Term.

(a) This Agreement shall be effective as of May 10, 2017, and may be terminated by either party for any reason at their sole discretion by providing ninety (90) days advance written notice to the other.

(b) Employee understands that he is an "at will" employee under controlling law and is "at will" serving at the pleasure of the Council pursuant to Chapter 2, Article 3 of the Escondido Municipal Code. Nothing in this Agreement is intended to, nor shall it, prevent, limit or otherwise interfere with the right of the Employer, in the Employer's discretion, to terminate the services of Employee at any time in accordance with said laws and the provisions of this Agreement.

SECTION 3. Salary.

(a) Employer will pay Employee a base salary of \$286,000. Such monthly salary shall be payable at the time as other employees of the Employer are paid.

(b) Employer may from time to time adjust the monthly Salary and/or other benefits of Employee in such amounts and to such extent as the City Council may determine is appropriate, taking into account the City's budgetary needs, its financial resources, and such other factors as the Council may determine to be relevant at the time, provided that no decrease shall be made that is any different than is made to unclassified City employees generally.

(c) In addition to such Salary, Employee shall receive the benefits identified in Exhibit "A" attached hereto and incorporated herein by this reference. The 7% deferred compensation contribution shall be payable by the Employer directly to the Employer's 401K or 457 plan for the benefit of the Employee. Employee shall further be entitled to all benefits provided to other management employees generally.

(d) The Employer will continue to pay the California State Bar dues on behalf of Employee.

SECTION 4. Management Leave.

In addition to Employee's entitlement to holiday and vacation leave on the same basis as is available to other management employees generally in accordance with Section 3 of this Agreement, Employee shall be entitled to twenty (20) days of management leave annually. Management leave granted pursuant to this provision shall be in lieu of any other management leave available to members of the City management team generally.

SECTION 5. Conversion of Unused Leave Time to Salary.

In addition to any other provision of the City Code or this Agreement authorizing conversion of unused leave time to salary, Employee shall be entitled, as he may determine at his sole discretion, to convert up to fifteen (15) days of unused leave time (whether vacation, management or reserve time leave) each year during the term of this Agreement to salary. Employee shall exercise his right to convert leave time to salary by giving notice in writing to the payroll staff stating the number of days of leave time, if any, which shall be converted to salary. Such notice shall be given between July 1st and October 1st for each year for the term of this Agreement. Employer shall pay the

Employee the salary equivalent of the leave time, if any, so converted within thirty (30) days of delivery of such notice.

SECTION 6. Evaluation.

The City Council may review and evaluate the performance of the City Manager on a regular basis. Normally, a review and evaluation may occur on an annual schedule and pursuant to an evaluation form developed by the City Council. Copies of any written evaluation will be provided to the City Manager and he shall be given an opportunity to discuss his evaluation with the City Council.

SECTION 7. Dispute Resolution.

(a) Informal Meet and Confer.

The parties agree to meet and confer informally as the first step towards resolution of any dispute between them arising out of or related to this Agreement. The Council may be represented by a representative of its choosing, and Employee may be represented as well.

(b) Council Resolution.

If the parties are unable to resolve the matter informally through meet and confer, the matter shall be submitted to the Council for final resolution at a meeting to be held by the Council within 30 days of submittal, and the Council shall promptly make a final decision, unless Employee and the Council mutually agree to a longer period.

(c) Litigation.

Neither party shall commence any litigation, arbitration, or other formal dispute resolution process until the above referenced informal meet and confer session and final Council determination have occurred.

SECTION 8. General Provisions.

(a) Governing Law.

This Agreement shall be interpreted and enforced in conformance with California law.

(b) Entire Agreement.

This Agreement together with the exhibits represents the entire Agreement between the parties and supersedes any prior agreements, written or oral, and any representations, written or oral, not expressly included herein.

(c) Venue.

The venue for any litigation to interpret or enforce this Agreement shall be the San Diego Superior Court, Vista Division.

(d) Integration Clause.

If any part, provision, paragraph or subparagraph of this Agreement shall be held to be void or unenforceable by a final judgment of a court of competent jurisdiction, then unless that provision is found in such proceeding to be material to this Agreement, said void or unenforceable provision shall be severed from this Agreement and the balance of this Agreement shall remain in full force and effect. In the event that the void or unenforceable provision is found to be material to this Agreement then the entire Agreement shall be voided.

(e) Attorneys Fees.

The prevailing party in any litigation to interpret or enforce this Agreement shall be entitled to recover his or its attorneys fees in addition to costs.

(f) Independent Review: Interpretation.

Employer and Employee affirm in signing this Agreement that they have each had an opportunity to review and consider this Agreement, and to have it reviewed and to receive advice from independent advisors of their own choosing, including

attorneys, and that each knowingly and voluntarily enters into this Agreement. Employer and Employee further affirm that this Agreement was the mutual product of their negotiations, including give and take, and that neither party shall be considered the drafter of this Agreement such that the Agreement is interpreted against that party.

IN WITNESS WHEREOF, the City of Escondido has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk as authorized by Resolution No. 2017-70, and Employee has signed and executed this Agreement set forth below.

CITY OF ESCONDIDO

Date: _____

Sam Abed
Mayor

Date: _____

Diane Halverson
City Clerk

Date: _____

Jeffrey R. Epp
Employee

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY
Michael R. McGuinness, City Attorney

By: _____

Exhibit "A"

Auto Allowance	\$750.00 per month
Contribution to City's Deferred Compensation Plan	7% of base salary
Life Insurance	Two times salary
Long Term Disability	Same as management
Worker's Compensation	Per State Law
Health and Dental Coverage	Same as management
Vacation	Same as management
Sick Leave	Same as management



CITY OF ESCONDIDO
AT WILL EMPLOYMENT AGREEMENT

Between: CITY OF ESCONDIDO
201 N. Broadway
Escondido, California 92025
("Employer")

And: Michael R. McGuinness
201 N. Broadway
Escondido, CA 92025
("Employee")

Witness that whereas:

- A. Employer and Employee wish to enter into an Agreement providing for Employee to serve as the City Attorney for the City of Escondido, as provided by the California Government Code and Chapter 2, Article 4 of the Escondido Municipal Code; and
- B. Employee has been employed by Employer as an Assistant City Attorney since April 7, 2008, and Interim City Attorney since March 8, 2017; and
- C. It is the desire of Employer to provide certain benefits and establish certain conditions of employment of Employee for the purpose of securing and retaining the services of Employee; and
- D. Employee desires to be employed as the City Attorney for the City of Escondido.

NOW THEREFORE, in consideration of the mutual covenants set forth below, the parties agree as follows:

SECTION 1. Duties.

Employer employs Employee as the City Attorney of the City of Escondido to perform the functions and duties specified by law and in the Escondido Municipal Code, and to perform such other legally permissible and proper duties and functions as the Council shall from time to time assign. It is acknowledged by Employer and Employee that, as provided in Escondido Municipal Code Sections 2-81 and 2-84, the City Attorney takes direction from the Council as a whole, provided that the Council may expressly authorize a Council subcommittee, the Mayor, or other council member to give direction on particular matters and such subcommittee, the Mayor, or council member may give direction to the City Attorney within the scope of such Council authorization. Employer and Employee understand that no such direction from the Council shall be contrary to or in violation of law or applicable California Rules of Professional Conduct. With respect to such authorizations, the Council acts only through duly enacted resolutions, ordinances, or minute action.

SECTION 2. Term.

(a) This Agreement shall be effective as of May 10, 2017, and shall terminate as provided elsewhere in this Agreement.

(b) Employee understands that he is an "at will" employee under controlling law and is "at will" serving at the pleasure of the Council pursuant to Chapter 2, Article 4 of the Escondido Municipal Code. Nothing in this Agreement is intended to, nor shall it, prevent, limit or otherwise interfere with the right of Employer, in Employer's discretion, to terminate the services of Employee at any time in accordance with said laws and the provisions of this Agreement.

(c) Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his position with Employer, provided he shall first provide forty-five (45) days advance written notice of such resignation to Employer.

SECTION 3. Salary and Benefits.

(a) Employer will pay Employee a base salary of \$230,000.00 per year ("Salary"). Such Salary shall be payable at the time as other employees of Employer are paid.

(b) Employer may from time to time adjust the Salary and/or other benefits of Employee in such amounts and to such extent as the City Council may determine is appropriate, taking into account the City's budgetary needs, its financial resources, and such other factors as the Council may determine to be relevant at the time, provided that no decrease shall be made that is any different than is made to unclassified City employees generally.

(c) In addition to such Salary, Employee shall receive the benefits identified in Attachment "A" attached hereto and incorporated herein by this reference. The 7% deferred compensation contribution shall be payable by Employer directly to Employer's 401K or 457 plan for the benefit of Employee. Employee shall further be entitled to all benefits provided to other management employees generally.

SECTION 4. Termination.

This Agreement may be terminated at any time as follows:

(a) By Employer.

Employer may terminate this Agreement at any time, either with or without cause, by majority vote of the total authorized membership of the City Council. Termination shall be under one or more of the following subparagraphs:

(1) For Cause:

(A) Misconduct. In the event that Employer determines there is good cause to terminate this Agreement due to (1) malfeasance, (2) gross negligence, (3) fraud, or (4) conviction of a crime other than a traffic offense or infraction on the part of Employee, Employer shall give Employee notice of termination, which at the option of the Council shall either be effective immediately, or the notice shall specify the intent to terminate and the date the termination will become final. In either case the notice shall be accompanied by a statement of the basis for the termination. In the case of a termination

that is effective immediately, Employee shall have the right to present any rebuttal information to the Council, in writing, no later than ten (10) calendar days after the termination. In the event that the Council gives notice of an intent to terminate at a future date, Employee shall have the right to present any rebuttal information to the Council, in writing, prior to the effective date of the termination. In either case, Employee shall have the right to be represented and to have a hearing before the Council, in open or closed session as authorized by the Brown Act, within fourteen (14) days following termination. The Council shall review any rebuttal information provided by Employee and any other relevant material and shall then determine whether to uphold the termination or to rescind it. The Council's decision shall be final. Any actions of Employer taken under this paragraph shall occur only after the majority vote of the total authorized membership of the City Council.

(B) Material Uncorrected Failure to Perform. In the event that Employer determines there is good cause to terminate this Agreement that does not rise to the level of seriousness addressed above in subparagraph 4(a)(1)(A), such as (1) a repeated material failure to meet stated, reasonable performance objectives that are within Employee's control, or (2) uncorrected, material failure to present a positive image to the Council, staff, public or media on behalf of Employer, Employer may terminate the Agreement for cause provided Employer (1) first gives notice to Employee in writing of the alleged failure in performance and a reasonable opportunity to cure the problem, and (2) gives Employee a reasonable opportunity to present evidence to the Council in rebuttal to any alleged failure in performance or of any extenuating circumstances showing that the failure was beyond the control of Employee. Employer will not terminate for cause under this subparagraph 4(a)(1)(B) unless it is determined in writing that the evidence in support of the grounds for termination is substantial taking into account all of the information available to the Council, including any evidence presented by Employee. Any actions of Employer taken under this paragraph shall occur only after the majority vote of the total authorized membership of the City Council.

(C) No Severance Benefits. In the event that this Agreement is terminated by Employer pursuant to Subparagraph 4(a)(1) for cause, Employee shall not be entitled to any severance benefits under this Agreement or under any other provision of law or Employer policy or procedure, except for previously accrued vacation and management leave to which Employee is otherwise entitled.

(2) For Convenience:

Employer may terminate this Agreement at any time without cause and for its convenience as Employer shall in its sole discretion determine appropriate provided (1) Employee shall be given thirty (30) days notice and an opportunity to be heard, in open or closed session or in writing, as the Council shall determine consistent with the Brown Act, with respect to the proposed termination before it becomes effective, (2) the Council shall vote by not less than a majority of the total authorized membership of the Council to exercise its termination rights under this subparagraph. Employee shall be offered the severance benefits specified below in Section 5 which he may accept or reject as provided in Section 5.

(b) By Employee.

Employee may terminate this Agreement at any time, with or without cause, by (1) giving Employer forty-five (45) days advance written notice of his intent to terminate, or (2) may terminate sooner by mutual agreement with Employer. In the event that Employee exercises his right to terminate, he shall not be entitled to the severance benefits set forth below under Section 5 or to any other similar termination benefits under law or Employer's rules or regulations, provided however, that Employee shall be entitled to payment for any vacation, management leave and sick leave earned and unused at the time his notice of termination is effective.

SECTION 5. Severance.

In the event that Employee's employment is terminated by Employer for convenience pursuant to Section 4(a)(2) above, Employee shall be offered and shall be entitled to the severance benefits stated in this Section 5, as follows:

(a) Computation; Items included.

Employer shall offer to Employee, and subject to Employee's exercise of his right to accept or decline severance benefits as set forth below, to pay salary and benefits but exclude other benefits provided by this Agreement, for a period of three hundred sixty-five (365) days from the date of termination. Such severance benefits shall be paid in addition to payment of any accrued vacation, sick leave, or management leave otherwise payable to Employee.

(b) Separately Negotiated; Waiver.

The parties expressly acknowledge and agree that these severance pay provisions have been independently negotiated. Acceptance by Employee of the severance pay benefits provided by this Section 5 shall operate as a full and complete waiver and release of any and all rights, claims, and/or causes of action which Employee may have, or have had, at any time, in the past or in the future, arising out of Employee's employment by Employer, including but not limited to claims for wrongful termination of this Agreement. If Employee wishes to retain any such rights, Employee must decline to accept the severance benefits provided by this paragraph. Employee shall notify Employer of this election to accept or reject these severance benefits within seven (7) days of notice of termination of this Agreement, or within such other time period as the parties may agree to in writing.

Acceptance of the severance benefits under this paragraph will operate as a general release on the part of Employee as to all claims, known or unknown, and Employee specifically waives the provisions of California Civil Code Section 1542 which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

(c) The severance provisions of this Agreement shall not apply in the event Employee is terminated for cause.

(d) Regardless of the term of this Agreement, if this Agreement is terminated, any cash settlement related to the termination that Employee may receive from Employer shall be fully reimbursed to Employer if Employee is convicted of a crime involving abuse of Employee's office or position.

SECTION 6. Management Leave.

In addition to Employee's entitlement to holiday and vacation leave on the same basis as is available to other management employees generally in accordance with

Section 3(c) of this Agreement, Employee shall be entitled to twenty (20) days of management leave annually. Management leave granted pursuant to this provision shall be in lieu of any other management leave available to members of the City management team generally.

SECTION 7. Conversion of Unused Leave Time to Salary.

In addition to any other provision of the City Code or this Agreement authorizing conversion of unused leave time to salary, Employee shall be entitled, as he may determine at his sole discretion, to convert up to fifteen (15) days of unused leave time (whether vacation, management or reserve time leave) each year during the term of this Agreement to salary. Employee shall exercise his right to convert leave time to salary by giving notice in writing to the payroll staff stating the number of days of leave time, if any, which shall be converted to salary. Such notice shall be given between July 1st and October 1st for each year for the term of this Agreement. Employer shall pay Employee the salary equivalent of the leave time, if any, so converted within thirty (30) days of delivery of such notice. Any such converted leave time shall not be included in computation of severance benefits pursuant to Section 5.

SECTION 8. Evaluation.

The City Council may review and evaluate the performance of the City Attorney on a regular basis. Normally, a review and evaluation may occur on an annual schedule and pursuant to an evaluation form developed by the City Council. Copies of any written evaluation will be provided to the City Attorney and he shall be given an opportunity to discuss his evaluation with the City Council.

SECTION 9. Dispute Resolution.

(a) Informal Meet and Confer.

The parties agree to meet and confer informally as the first step towards resolution of any dispute between them arising out of or related to this Agreement. The Council may be represented by a representative of its choosing, and Employee may be represented as well.

(b) Council Resolution.

If the parties are unable to resolve the matter informally through meet and confer, the matter shall be submitted to the Council for final resolution at a meeting to be held by the Council within thirty (30) days of submittal, and the Council shall promptly make a final decision, unless Employee and the Council mutually agree to a longer period.

(c) Litigation.

Neither party shall commence any litigation, arbitration, or other formal dispute resolution process until the above referenced informal meet and confer session and final Council determination have occurred.

SECTION 10. General Provisions.

(a) Governing Law.

This Agreement shall be interpreted and enforced in conformance with California law.

(b) Entire Agreement.

This Agreement together with the exhibits represents the entire Agreement between the parties and supersedes any prior agreements, written or oral, and any representations, written or oral, not expressly included herein.

(c) Venue.

The venue for any litigation to interpret or enforce this Agreement shall be the San Diego Superior Court, North County Division.

(d) Integration Clause.

If any part, provision, paragraph or subparagraph of this Agreement shall be held to be void or unenforceable by a final judgment of a court of competent jurisdiction, then unless that provision is found in such proceeding to be material to this Agreement, said void or unenforceable provision shall be severed from this Agreement and the balance of this Agreement shall remain in full force and effect. In the event that

the void or unenforceable provision is found to be material to this Agreement then the entire Agreement shall be voided.

(e) Attorneys Fees.

The prevailing party in any litigation to interpret or enforce this Agreement shall be entitled to recover his or its attorney's fees in addition to costs.

(f) Independent Review; Interpretation.

Employer and Employee affirm in signing this Agreement that they have each had an opportunity to review and consider this Agreement, and to have it reviewed and to receive advice from independent advisors of their own choosing, including attorneys, and that each knowingly and voluntarily enters into this Agreement. Employer and Employee further affirm that this Agreement was the mutual product of their negotiations, including give and take, and that neither party shall be considered the drafter of this Agreement such that the Agreement is interpreted against that party.

IN WITNESS WHEREOF, the City of Escondido has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk as authorized by Resolution No. 2017-70, and Employee has signed and executed this Agreement set forth below.

CITY OF ESCONDIDO

Date: _____

Sam Abed
Mayor

Date: _____

Diane Halverson
City Clerk

Date: _____

Michael R. McGuinness
Employee

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

By: _____

Attachment "A"

Auto Allowance	\$750.00 per month
Contribution to City's Deferred Compensation Plan	7% of base salary
Life Insurance	Two times salary
Long Term Disability	Same as management
Worker's Compensation	Per State Law
Health and Dental Coverage	Same as management
Vacation	Same as management
Sick Leave	Same as management

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 7

Date: May 10, 2017

TO: Honorable Mayor and Members of the City Council
FROM: Bill Martin, Director of Community Development
SUBJECT: Amendment to Article 67 (Density Bonus and Residential Incentives) of Escondido Zoning Code (AZ 16-0001)

STAFF RECOMMENDATION:

It is requested that the City Council introduce Ordinance No. 2017-05, which amends Article 67 (Density Bonus and Residential Incentives) of the Escondido Zoning Code to make the City's regulation of density bonus projects consistent with current State Density Bonus Law.

PLANNING COMMISSION RECOMMENDATION:

The Planning Commission voted 6-0 (Weber absent) on February 14, 2017, to recommend approval of the proposed Zoning Code amendment.

PROJECT DESCRIPTION:

The State Legislature has made recent changes in State law to clarify the intent of Density Bonus Law and/or expand the ways in which developers may create affordable dwelling units through Density Bonus applications. The proposed Zoning Code amendment represents the minimum necessary to ensure that the City's Zoning Code is consistent with State code requirements for Density Bonus project applications. Major provisions of the proposed ordinance pertain to density bonus application requirements, base density calculation and density bonus rounding, long-term affordability requirements, and design and quality standards.

FISCAL ANALYSIS:

None.

GENERAL PLAN ANALYSIS:

The purpose of the proposed amendment is to specify how compliance with State Density Bonus Law will be implemented by the City, as required by Government Code Section 65915(a). Density Bonus projects help incrementally implement the goals, objectives, and policies of the Escondido Housing Element. State Density Bonus Law encourages the development of more affordable housing units primarily through the provision of incentives for the production of lower income housing.

More detailed information related to specific goals and policies can be found in the attached Planning Commission staff report.

BACKGROUND:

State Density Bonus Law (Government Code Section 65915 et seq.) allows a property owner to increase density and the number of new, market-rate homes on their property above the maximum allowable limit under local zoning law. In exchange for these additional units, a certain number of new homes must be reserved for very low, low, or moderate-income households. The City of Escondido already has a density bonus ordinance in place (i.e. Article 67). City staff proposes to amend these regulations to respond to and fulfill new State-mandated requirements. The proposed amendments would therefore be applicable citywide.

ENVIRONMENTAL REVIEW:

The proposed zoning code amendments are exempt from CEQA, pursuant to Section 15061 (b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

PREVIOUS ACTION:

On February 14, 2017, the Planning Commission considered the proposed changes to the City's existing density bonus regulations as set forth in draft Ordinance No. 2017-05. With minimal discussion, the Planning Commission voted (6-0 with Chair Weber absent) to recommend approval of the proposed Zoning Code Amendment, as presented by staff, with no modifications.

PUBLIC COMMENTS:

No correspondence has been received from the public and there were no public speakers at the Planning Commission hearing for this item.

ANALYSIS:

In implementing the provisions of State Density Bonus Law, cities, counties, housing advocates, and developers have discovered several places where the law needed clarification or revision. Therefore, the law has changed numerous times since it was created, including several changes that were facilitated by four bills in the 2015-2016 legislative session. Assembly Bill (AB) 1934, AB 2442, AB 2501, and AB 2556, were adopted to facilitate clear permitting processes for Density bonus applications and/or otherwise amend California's mandatory density bonus program to increase affordable housing production. Although the application of these statutes can be complicated, the goals of recent law changes are relatively simple. Density bonus programs shall encourage developers to create affordable dwelling units in areas where the local government has identified a shortage of housing affordable to very low-, low-, and moderate-income households, where growth pressures are strong or land availability limited, and/or when incentives for attaining the goals outweigh alternative development options.

The City adopted and updated its Density Bonus and Residential Incentive Ordinance in the 1990s. The current Ordinance (Article 67) allows a minimum density bonus of 25 percent and deviations from the Zoning Code for affordable or senior housing. The City's Density Bonus and Residential Incentive Ordinance was useful to increase the number of bedrooms in the acquisition and rehabilitation of the 15th Avenue Cooperative and Sonoma Court, affordable housing projects. However, current State law requires jurisdictions to provide density bonuses and development incentives to all developers who propose to construct affordable housing on a sliding scale, where the amount of density bonus and number of incentives vary according to the amount of affordable housing units provided. Specifically, State law requires the provision of certain incentives for residential development projects that set aside a certain portion of total units to be affordable to very low-, low-, or moderate-income households. Under State law, a development of more than five units is eligible to receive density bonuses if it meets at least one of the following:

- Very Low Income Units: Five percent of the total units of the housing development as target units are affordable to very low-income households; or
- Low Income Units: Ten percent of the total units of the housing development as target units are affordable to low-income households; or
- Moderate Income Units: Ten percent of the total units in newly constructed condominiums or planned developments as target units are affordable to moderate-income households, provided all the units are offered for purchase; or
- Senior Units: A senior citizen housing development of 35 units or more.

The existing Escondido density bonus provisions are not consistent with the State density bonus law. Under basic Planning and Zoning laws, the implementation of city and county ordinances must be carried out consistent with relevant State or Federal laws. The purpose of the proposed Zoning Code amendment, as set forth by draft Ordinance 2017-05, is to specify how compliance with Government Code Section 65915 ("Density Bonus Law") will be implemented. Major provisions of the proposed Ordinance include:

- Base Density Calculation: Base density will be calculated based on the City's applicable zoning and general plan provisions. In determining the number of density bonus units to be granted, any fractions of dwelling units obtained by multiplying the maximum allowable residential density by the allowable percentage density increase shall be rounded up to the next whole number.
- Number of Units: Updating the maximum number of dwelling units permitted by Density Bonus Law.
- Application Requirements: As part of the application, applicants will be required to prepare and submit a "Density Bonus Report" for any density bonus, concession or incentive, or waiver being proposed as part of the project. The report will document the request and demonstrate why any special request is necessary and complies with state law.

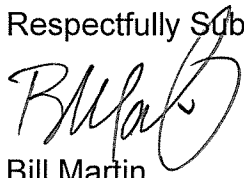
May 10, 2017

Page 4

- Findings: The City staff report must explain in detail how the project complies with the requirements of state density bonus law. Written findings are required to deny a density bonus project.
- Long-Term Affordability: The proposed ordinance requires that any affordable rental unit remain restricted as affordable for 55 years. If a density bonus is granted for market-rate senior housing, a covenant will be recorded requiring that the project will be operated as senior housing consistent with federal and state fair housing laws.

The Planning Commission and staff both recommend the City Council adopt the proposed amendment Article 67 of the Escondido Zoning Code to update the City's density bonus provisions to be consistent with current State Density Bonus Law.

Respectfully Submitted,



Bill Martin
Director of Community Development



Mike Strong
Assistant Planning Director

PROPERTY SIZE AND LOCATION: Citywide.

Rozanne Cherry, referenced the staff report and noted that staff recommended approval based on the following: 1) The proposed amendments to the Zoning Code implement another portion of the "Working Together to Get to Yes!" program associated with the City Council's 2015-2016 Action Plan Economic Development goal to "Revamp and clean up policies, practices and standards around Planning, Development, Enforcement and Economic Development;" 2) The proposed amendment to the Zoning Code would increase efficiencies and streamline existing Planned Development review processes by eliminating the Preliminary Plan stage; 3) The elimination of the requirement for a Preliminary Plan would eliminate the required application fee and thereby reduce the total Planning application fees required to process a planned development project; and 4) Amending the review authorities for different levels of planned development modifications as proposed would increase efficiencies by providing more flexibility in scheduling meetings or hearings.

Commissioner Weiler and staff discussed the protocol for bringing items to the Planning Commission. Mr. Martin noted items could be elevated to the Planning Commission.

Interim Chair Romo and Mrs. Cherry discussed the protocol for minor changes in a development plan.

ACTION:

Moved by Interim Chair Romo, seconded by Commissioner Cohen, to approve staff's recommendation. Motion carried unanimously. (6-0)

3. ZONING CODE AMENDMENT – AZ 16-0001:

REQUEST: Amendment to the Escondido Zoning Code (EZC), Article 67, to bring City regulations of density bonus applications into compliance with recent State law changes. California Government Code Section 65915, also known as Density Bonus Law, requires cities and counties in the State of California to allow specified density bonuses, incentives and concessions to projects that provide either housing for seniors and other targeted households, or for individuals of low-income, very low-income, or of moderate-income in common interest developments. Density Bonus Law requires cities and counties to specify how compliance with Government Code Section 65915 will be implemented. The proposed EZC amendment fulfills this state-mandated requirement. No development project is proposed.

PROPERTY SIZE AND LOCATION: Citywide.

Mike Strong, Assistant Planner Director, referenced the staff report and noted staff recommended approval based on the following: 1) The purpose of the proposed amendment is to specify how compliance with Government Code Section 65915 will be implemented by the City, as required by Government Code Section 65915(a); and 2) It is the intent of the City to facilitate the development of affordable housing and to implement the goals, objectives, and policies of the Escondido Housing Element.

Discussion ensued regarding a clarification of the area median income (\$65,000+). Additional discussion ensued regarding a clarification of the density bonus law and the benefits of affordable housing being near transportation hub.

ACTION:

Moved by Commissioner Weiler, seconded by Commissioner Cohen, to approve staff's recommendation. Motion carried unanimously. (6-0)

4. ZONING CODE AMENDMENT – AZ 16-0007:

REQUEST: Amendments to the Escondido Zoning Code (EZC) to bring City regulations of second dwelling units (now called accessory dwelling units) into compliance with recent State law changes. A majority of the proposed changes are focused to Article 70 of the Zoning Code, where specified provisions regarding accessory dwelling units are provided. However, additional EZC amendments are necessary to help maintain internal consistency between various code sections. No development project is proposed.

PROPERTY SIZE AND LOCATION: Citywide.

Mike Strong, Assistant Planner Director, referenced the staff report and noted staff recommended approval of the proposed Resolution, recommending that the City Council adopt, with any suggested edits, amendments to Articles 1, 7, 8, 10, 12, 13, 14, 39, 65, and 70 of the Zoning Code, for the following reasons: 1) The proposed amendments to Article 70 of the Zoning Code address recent changes in State law and provide use and development standards to implement relevant State law requirements. (Any local ordinance adopted prior to January 1, 2017 that is not in compliance with the changes to Accessory Dwelling Unit law are null and void.); 2) Proposed amendments to other code sections help maintain internal consistency between various code sections. They are ancillary to the focused amendments to Article 70 (i.e. they are minor and technical in nature); and 3) It is

PLANNING COMMISSION

Agenda Item No.: H.3
Date: February 14, 2017

CASE NUMBER: AZ 16-0001
APPLICANT: City of Escondido
LOCATION: Citywide
TYPE OF PROJECT: Zoning Code Amendment

PROJECT DESCRIPTION: Consideration of amendments to Article 67 of the Escondido Zoning Code to change the City's density bonus regulations to meet current State law requirements. No development project is proposed.

BACKGROUND/SUMMARY OF ISSUES: Density bonus is a State law (Government Code Section 65915 et seq.) that allows a property owner to increase density and the number of new, market-rate homes on their property above the maximum allowable limit under local zoning law. In exchange for these additional units, a certain number of new homes must be reserved for very low, low, or moderate-income households. The State Legislature recognizes that more affordable housing is badly needed in California, and local agencies should not impose roadblocks to stop such development and/or otherwise prohibit what the Legislature intended to authorize by statute.

The City of Escondido already has a density bonus ordinance in place (i.e. Article 67). The City of Escondido proposes to amend these regulations to respond to and fulfill new State-mandated requirements. The proposed amendments would therefore be applicable citywide. Factors to be considered as part of the amendment request are included as Exhibit "A" to this Staff Report. Exhibit "B" displays those portions of the Escondido zoning regulations that are proposed to be changed. The changes are listed in order by section number, with strikeout typeface illustrating deletions, and underlined typeface illustrating new text.

It is important to note that the City is not proposing to alter the existing development standards established as part of underlying zoning designations. Therefore, in order for any density bonus to be approved by the City for development, consistency with all applicable zoning requirements must be achieved, unless the applicant or project proponent pursues any incentive and/or waiver requests expressly authorized by State law. As such, while the density of a development project could be increased beyond the numbers established as part of the underlying land use designations, any development that invokes State Density Bonus Law would be generally consistent with the overall intent of the City's General Plan and Zoning Code requirements.

REASONS FOR STAFF RECOMMENDATION: Staff recommends approval of the proposed Resolution, recommending that the City Council adopt, with any suggested edits, amendments to Article 67 of the Zoning Code, for the following reasons:

1. The purpose of the proposed amendment is to specify how compliance with Government Code Section 65915 will be implemented by the City, as required by Government Code Section 65915(a).
2. It is the intent of the City to facilitate the development of affordable housing and to implement the goals, objectives, and policies of the Escondido Housing Element. State Density Bonus Law provides incentives for the production of lower income housing in accordance with Government Code Section 65915 et. seq.

Respectfully Submitted,



Mike Strong
Assistant Planning Director

ENVIRONMENTAL STATUS:

The proposed zoning code amendments are exempt from CEQA, pursuant to Section 15061 (b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

ZONING CODE AMENDMENT ANALYSIS:

The California State Legislature and courts have repeatedly indicated in statute and case law that housing is an issue of statewide concern. Density Bonus Law (Government Code Sections 65915-65918) was first enacted in 1979 to address the State's shortfall of affordable housing. It achieved affordable housing production by offering incentives to developers to include low-income housing in new construction projects. A density bonus can include increased density, zoning accommodations that increase density, or various other incentives and concessions. Under Density Bonus Law, a property owner can increase the allowable density on their property (i.e. the number of new, market-rate residential units) above the maximum allowable limit under local zoning law. In exchange for these additional units, a certain percentage of the proposed development must be reserved for very low-, low-, or moderate-income households. Property owners may also receive certain modifications of development standards that dictate a development's footprint and bulk/massing (e.g. building height, floor area ratio, buffer and setback distances, use restrictions on steep slopes, etc.). The result is development that provides public benefits without direct public funding. Density Bonus Law recognizes the differences in profit margins between market-rate and below market-rate units. The added density compensates the developer with additional revenue from additional market rate units, which helps subsidize affordable housing construction.

Over time in implementing the provisions of State Density Bonus Law, cities, counties, housing advocates, and developers have discovered several places where the law needed clarification or revision. Therefore, the law changed numerous times since it was created, including several changes in the 2015-2016 legislative session. Assembly Bill (AB) 1934, AB 2442, AB 2501, and AB 2556 were adopted to facilitate clear permitting processes for Density bonus applications and/or otherwise amend California's mandatory density bonus program to increase affordable housing production. The changes to the Density Bonus Law in each of the four bills are summarized below. A reference link to the full text of the four bills has been provided.

Bill Number and Author	Bill Summary
<u>AB 1934 (Santiago)</u>	<ul style="list-style-type: none">Requires agencies to grant a density bonus to a commercial development where the developer has entered into a contract with a housing developer. This is a pilot program, with the provision expiring in 2022, unless extended by the Legislature. <p>Full text: http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_1901-1950/ab_1934_bill_20160928_chaptered.pdf</p>
<u>AB 2442 (Holden)</u>	<ul style="list-style-type: none">Provides a density bonus for projects where 10 percent of the total units are reserved for very low-income transitional foster youth, disabled veterans, and homeless persons. <p>Full text: http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_2401-2450/ab_2442_bill_20160928_chaptered.pdf</p>

<p><u>AB 2501 (Bloom)</u></p>	<ul style="list-style-type: none"> • Clarifies that all density calculations “round up,” including base density, the number of bonus units, and the number of affordable units. In the San Diego region, a few agencies “rounded down” base density. • Requires all agencies to adopt procedures and timelines for processing density bonus applications. • Revises the incentives and concessions section to require that they result in “identifiable and actual cost reductions to provide for affordable housing costs.” Similarly, this changes the standards for denial, where such findings to support an incentive or concession to modifications must actually reduce costs. • Clarifies that a bonus is available for housing in mixed use developments. <p>Full text: http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_2401-2450/ab_2442_bill_20160928_chaptered.pdf</p>
<p><u>AB 2556 (Nazarian)</u></p>	<ul style="list-style-type: none"> • Clarifies and follows AB2222 (2014) that requires “replacement” housing occupied by very low- and/or low-income households. This bill specifies procedures for what to do where incomes or unknown (i.e. the percentage of affordability is determined by the percentage of very low- and low-income renters shown in the HUD database. • Provides for replacement of equivalent size or type, so that a one two-bedroom unit can be replaced with two one-bedroom units. However, since an equal number of units must be built as those that are lost, the developer could not replace a two one-bedroom unit with a one two-bedroom unit. <p>Full text: http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_2551-2600/ab_2556_bill_20160928_chaptered.pdf</p>

Although the application of these statutes can be complicated, the goals are relatively simple. Density bonus programs shall encourage the construction of affordable housing in areas where there is a shortage of housing available to very low-, low-, and moderate-income households; where growth pressures are strong or land availability limited; and/or when incentives for attaining the goals outweigh alternative development options. Under State law, a development of more than five units is eligible to receive density bonuses if it meets at least one of the following:

- Very Low Income Units: Five percent of the total units of the housing development as target units are affordable to very low-income households; or
- Low Income Units: Ten percent of the total units of the housing development as target units are affordable to low-income households; or
- Moderate Income Units: Ten percent of the total units in newly constructed condominiums or planned developments as target units are affordable to moderate-income households, provided all the units are offered for purchase; or

- Senior Units: A senior citizen housing development of 35 units or more.

The existing Escondido density bonus provisions are not consistent with the State Density Bonus Law. The purpose of the proposed amendment is to specify how compliance with Government Code Section 65915 (“Density Bonus Law”) will be implemented and to ensure that local laws are consistent with state laws. In the early 1990s, the City adopted a local density bonus ordinance, also known as Article 67, which largely followed the requirements and standards specified under the state law in existence at the time. The current Ordinance (Article 67) allows a minimum density bonus of 25 percent and deviations from the Zoning Code for affordable or senior housing. The City’s Density Bonus and Residential Incentive Ordinance was useful to increase the number of bedrooms in the acquisition and rehabilitation of the 15th Avenue Cooperative and Sonoma Court, affordable housing projects.

The proposed update to the City’s Zoning Code makes the City’s regulation of density bonuses consistent with current State Density Bonus Law. Major provisions of the proposed ordinance pertain to density bonus application requirements, base density calculation and density bonus rounding, long-term affordability requirements, and design and quality standards, as follows:

- Application Requirements: As part of the application, applicants will be required to prepare and submit a “Density Bonus Report” for any density bonus, concession or incentive, or waiver being proposed as part of the project. The report will document with information the request and demonstrate why any special request is necessary and complies with state law.
- Base Density Calculation: Base density will be calculated based on the City’s applicable zoning and general plan provisions. In determining the number of density bonus units to be granted, any fractions of dwelling units obtained by multiplying the maximum allowable residential density by the allowable percentage density increase shall be rounded up to the next whole number.
- Number of Units: State Density Bonus Law requires jurisdictions to provide density bonuses and development incentives to all developers who propose to construct affordable housing on a sliding scale, up to 35 percent maximum density bonus, where the amount of density bonus and number of incentives vary according to the amount of affordable housing units provided. Specifically, State law requires the provision of certain incentives for residential development projects that set aside a certain portion of total units to be affordable to very low-, low-, or moderate-income households.
- Long-Term Affordability: The proposed ordinance requires that any affordable rental unit remain restricted as affordable for 55 years. If a density bonus is granted for market-rate senior housing, a covenant will be recorded requiring that the project will be operated as senior housing consistent with federal and state fair housing laws.
- Findings: The City staff report must explain in detail how the project complies with the requirements of State Density Bonus Law. Written findings are required to deny a density bonus project.

EXHIBIT “A”
FACTORS TO BE CONSIDERED
AZ16-0001

Zoning Code Amendment

1. The public health, safety, and welfare would not be adversely affected by the proposed Zoning Code amendment. A city’s police power is an exercise of the sovereign right of the government to protect the lives, health, morals, comforts, and general welfare of the people – and this constitutional provision is as broad as that of the State legislature. To help address California’s affordable housing shortage, the State Legislature enacted Density Bonus Law to encourage the development of more affordable housing units. Safe, secure, affordable housing is a basic human need.
2. The proposed zoning code amendment would not conflict with any State law. Pursuant to Article XI, Section 7 of the California Constitution, a city or county must not adopt laws that conflict with general laws, which include state statutes, such as the Density Bonus Law. The State Legislature has made recent changes in State law to clarify the intent of Density Bonus Law and/or expand the ways in which developers may create affordable dwelling units through Density Bonus applications. The proposed zoning code amendment would ensure that the City’s Zoning Code is consistent with state code requirements for Density Bonus project applications.
3. The proposed zoning code amendment would not be detrimental to surrounding properties because the amendment enforces an important, existing State policy to promote the construction of lower income housing and to remove impediments to the same. It does so through a mechanism of awarding certain affordable housing projects with one or more itemized concessions and a density bonus, which allows the developer to increase the density of the development by a certain percentage above the maximum allowable limit under local zoning law. Density Bonus Law encourages the development of more affordable housing units. Affordable housing supports economic vitality and social cohesion. Providing affordable housing in the community often allows residents to stay near family and close to work. Furthermore, no physical improvements are proposed as part of this zoning code amendment. Future construction of Density Bonus projects must comply with any applicable laws and standards. This includes the Building Code, the Fire Code, and any property standards by-laws.
4. The proposed zoning code amendments would be consistent with the goals and policies of the General Plan because it encourages compact urban form, which makes more efficient use of existing infrastructure. Density bonus project applications help harness strong housing markets to construct affordable housing and other necessary public benefits. The proposed zoning code amendments would not diminish the Quality of Life Standards of the General Plan, nor adversely impact the community health or natural resources.
5. The proposed zoning code amendments do not conflict with any specific plan. However, whenever a conflict exists between Article 67 and other sections of the Municipal Code, or any Specific Plan, the intent, provisions, and requirements of these proposed amendments control.

EXHIBIT “B”
PROPOSED CHANGES TO THE ZONING CODE
AZ16-0001

Amend the various zoning code sections to read as specified below.

ARTICLE 67. DENSITY BONUS AND RESIDENTIAL INCENTIVES

Revise Section 33-1410, Purpose, as set forth below.

~~The purpose of the ordinance codified in this article is to adopt an implementing mechanism that provides housing opportunities for lower-, very low- income households, and/or housing for seniors, transitional foster youth, disabled veterans, and/or homeless persons or senior households (hereinafter collectively referred to as target households) throughout the city consistent with the State Density Bonus Law set forth in Government Code Section 65915 et. seq. The article is mandated in part specifies how compliance with by State Density Bonus Law will be implemented as required by Government Code Section 65915(a), and provides incentives for the development of units for target households and procedures for reviewing development applications. This article also provides incentives for the development of nondensity bonus units for lower- and very low-income households (target households), designated to meet the city’s housing needs.~~

Revise Section 33-1411, Definitions, as set forth below.

The definitions found in State Density Bonus Law shall apply to the terms contained in this subsection and as ~~As~~ used in this chapter, unless the context otherwise requires:

Affordable housing costs are defined in ~~section~~Section 65915(c) of the Government Code.

Child care facility means a facility installed, operated, and maintained under this section for the non-residential care of children as defined under applicable state licensing requirements for the facility. “Child care facility,” as used in this section, means a child day care facility other than a family day care home, including, but not limited to, infant centers, preschools, extended day care facilities, and school age child care centers.

Concession(s) or incentive(s) is at least one additional incentive, identified in section 33-1415 of this article, ~~in addition to the minimum twenty-five (25) percent density bonus as described in~~ 65915(k)

Density bonus is defined by the State of California Government Code ~~section~~Section 65915(f) and/or 65915.5.

Developer means the owner or other person, including a lessee, having the right under the applicable zoning ordinance of a city council, including a charter city council, city and county

board of supervisors, or county board of supervisors to make an application for development approvals.

Development standard includes a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.

Equivalent financial value refers to the cost to the developer based on the land cost per dwelling unit. This is determined by the difference in the value of the land with and without the density bonus.

Feasibility or feasible refers to whether a proposed project can provide affordable housing costs without concession(s) or incentive(s).

Household includes all persons permanently living in the home, including those temporarily absent. Examples of temporary absence include absent members away at school, or on a visit, vacation, trip in connection with work, active duty in the armed service, or absence of a similar nature.

Housing costs for renters includes rent and utilities except cable and telephone, and for owners includes mortgage (principal and interest), taxes, insurance, homeowners association fees and utilities except cable and telephone.

Housing developments or housing development project are one (1) or more groups of residential projects developed simultaneously, consisting of at least the minimum number of dwelling units prescribed within this article that qualify for a density bonus and additional incentive(s), or incentives of equivalent financial value, or residential incentives as used in this section, means a development project for five or more residential units, including mixed-use developments. For the purposes of this section, "housing development" also includes a subdivision or common interest development, as defined in Section 4100 of the Civil Code, and consists of residential units or unimproved residential lots and either a project to substantially rehabilitate and convert an existing commercial building to residential use or the substantial rehabilitation of an existing multifamily dwelling, as defined in Government Code Section 65863.4(d), where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units shall be on contiguous sites that are the subject of one development application, but do not have to be based upon individual subdivision maps or parcels.

Lower-Low- and very low-income households are households which fall within the income limits published by the ~~department of housing and community development~~ Department of Housing and Community Development (HCD) pursuant to Health and Safety Code ~~sections~~ Sections 50079.5 and 50105, respectively, as they may be amended from time to time. Very low-income and Lower-low-income households (hereinafter collectively referred to as lower income households) are currently defined as earning at or below eighty (80) percent of the area median income adjusted for household size. Very low-income households are currently defined as those earning at or below fifty (50) percent of the area median income adjusted for household size.

Maximum permitted density or allowable residential density is the maximum allowable residential density under the applicable zoning ordinance and General Plan Land-Use Element, applicable to the project, as of the date of the developer's application. Where the density allowed under the zoning ordinance is inconsistent with the density allowed under the General Plan Land Use Element, the General Plan density shall prevail. ~~This~~ The maximum permitted density is the base density from which the density bonus is calculated.

Monthly gross income means moneys derived from all sources except gifts to any household member, and income of minors.

Senior citizen housing development means a housing development consistent with the California Fair Employment and Housing Act (Government Code section 12900 et seq., including 12955.9 in particular), California Civil Code sections ~~51.2, 51.3 and 51.4~~ 51.12; which has been designed to meet the physical and social needs of senior households and which otherwise qualifies as housing for older persons as that phrase is used in the Federal Fair Housing Amendments Act of 1988 (P.L. 100-430; 42 USC section 3607) and implementing regulations, and as that phrase is used in California Civil Code section 51.2. Senior citizen housing development also means a mobilehome park that limits residency based on age requirements for housing for older persons pursuant to Section 798.76 or 799.5 of the Civil Code.

~~Senior households are households with at least one (1) person sixty-two (62) years of age or fifty-five (55) years of age. Housing developments consisting of at least one hundred fifty (150) units (including the density bonus units) may involve senior households with at least one (1) person fifty-five (55) years of age. Housing developments consisting of less than one hundred fifty (150) units (including density bonus units) must limit target units to senior households with at least one (1) person sixty-two (62) years of age. Projects incorporating senior households must also comply with the Federal Fair Housing Amendments Act of 1988 Public Law section 100-430, 42 USC section 3601 and Consent Decree of Department of Justice.~~

Specific, adverse impact means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, written public or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete.

~~Target households for density bonus projects are either benefit very low-income, lower-income, moderate-income, or senior households. Nondensity bonus target households are either very low-income or lower-income households, as well as transitional foster youth, as defined in Section 66025.9 of the Education Code, disabled veterans, as defined in Section 18541, or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.).~~

Target units are the restricted dwelling units established through the application of this article which are occupied by target household ~~senior households, or occupied by and affordable to lower and/or very low-income households for the prescribed duration.~~

Revise Section 33-1412, Implementation, as set forth below.

(a) Any developer requesting a density bonus and any incentive(s), waiver(s), or parking reductions provided by State Density Bonus Law shall submit a density bonus report as described below. The requests contained in the density bonus report shall be processed concurrently with the planning application for the first discretionary permit required for the housing development and shall include the following information.

(1) A summary table showing the maximum number of dwelling units permitted by the zoning and general plan excluding any density bonus units, proposed affordable units by income level, proposed bonus percentage, number of density bonus units proposed, total number of dwelling units proposed on the site, and resulting density in units per acre.

(2) A description of all dwelling units existing on the site in the five-year period preceding the date of submittal of the application and identification of any units rented in the five-year period. If dwelling units on the site are currently rented, income and household size of all residents of currently occupied units. If any dwelling units on the site were rented in the five-year period, but are not currently rented, the income and household size of residents occupying dwelling units when the site contained the maximum number of dwelling units, if known.

(3) A description of any recorded covenant, ordinance, or law applicable to the site that restricted rents to levels affordable to very low- or low- income households in the five-year period preceding the date of submittal of the application.

(4) If a density bonus is requested for a land donation, the density bonus report shall include: the location of the land to be dedicated; proof of site control; and information that each of the requirements included in Government Code Section 65915(g) can be met.

(5) If a density bonus is requested under a joint commercial and housing partnership as described by State Density Bonus Law, the density bonus report shall include: the agreement between the commercial developer and the housing developer for a partnered, affordable housing project in compliance with Government Code Section 65915.7; and information that shows that all of the requirements included in Government Code Section 65915.7 can be met.

(6) If a density bonus is requested and a developer proposes concessions or incentives pursuant to State Density Bonus Law, the density bonus report shall include: a summary table showing the usual development standard(s) and the requested development standard(s) or regulatory incentive(s); information to show that the request results in identifiable and actual costs reductions to provide affordable housing costs to target households; and information that shows that all of the requirements included in Government Code Section 65915(k) can be met.

(7) If approval of a mixed use zoning is proposed, provide information that non-residential land uses will reduce the cost of the housing development, that the non-residential land uses are compatible with the housing development, and that mixed use zoning will provide for affordable rents or affordable sales prices.

(8) If a density bonus application proposes waivers of development standards pursuant to State Density Bonus Law, the density bonus report shall include: a summary table showing the usual development standard(s) and the requested development standard(s); information that the development standards for which a waiver is requested will have the effect of physically precluding the construction of a development at the densities or with the concessions or incentives permitted by Government Code Section 65915; and information that shows all of the requirements included in Government Code Section 65915(e) can be met.

(9) If a density bonus application proposes a parking reduction pursuant to State Density Bonus Law, a table showing parking required by the zoning regulations and parking proposed under Government Code Section 65915(p).

(10) If a density bonus or incentive is requested for a child care facility pursuant to State Density Bonus Law, information that shows that all of the requirements included in Government Code Section 65915(h) can be met.

(11) If a density bonus or incentive is requested for a condominium conversion, information that shows that all of the requirements included in Government Code Section 65915.5 can be met.

(b) For projects proposing a density bonus:

(1) The city councilCity shall grant, according to Government Code section 65915, a density bonus and/or at least one additional concession(s) or incentive(s), waivers(s) or reductions of development standards and parking ratios, or financially equivalent incentive(s) as required by State Density Bonus Law. Each housing development is entitled to only one density bonus. If a housing development qualifies for more than one density bonus based on the number of target units provided, or as otherwise granted under State Density Bonus Law, the developer shall select the category under which the density bonus is granted and may not combine bonus density calculations. The increase in density must be at least twenty-five (25) percent over the maximum permitted density authorized by the applicable zoning ordinance and city's General Plan.

Density bonus projects shall be subject to the following maximum Floor Area Ratio (F.A.R.) requirements: 0.6 in R-2, 0.7 in R-3 and 0.8 in R-4 zones.

(2) In order to qualify for this bonus, a housing development must consist of five (5) or more dwelling units, including mixed use developments, except those housing developments located within the Centre City Residential Area Plan, as defined in the city'sCity's General Plan, may consist of three (3) dwelling units to qualify for this bonus. All housing developments proposing a density bonus must meet one (1) or more of the following minimum criteriaIn determining the total number of units to be granted, a

developer for a housing development must seek and agree to construct a housing development, excluding any units permitted by the density bonus awarded pursuant to this article, that will contain at least any one of the following target households:

(A) At least ~~twenty (20)~~ten (10) percent of the total units allowed by the maximum permitted density at affordable housing costs for and occupied by lower-income households for the prescribed duration; and/or

(B) At least ~~ten (10)~~five (5) percent of the total units allowed by the maximum permitted density at affordable housing costs for and occupied by very low-income households for the prescribed duration; or

(C) At least ~~fifty (50)~~ percent of the total units allowed by the maximum permitted density are designated for and occupied by senior households. At least ten (10) percent of the total dwelling units in a common interest development, as defined in Section 4100 of the Civil Code, for persons and families of moderate-income, as defined in Section 50093 of the Health and Safety Code, provided that all units in the development are offered to the public for purchase; or

(D) At least ten (10) percent of the total units of a housing development for transitional foster youth, as defined in Section 66025.9 of the Education Code, disabled veterans, as defined in Section 18541, or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.).

(E) The project proposes to convert apartments to a condominium project agrees to provide at least 15 percent of the total units of the proposed condominium project to very low-income households, or at least 33 percent of the total units of the proposed condominium project to low-income households, at least 33 percent of the total units for moderate-income as defined in Section 50093 of the Health and Safety Code.

(F) The project is a senior citizen housing development; or

(G) The project donates at least one acre of land to the City in compliance with Government Code Section 65915(g) and the land has the appropriate general plan designation, zoning, permits and approvals, and access to public facilities needed for such housing; or

(H) The project is the result of a bona fide joint commercial and housing partnership, where the housing developer provides at least 15 percent of the total units for very low-income households or at least 30 percent of the total units for low-income households.

(3) To be eligible for a density bonus or residential incentives, the developer must sign a binding agreement with the ~~city~~City, which sets forth the conditions and guidelines to be met in the implementation of ~~the density bonus law~~State Density Bonus Law requirements and/or any other applicable requirements. The agreement will also establish specific compliance standards and remedies available to the ~~city~~City upon failure by the developer to restrict units to target households for the prescribed time period.

(A) All such agreement(s) shall be binding on the developers, their heirs, transferees, assigns, successors, administrators, executors and other representatives and recorded on the deed for the requisite time period.

(B) The developer agrees not to sell, transfer or otherwise dispose of the project, or any portion thereof, without obtaining the prior written consent of the ~~planning and building director~~ Director of Community Development. Such consent shall be given upon receipt by the developer of reasonable evidence satisfactory to the ~~planning and building director~~ Director of Community Development that the purchaser, or other transferee, has assumed, in writing and in full, the city's requirements and obligations in the agreement. The consent of the ~~planning and building director~~ Director of Community Development shall not be unreasonably withheld or delayed.

~~(4)~~ The amount of the density bonus is set on a sliding scale, based upon the percentage of affordable units at each income level, in the threshold amounts shown in State Density Bonus Law.

~~(5)~~ All density calculations must be "rounded up," including the base density, the number of bonus units, and the number of affordable units required to be eligible for a density bonus.

~~(C)~~ Figure 33.1412.1. Density bonus calculation.

Project Example

The density bonus units are not included when determining the number of required target units relative to the total project units. When calculating the total number of units to be granted and required target units, each component of any density calculation, including base density and bonus density, fractions are always rounded up to the next whole unit number.

Maximum permitted density	18 du/ac
Property Size	4 acres
Number of units at maximum permitted density	72 units
Units affordable to target households (20% for lower-income HHs) [72 x .20 = 14.4]; rounded up	15 units
Density bonus units (@ 25 <u>35</u> %)	18 <u>25.2</u> units; rounded up to <u>26</u> units
Total project units with 25 <u>35</u> % density bonus:	72 base units
	+ 18 <u>26</u> density bonus units
	<u>90</u> total units
	(75 <u>83</u> units @ market rate, 15 units with restricted rents)

(c) For projects not proposing a density bonus:

- (1) The ~~city~~City shall grant concessions or incentives as detailed in section 33-1415 of this article.
- (2) In order to qualify for the listed concessions or incentives, a housing development must consist of five (5) or more dwelling units, except those housing developments located within the Centre City Residential Area Plan may consist of three (3) dwelling units to qualify for the concessions or incentives. All housing developers requesting incentives must meet ~~one (1) or more of the following:~~the criteria listed in 33-1412(b).
- ~~———— (A) ——— At least twenty (20) percent of the total units at affordable housing costs for and occupied by lower income households for at least thirty (30) years; and/or~~
- ~~———— (B) ——— At least ten (10) percent of the total units at affordable housing costs for and occupied by very low income households for at least thirty (30) years.~~
- (d) The City shall grant a development bonus to a commercial development where the developer has entered into a contract with a housing developer to construct a housing project of any size where either 30 percent of the units are designated for low-income households or 15 percent of the units are designated for very low-income households. The housing must either be part of the commercial development or within one-half mile of a major transit stop. The affordable housing developer may also request a density bonus and all other incentives available under the Density Bonus Statute for the housing development. Under this provision, the City must approve the contract between the commercial developer and the housing developer, and the development bonus must be mutually agreed upon by the City and the commercial developer.

Revise Section 33-1413, Preliminary Application Review Procedure, as set forth below.

- (a) In order to apply for a density bonus or residential incentives, the developer shall first submit to the ~~city planning division~~ Planning Division a written proposal for a project.
- (b) The written proposal shall consist of density bonus report as described under 33-1412(a) and adequate information to reliably estimate the project cost per unit of the proposed development. This shall include, but not be limited to, the project location; total number of units by bedroom size; standards for maximum qualifying household incomes; proposed market and restricted housing costs; party/process responsibility for certifying target household income; how vacancies for restricted units will be marketed and filled; number of units by bedroom size for each target household category; density increase requested and concessions, ~~/incentives,~~ waivers, or financially equivalent incentives sought; and such other information as is required by the ~~city~~City.
- (c) ~~The planning division~~ Planning Division shall, within ~~ninety (90)~~ 30 days of receipt of a written proposal, notify the developer in writing of the manner in which the City will comply with State Density Bonus Law and all other applicable local, state, and federal laws; and whether the preliminary application consists of all requisite submittal requirements and/or satisfies the intent of State Density Bonus law, ~~it shall recommend to the planning commission to:~~

- ~~———— (1) ——— Grant a density bonus or residential incentives; and~~

~~(2) Grant one (1) or more additional concessions or incentives; or~~

~~(3) Provide other incentives of equal financial value.~~

~~Nothing in this section shall be construed to require the city to approve a proposal to convert apartments into condominiums.~~

Revise Section 33-1414, Project application procedure, as set forth below.

- (a) Density bonus projects. After notification to the applicant regarding the ~~city's~~City's determination on the preliminary application review and/or granting additional concessions or incentives, or waiver of development standard(s), the applicant may submit the development application, which shall be subject to a separate discretionary permit. The proposal shall be submitted in conjunction with a subdivision map, conditional use permit application or planned development application. All appropriate requirements shall be delivered to the ~~Escondido city planning department~~Planning Division in order for the application to be deemed complete. Not later than 30 calendar days after the City has received the planning application, the Planning Division shall notify the developer in writing whether the application is complete as required by Government Code Section 65943.
- (b) Non-density bonus residential incentive projects. After notification to the applicant regarding the ~~city's~~City's determination on the preliminary application review and/or granting additional concessions or incentives, or waiver of development standard(s), the applicant may submit the development application which shall be subject to a separate administrative permit including all necessary information and fees to notice all properties within a five hundred (500) foot radius of the project boundaries, as well as appropriate fees should the project be appealed. All appropriate submittal requirements shall be delivered to the ~~Escondido city planning department~~Planning Division in order for the application to be deemed complete. Not later than 30 calendar days after the City has received the planning application, the Planning Division shall notify the developer in writing whether the application is complete.

At time of application, a notice shall be posted on the project site detailing a general description of the proposal in conformance with section 33-1300 of this chapter.

- (c) In conjunction with the project application, the developer shall agree to execute a density bonus or residential incentive agreement, in such form as shall be established by the ~~director of planning and building~~Community Development Director.
- (d) The planning application shall be processed, reviewed, and considered in accordance with the Government Code Section 65940 et seq. All requests for density bonus, concessions or incentives, parking reductions, and/or waivers shall be considered and acted upon by the approval body with authority to approve the housing development, with right to appeal as described in Division 6 of Article 61.

(1) The staff report presented to the decision-making body shall state whether the planning application conforms to the requirements of State Density Bonus Law.

(2) The decision-making body shall grant the concession or incentive requested by the applicant unless it makes a written finding, based on substantial evidence, of any of the following:

(A) The concession or incentive is not required to provide for affordable housing costs;

(B) The concession or incentive would have a specific, adverse impact on the public health, safety or physical environment and that there is no feasible mitigation;

(C) The concession or incentive would violate state or federal law; and/or

(D) The concession or incentive would have an adverse impact on any real property listed in a local, state, or federal Register of Historic Resources.

(3) The decision-making body shall grant the waiver of development standard(s) requested by the applicant unless it makes a written finding, based on substantial evidence, of any of the following:

(A) The waiver is not required to provide for affordable housing costs;

(B) The waiver would have a specific, adverse impact on the public health, safety or physical environment and that there is no feasible mitigation;

(C) The waiver would violate state or federal law; and/or

(D) The waiver would have an adverse impact on any real property listed in a local, state, or federal Register of Historic Resources.

(e) Nothing in this section shall be construed to require the city to approve a proposal to convert apartments into condominiums.

Revise Section 33-1415, Concession, incentives, equivalent financial incentives, as set forth below.

~~_____ (a) The city shall grant the following number of concessions or incentives:~~

~~_____ (1) For projects targeting senior households, a choice of one (1) incentive and/or concession shall be permitted;~~

~~_____ (2) For projects targeting lower income households, a choice of two (2) incentives and/or concessions shall be permitted; and~~

~~_____ (3) For projects targeting very low income households, a choice of three (3) incentives and/or concessions shall be permitted.~~

~~_____ (b) Developers shall select incentives from the following list. Each provision counts as an individual incentive.~~

~~_____ (1) Open space.~~

~~_____ (A) If development occurs in the R-2 or R-3 zones, the open space provisions of the R-4 zone may be applied. For development occurring in the R-4 zone, the provisions for open space may be reduced up to twenty-five (25) percent; or~~

~~_____ (B) Roof-top areas for covered parking may receive credit as open space if appropriately integrated into the design of the project and usable by the tenants; or~~

~~(C) In multifamily zones (R-2 through R-4), projects may reduce common open space provisions by up to fifty (50) percent, if the project is located within one thousand (1,000) feet of a public park.~~

~~(2) Unit size. If development occurs in the R-2 and R-3 zones, the dwelling unit size provisions of the R-4 zone may be applied. For development occurring in the R-4 zone, the provisions for dwelling unit size may be reduced up to twenty-five (25) percent.~~

~~(3) Parking. A parking management plan must be incorporated into each project which details assigned spaces, overflow, on-site vehicle maintenance, guest parking and on-street parking.~~

~~(A) The covered parking requirements for all units may be eliminated.~~

~~(B) Parking requirements for target units may be reduced according to the following schedule:~~

~~(i) One (1) bedroom, one and one-half (1.5) parking spaces per unit are reduced to one (1);~~

~~(ii) Two (2) bedroom, one and three-quarters (1.75) parking spaces per unit are reduced to one and one-quarter (1.25);~~

~~(iii) Three (3) or more, two (2) parking spaces per unit are reduced to one and one-half (1.5).~~

~~(C) On-street resident parking for target units, physically contiguous to the project frontage, may be substituted for the required off-street parking requirements at a ratio of one to one (1:1) on non-circulation element streets, subject to all ordinances and codes pertaining to on-street parking.~~

~~(4) Off-site improvements. City participation of certain off-site improvements required by the development of the project may be proposed pursuant to negotiations and agreement with the city.~~

~~(5) Timing of development fees. The developer of a project may propose a fee schedule which defers payment of any or all city-related development fees until the project is released for occupancy.~~

~~(6) The required setbacks for parking and landscaping within a parking area may be reduced up to an average of fifty (50) percent provided that the improvements are not significantly out of character with the surrounding area, do not create a safety hazard and a suitable alternative design is incorporated. Bumper overhang shall not extend into the reduced setback area. (Ord. No. 92-19, § 1, 4-22-92; Ord. No. 94-38, § 1, 12-7-94; Ord. No. 2011-19R § 5, 1-11-12)~~

(a) In addition to the density bonus, the City shall also provide one or more “incentives” or “concessions” to each housing development project, which qualifies for a density bonus.

(1) A concession or incentive is defined as a reduction in site development standards or a modification of zoning code or architectural design requirements, such as a reduction in setback or minimum square footage requirements; or approval of mixed use zoning; or other regulatory incentives or concessions which actually result in identifiable and financially sufficient cost reductions.

(2) The number of required incentives or concessions is based on the percentage of affordable units in the housing development project:

(A) One incentive or concession for projects that include at least 5 percent of the total units for very low-income households, or at least 10 percent for low-income households, or at least 10 percent for moderate-income households in a common interest development.

(B) Two incentives or concessions for projects that include at least 10 percent of the total units for very low-income households, at least 20 percent for low-income households, or at least 20 percent for moderate-income households in a common interest development.

(C) Three incentives or concessions for projects that include at least 15 percent of the total units for very low-income households, at least 30 percent for lower income households, or at least 30 percent for moderate-income in a common interest development.

(D) An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.

(b) The City shall grant the concession or incentive proposed by the developer unless it finds that the proposed concession or incentive is not required in order to achieve the required affordable housing costs or rents, or would cause a public health or safety problem, cause an environmental problem, harm historical property, or would be contrary to law.

(c) A developer shall be ineligible for concessions or incentives when the housing development provides any of the following:

(1) Market-rate senior citizen housing development (with no affordable units); or

(2) Land donated/transferred to the City as specified elsewhere in this article; or

(3) A density bonus project that is proposed on any property that includes rental dwelling units that are, if the units have been vacated or demolished in the five-year period preceding the application, subject to a recorded covenant, ordinance, or law that restricts rents to affordable levels or subject to any other form of rent or price control; or occupied by very low- or low-income households, unless the proposed housing development replaces those units and meets the requirements of Government Code Section 65915(c)(3).

(d) A development qualifying for a density bonus also receives two additional forms of assistance, which the State Legislature has determined to have important benefits for a housing development project. The following additional forms of assistance do not count as an incentive or concession as described herein this section.

(1) Waiver or reduction of development standard(s). If any other development standard would physically prevent the project from being built by the developer at the permitted density and with the granted concessions or incentives permitted by State Density Bonus Law, the developer may propose to have those standards waived or reduced. The City is not required to waive or reduce development standards that that would cause a public health or safety problem, cause an environmental problem, harm a historical building, or would be contrary to law.

(2) Parking requirements. Upon the developer's request, the city or county may not require more than one onsite parking space for studio and one-bedroom units, two onsite parking spaces for two- and three-bedroom units, two and one-half onsite parking spaces

for units with four or more bedrooms, and other onsite parking requirement reductions identified by Government Code Section 65915(k). Onsite spaces may be provided through tandem or uncovered parking, but not on-street parking.

Revise Section 33-1416, Requirements for participation, as set forth below.

- (a) In order for a developer to participate in the program and be eligible for the density bonus and additional concessions, incentives or financially equivalent incentives, or residential incentives, the following requirements must be met:

(1) The developer/property owner shall restrict target units for the prescribed time period, the number of units by bedroom size which are designated for target households, unless transferred through a land donation as described in this article. A unit shall be counted toward meeting this requirement if it is either vacant and held out for rent/sale at affordable housing costs to ~~lower- and very low-~~ moderate-income households or occupied by a senior household, ~~or occupied by and affordable to a lower- or very low-income household- or other target household as defined by this article.~~ Priority shall be given to target households that do not receive other housing subsidies.

(A) The units described in this section shall be subject to a recorded affordability restriction of 55 years.

~~(2)~~(B) The target units must be compatible in floor plan, furnishings and exterior design to non-target units. The exterior appearance, interior finishes, and resident amenities shall be comparable to the market-rate units in the same housing development. Further, the target units must be reasonably dispersed throughout the development.

(C) If the development proposes a phased building plan, a proportionate share of target units shall be constructed in each phase. Otherwise, the City shall not issue building permits for more than 50 percent of the market-rate units until it has issued building permits for all of the target units, and the City shall not approve any final inspections or certificates of occupancy for more than 50 percent of the market rate units until it has issued certificates of occupancy for all of the affordable units.

~~(3)~~(D) The number of bedrooms shall at least equal the minimum number of bedroom of the market-rate units. For non-senior projects involving five (5) to nine (9) units, or three (3) to nine (9) units in the Centre City residential area, exclusive of the target units, and which receive incentives in addition to the minimum required by State Density Bonus Law, all target units shall be two (2) bedrooms or larger in size.

~~(b)~~For non-senior projects involving ten (10) or more units (exclusive of the target units), and which receive incentives in addition to the minimum required by State Density Bonus Law, at least thirty-three (33) percent of the target units shall be three (3) bedrooms or larger, or a ratio deemed acceptable by the ~~city~~City upon

administrative approval by the ~~director of planning and building~~Director of Community Development.

~~(1)~~ (1) Time period of availability to intended population:

~~(A)~~ (A) With at least one (1) additional incentive, at least thirty (30) years; or

~~(B)~~ (B) For density bonus units without an additional incentive, ten (10) years.

~~(2)~~(E) Rental rates. For ~~lower- and very low-income~~ or low-income target units, the affordable housing cost to comply with the law is determined by a formula based on the household income levels and number of members in the household established by applicable state law. ~~Renter-occupied housing costs for lower-income target units shall be no more than thirty (30) percent of sixty (60) percent of the applicable area median income adjusted for household size; renter-occupied housing costs for very low-income target units shall be no more than thirty (30) percent of fifty (50) percent of area median income adjusted for household size.~~

~~(3)~~(F) Sales price. Target units for sale must be affordable to ~~lower- or very low-, low-, or moderate-~~ income households, as defined by income limits established by the ~~state department of housing and community development~~State Department of Housing and Community Development (HCD), pursuant to Health and Safety Code ~~sections~~Sections 50079.5 and 50105, respectively, as they may be amended from time to time.

~~(4)~~(G) Prequalification. All target households must be prequalified by the developer or its designee prior to moving into a target unit by process mandated by city~~City~~. The prequalification process for ~~lower- and very low-income~~ target households shall certify the income level of the prospective tenant household, and advise household of affordable housing costs, if applicable. These standards will be made available to the applicant by the city~~City~~. The property owner shall not charge the applicant for the initial prequalification review. If, after performing the necessary verification, the tenant qualifies as ~~lower- or very low-, low-, or moderate-~~ income, the city~~City~~ shall issue a certificate to the applicant and the property owner verifying the income level and eligibility to rent or own the unit.

~~(5)~~(H) Reporting. Each May the developer or designee must provide the ~~department of planning, housing division~~Housing Division, an accounting of the previous calendar year, including:

~~(A)~~(1) Total units occupied for any part of the previous year by bedroom size;

~~(B)~~(2) Total units vacant for any part of the previous year by bedroom size;

~~(C)~~(3) Total units occupied by ~~lower-, very low-income and senior~~target households by bedroom size; and

~~(D)~~(4) For each ~~lower- and very low-, low-, and moderate-~~ income target unit, the total monthly housing costs (advertised or paid); or

~~(E)~~(5) Any other pertinent information deemed appropriate by the ~~city~~City upon approval of the project.

~~(6)~~(I) Increases in tenant income. Rental housing qualifies as affordable housing despite a temporary noncompliance with subsection ~~(b)(2)~~(E) this section, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to the city are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected.

~~(7)~~(J) Default. Default by the property owner is unlawful and is a misdemeanor. Each unit shall be considered a separate violation. Such violation shall be punishable by a fine, not exceeding one thousand dollars (\$1,000.00), or by imprisonment in the county jail for a period not exceeding six (6) months, or both. In addition, the city shall have the right to prohibit the property owner from leasing any non-target unit which becomes vacant until the owner remedies the default. Until the default is remedied, no such unit shall thereafter be rented until the property owner presents evidence to the ~~department of planning, housing division,~~Housing Division that the prospective tenant qualifies as ~~very low-income or lower-income~~a target household, as required. Additionally, the average monthly default units shown on the audit report for the previous year shall be added to the units to be set aside during the next succeeding reporting period, if applicable.

(2) For planning applications using a density bonus to "replace" rental units that currently exists or existed in the past five years, or have been vacated or demolished within the five-year period preceding the application, the City shall review the planning application in accordance with "replacement" requirements listed in Government Code Section 65915(c).

(b) Where there is a direct financial contribution to a housing development pursuant to Government Code Section 65915 through participation in cost of infrastructure, write-down of land costs, or subsidizing the cost of construction, the City shall assure continued availability for very low-, low-, or moderate-income units for 30 years. When appropriate, the agreement provided for in Government Code Section 65915 shall specify the mechanisms and procedures necessary to carry out this section.

(c) When a developer submits a planning application for approval of a commercial development and has entered into an agreement for partnered housing described in Government Code Section 65915.7 to contribute affordable housing through a joint project or two separate projects encompassing affordable housing, City shall review the planning application in accordance with requirements listed in Government Code Section 65915.7 to determine the requirements for participation.

(d) When a developer submits a planning application that provides child care are eligible for a separate density bonus equal to the size of the child care facility, the child care facility must remain in operation for at least the length of the affordability covenants. A

percentage of the child care spaces must also be made available to low- and moderate-income families. The City shall review the planning application in accordance with requirements listed in Government Code Section 65917.5 to determine the requirements for participation.

**ARTICLE 67. DENSITY BONUS AND
RESIDENTIAL INCENTIVES**

Sec. 33-1410. Purpose.

The purpose of the ordinance codified in this article is to adopt an implementing mechanism that provides housing opportunities for lower-, very low-income or senior households (target households) throughout the city. The article is mandated in part by State Density Bonus Law and provides incentives for the development of units for target households and procedures for reviewing development applications. This article also provides incentives for the development of nondensity bonus units for lower- and very low-income households (target households), designated to meet the city's housing needs. (Ord. No. 92-19, § 1, 4-22-92; Ord. No. 94-38, § 1, 12-7-94)

Sec. 33-1411. Definitions.

As used in this chapter, unless the context otherwise requires:

Affordable housing costs are defined in section 65915(c) of the Government Code.

Concession(s) or incentive(s) is at least one additional incentive, identified in section 33-1415 of this article, in addition to the minimum twenty-five (25) percent density bonus.

Density bonus is defined by the State of California Government Code section 65915(f).

Equivalent financial value refers to the cost to the developer based on the land cost per dwelling unit. This is determined by the difference in the value of the land with and without the density bonus.

Feasibility or feasible refers to whether a proposed project can provide affordable housing costs without concession(s) or incentive(s).

Household includes all persons permanently living in the home, including those temporarily absent. Examples of temporary absence include absent members away at school, or on a visit, vacation, trip in connection with work, active duty in the armed service, or absence of a similar nature.

Housing costs for renters includes rent and utilities except cable and telephone, and for owners

includes mortgage (principal and interest), taxes, insurance, homeowners association fees and utilities except cable and telephone.

Housing developments are one (1) or more groups of residential projects developed simultaneously, consisting of at least the minimum number of dwelling units prescribed within this article that qualify for a density bonus and additional incentive(s), or incentives of equivalent financial value, or residential incentives.

Lower- and very low-income households are households which fall within the income limits published by the department of housing and community development pursuant to Health and Safety Code sections 50079.5 and 50105, respectively, as they may be amended from time to time. Lower-income households are currently defined as earning at or below eighty (80) percent of the area median income adjusted for household size. Very low-income households are currently defined as those earning at or below fifty (50) percent of the area median income adjusted for household size.

Maximum permitted density is the maximum allowable residential density under the applicable zoning ordinance and General Plan Land-Use Element as of the date of the developer's application. This is the base density from which the density bonus is calculated.

Monthly gross income means moneys derived from all sources except gifts to any household member, and income of minors.

Senior citizen housing development means a housing development consistent with the California Fair Employment and Housing Act (Government Code section 12900 et seq., including 12955.9 in particular), California Civil Code sections 51.2, 51.3 and 51.4; which has been designed to meet the physical and social needs of senior households and which otherwise qualifies as housing for older persons as that phrase is used in the federal Fair Housing Amendments Act of 1988 (P.L. 100-430; 42 USC section 3607) and implementing regulations, and as that phrase is used in California Civil Code section 51.2.

Senior households are households with at least one (1) person sixty-two (62) years of age or fifty-five (55) years of age. Housing developments consisting of at least one hundred fifty (150) units (including the density bonus units) may involve senior households with at least one (1) person fifty-five (55) years of age. Housing developments consisting of less than one hundred fifty (150) units (including density bonus units) must limit target units to senior households with at least one (1) person sixty-two (62) years of age. Projects incorporating senior households must also comply with the Federal Fair Housing Amendments Act of 1988 Public Law section 100-430, 42 USC section 3601 and Consent Decree of Department of Justice.

Target households for density bonus projects are either very low-income, lower-income, or senior households. Nondensity bonus target households are either very low-income or lower-income households.

Target units are the restricted dwelling units established through the application of this article which are occupied by senior households, or occupied by and affordable to lower- and/or very low-income households for the prescribed duration. (Ord. No. 92-19, § 1, 4-22-92; Ord. No. 94-38, § 1, 12-7-94)

Sec. 33-1412. Implementation.

(a) For projects proposing a density bonus:

(1) The city council shall grant, according to Government Code section 65915, a density bonus and at least one additional concession or incentive, or financially equivalent incentive(s). The increase in density must be at least twenty-five (25) percent over the maximum permitted density authorized by the applicable zoning ordinance and city's General Plan.

Density bonus projects shall be subject to the following maximum Floor Area Ratio (F.A.R.) requirements: 0.6 in R-2, 0.7 in R-3 and 0.8 in R-4 zones.

(2) In order to qualify for this bonus, a housing development must consist of five (5) or more dwelling units, except those housing developments located within the Centre City Residential Area Plan, as

defined in the city's General Plan, may consist of three (3) dwelling units to qualify for this bonus. All housing developments proposing a density bonus must meet one (1) or more of the following minimum criteria:

(A) At least twenty (20) percent of the total units allowed by the maximum permitted density at affordable housing costs for and occupied by lower-income households for the prescribed duration; and/or

(B) At least ten (10) percent of the total units allowed by the maximum permitted density at affordable housing costs for and occupied by very low-income households for the prescribed duration; or

(C) At least fifty (50) percent of the total units allowed by the maximum permitted density are designated for and occupied by senior households.

(3) To be eligible for a density bonus or residential incentives, the developer must sign a binding agreement with the city which sets forth the conditions and guidelines to be met in the implementation of the density bonus law requirements and/or any other applicable requirements. The agreement will also establish specific compliance standards and remedies available to the city upon failure by the developer to restrict units to target households for the prescribed time period.

(A) All such agreement(s) shall be binding on the developers, their heirs, transferees, assigns, successors, administrators, executors and other representatives and recorded on the deed for the requisite time period.

(B) The developer agrees not to sell, transfer or otherwise dispose of the project, or any portion thereof, without obtaining the prior written consent of the planning and building director. Such consent shall be given upon receipt by the developer of reasonable evidence satisfactory to the planning and building director that the purchaser, or other transferee, has assumed, in writing and in full, the city's requirements and obligations in the agreement. The consent of the planning and building director shall not be unreasonably withheld or delayed.

(C) Figure 33.1412.1. Density bonus calculation.

Project Example

The density bonus units are not included when determining the number of required target units relative to the total project units. When calculating required target units, fractions are always round up to the next whole unit.

Maximum permitted density	18 du/ac
Property Size	4 acres
Number of units at maximum permitted density	72 units
Units affordable to target households (20% for lower-income HH's) [72 x .20 = 14.4]; round up	15 units
Density bonus units (@25%)	18 units
Total project units with 25% density bonus:	72 base units
	+ 18 density bonus units
	90 total units
	(75 units @ market rate, 15 units with restricted rents)

(B) For projects not proposing a density bonus:

(1) The city shall grant concessions or incentives as detailed in section 33-1415 of this article.

(2) In order to qualify for the listed concessions or incentives, a housing development must consist of five (5) or more dwelling units, except those housing developments located within the Centre City Residential Area Plan may consist of three (3) dwelling units to qualify for the concessions or incentives. All housing developers requesting incentives must meet one (1) or more of the following:

(A) At least twenty (20) percent of the total units at affordable housing costs for and occupied by lower-income households for at least thirty (30) years; and/or

(B) At least ten (10) percent of the total units at affordable housing costs for and occupied by very low-income households for at least thirty (30) years. (Ord. No. 92-19, § 1, 4-22-92; Ord. No. 94-38, § 1, 12-7-94)

Sec. 33-1413. Preliminary application review procedure.

(a) In order to apply for a density bonus or residential incentives, the developer shall first submit to the city planning division a written proposal for a project.

(b) The written proposal shall consist of adequate information to reliably estimate the project cost per unit of the proposed development. This shall include, but not be limited to, the project location; total number of units by bedroom size; standards for maximum qualifying household incomes; proposed market and restricted housing costs; party/process responsibility for certifying target household income; how vacancies for restricted units will be marketed and filled; number of units by bedroom size for each target household category; density increase requested and concessions, incentives or financially equivalent incentives sought; and such other information as is required by the city.

(c) The planning division shall, within ninety (90) days of receipt of a written proposal, notify the developer in writing whether it shall recommend to the planning commission to:

(1) Grant a density bonus or residential incentives; and

(2) Grant one (1) or more additional concessions or incentives; or

(3) Provide other incentives of equal financial value.

Nothing in this section shall be construed to require the city to approve a proposal to convert apartments into condominiums. (Ord. No. 92-19, § 1, 4-22-92; Ord. No. 94-38, § 1, 12-7-94)

Sec. 33-1414. Project application procedure.

(a) Density bonus projects. After notification to the applicant regarding the city's determination on granting additional incentives, the applicant may submit the development application which shall be subject to a separate discretionary permit. The proposal shall be submitted in conjunction with a subdivision map, conditional use permit application or planned development application. All appropriate requirements shall be delivered to the Escondido city planning department in order for the application to be deemed complete.

(b) Nondensity bonus residential incentive projects. After notification to the applicant regarding the city's determination on granting additional incentives, the applicant may submit the development application which shall be subject to a separate administrative permit including all necessary information and fees to notice all properties within a five hundred (500) foot radius of the project boundaries, as well as appropriate fees should the project be appealed. All appropriate submittal requirements shall be delivered to the Escondido city planning department in order for the application to be deemed complete.

At time of application, a notice shall be posted on the project site detailing a general description of the proposal in conformance with section 33-1300 of this chapter.

(c) In conjunction with the project application, the developer shall agree to execute a density bonus or residential incentive agreement, in such form as shall be established by the director of planning and building. (Ord. No. 92-19, § 1, 4-22-92; Ord. No. 94-38, § 1, 12-7-94)

Sec. 33-1415. Concessions, incentives, equivalent financial incentives.

(a) The city shall grant the following number of concessions or incentives:

(1) For projects targeting senior households, a choice of one (1) incentive and/or concession shall be permitted;

(2) For projects targeting lower-income households, a choice of two (2) incentives and/or concessions shall be permitted; and

(3) For projects targeting very low-income households, a choice of three (3) incentives and/or concessions shall be permitted.

(b) Developers shall select incentives from the following list. Each provision counts as an individual incentive.

(1) Open space.

(A) If development occurs in the R-2 or R-3 zones, the open space provisions of the R-4 zone may be applied. For development occurring in the R-4 zone, the provisions for open space may be reduced up to twenty-five (25) percent; or

(B) Roof-top areas for covered parking may receive credit as open space if appropriately integrated into the design of the project and usable by the tenants; or

(C) In multifamily zones (R-2 through R-4), projects may reduce common open space provisions by up to fifty (50) percent, if the project is located within one thousand (1,000) feet of a public park.

(2) Unit size. If development occurs in the R-2 and R-3 zones, the dwelling-unit size provisions of the R-4 zone may be applied. For development occurring in the R-4 zone, the provisions for dwelling-unit size may be reduced up to twenty-five (25) percent.

(3) Parking. A parking management plan must be incorporated into each project which details assigned spaces, overflow, on-site vehicle maintenance, guest parking and on-street parking.

(A) The covered-parking requirements for all units may be eliminated.

(B) Parking requirements for target units may be reduced according to the following schedule:

(i) One (1) bedroom, one and one-half (1.5) parking spaces per unit are reduced to one (1);

(ii) Two (2) bedroom, one and three-quarters (1.75) parking spaces per unit are reduced to one and one-quarter (1.25);

(iii) Three (3) or more, two (2) parking spaces per unit are reduced to one and one-half (1.5).

(C) On-street resident parking for target units, physically contiguous to the project frontage, may be substituted for the required off-street parking requirements at a ratio of one to one (1:1) on non-circulation element streets, subject to all ordinances and codes pertaining to on-street parking.

(4) Off-site improvements. City participation of certain off-site improvements required by the development of the project may be proposed pursuant to negotiations and agreement with the city.

(5) Timing of development fees. The developer of a project may propose a fee schedule which defers payment of any or all city-related development fees until the project is released for occupancy.

(6) The required setbacks for parking and landscaping within a parking area may be reduced up to an average of fifty (50) percent provided that the improvements are not significantly out of character with the surrounding area, do not create a safety hazard and a suitable alternative design is incorporated. Bumper overhang shall not extend into the reduced setback area. (Ord. No. 92-19, § 1, 4-22-92; Ord. No. 94-38, § 1, 12-7-94; Ord. No. 2011-19R § 5, 1-11-12)

Sec. 33-1416. Requirements for participation.

(a) In order for a developer to participate in the program and be eligible for the density bonus and additional concessions, incentives or financially equivalent incentives, or residential incentives, the following requirements must be met:

(1) The developer/property owner shall restrict for the prescribed time period, the number of units by bedroom size which are designated for target households. A unit shall be counted toward meeting this requirement if it is either vacant and held out for rent/sale at affordable housing costs to lower- and very low-income households or occupied by a senior household, or occupied by and affordable to a lower- or very low-income household. Priority shall be given to target households that do not receive other housing subsidies.

(2) The target units must be compatible in floor plan, furnishings and exterior design to non-

target units. Further, the target units must be reasonably dispersed throughout the development. If the development proposes a phased building plan, a proportionate share of target units shall be constructed in each phase.

(3) For nonsenior projects involving five (5) to nine (9) units, or three (3) to nine (9) units in the Centre City residential area, exclusive of the target units, and which receive incentives in addition to the minimum required by State Density Bonus Law, all target units shall be two (2) bedrooms or larger in size.

(b) For nonsenior projects involving ten (10) or more units (exclusive of the target units), and which receive incentives in addition to the minimum required by State Density Bonus Law, at least thirty-three (33) percent of the target units shall be three (3) bedrooms or larger, or a ratio deemed acceptable by the city upon administrative approval by the director of planning and building.

(1) Time period of availability to intended population:

(A) With at least one (1) additional incentive, at least thirty (30) years; or

(B) For density bonus units without an additional incentive, ten (10) years.

(2) Rental rates. For lower- and very low-income target units, the affordable housing cost to comply with the law is determined by a formula based on the household income levels and number of members in the household established by applicable state law. Renter-occupied housing costs for lower-income target units shall be no more than thirty (30) percent of sixty (60) percent of the area median income adjusted for household size; renter occupied housing costs for very low-income target units shall be no more than thirty (30) percent of fifty (50) percent of area median income adjusted for household size.

(3) Sales price. Target units for sale must be affordable to lower- or very low-income households, as defined by income limits established by the state department of housing and community development, pursuant to Health and Safety Code

sections 50079.5 and 50105, as they may be amended from time to time.

(4) Prequalification. All target households must be prequalified by the developer or its designee prior to moving into a target unit by process mandated by city. The prequalification process for lower- and very low-income target households shall certify the income level of the prospective tenant household, and advise household of affordable housing costs. These standards will be made available to the applicant by the city. The property owner shall not charge the applicant for the initial prequalification review. If, after performing the necessary verification, the tenant qualifies as lower- or very low-income, the city shall issue a certificate to the applicant and the property owner verifying the income level and eligibility to rent or own the unit.

(5) Reporting. Each May the developer or designee must provide the department of planning, housing division, an accounting of the previous calendar year, including:

(A) Total units occupied for any part of the previous year by bedroom size;

(B) Total units vacant for any part of the previous year by bedroom size;

(C) Total units occupied by lower-, very low-income and senior households by bedroom size; and

(D) For each lower- and very low-income target unit, the total monthly housing costs (advertised or paid); or

(E) Any other pertinent information deemed appropriate by the city upon approval of the project.

(6) Increases in tenant income. Rental housing qualifies as affordable housing despite a temporary noncompliance with subsection (b)(2) this section, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to the city are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected.

(7) Default. Default by the property owner is unlawful and is a misdemeanor. Each unit shall be

considered a separate violation. Such violation shall be punishable by a fine, not exceeding one thousand dollars (\$1,000.00), or by imprisonment in the county jail for a period not exceeding six (6) months, or both. In addition, the city shall have the right to prohibit the property owner from leasing any nontarget unit which becomes vacant until the owner remedies the default. Until the default is remedied, no such unit shall thereafter be rented until the property owner presents evidence to the department of planning, housing division, that the prospective tenant qualifies as very low-income or lower-income household, as required. Additionally, the average monthly default units shown on the audit report for the previous year shall be added to the units to be set aside during the next succeeding reporting period. (Ord. No. 92-19, § 1, 4-22-92; Ord. No. 94-38, § 1, 12-7-94)

Secs. 33.1417—33.1429. Reserved.

ORDINANCE NO. 2017-05

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING ARTICLE 67 (DENSITY BONUS
AND RESIDENTIAL INCENTIVES ORDINANCE)
OF THE ESCONDIDO ZONING CODE

APPLICANT: City of Escondido
PLANNING CASE NO.: AZ 16-0001

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN
as follows:

SECTION 1. There is a statutory recognition that the availability of housing is a
matter of statewide importance and that the cooperation between government and the
private sector is critical to attainment of the State's housing goals.

SECTION 2. California Government Code Section 65915(a) requires that all
cities adopt an ordinance that specifies how compliance with State Density Bonus Law
will be implemented.

SECTION 3. That proper notices of a public hearing have been given and
public hearings have been held before the Planning Commission and City Council on
this issue.

SECTION 4. The City Council has duly reviewed and considered all evidence
submitted at said hearings, including, without limitation:

- a. Written information;
- b. Oral testimony from City staff, interested parties, and the public;

- c. The staff report, dated May 10, 2017, which along with its attachments is incorporated herein by this reference as though fully set forth herein; and
- d. Additional information submitted during the Public Hearing.

SECTION 5. That the City Council has reviewed and considered the Notice of Exemption prepared for this project, in conformance with the California Environmental Quality Act ("CEQA") Section 15061(b)(3) "General Rule", and has determined that all environmental issues have been addressed and finds that no significant environmental impact will result from approving these code amendments.

SECTION 6. That upon consideration of the staff report, Planning Commission recommendation, Planning Commission staff report, all public testimony presented at the hearing held on this project, and the "Factors to be Considered" attached as Exhibit "A" to this Ordinance and incorporated herein by this reference as though fully set forth herein, this City Council finds the Zoning Code Amendments are consistent with the General Plan and all applicable specific plans of the City of Escondido.

SECTION 7. That the specified sections of the Escondido Zoning Code Article 67 are amended as set forth in Exhibit "B" to this Ordinance and incorporated herein by this reference as though fully set forth herein.

SECTION 8. SEPARABILITY. If any section, subsection, sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct

and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 9. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 10. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the County and circulated in the City of Escondido.

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 8

Date: May 10, 2017

TO: Honorable Mayor and Members of the City Council

FROM: Bill Martin, Director of Community Development

SUBJECT: Amendment to Article 66 (Sign Ordinance) of Escondido Zoning Code (AZ 17-0001)

STAFF RECOMMENDATION:

It is requested that the City Council introduce Ordinance No. 2017-08, which amends Article 66 (Sign Ordinance) of the Escondido Zoning Code to modify the sign standards for primary and secondary schools in residential zones to allow private schools and charter schools to have sign identification opportunities similar to public schools.

PLANNING COMMISSION RECOMMENDATION:

The Planning Commission voted 7-0 on February 14, 2017, to recommend approval of the proposed Zoning Code amendment.

PROJECT DESCRIPTION:

A proposed amendment to Article 66 (Sign Ordinance) of the Escondido Zoning Code would increase wall sign allowances for schools in residential zones from 20 square feet to 40 square feet, and increase the size of freestanding signs from a maximum of six feet high and 24 square feet to a maximum of 15 feet high and 60 square feet.

FISCAL ANALYSIS:

None.

GENERAL PLAN ANALYSIS:

The purpose of the proposed amendment is to increase the allowable sign standards for private schools and charter schools to be more in line with what is customarily permitted for public schools. Increasing the allowable sign area results in potentially slightly larger signs. The increased area would be permitted anywhere within a site where the primary structure could be located, as opposed to within a setback area. The Zoning Code Amendment would be consistent with General Plan policies by providing sign regulations that are user friendly and more consistent for a specified land use.

More detailed information related to specific goals and policies can be found in the attached Planning Commission staff report.

BACKGROUND:

It recently has come to staff's attention that the sign regulations for private schools and charter schools do not provide adequate messaging opportunities for those uses when located in residential areas. The public counterpart of these institutions (i.e. public schools) are preempted from local zoning and have been afforded a much higher signage allowance by the California Department of State Architect. In order to provide more balanced sign standards for public, private and charter schools, the proposed amendment would modify Section 33-1396 of the Escondido Zoning Code to increase sign size allowances for WASC (Western Association of Schools and Colleges) accredited elementary schools and high schools in residential zones. In addition to the proposed amendment to increase the amount of signage allowed for private and charter schools, staff made an effort to provide parity for private schools and charter schools through minor technical changes to the changeable copy sign standards, as set forth in the attachment. One additional proposed change would eliminate the changeable copy provisions for day care centers to focus on permitting these types of signs for accredited primary and secondary schools, as opposed to day care which could occur within a residence.

ENVIRONMENTAL REVIEW:

The proposed zoning code amendments are exempt from CEQA, pursuant to Section 15061 (b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

PREVIOUS ACTION:

On April 11, 2017, the Planning Commission considered the proposed changes to the City's sign regulations to increase sign allowances for schools in residential zones. With minimal discussion, the Planning Commission voted (7-0) to recommend approval of the proposed Zoning Code Amendment, as presented by staff, with a modification to clarify that the new regulations would apply to all grade levels, K-12. The Commission's full recommendations are set forth in the attached ordinance.

PUBLIC COMMENTS:

No correspondence has been received from the public and there were no public speakers at the Planning Commission hearing for this item.

ANALYSIS:

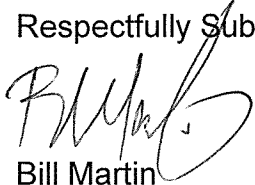
Sign regulations are established by cities and counties to provide a comprehensive system of regulations for signs that are visible from the public right-of-way. The City's sign standards are regulated by Article 66 of the Escondido Zoning Code. The Zoning Code amendment request is to increase the allowable sign area for private schools and charter schools in residential zones, as noted below.

	Existing	Proposed
Wall sign	One wall sign - 20 SF max.	One wall sign – <u>40 SF max.</u>
Freestanding sign	<p><i>Height:</i></p> <ul style="list-style-type: none"> • Up to three (3) feet, anywhere on the site. • Up to six (6) feet when sign maintains the setback of the zone. <p>If the site is over five (5) acres, the nonresidential use is allowed one freestanding sign per street frontage.</p> <p>Size: 24 SF max.</p>	<p><i>Height:</i></p> <ul style="list-style-type: none"> • Up to three (3) feet, anywhere on the site. • Up to six (6) feet when sign maintains the setback of the zone. • <u>Up to 15 feet when sign maintains the setback of the zone, subject to staff design review.</u> <p>If the site is over 5 acres, the nonresidential use is allowed one freestanding sign per street frontage.</p> <p>Size: <u>60 SF max.</u></p>

Increasing the allowable sign area results in potentially slightly larger signs. It is expected that new signs permitted under the proposed regulations would be more visibility in some mid-range views, or potentially from farther areas that are high enough to have views across the area. City staff would review the proposed design for aesthetic compatibility as part of the approval process. Therefore, placement selection, sign design, and other sign-related details would still be considered on a case-by-case basis to ensure that future signs are compatible with the structure and/or property where they are installed and would not adversely impact the visual character of the surrounding area.

The Planning Commission and staff both recommend the City Council adopt the proposed amendment to Article 66 of the Escondido Zoning Code to update the City’s sign regulations for K-12 schools in residential zones.

Respectfully Submitted,



Bill Martin
Director of Community Development



Mike Strong
Assistant Planning Director

CITY OF ESCONDIDO**MINUTES OF THE REGULAR MEETING OF THE
ESCONDIDO PLANNING COMMISSION****April 11, 2017**

The meeting of the Escondido Planning Commission Meeting was called to order at 7:00 p.m. by Chairman Weber in the City Council Chambers, 201 North Broadway, Escondido, California.

Commissioners present: Jeffery Weber, Chairman; Don Romo, Vice-Chair; Michael Cohen, Commissioner; Joe Garcia, Commissioner; James McNair, Commissioner; James Spann, Commissioner; and Stan Weiler, Commissioner.

Commissioners absent: None.

Staff present: Bill Martin, Director of Community Development; Mike Strong, Assistant Planning Director; Homi Namdari, Assistant City Engineer; Adam Phillips, Deputy City Attorney; and Ty Paulson, Minutes Clerk.

MINUTES:

Moved by Commissioner Spann, seconded by Commissioner Weiler, to approve the minutes of the March 14, 2017, meeting. Motion carried unanimously. (7-0)

WRITTEN COMMUNICATIONS – None.

FUTURE NEIGHBORHOOD MEETINGS – None.

ORAL COMMUNICATIONS: – None.

PUBLIC HEARINGS:**1. ZONING CODE AMENDMENT – AZ 17-0001:**

REQUEST: A proposed amendment to Article 66 (Sign Ordinance) of the Escondido Zoning Code to modify the sign standards for elementary schools and high schools in residential zones to allow private schools and charter schools sign identification opportunities similar to public schools. The proposed amendment would increase wall sign allowances for schools in residential zones from 20

square feet to 40 square feet, and increase the size of freestanding signs from a maximum of six (6) feet high and 24 square feet to a maximum of 15 feet high and 60 square feet.

PROPERTY SIZE AND LOCATION: Citywide

Mike Strong, Assistant Planning Director, referenced the staff report and noted that staff recommended approval of the proposed resolution, recommending that the City Council adopt, with any suggested edits, amendments to Article 66 of the Zoning Code, for the following reasons: 1) The proposed amendment would provide sign regulations that eliminate existing barriers that accredited private or charter schools currently face when seeking to install signage similar to signs now provided at local public schools; and 2) The Planning Division would ensure through its design review process that future signs were compatible with the structure and/or property where they were installed and would not adversely impact the visual character of the surrounding area.

Commissioner Weiler requested that the language be revised to reflect that the amendment pertains to all grades, K-12.

ACTION:

Moved by Commissioner Weiler, seconded by Commissioner Spann, to approve staff's recommendation. The motion included clarifying the language to reflect that the amendment pertained to all grades, K-12. Motion carried unanimously. (7-0)

2. ZONING CODE AMENDMENT – AZ 17-0002:

REQUEST: Amendment to the Escondido Zoning Code (EZC) to establish an expedited, cost-effective permitting process for Electric Vehicle Charging Stations to meet current State law requirements. No development project is proposed.

PROPERTY SIZE AND LOCATION: Citywide

Recommendation: Continue indefinitely.

ACTION:

Moved by Chairman Weber, seconded by Commissioner Cohen, to continue Item 2 indefinitely. Motion carried unanimously. (7-0)

PLANNING COMMISSION

Agenda Item No.: G.1
Date: April 11, 2017

CASE NUMBER: AZ 17-0001
APPLICANT: City of Escondido
LOCATION: Citywide
TYPE OF PROJECT: Zoning Code Amendment

PROJECT DESCRIPTION: A proposed amendment to Article 66 (Sign Ordinance) of the Escondido Zoning Code to modify the sign standards for elementary schools and high schools in residential zones to allow private schools and charter schools sign identification opportunities similar to public schools. The proposed amendment would increase wall sign allowances for schools in residential zones from 20 square feet to 40 square feet, and increase the size of freestanding signs from a maximum of six (6) feet high and 24 square feet to a maximum of 15 feet high and 60 square feet.

BACKGROUND/SUMMARY OF ISSUES: Signage in Escondido is regulated by Article 66 of the Zoning Code (also referred to as the Sign Ordinance). Amendments to sign regulations typically have been made to respond to a particular community interest, such as a request made from a business or stakeholder group. The last amendment to the Escondido Sign Ordinance occurred in May 2012, addressing standards for a new temporary portable signs, including feather signs and sandwich signs.

It recently has come to staff's attention that the sign regulations for private schools and charter schools do not provide adequate messaging opportunities for those uses when located in residential areas. The public counterpart of these institutions (i.e. public schools) are preempted from local zoning and have been afforded a much higher signage allowance by the California Department of State Architect. In order to provide more balanced sign standards for public, private and charter schools, the proposed amendment would modify Section 33-1396 of the Escondido Zoning Code to increase sign size allowances for WASC (Western Association of Schools and Colleges) accredited elementary schools and high schools in residential zones. In addition to the proposed amendment to increase the amount of signage allowed for private and charter schools, staff made an effort to provide parity for private schools and charter schools through minor technical changes to the changeable copy sign standards, as set forth in the attachment. One additional proposed change would eliminate the changeable copy provisions for day care centers to focus on permitting these types of signs for accredited primary and secondary schools, as opposed to day care which could occur within a residence.

REASONS FOR STAFF RECOMMENDATION: Staff recommends approval of the proposed Resolution, recommending that the City Council adopt, with any suggested edits, amendments to Article 66 of the Zoning Code, for the following reasons:

1. The proposed amendment would provide sign regulations that eliminate existing barriers that accredited private or charter schools currently face when seeking to install signage similar to signs now provided at local public schools.
2. The Planning Division would ensure through its design review process that future signs are compatible with the structure and/or property where they are installed and would not adversely impact the visual character of the surrounding area.

Respectfully Submitted,



Mike Strong
Assistant Planning Director

ENVIRONMENTAL STATUS:

The proposed zoning code amendment is exempt from CEQA, pursuant to Section 15061 (b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed Zoning Code amendment would not, in and of itself, result in development or any other material change to the environment. Projects seeking to implement the amended provisions of the Sign Ordinance would be subject to separate review under the California Environmental Quality Act (CEQA). Therefore, pursuant to CEQA Guidelines Section 15061(b)(3), the proposed Zoning Code amendment does not have the potential for causing a significant effect on the environment and is not subject to CEQA review.

ZONING CODE AMENDMENT ANALYSIS:

Sign regulations are established by cities and counties to provide a comprehensive system of regulations for signs that are visible from the public right-of-way. The intent of these regulations is to provide a set of standards that are designed to optimize communication and messaging for a variety of land uses and types, while protecting the public and the aesthetic character of a community or neighborhood. Cities and counties regularly monitor their specific standards and adjust the standards as necessary to achieve balance among the following differing, and at times competing, goals:

- encourage the effective use of signs as a means of communication for businesses, organizations, and individuals;
- protect the safety and welfare of the public by minimizing hazards to pedestrian and vehicular traffic; and
- minimize the possible adverse effect of signs on nearby public and private property.

The current Zoning Code amendment request is to increase the allowable sign area for private schools and charter schools in residential zones, as noted below.

	Existing	Proposed
Wall sign	One wall sign - 20 SF max.	One wall sign – <u>40 SF max.</u>
Freestanding sign	<p><i>Height:</i></p> <ul style="list-style-type: none"> • Up to three (3) feet, anywhere on the site. • Up to six (6) feet when sign maintains the setback of the zone. <p>If the site is over five (5) acres, the nonresidential use is allowed one freestanding sign per street frontage.</p> <p><i>Size:</i> 24 SF max.</p>	<p><i>Height:</i></p> <ul style="list-style-type: none"> • Up to three (3) feet, anywhere on the site. • Up to six (6) feet when sign maintains the setback of the zone. • <u>Up to 15 feet when sign maintains the setback of the zone, subject to staff design review.</u> <p>If the site is over 5 acres, the nonresidential use is allowed one freestanding sign per street frontage.</p> <p><i>Size:</i> <u>60 SF max.</u></p>

The purpose of the proposed amendment is to increase the allowable sign standards for private schools and charter schools to be more in line with what is customarily permitted for public schools. Increasing the allowable sign area results in potentially slightly larger signs. The increased area would be permitted anywhere within a site where the primary structure could be located, as opposed to within a setback area. The proposed Zoning Code Amendment would be consistent with General Plan policies by providing sign regulations that are consistent among similar land uses regardless of whether they are publicly or privately operated.

Comparison Table for Private School and Charter School Sign Regulations

City	Freestanding or Pole Sign Size (Square Feet)	Height**
Oceanside*	60 SF	6'
Carlsbad*	60 SF	6'
Encinitas*	75 SF	12'
Solana Beach*	32 SF	5'
Del Mar*	60 SF	8'
Vista	60 SF	6'
San Marcos	20 SF	6'
Poway	60 SF	20'
La Mesa	24 SF	15'
Lemon Grove	50 SF	25'
Santee	84 SF	15'
Chula Vista	100 SF	25'
El Cajon	100 SF	24'
Local Public Schools		
OGHS	72 SF	18'
SPHS	57 SF	15.5'
EHS	54 SF	18'

* Agencies located in the Coastal Zone with limited implementation authority per the Coastal Act.

** The median height standard for freestanding signs on private schools in San Diego cities is twelve (12) feet. The height of freestanding signs for our Escondido public high schools is 15.5 to 18 feet.

EXHIBIT “A”
FACTORS TO BE CONSIDERED
AZ 17-0001

Zoning Code Amendment

1. The public health, safety, and welfare would not be adversely affected by the proposed Zoning Code amendment. New or modified sign standards relate to building mounted signs and freestanding signs and increasing the allowable sign area for accredited private schools and charter schools results in only slightly larger signs. The proposed zoning code amendment would not be detrimental to surrounding properties because no physical improvements are proposed as part of this zoning code amendment. Future sign construction must comply with any applicable laws and standards. This includes the Building Code, the Fire Code, and any property standards by-laws.

Furthermore, in the review and consideration of future sign permit applications, the City would ensure future signs are compatible with the structure and/or property where they are installed and do not adversely impact the visual character of the surrounding area, while supporting the facilities they identify.

2. The proposed zoning code amendments would be consistent with the goals and policies of the General Plan because the Sign Ordinance would not, in and of itself, result in development or any other material change to the environment. The proposed amendments provide for new sign standards that facilitate economic development and economic development activity, which is generally consistent with the General Plan. The proposed zoning code amendments would not diminish the Quality of Life Standards of the General Plan, nor adversely impact the community health or natural resources.
3. The proposed zoning code amendments do not conflict with any specific plan.

EXHIBIT “B”
PROPOSED CHANGES TO THE ZONING CODE
AZ 17-0001

Amend the various zoning code sections to read as specified below.

ARTICLE 66. SIGN ORDINANCE

Revise Section 33-1396, General use signs, as set forth below.

(e) Bulletin signs.

(E) ~~Private schools~~ Elementary and high schools (including day care centers)

Revise Section 33-1396, General use signs, as set forth below.

(f) Signs for nonresidential uses in residential zones. Nonresidential facilities and uses located in residential zones subject to a conditional use permit, are allowed one (1) wall sign, a maximum of twenty (20) square feet in area and one (1) freestanding sign, a maximum of twenty-four (24) square feet in area. A freestanding sign three (3) feet high may be located anywhere on the site. A taller sign up to a maximum of six (6) feet high shall maintain the required setback of the zone. All freestanding signs must be compatible with the structure and/or property where they are installed and shall not adversely impact the visual character of the surrounding area. For properties with more than five (5) acres and frontage on more than one (1) street, one (1) freestanding sign per street frontage may be allowed. Only one (1) sign per property/use may be a changeable copy sign pursuant to section 33-1396(e).

(1) WASC (Western Association of Schools and Colleges) accredited elementary and high schools subject to this section are allowed one (1) wall sign, a maximum of forty (40) square feet in area. Monument sign(s) of up to six (6) feet in height are permitted, and/or a pole sign of up to fifteen (15) feet in height may be permitted subject to staff design review. The maximum square footage allowed for each freestanding sign shall not exceed sixty (60) square feet, and the number of freestanding signs permitted on a site shall not exceed two (2). Each and every sign over three (3) feet high shall maintain the required setback of the underlying zone.



CITY OF ESCONDIDO
PLANNING DIVISION
201 NORTH BROADWAY
ESCONDIDO, CA 92025-2798
(760) 839-4671

Notice of Exemption

To: San Diego County Recorder's Office
Attn: Chief Deputy Recorder Clerk
1600 Pacific Hwy, Room 260
San Diego, CA 92101

From: City of Escondido
Planning Division
201 North Broadway
Escondido, CA 92025

Project Title/Case No.: Zoning Code Amendment / AZ 17-0001

Project Applicant: City of Escondido

Project Location - Specific: Citywide

Project Location - City: Escondido

Project Location - County: San Diego

Description of Nature, Purpose and Beneficiaries of Project:

Amendment to Article 66 (Sign Ordinance) of the Escondido Zoning Code to modify the sign standards for elementary schools and high schools in residential zones to allow private schools and charter schools sign identification opportunities similar to public schools. The proposed amendment would increase wall sign allowances for schools in residential zones from 20 square feet to 40 square feet, and increase the size of freestanding signs from a maximum of six (6) feet high and 24 square feet to a maximum of 15 feet high and 60 square feet.

Name of Public Agency Approving Project: City of Escondido

Name of Person or Agency Carrying Out Project: Mike Strong, Assistant Planning Director, City of Escondido
Telephone: (760) 839-4556 Address: 201 N. Broadway, Escondido, CA 92025

Private entity School district Local public agency State agency Other special district

Exempt Status:

Exemption. CEQA Section 15061(b)(3) "General Rule".

Reasons why project is exempt:

1. The proposed zoning code amendment consists of text changes and does not involve any physical modifications or lead to any physical improvements beyond those typically exempt.
2. Future development applications will include environmental review and the preparation of appropriate individual CEQA documents.
3. In staff's opinion, the proposed code amendments would have no impact on fish and wildlife resources, sensitive species or habitat, or affect any cultural or historic resources, since there is no physical development project associated with the code changes.

Lead Agency Contact Person: Mike Strong

Area Code/Telephone/Extension (760) 839-4556
Email: mstrong@escondido.org

Signature: _____
Mike Strong, Assistant Planning Director

Date

Signed by Lead Agency

Date received for filing at OPR:

Signed by Applicant

ORDINANCE NO. 2017-08

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING ARTICLE 66 (SIGN ORDINANCE)
OF THE ESCONDIDO ZONING CODE

APPLICANT: City of Escondido
PLANNING CASE NO.: AZ 17-0001

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN
as follows:

SECTION 1. That proper notices of a public hearing have been given and
public hearings have been held before the Planning Commission and City Council on
this issue.

SECTION 2. The City Council has duly reviewed and considered all evidence
submitted at said hearings, including, without limitation:

- a. Written information;
- b. Oral testimony from City staff, interested parties, and the public;
- c. The staff report, dated May 10, 2017, which along with its attachments is
incorporated herein by this reference as though fully set forth herein; and
- d. Additional information submitted during the Public Hearing.

SECTION 3. That the City Council has reviewed and considered the Notice of
Exemption prepared for this project, in conformance with the California Environmental
Quality Act ("CEQA") Section 15061(b)(3) "General Rule," and has determined that all

environmental issues have been addressed and finds that no significant environmental impact will result from approving the code amendment.

SECTION 6. That upon consideration of the staff report, Planning Commission recommendation, Planning Commission staff report, all public testimony presented at the hearing held on this project, and the "Factors to be Considered," attached as Exhibit "A" to this Ordinance and incorporated herein by this reference as though fully set forth herein, this City Council finds the Zoning Code Amendments are consistent with the General Plan and all applicable specific plans of the City of Escondido.

SECTION 7. That the specified sections of the Escondido Zoning Code Article 66 are amended as set forth in Exhibit "B" to this Ordinance and incorporated herein by this reference as though fully set forth herein.

SECTION 8. SEPARABILITY. If any section, subsection, sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 9. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 10. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15

days of its passage in a newspaper of general circulation, printed and published in the County and circulated in the City of Escondido.

EXHIBIT "A"
FACTORS TO BE CONSIDERED
AZ17-0001

Zoning Code Amendment

1. The public health, safety, and welfare would not be adversely affected by the proposed Zoning Code amendment. New or modified sign standards relate to building mounted signs and freestanding signs and increasing the allowable sign area results in only slightly larger signs.

The proposed zoning code amendment would not be detrimental to surrounding properties because no physical improvements are proposed as part of this zoning code amendment. Future sign construction must comply with any applicable laws and standards. This includes the Building Code, the Fire Code, and any property standards by-laws. Furthermore, in the review and consideration of future sign permit applications, the City would ensure future signs are compatible with the structure and/or property where they are installed and do not adversely impact the visual character of the surrounding area, while supporting the businesses they help advertise.

2. The proposed zoning code amendments would be consistent with the goals and policies of the General Plan. The General Plan includes land use patterns and development strategies to manage new development in a way that does not overwhelm transportation and utility systems, or reduce the quality of community services, safety, and protection by the City. The Sign Ordinance would not, in and of itself, result in development or any other material change to the environment. The proposed amendments provide for new sign standards that facilitate economic development and economic development activity, which is generally consistent with portions of the General Plan promoting such. The proposed zoning code amendments would not diminish the Quality of Life Standards of the General Plan, nor adversely impact the community health or natural resources.
3. The proposed zoning code amendments do not conflict with any specific plan.

EXHIBIT "B"
PROPOSED CHANGES TO THE ZONING CODE
AZ17-0001

Amend the various zoning code sections to read as specified below.

ARTICLE 66. SIGN ORDINANCE

Revise Section 33-1396, General use signs, as set forth below.

(e) Bulletin signs.

(E) Private schools WASC (Western Association of Schools and Colleges) accredited primary and secondary schools (grades K-12) (including day care centers)

Revise Section 33-1396, General use signs, as set forth below.

(f) Signs for nonresidential uses in residential zones. Nonresidential facilities and uses located in residential zones subject to a conditional use permit, are allowed one (1) wall sign, a maximum of twenty (20) square feet in area and one (1) freestanding sign, a maximum of twenty-four (24) square feet in area. A freestanding sign three (3) feet high may be located anywhere on the site. A taller sign up to a maximum of six (6) feet high shall maintain the required setback of the zone. All freestanding signs must be compatible with the structure and/or property where they are installed and shall not adversely impact the visual character of the surrounding area. For properties with more than five (5) acres and frontage on more than one (1) street, one (1) freestanding sign per street frontage may be allowed. Only one (1) sign per property/use may be a changeable copy sign pursuant to section 33-1396(e).

(A) WASC (Western Association of Schools and Colleges) accredited primary and secondary schools (grades K-12) subject to this section are allowed one (1) wall sign, a maximum of forty (40) square feet in area. Monument sign(s) of up to six (6) feet in height are permitted, or a pole sign of up to fifteen (15) feet in height may be permitted subject to staff design review. The maximum square footage allowed for each freestanding sign shall not exceed sixty (60) square feet, and the number of freestanding signs permitted on a site shall not exceed two (2). Each and every sign over three (3) feet shall maintain the required setback of the underlying zone.

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 9
Date: May 10, 2017

TO: Honorable Mayor and Members of the City Council

FROM: Sheryl Bennett, Director of Administrative Services
Joan Ryan, Assistant Director of Finance

SUBJECT: Five-Year Capital Improvement Program and Fiscal Year 2017/18 CIP Budget Update

RECOMMENDATION:

It is requested that the City Council direct staff to move forward on preparing the Fiscal Year 2017/18 Five-Year Capital Improvement Program and Budget.

FISCAL ANALYSIS:

The Five-Year Capital Improvement Program (CIP) is a five-year planning tool which is developed and updated annually. Attached are the project budget requests which are organized by funding sources in three broad categories: general funds, street funds, and public utilities funds. Also, attached is a detailed description of each project by project type. Currently, the FY 2017/18 CIP Budget utilizes approximately \$2.3 million for general projects, \$9.2 million for street projects, and \$66.8 million for public utilities projects. There are currently \$2.5 million unfunded projects which include public safety, public works and building maintenance projects.


PREVIOUS ACTION:

The preliminary Five-Year CIP and FY 2016/17 CIP Budget update was taken to the City Council on May 4, 2016. The City Council approved the Five-Year CIP and Budget for FY 2016/17 on June 15, 2016.

BACKGROUND:

The City of Escondido Five-Year Capital Improvement Program will be presented in final on June 21, 2017.

Respectfully submitted,


Sheryl Bennett
Director of Administrative Services


Joan Ryan
Assistant Director of Finance

FY 2017-18 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS			
EXECUTIVE SUMMARY BY FUNDING SOURCE			
List of Projects by Fund	Pg #	Proposed FY 2017/18	Forecast FYs2019/22
GENERAL FUNDS			
GENERAL CAPITAL FUND			
Projected Available Balance		19,530	56,730
Gate Card Reader Replacement NEW	pg 4	15,000	-
Total General Capital Funded Project Requests		15,000	-
General Capital Fund Remaining Balance		4,530	56,730
LIBRARY TRUST FUND			
Projected Available Balance		260,983	178,140
Library Books Supplemental	pg 3	50,000	200,000
Total Library Trust Fund Project Requests		50,000	200,000
Library Trust Fund Remaining Balance		210,983	(21,860)
PARK DEVELOPMENT FUND			
Projected Available Balance		1,542,500	9,333,410
Aquatic Facility Improvements	pg 3	527,500	2,414,750
Play Equipment Shade Structures NEW	pg 3	250,000	-
Washington Park Parking Lot Expansion NEW	pg 3	385,000	-
Washington Park Skate Spot NEW	pg 3	300,000	-
Total Park Development Fund Project Requests		1,462,500	2,414,750
Park Development Fund Remaining Balance		80,000	6,918,660
PUBLIC ART FUND			
Projected Available Balance		383,775	1,694,370
Maintenance Program Public Art	pg 3	50,000	-
Niki de Saint Phalle Art	pg 3	40,000	-
Public Art Administration	pg 4	30,000	120,000
Total Public Art Fund Project Requests		120,000	120,000
Public Art Fund Remaining Balance		263,775	1,574,370
PUBLIC FACILITIES FUND			
Projected Available Balance		7,295,500	14,649,840
Library Books and Circulating Materials	pg 3	200,000	800,000
Park Avenue Community Center Gate NEW	pg 3	40,000	-
Public Works Yard Relocation	pg 4	373,740	2,029,640
Total Public Facilities Fund Project Requests		613,740	2,829,640
Public Facilities Fund Remaining Balance		6,681,760	11,820,200
STREET FUNDS			
GAS TAX FUND			
Projected Available Balance		3,156,730	13,549,590
Pavement Maintenance	pg 4	424,730	1,861,590
Storm Drain Repair and Improvements NEW	pg 4	500,000	2,000,000
Street Tree Maintenance NEW	pg 4	-	420,000
Traffic Infrastructure	pg 5	127,000	508,000
Traffic Signal Synchronization NEW	pg 5	-	240,000
Transfer to General Fund (Street Maintenance)	pg 5	2,055,000	8,220,000
Transportation & Community Safety	pg 5	50,000	200,000
Total Gas Tax Fund Project Requests		3,156,730	13,449,590
Gas Tax Fund Remaining Balance		-	100,000
ROAD MAINTENANCE AND REHABILITATION ACCOUNT			
Projected Available Balance		869,400	10,669,970
Pavement Maintenance	pg 4	869,400	10,669,970
Total Street Fund Project Requests		869,400	10,669,970
Street Fund Remaining Balance		-	-
STREET FUND			
Projected Available Balance		52,465	68,130
Storm Drain Repair and Improvements NEW	pg 5	52,465	68,130
Total Street Fund Project Requests		52,465	68,130
Street Fund Remaining Balance		-	-

FY 2017-18 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS			
EXECUTIVE SUMMARY BY FUNDING SOURCE			
List of Projects by Fund	Pg #	Proposed FY 2017/18	Forecast FYs2019/22
STORM DRAIN FUND			
Projected Available Balance		476,845	2,424,670
FY 17 Fees Available for Developer Reimb in FY 18	pg 4	17,280	-
East Valley Pkwy & Midway Drainage Improvements NEW	pg 4	459,565	2,424,670
Total Storm Drain Fund Project Requests		476,845	2,424,670
Storm Drain Fund Remaining Balance		-	-
TRAFFIC IMPACT FUND			
Projected Available Balance		1,162,365	6,631,440
Citracado Pkwy Extension	pg 4	1,162,365	6,631,440
Total Traffic Impact Fund Project Requests		1,162,365	6,631,440
Traffic Impact Fund Remaining Balance		-	-
TRANSNET FUND			
Projected Available Balance		3,574,000	15,810,000
Citracado Pkwy Extension	pg 4	-	5,600,000
Pavement Maintenance	pg 4	1,072,200	4,743,000
Pavement Rehabilitation	pg 4	2,451,800	5,267,000
Traffic Signals	pg 5	50,000	200,000
Total Transnet Fund Project Requests		3,574,000	15,810,000
Transnet Fund Remaining Balance		-	-
PUBLIC UTILITIES FUNDS			
WASTEWATER FUND			
Outfall Maintenance	pg 6	524,100	153,115
Wastewater Major Maint Project	pg 6	375,415	-
Total City of San Diego Reimbursements		899,515	153,115
Brine Line Broadway to HARRF	pg 5	5,000,000	-
Recycled Water Easterly Agriculture Distribution	pg 6	4,300,000	-
Recycled Water Easterly Agriculture RO & PS	pg 6	29,000,000	-
Recycled Water Easterly Main Ph. 2 & Tank	pg 6	8,000,000	-
Total SRF Loans		46,300,000	-
City Wide Storm Drain Maintenance	pg 5	473,270	1,893,080
Collection System Maintenance	pg 5	500,000	800,000
Habitat Remediation-Spruce St	pg 5	486,730	827,075
HARRF Collections/Maintenance Shop and Warehouse	pg 5	-	1,800,000
Lift Station 8 NEW	pg 6	300,000	100,000
Outfall Maintenance	pg 6	1,255,900	366,885
Permitted Channel Maintenance and Mitigation	pg 6	454,555	2,160,000
Primary Building Upgrade	pg 6	400,000	-
Recycled Water Easterly Agriculture Distribution	pg 6	400,000	1,600,000
Southwest Sewer Project	pg 6	500,000	-
Wastewater Major Maint Project	pg 6	1,024,585	800,000
Total Customer Fees		5,795,040	10,347,040
Total Wastewater Fund Project Requests		52,994,555	10,500,155
WATER FUND			
Lindley Reservoir Replacement	pg 6	8,000,000	-
Total Loan Funding		8,000,000	-
Miscellaneous Canal Projects	pg 7	75,000	340,000
San Pasqual Undergrounding	pg 7	1,500,000	6,000,000
Water Treatment Plant Onsite Chlorine Generation	pg 7	60,000	-
Total Vista Irrigation District Reimbursements		1,635,000	6,340,000
A-3 Reservoir	pg 6	400,000	4,000,000
Lindley Reservoir Replacement	pg 6	-	200,000
Miscellaneous Canal Projects	pg 7	75,000	340,000
San Pasqual Undergrounding	pg 7	1,500,000	6,000,000
Vista Verde Reservoir	pg 7	400,000	50,000
Water Pipeline Replacement	pg 7	400,000	800,000
Water Treatment Plant Major Maintenance Projects	pg 7	1,200,000	400,000
Water Treatment Plant Onsite Chlorine Generation	pg 7	240,000	-
Total Customer Fees		4,215,000	11,790,000
Total Water Fund Project Requests		13,850,000	18,130,000

Council Action Plan Related	FY 2017-18 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS PROJECT DETAIL BY TYPE OF PROJECT
--------------------------------------	---

COMMUNITY SERVICES					
---------------------------	--	--	--	--	--

 Community Improvement #5	Park Avenue Community Center Entry Gate	The community use of the Park Avenue Community Center has increased due to population growth. As a result, the Center has extended operating hours on evenings and weekends to accommodate Recreation classes and other agency rentals. The purpose of installing a wrought iron gate around the front and both sides of the building is to keep the facility safe for the community and reduce the ongoing vandalism to the facility. A fence company can install the fence within several months.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Public Facility Fees	\$ 40,000	\$ -	\$ -	\$ -	\$ -

LIBRARY					
----------------	--	--	--	--	--

	Library Books and Circulating Materials	Purchase new titles in all formats of circulating materials to meet the needs of residents of Escondido in accordance with General Plan Standards for the Library.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Public Facility Fees	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
	Library Books Supplemental	Funds donated by the Friends of the Escondido Library to the Escondido Public Library to supplement City funding for library books and other circulating materials.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Library Trust	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

PARKS AND RECREATION					
-----------------------------	--	--	--	--	--

 Community Improvement #18	Aquatic Facility Improvements	This project proposes to expand and modernize Aquatic Facilities at Washington Pool and Jim Stone Pool in order to bring the facilities up to General Plan standards. The facilities will be evaluated to determine the best course of action to meet future anticipated demand. After evaluation, a plan will be presented to City Council to select the preferred method to modernize facilities. The budget shows funding could be allocated to this project in future years; however, programming at this time is requested only for FY 2018.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Park Development	\$ 527,500	\$ 2,414,750	\$ -	\$ -	\$ -

 Community Improvement #18	Play Equipment Shade Structures	Due to community growth and subsequent increased use of the play equipment at Washington Park as well as the new equipment in Grape Day Park and to mitigate the heat on the structures and the children from the direct sun, staff will issue a Request For Proposal to bid the projects to a vendor to provide the materials and installation of the shade structures.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Park Development	\$ 250,000	\$ -	\$ -	\$ -	\$ -

 Community Improvement #18	Washington Park Parking Lot Expansion	This project expands the existing parking lot at Washington Park to provide additional off street parking spaces.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Park Development	\$ 385,000	\$ -	\$ -	\$ -	\$ -





 Community Improvement #19	Washington Park Skate Spot	As part of the City Council approved funding strategy to design and construct a new 7,500 square foot skate spot in Washington Park, the project funds will be used to hire a consultant to create a conceptual skate spot design to raise community and grant funds as well as to provide some funds for the construction of the skate spot. In addition to the new skate facility, lighting, a shade structure, and other amenities will be included as assets to the Park, benefiting the community.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Park Development	\$ 300,000	\$ -	\$ -	\$ -	\$ -

PUBLIC ART					
-------------------	--	--	--	--	--

	Maintenance Program Public Art	A long-term program of ongoing maintenance of existing Public Art, utilizing interest from Public Art fees.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Public Art	\$ 50,000	\$ -	\$ -	\$ -	\$ -

	Niki de Saint Phalle Art	Ongoing refurbishment of Queen Califia's Magical Circle, including entry floor, sculptures, maze wall and snake wall.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Public Art	\$ 40,000	\$ -	\$ -	\$ -	\$ -

Council Action Plan Related	FY 2017-18 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS PROJECT DETAIL BY TYPE OF PROJECT					
	Public Art Administration	Annual administrative costs of the Public Art Program, including a percentage of the salary and benefits of Associate Planner, Housing & Neighborhood Services Manager, and Department Assistant.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Public Art	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
PUBLIC SAFETY						
	Gate Card Reader Replacement	By utilizing grant funds, in 2016 and 2017 City ID card readers were installed for gate access at station 1,2,3,6 and 7. These readers allow the use of a city ID card to open the perimeter security gate rather than only being able to use pin numbers on a keypad. Using ID cards ensures that only city employees with proper clearance have the ability to access the fire station property. Due to national and local security threats to public safety, the security of our city's fire stations is a high priority. The addition of card readers for gate access at stations 4 and 5 will complete this ongoing project and help ensure the safety of on duty firefighters and the security of city facilities.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	General Capital Fund	\$ 15,000	\$ -	\$ -	\$ -	\$ -
PUBLIC WORKS						
	Public Works Yard Relocation	This project supports the future relocation of the Public Works Yard. The new facility will be sized to meet current and future maintenance demands of the City. Project components will include site selection, acquisition, environmental documentation, and design for the future site. This project implements a component of the Comprehensive Economic Development Strategy (CEDs) that identifies the current yard site as a high priority area targeted for redevelopment. The total estimated project cost is \$57-Million.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Public Facility Fees	\$ 373,740	\$ 525,110	\$ 516,260	\$ 501,510	\$ 486,760
	Street Tree Maintenance	With the completion of the Urban Forest Inventory, the need for tree maintenance exceeds the capacity of the City Tree Crew. The city has over 53,000 trees to maintain. At present there are over 360 trees needing immediate removal, approximately 33,000 trees needing pruning/maintenance. This project is intended to fund tree pruning and maintenance in the highest priority right of way areas.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Gas Tax	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000
STREETS						
	Citracado Pkwy Extension	This project extends Citracado Pkwy from Harmony Grove Village Pkwy to Andreasen Dr., and will construct new pavement, streets, curb and gutter, center medians, landscaping, traffic signals, a bridge over Escondido Creek, and utility infrastructure. The project will be administered by City staff w/Construction Management support by consultant. Construction of the project will be performed by the awarded contractor.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Traffic Impact	\$ 1,162,365	\$ 1,715,690	\$ 1,686,780	\$ 1,638,580	\$ 1,590,390
	Transnet	-	1,200,000	1,400,000	1,400,000	1,600,000
	Total	\$ 1,162,365	\$ 2,915,690	\$ 3,086,780	\$ 3,038,580	\$ 3,190,390
	FY 17 Developer Fees Available for Reimb in FY 18	10% of annual Storm Drain Basin Fees to be used for reimbursements for eligible improvements constructed by developers who submit a request.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Storm Drain	\$ 17,280	\$ -	\$ -	\$ -	\$ -
	East Valley Pkwy & Midway Drainage Improvements	This project will study the FEMA floodplain areas along East Valley Parkway, between Ash and Citrus, and along Midway Drive, between Bear Valley Pkwy. and Lincoln Ave, to design improvements to Master Drainage Facilities. It is anticipated that drainage improvements will be made in phases as funding becomes available. Total project cost is estimated at \$5.5-Million.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Storm Drain	\$ 459,565	\$ 627,310	\$ 616,740	\$ 599,120	\$ 581,500
	Pavement Maintenance & Rehabilitation	This includes projects for rehabilitation and maintenance of streets and related infrastructure (curb and gutter, sidewalk, pedestrian ramps) Citywide. These projects combined make up the City's annual Pavement Management Program. The desired level of funding is \$4.7M per year based on previous City Council direction.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Gas Tax	\$ 424,730	\$ 471,090	\$ 483,960	\$ 446,830	\$ 459,710
	Transnet-Maint	1,072,200	1,116,900	1,161,300	1,208,100	1,256,700
	Transnet-Rehab	2,451,800	1,356,100	1,259,700	1,368,900	1,282,300
	RMRA Funds	869,400	2,589,800	2,667,490	2,693,390	2,719,290
	Total	\$ 4,818,130	\$ 5,533,890	\$ 5,572,450	\$ 5,717,220	\$ 5,718,000

Council Action Plan Related	FY 2017-18 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS PROJECT DETAIL BY TYPE OF PROJECT					
 Community Improvement	Storm Drain Repair and Improvements	There are over 8-miles of corrugated metal storm drain pipe (CMP) within the City. The majority of this pipeline is beyond its service life. This project designates funding for repair and improvement of priority drainage facilities, including deteriorated storm drains and failing channels, as well as to make improvements to drainage facilities to extend their service life.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Street Fund	\$ 52,465	\$ 17,630	\$ 17,330	\$ 16,830	\$ 16,340
	Gas Tax	500,000	500,000	500,000	500,000	500,000
	Total	\$ 552,465	\$ 517,630	\$ 517,330	\$ 516,830	\$ 516,340
	Traffic Infrastructure	This project includes installation of signage, striping and other traffic related infrastructure Citywide.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Gas Tax	\$ 127,000	\$ 127,000	\$ 127,000	\$ 127,000	\$ 127,000
	Traffic Signals	This project is for construction of new signals and modification of existing signals Citywide. Signals will be constructed in accordance with the adopted traffic signal priority list.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Transnet	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
 Community Improvement #9-11	Traffic Signal Synchronization	This project is for construction of new signals and modification of existing signals Citywide. Signals will be constructed in accordance with the adopted traffic signal priority list.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Gas Tax	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
	Transfer to General Fund	Transfer to General Fund - Street Maintenance Department				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Gas Tax	\$ 2,055,000	\$ 2,055,000	\$ 2,055,000	\$ 2,055,000	\$ 2,055,000
 Community Improvement	Transportation & Community Safety	This is an annual budget designated for the Transportation and Community Safety Commission to select traffic safety and traffic calming projects.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Gas Tax	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
WASTEWATER UTILITIES						
	Brine Line Broadway to HARRF	Construction of brine pipeline return from Broadway to the HARRF.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	SRF Loan	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -
	Citywide Storm Drain Maintenance	The City is required to conduct annual inspections and maintenance of its storm drain system. This activity is managed as a CIP for consistency with the Channel Maintenance Project and to facilitate tracking and documentation. The project is funded through the wastewater fee and overseen by the Environmental Programs Division. Public works implements the maintenance program.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Wastewater	\$ 473,270	\$ 473,270	\$ 473,270	\$ 473,270	\$ 473,270
	Collections System Maintenance	Ongoing major maintenance program to repair or replace sewer lines and system appurtenances as needed.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Wastewater	\$ 500,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
 Community Improvement #14	Habitat Remediation-Spruce St.	The Spruce Street stormwater conveyance channel has suffered from delayed maintenance. Grading variances and sediment deposits within the channel have created drainage problems. Standing water in the channel functions as habitat for breeding mosquitoes. To reduce these vector and drainage concerns, the City has redesigned the channel (within existing constraints) in a manner that improves drainage and reduces mosquito breeding habitat. 30% design and CEQA have been completed, resource agency permit applications and applications for grant funding have been submitted. The Environmental Programs Division is leading this effort.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Wastewater	\$ 486,730	\$ 486,730	\$ 340,345	\$ -	\$ -
	HARRF Collections/Maintenance Shop and Warehouse	Design and construction of wastewater collections and HARRF maintenance shop and warehouse.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Wastewater	\$ -	\$ 1,800,000	\$ -	\$ -	\$ -


Council Action Plan Related	FY 2017-18 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS PROJECT DETAIL BY TYPE OF PROJECT				
Lift Station 8	Install all new electrical equipment outside of pump room and above the flood level at sewer Lift Station No. 1.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
Wastewater	\$ 300,000	\$ 100,000	\$ -	\$ -	\$ -
Outfall Maintenance	Inspections and repairs as needed to Escondido Land Outfall Line. Ongoing as needed. City has been contacted by San Elijo JPA to participate in the replacement of the portion of the outfall west of I-5 under the San Elijo Lagoon. This portion of the outfall is jointly owned with San Elijo JPA.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
Wastewater	\$ 1,255,900	\$ 155,220	\$ 70,555	\$ 70,555	\$ 70,555
City of SD Reimbursements	524,100	64,780	29,445	29,445	29,445
Total	\$ 1,780,000	\$ 220,000	\$ 100,000	\$ 100,000	\$ 100,000
Permitted Channel Maintenance and Mitigation	Permits for channel maintenance were issued in August 2015. Since then City staff have been maintaining the channels and have commenced the project in Kit Carson to mitigate the impacts of maintenance to wetland habitat. This CIP includes staff time and equipment to continue maintenance work. Budget for resource monitoring and completion of the mitigation plan has already been encumbered.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
Wastewater	\$ 454,555	\$ 540,000	\$ 540,000	\$ 540,000	\$ 540,000
Primary Building Upgrade	Removal of Primary Clarifier Building; install covers directly to basins; upgrade scum and sludge collector systems and replace odor control process.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
Wastewater	\$ 400,000	\$ -	\$ -	\$ -	\$ -
Recycled Water Easterly Agriculture Distribution	Design and construction of the recycled water distribution system for agricultural users and recycled water emergency storage ponds.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
SRF Loan	\$ 4,300,000				
Wastewater	400,000	\$ 1,600,000			
Total	\$ 4,700,000	\$ 1,600,000	\$ -	\$ -	\$ -
Recycled Water Easterly Agriculture RO & PS	Construction of a Membrane Filtration Reverse Osmosis facility and pump station to improve recycled water quality for agricultural uses.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
SRF Loan	\$ 29,000,000	\$ -	\$ -	\$ -	\$ -
Recycled Water Easterly Main Ph. 2 & Tank	Extend the existing recycled water pipeline east from Grape Day Park to the agricultural area of Cloverdale and Mountain View. Convert the existing Hogback Tank to recycled water and construct a new potable water tank.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
SRF Loan	\$ 8,000,000	\$ -	\$ -	\$ -	\$ -
Southwest Sewer Project	Demolition of sewer Lift Stations 6, 9, and 11.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
Wastewater	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Wastewater Major Maintenance	This project number carries a balance as it is an ongoing maintenance project to cover any necessary or emergency maintenance that may come up at the HARRF. Funds added in FY 17/18 to cover anticipated work on aeration blower controls, engineered fall protection at the primary basins, headworks conveyor system replacement, and switch gear and circuit breaker replacements.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
Wastewater	\$ 1,024,585	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
City of SD Reimbursements	375,415				
Total	\$ 1,400,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
WATER UTILITIES					
A-3 Reservoir	Construction of pressure reducing stations, replacement of various water pipelines and demolition of the A-3 reservoir. The A-3 service area will be supplied water from other existing reservoirs.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
Water	\$ 400,000	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Lindley Reservoir Replacement	Replace the existing 2 MG steel reservoir, constructed in 1950, with two 1.5 MG prestressed concrete reservoirs.				
Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
Loan Funding	\$ 8,000,000				
Water		\$ 200,000			
Total	\$ 8,000,000	\$ 200,000	\$ -	\$ -	\$ -

Council Action Plan Related	FY 2017-18 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS PROJECT DETAIL BY TYPE OF PROJECT					
	Miscellaneous Canal Projects	For miscellaneous projects along the canal that need attention throughout the Fiscal Year. This request replenishes the balance to compensate for a couple of new encumbrances.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	VID Reimbursements	\$ 75,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
	Water	75,000	85,000	85,000	85,000	85,000
	Total	\$ 150,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000
	San Pasqual Undergrounding	Underground a portion of the Escondido Canal through the San Pasqual Reservation as per the Settlement Agreement with the Indian Bands.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	VID Reimbursements	\$ 1,500,000	\$ 6,000,000			
	Water	1,500,000	6,000,000			
	Total	\$ 3,000,000	\$ 12,000,000	\$ -	\$ -	\$ -
	Vista Verde Reservoir	Replace the existing 0.75 MG steel reservoir constructed in 1979 with two 1 MG pre-stressed concrete reservoirs. Temporary bolted steel tank to be removed when concrete reservoirs are operational.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Water	\$ 400,000	\$ 50,000	\$ -	\$ -	\$ -
	Water Pipeline Replacement	Replace old and deteriorating water pipes within the distribution system to maintain quality service.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Water	\$ 400,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
	Water Treatment Plant Major Maintenance	Major maintenance activity and equipment procurement at the Escondido-Vista Water Treatment Plant. Replace WTP flow meter, replace recovery pump MCC, reline the first washwater tank, and install fiber optic lines are expected to be completed in FY17/18. Replace old electrical MCC's in FY18/19.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	Water	\$ 1,200,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
	Water Treatment Plant Onsite Chlorine Generation	Construction of the Onsite Chlorine Generation facility for the Water Treatment Plant.				
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	VID Reimbursements	\$ 60,000				
	Water	240,000				
	Total	\$ 300,000	\$ -	\$ -	\$ -	\$ -

Council Action Plan Related

**FY 2017-18 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS
UNFUNDED PROJECTS**


Economic Development

 Community Improvement #31	Façade & Property Improvement Program Provides reimbursed grant awards to business property owners for comprehensive exterior building improvements. Grant applications are accepted year-round and eligible projects are awarded funds on a first come, first served basis.					
	Funding Source Unfunded	FY 2017/18 \$ 100,000	FY 2018/19 \$ -	FY 2019/20 \$ -	FY 2020/21 \$ 100,000	FY 2020/22 \$ -


GENERAL CITY


Americans with Disabilities Act (ADA) Title II of the ADA mandates access to public facilities, programs, activities and services. The City's transition plan outlines the changes necessary to meet City facility access requirements. Failure to provide accessibility can result in ADA complaints and expensive fines. Funding for miscellaneous ADA expenditures in response to employee and citizen ADA requests are required.					
Funding Source Unfunded	FY 2017/18 \$ 70,000	FY 2018/19 \$ 150,000	FY 2019/20 \$ 150,000	FY 2020/21 \$ 25,000	FY 2020/22 \$ 25,000

LIBRARY


 Public Safety #2	Library Video Security System Escondido Public Library is in need of a digital video security system across the Library campus to ensure the safety of staff, patrons, and property.					
	Funding Source Unfunded	FY 2017/18 \$ 41,500	FY 2018/19 \$ -	FY 2019/20 \$ -	FY 2020/21 \$ -	FY 2020/22 \$ -

PARKS AND RECREATION

 Community Improvement #18	Ball Field Fence Replacement To replace the damaged ball field perimeter and backstop fencing in City Parks. There are 13 fields in Kit Carson Park, three fields in Mountain View Park, three fields in Jesmond Dene Park, and one field in Washington Park in need of fencing replacement. If project is funded, work will be completed by a contractor after a competitive bid.					
	Funding Source Unfunded	FY 2017/18 \$ 178,160	FY 2018/19 \$ 178,160	FY 2019/20 \$ 178,160	FY 2020/21 \$ 178,160	FY 2020/22 \$ 178,160

 Community Improvement #18	Park Playground Equipment Replacement This is an annual budget for the replacement of playground equipment in City Parks. The equipment scheduled for replacement consists of composite play structures, swings, slides, a wooden train, a balance beam, parallel bars, and a spring rocker. Most of the equipment has exceeded the normal life expectancy and is in constant need of repairs due to age and continued use. Finding replacement parts is problematic as much of the equipment is no longer manufactured. Equipment installed between 1996 and 2000 would be prioritized for replacement.					
	Funding Source Unfunded	FY 2017/18 \$ 183,685	FY 2018/19 \$ 183,685	FY 2019/20 \$ 183,685	FY 2020/21 \$ 183,685	FY 2020/22 \$ 183,685

PUBLIC SAFETY

 Public Safety #4	Police Range Training Facility Completion of the Police Range Training facilities: \$200K – Hard Line SDG&E Power \$100K – Concrete Range Surface, \$25K – Shade Canopies, \$15K – Golf Cart and storage box, \$100K – Security Fence, \$50K – Security Cameras, \$50K – Target System, \$50K – Water Well, \$50K – Septic System, \$10K – Observation Tower, \$150K – Police Sergeant to oversee construction, \$600K – Classroom/Office structure, \$100K – Utility Storage Building, \$50K – Road Surface/paving, \$30K – Tractor, \$500K – Scenario Village, \$400K – Live Fire Shoot House, \$200K – Scenario Warehouse, \$200K – Permits and Studies; Once funding is established construction may be completed by FY 2019 or sooner.					
	Funding Source Unfunded	FY 2017/18 \$ 1,345,060	FY 2018/19 \$ 772,230	FY 2019/20 \$ 662,710	FY 2020/21 \$ -	FY 2020/22 \$ -

Self Contained Breathing Apparatus Compressor Replacement In 2016, the Escondido Fire Department was awarded the Assistance to Firefighters federal grant to replace outdated self-contained breathing apparatus, upgrade the air compressor at station 1 and replace the air compressor at station 2. Due to the age, the compressor at station 2 cannot be upgraded and must be replaced. The grant was approved, but only partially funded. The grant award provided sufficient funding to replace most of our old SCBAs, and we were able to use existing operating budget to upgrade the compressor at station 1. Currently we have an old compressor at station 2 that cannot be used to fill our new bottles. This requires firefighters from north and east stations to drive to station 1 to fill SCBA bottles. The replacement of the old compressor will keep emergency vehicles and responders in their roll areas which ensure faster response times to emergencies.					
Funding Source Unfunded	FY 2017/18 \$ 50,000	FY 2018/19 \$ -	FY 2019/20 \$ -	FY 2020/21 \$ -	FY 2020/22 \$ -

Council Action Plan Related	FY 2017-18 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS UNFUNDED PROJECTS					
PUBLIC WORKS						
CCAE Repair Stucco Walls	Building Maintenance needs to repair a number of stucco pony walls at the CCAE. The stucco is cracking or has fallen off, there is water damage to the wood on the inside, and the walls need to be re-stabilized. This project is unfunded and could be completed during the 2018 fiscal year.					
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	<i>Unfunded</i>	\$ 65,000	\$ -	\$ -	\$ -	\$ -
CCAE Center Theater-Carpet Replacement	Building Maintenance proposes to replace the 23 year old carpet that is frayed and taped down in some areas. This project is unfunded and could be completed within the 2018 fiscal year.					
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	<i>Unfunded</i>	\$ 40,000	\$ -	\$ -	\$ -	\$ -
CCAE Concert Hall-Carpet Replacement	Building Maintenance proposes to replace the 23 year old carpet that is frayed and taped down in some areas. This project is unfunded and could be completed during the 2018 fiscal year.					
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	<i>Unfunded</i>	\$ 55,000	\$ -	\$ -	\$ -	\$ -
City Hall Counter Repair	Building Maintenance proposes to re-face the front counters at City Hall with a scratch resistant material. This project can be completed during the 2018 fiscal year.					
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	<i>Unfunded</i>	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Fire Stations #3, #6, #7 Rain Gutters	These stations do not have rain gutters. The rain water needs to be redirected away from the building to prevent water damage. Building Maintenance would hire a contractor to install the gutters and the work could be completed before the end of the 2018 fiscal year.					
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	<i>Unfunded</i>	\$ 15,000	\$ -	\$ -	\$ -	\$ -
Hubbard Hill Fire Suppression System	Building Maintenance proposes to install a chemical fire suppression system. This will protect the radio equipment from fire damage. This project can be completed during the 2018 fiscal year.					
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	<i>Unfunded</i>	\$ 65,000	\$ -	\$ -	\$ -	\$ -
Irrigation Controller Replacement	The existing City controllers need to be replaced with controllers capable of being remotely programmed/controlled-increasing water savings and staff efficiency for weather conditions. The proposed 3-year project would replace approximately 300 controllers currently in the inventory. There may be rebates available to offset costs, but rebates cannot be determined at this time.					
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	<i>Unfunded</i>	\$ 27,500	\$ 27,500	\$ 27,500	\$ -	\$ -
Reupholster Council Chamber Auditorium Seats	Building Maintenance proposes to reupholster the Council Chamber audience seats that are 29 years old. They are threadbare and discolored in many areas. This project would be completed by the end of the fiscal year 2018.					
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	<i>Unfunded</i>	\$ 75,000	\$ -	\$ -	\$ -	\$ -
STREETS						
Concrete Repair - Citywide	There are approximately 1,100 locations Citywide that are in need of concrete repair, including removal and replacement of sidewalks (approximately 120,000 square feet), damaged curb and gutters (approximately 2,700 linear-feet) and damaged driveway approaches (approximately 7,360 square feet). The Operations budget includes staff time and materials to repair approximately 30-40 locations annually. The frequency of new locations reported exceeds the capacity for completing repairs. An annual concrete repair project would have a significant impact on the maintenance project backlog.					
	Funding Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22
	<i>Unfunded</i>	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000



FUTURE CITY COUNCIL AGENDA ITEMS
 Updated May 4, 2017

AGENDA ITEMS AND CITY COUNCIL MEETING DATES ARE SUBJECT TO CHANGE.
 CHECK WITH THE CITY CLERK'S OFFICE AT 839-4617

May 17, 2017
4:00 p.m.

Town Hall Meeting

May 24, 2017
4:30 p.m.

	PRESENTATION
	Citizen Citation Award – Police Department
	CONSENT CALENDAR
	Lease Agreement between City of Escondido and "A Step Beyond" (J. Petrek) <i>Need Green Sheet</i>
	Public Services Agreement with Wittman Enterprises (S. Bennett) <i>A three (3) year Public Service Agreement with Wittman Enterprises was approved by the City Council in FY 2013/14. In February of 2015, the City of Carlsbad awarded a contract to Wittman Enterprises, LLC after preparing an RFP and conducting an extensive interview process with other EMS billing firms. Staff is recommending that a new three-year Public Services Agreement be awarded to Wittman Enterprises based on the City of Carlsbad findings.</i>
	Contract for Biosolids Hauling and Beneficial Reuse (C. McKinney) <i>The Hale Avenue Resource Recovery Facility generates approximately 15,000 wet tons of biosolids per year. The current hauling and beneficial reuse contract is set to expire June 30, 2017. Request for proposals were sent to qualified organizations. AG Tech LLC, Tule Ranch/Western Express, a company with an operational philosophy similar to the City, met the requirements of the RFP and submitted the lowest bid.</i>

May 24, 2017
Continued

PUBLIC HEARINGS

Short-Form Rent Review Board Hearing for Westwinds Mobile Home Park (File Number: 0697-20-10119)

(B. Martin)

The application meets all the eligibility criteria for submittal of a short-form rent increase application. The amount requested covers a 12-month period of consideration from December 31, 2015 through December 31, 2016. Seventy-five percent of the change in the Consumer Price Index for the 12-month period is 1.467 percent. The average space rent for the 12 spaces subject to the rent increase is \$462.66. The average requested increase per space is approximately \$6.79.

Proposed Zoning Code Amendment to Consolidate Residential Development Standards, Establish a Very High Density Multi-Family Residential Zone (R-5-30) and Rezone About 186 Parcels to the New R-5-30 Zone (AZ 16-0005 & PHG 17-0007)

(B. Martin)

This is the third phase of streamlining code amendments as part of the implementation of the Council's "Get To Yes" Program. This request will also implement General Plan Land Use Policy 2.3 by establishing a new residential zoning category R-5-30 (Very High Multiple Residential, 30 du/ac max.) for the adopted Urban V (30 du/ac max. density) General Plan designation to bring the zoning code into consistency with the General Plan and encourage a variety of higher density multi-family units near the downtown core, transit and major thoroughfares in close proximity to shopping, employment, entertainment, and community facilities. The project also includes rezoning parcels within the Urban V designation to the new R-5-30 zone from the current R-4-24 zone.

Amendment to Article 34 (Communications Antennas) of the Escondido Zoning Code (AZ 16-0009)

(B. Martin)

The growth in personal wireless services and need for additional capacity has created an ever increasing demand for new wireless communication facilities and broadband capacity. As a result, cities and counties throughout California have experienced an increase in the number of applications to upgrade existing wireless communication facilities and install new facilities within the right-of-way. The City's current regulations lack the needed criteria to efficiently evaluate and manage the current and anticipated demand for small cell wireless facility installations within the public right-of-way. The proposed modifications to Article 34 are necessary to address the long-term impacts of new wireless telecommunication facilities within the public right-of-way and establishes a more efficient processing framework. The Planning Commission recommended approval on April 25, 2017 with a vote of 7/0.

CURRENT BUSINESS

FUTURE AGENDA ITEMS (D. Halverson)

Weekly Activity Report



May 4, 2017

INFORMATIONAL ITEMS

Take Our Sons and Daughters to Work Day

The City participated in *Take Our Sons and Daughters to Work Day* on Thursday, April 27. Approximately 68 youth participated and learned about public service careers in Accounting, Engineering, Construction, Police, Fire, and other areas.

ECONOMIC DEVELOPMENT

According to a recent article in *The Full Pint*, "Stone Brewing Distribution is expected to expand availability to all states, in addition to District of Columbia and Puerto Rico by May. On the international front, they are in 35 countries, including more than 20 in Europe, plus Australia, Hong Kong, Japan, Korea, Taiwan, Singapore, Thailand, Costa Rica and more. Stone Brewing – Berlin in its first full year is on pace to brew and sell over 20,000 Hectoliters."

To read the full article, visit:

<http://thefullpint.com/beer-news/stone-brewing-reports-positive-q1-17/>

COMMUNITY DEVELOPMENT

Major Projects Update

The following major projects are currently being reviewed and coordinated with Planning, Engineering, Fire, Building and Utilities staff. A complete description of each project can be viewed [here](#). Updates provided below cover project milestones that occurred last week.

Commercial / Office:

1. Escondido Research and Technology Center – East (ERTC) (Developer: James McCann) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* A grading plan for a temporary parking lot to serve the hospital was approved June 13, 2016, and the parking lot is now under construction.
2. Escondido Research and Technology Center – West (ERTC) (Developer: James McCann) – *Project work continues. No significant updates to report this week.* A revised grading plan recently has been approved and construction is underway on the approximately 76,000 square foot medical office building with a linear accelerator. Palomar Medical Center hosted a groundbreaking ceremony last week for their new outpatient center to be constructed adjacent to the site at 2185 Citracado Parkway.

3. Centerpointe 78 Commercial (Developer: Lars Andersen, Pacific Development) – A building permit for the supermarket is ready to issue once the grading plan is approved and fee credits are verified. Bonds have been posted for the grading permit and it is nearing approval. The applicant recently submitted a modified front elevation to Planning that would eliminate the second set of entry/exit doors. That modified plan is currently being reviewed by staff.
4. Westfield Theater (Developer: Kim Brewer, Westfield) – *This project has been placed on hold by Westfield while they finalize lease negotiations so there is no change from the following update reported last week:* No grading, building or improvement plans have been submitted by the developer at this time.
5. Felicita Development, LLC (Developer: Katherine Park, Creative Design Associates) – *This project is on hold pending further direction and submittal of information from the applicant.* Follow-up meetings conducted by the applicant with staff and the wildlife agencies lead staff to believe a revised project is forthcoming.
6. Springhill Suites (Developer: Raj Patel, San Bernardino Hospitality LLC) – *The applicant is cleared to start construction so there is no change from the following update reported last week:* Construction is expected to commence within the next month.
7. Escondido Auto Park Association Freeway Sign (Developer: Tim Brecht, Escondido Auto Park Association) – *The applicant is cleared to start construction so there is no change from the following update reported last week:* A building permit for the sign was issued on January 19, 2017.
8. Centre City Commercial Center (Developer: Todd Dwyer) - The applicant recently notified Engineering that they have hired a local traffic engineer to provide third-party review of their traffic study to evaluate mitigation options. A revised traffic study was submitted on May 1, 2017, and is being reviewed by Engineering. Planning staff is preparing to release the Mitigated Negative Declaration for public review this week.

Industrial

1. StorQuest (Developer: The William Warren Group, Inc.) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* Revised building plans for this approved self-storage facility at 220 W. Mission Ave. were submitted to the Building Division on March 22, 2017 and routed to Esgil for re-check. Revised grading plans were received by Engineering last week.
2. Victory Industrial Development (Developer: Scott Merry, Badiee Development) – The applicant has secured his permits from the Army Corps, Regional Board, and CA Fish and Wildlife and the grading permit should be issued soon once the three boundary adjustments with adjoining property have recorded. Signal plans have been approved and street improvement plans also are nearing approval.

3. Escondido Self-Storage Facility (Developer: Brandywine Homes, Inc.) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* Building plans grading plans, landscape plans and the final map have been submitted and comments have been provided by staff and Esgil.
4. Innovative Industrial Development (Developer: Scott Merry, Badiiee Development) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* Grading plans were submitted for plan check on February 27, 2017 and comments have been provided back to the applicant. Building plans were submitted on March 29, 2017 and are being reviewed by Esgil.
5. North American Self-Storage (Developer: Russ Colvin) – The demo permit has been issued. Plans for the underground water service for fire suppression were submitted on April 17, 2017. The applicant submitted a 2nd plan check for the grading plan on April 13, 2017. Planning has completed its review of the 2nd plan check. A boundary adjustment to combine the two lots on the site is ready to record. The applicant is coordinating construction timing for an off-site water line with multiple departments.

City Projects

1. Micro-Filtration Reverse Osmosis (Developer: City of Escondido Utilities Department) – *No further updates to this item will be provided while litigation is in progress:* The Planning Commission approved the proposed CUP on December 13, 2016. An appeal of that decision was filed and the City Council denied the appeal on January 11, 2017 and affirmed the Planning Commission’s decision to approve the project.
2. Wastewater Collections Yard Expansion (Developer: City of Escondido Utilities Department) – Grading, building and landscape plans are now being reviewed by staff. Utilities staff is assessing value engineering options in an effort to reduce the cost of the facility. The most likely option will be to build the project in phases starting with two of the three approved buildings.
3. HARRF Biogas to Energy Project (Developer: City of Escondido Utilities Department) – *Communications with the applicant are on-going but no construction plans have been submitted since the project was approved and there are no new milestones to report this week:* A Conditional Use Permit for the project was approved by the Planning Commission December 13, 2016.
4. Lake Wohlford Replacement Dam (Developer: City of Escondido Utilities Department) – *Project review is on-going but there are no new milestones to report this week:* A Draft EIR was prepared and issued for a 45-day public review period that began on October 4, 2016 and closed on November 17, 2016. Staff and AECOM are now in the process of coordinating responses to the comments that were received during the public review period. A field visit with the permitting agencies will take place on May 11, 2017.

Institutional

1. Escondido United Reformed Church (Developer: Brent Cooper) – A revised grading plan has been approved. Building plans have gone through one round of plan check and the applicant is now discussing with Planning the possibility of modifying the CUP to add floor area to the sanctuary and classroom building.
2. Self-Realization Fellowship Center (Developer: John Pyjar, Domusstudio Architecture) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* The CUP application was submitted on November 14, 2016. Staff reviewed the initial submittal and sent a letter to the applicant on December 14, 2016, indicating that the application was incomplete and specifying the additional information that was necessary to complete the application.

Residential

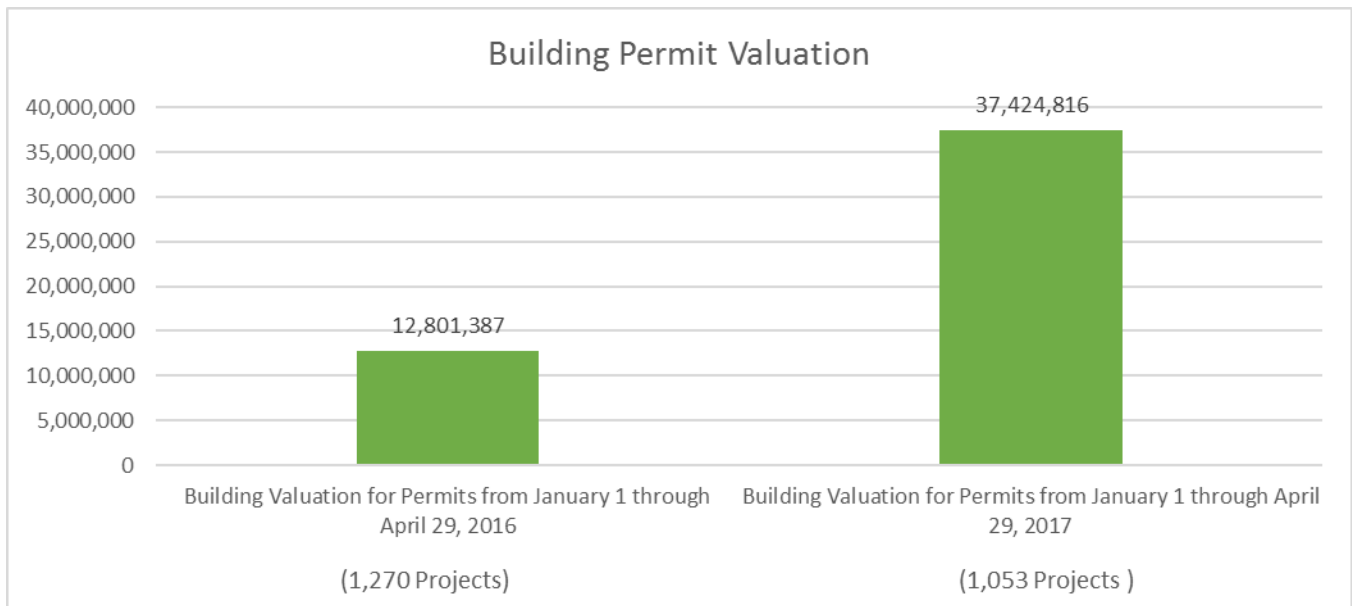
1. Oak Creek (Developer: Jason Han, New Urban West) – *This project has been placed on hold by the developer while the City completes construction of the Southwest Sewer Project so there is no change from the following update reported last week:* No grading or improvement plans have been submitted by the developer at this time.
2. Amanda Estates (Developer: Jason Han, New Urban West) – *This project has been placed on hold by the developer while the City completes construction of the Southwest Sewer Project so there is no change from the following update reported last week:* No grading or improvement plans have been submitted by the developer at this time.
3. Pradera (Developer: Moses Kim, Lennar Homes) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* Another phase of six homes received building permits on April 3, 2017.
4. Lexington (Zenner) (Developer: Eric Johnston, KB Homes) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* The applicant received building permits for 10 new homes on April 18, 2017. Planning is completing the final review of the remaining precise grading plans so the builder can pull the remaining building permits this week or next.
5. Stella Park Condominiums (Developer: Edward Kaen, ETP, LLC) – Lyon Homes submitted a precise grading plan on March 28, 2017. A final map, street improvement plans and landscape plans were also submitted on April 17, 2017. Building plans were submitted into plan check on April 6, 2017 and landscape plans on May 1, 2017. The rough grading permit is nearing approval allowing construction to start on the project.
6. Wohlford (Developer: Jack Henthorne) – The Draft EIR has been posted on the City website and released for a 45-day public review period commencing on March 27, 2017 and ending on May 12, 2017. Potential Development Agreement terms are now being considered.
7. Latitude II (Developer: Peter Zak, Lyon/NCA) – A grading permit has been issued and grading is back underway. Building plans are nearing approval pending approval of the final map. Utilities has issued comments for the off-site water line plans.

8. Canyon Grove Estates Tract 932 (Developer: John Vance, Shea Homes) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* Several phases have already received building permits with two additional phases (19 homes) being issued on April 5, 2017. A precise grading plan for the remainder of the development is being reviewed by staff.
9. Safari Highlands Ranch (SHR) (Developer: Jeb Hall, Concordia Homes) – A second revised tentative map depicting various minor changes and clarifications to roads, easements and drainage facilities was submitted on April 25, 2017. Revised technical engineering reports as well as responses to Staff comments were also submitted. Staff anticipates that the Draft EIR will be out for public review in June or July of 2017.
10. High Pointe Tract 693-J (Developer: Russell Schaeffer, True Life Communities) – *The applicant continues to actively market the property and there is no change from the following update reported last week:* Staff has prepared a bond and fee letter based on the proposed grading and landscape plans, and has sent it to the applicant.
11. Del Prado (Developer: Kerry Garza, Touchstone Communities) – *Communications with the applicant are on-going but there are no new milestones to report this week:* No grading or improvement plans have been submitted by the developer at this time.
12. 701 San Pasqual Valley Rd (Developer: Bob Stewart) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* Staff has met several times with the applicant to help work through project design and storm water issues. A Draft Mitigated Negative Declaration has been submitted and staff has provided comments to the applicant on the draft and technical studies.
13. Veterans Village (Developer: Veterans Village of San Diego) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* Demolition has been completed. Grading is underway. Building permits were issued on March 31, 2017.
14. Escondido Gateway (Developer: Greg Waite, Integral Communities) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* The builder (Lyon Homes) is coordinating with city staff to resolve ownership and title issues regarding three strips of land under existing excess right-of way that is proposed to be vacated for the applicant's use. Engineering provided comments on the rough grading plan and street improvement plans on April 18, 2017.
15. The Villages at Escondido Country Club (Developer: Jason Han, New Urban West, Inc.) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* A project resubmittal in response to the city's November 30, 2016 letter was received on March 16, 2017. Planning staff has provided a location on the City's website for ECC project-related documents and plans. The information can be accessed at the following link: [ECC - City of Escondido](#)

16. Ivy/Valley Parkway Mixed-Use Development (Developer: Abad Rahan Pars Inc./ Norm Wieme, Architect – Project review and communications with the applicant are on-going but there are no new milestones to report this week: The applicant has indicated that grading and building plans are expected to be submitted into plan check soon. Utilities staff is currently working on a reimbursement agreement for new water infrastructure that will be installed by the project in the adjoining alley.

17. North Avenue Estates (Developer: Casey Johnson) – An application to re-entitle aspects of the previously approved project that have expired and modify the project design to reflect new storm water requirements was submitted to the Planning Division on March 7, 2017. A first round of comments has been provided back to the applicant. The applicant is coordinating easement and utility crossing issues with the County Water Authority, whose main underground water transmission lines cross the site.

Building Division



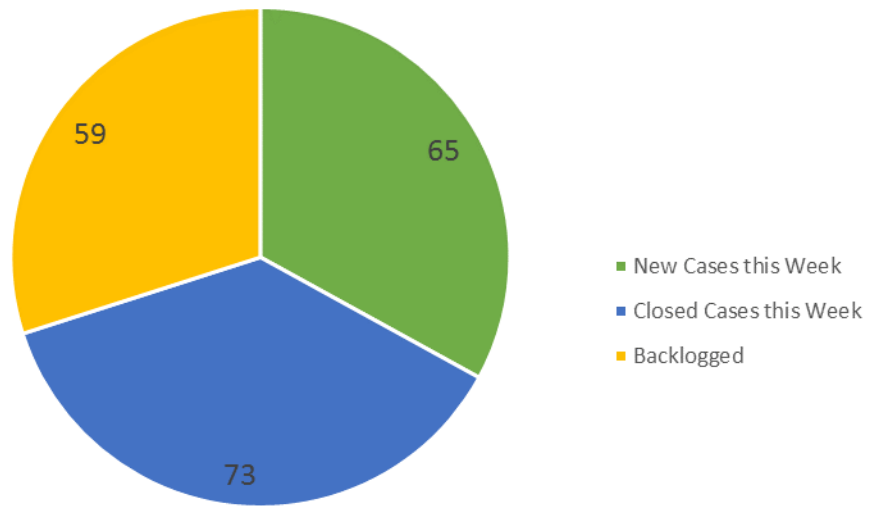
Building Permits Issued Last Week	Total Valuation
70	\$2,382,820

1. Nineteen solar permits were issued for the week. The Building Division has issued 320 solar permits this year compared to 463 issued for the same time last year.
2. Building inspectors responded to 158 inspection requests for the week.
3. The Building Division has issued 57 single-family dwelling permits this year and permits for 112 multi-family units. This compares with 21 single-family dwellings and zero multi-family dwellings for the same time last year.
4. The construction of the City Plaza three-story mixed use building at 300 S. Escondido Blvd. has completed the podium slab and fourth floor wall framing is progressing.

5. The Solutions for Change affordable housing project at 1560 S. Escondido Blvd. is preparing the building for final inspection.
6. Roof framing is proceeding at The Meadowbrook three-story apartment building with underground garage at 2081 Garden Valley Glen.
7. Escondido Disposal is proceeding with the tenant improvement for the existing building and has completed the drywall. Roof framing on their new transfer building also has been completed.
8. Demolition is nearing completion at the former bank building at 444 S. Escondido Blvd.
9. The new Popeye's restaurant at 1541 E. Valley Parkway has received rough framing approval. Drywall inspection is being requested for this week.
10. The medical office building at 2125 Citracado Parkway has received partial foundation approval and underground plumbing.
11. The Westminster Seminary has received foundation approval for three of their nine buildings. Underground plumbing inspections are being requested this week for the remaining buildings.
12. The children's building at the Emmanuel Faith Community Church has received partial foundation inspection and underground plumbing inspection.
13. The eight model homes at the Canyon Grove development (Shea Homes) are nearing completion and will soon open to the public.
14. KB Homes (Lexington) is requesting rough framing inspection for six homes in Phase One.

Code Enforcement

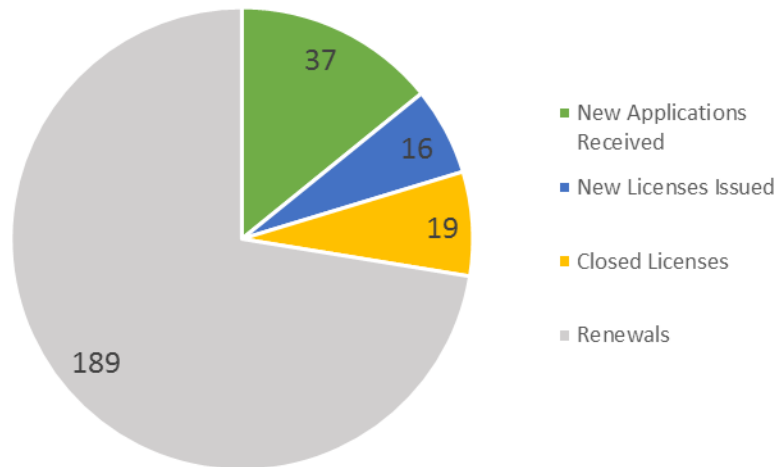
Code Enforcement Cases
as of April 29, 2017



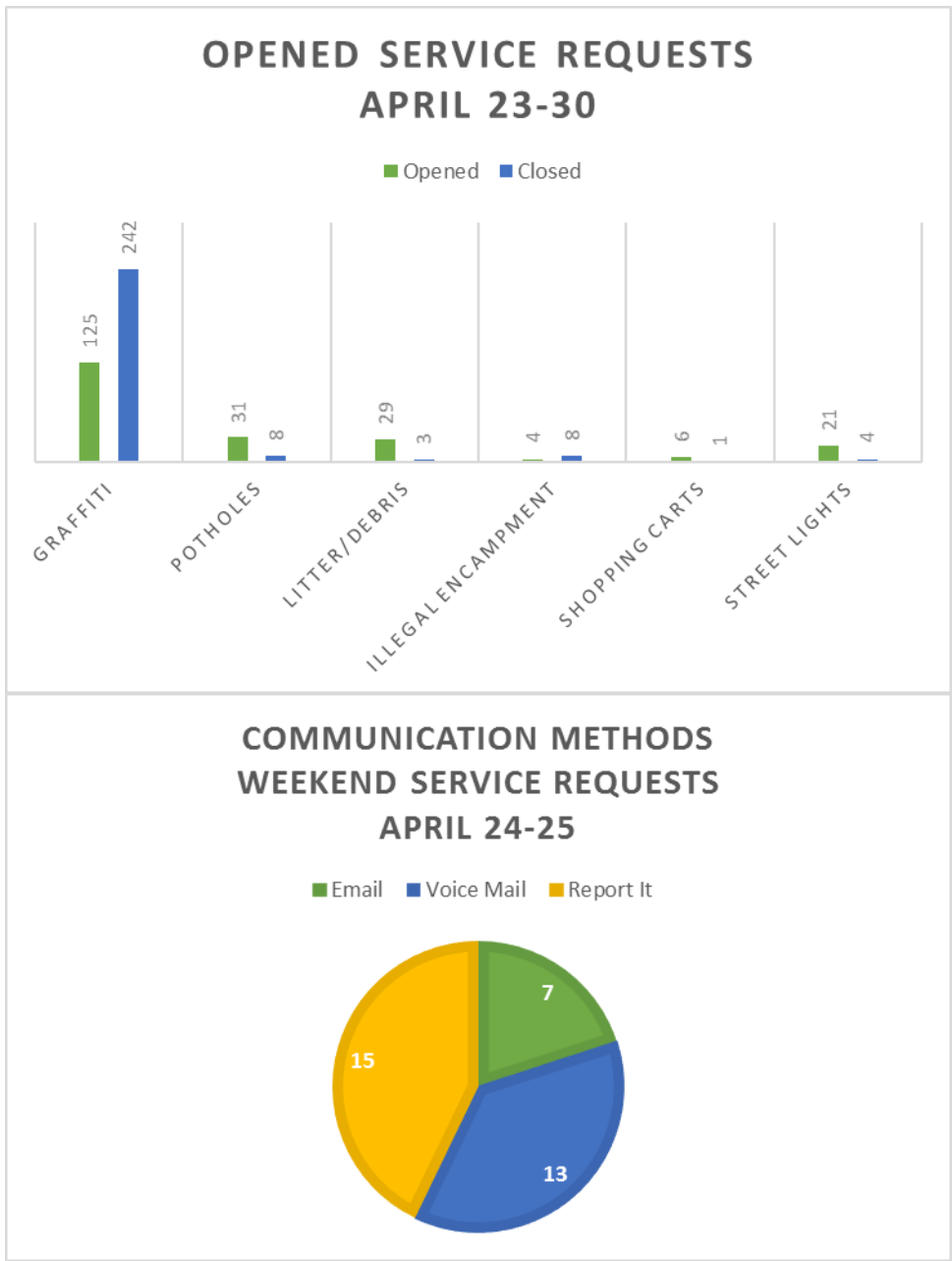
Total Open Code Cases	Illegal Signs Confiscated over the Previous Weekend
483	153

Business Licensing

Business License Activity Last Week
April 23-29



Building Maintenance & Operations



Graffiti Restitution

Collected This Week	Collected Year to Date
\$526.67	\$3159.30

ENGINEERING

Capital Improvement Projects

2015/2016 Street Rehabilitation and Maintenance Project

The project is now complete and will be presented at next Wednesday's Council meeting.

Neighborhood Parking District

Permits will go on sale at the May 4, 2017 neighborhood meeting, after that time all additional permit requests must be made at the Police Department front desk. Enforcement of the parking district is scheduled to go into effect on June 1, 2017.

Jim Stone Pool

The new lane tiles are being installed at this time, the new equipment building's roof is completed.

PRIVATE DEVELOPMENT

Pradera - Lennar Communities

No changes from that reported last week; Vertical framing has now begun on the final phase of 16 homes.

Lexington Model Homes - KB Homes

The construction of the new water main is on hold due to a conflict that must be resolved by the project engineer. Framing of the first seven homes along Lehner Avenue has begun.

Escondido Boulevard at 3rd Avenue

No changes from that previously reported. The contractor is using a crane to deliver materials to the third floor, lane closures along 3rd Avenue will be a regular occurrence to allow for the lifting of construction materials to the newly completed third floor.

Tract 932 - Canyon Grove Shea Homes Community

The remaining pedestrian ramps were constructed at the two traffic signal locations along Ash Street and El Norte Parkway this week. New cables were pulled this past week in anticipation of relocating the utility poles. The Grand Opening of eight model homes was held this past weekend and had a good attendance.

Latitude II Condominiums by a Lyon Homes Partnership: Washington Avenue at Centre City Parkway

The new concrete storm drain box culvert is continuing to be constructed through the project along with cisterns to hold rain water as part of the water quality design.

Veterans Village

The contractor is continuing with the construction of offsite utilities along Escondido Boulevard.

Tract 877 – Bernardo Ave. by Ambient Communities

The project is a 13 lot single family residential project located at the cul-de-sac end of Bernardo Ave. The construction of the 16' high sound wall along the freeway is complete. The developer has resumed grading of the site this week.

Palomar Medical Center

The hospital is starting the construction of another temporary parking lot located at Health Center Driveway North and Citracado Parkway. It should be completed in the coming days.

Rincon Water/ Ash Street By-Pass project

The project is idled this week.

FIRE

Residential Structure Fire

On April 30, 2017 at approximately 6:10 PM, the Escondido Police and Fire Communication Center received a report of smoke coming from a home located at 755 E Mission Ave. A structure fire response was dispatched to the location.

The first arriving engine reported a manufactured home with heavy smoke and fire coming from a bedroom of the home. Aggressive action by the firefighters contained and controlled the fire in approximately 10 minutes. The residents were not at home at the time of the fire and there were no injuries. In all, four fire engines, two trucks, one rescue ambulance and one Battalion Chief responded to the fire.

Six residents were displaced as the fire and smoke damage made the home uninhabitable. The Red Cross was requested to provide accommodations and support to the displaced persons. In addition, the Escondido Fire Department provided financial assistance to the residents through the California Fire Foundation's Supplying Aid to Victims of Emergency (SAVE) program.

The cause of the fire is under investigation.

POLICE

Incidents

- On 4/23/17 at 01:14 hours, an officer conducted a vehicle stop in the area of Mission Ave and Fig St. The driver was on probation with search conditions. While searching the vehicle, officer's discovered a panel near an AC vent that appeared out of the ordinary. A search discovered the suspect had created a false compartment that contained a quarter ounce of methamphetamine and metal knuckles. The suspect was placed under arrest for possession and transportation for sales of meth, the manufacture and use of a false compartment, and possession of metal knuckles.
- On 4/23/17 at 01:45 hours an officer was on his way home after arresting a DUI driver late in his shift. The officer observed another probable DUI driver and stops them on the right shoulder of HWY78/Las Posas. CHP arrived shortly thereafter and took over the investigation and eventually arrested the driver for DUI. Moments after CHP made the arrest, the EPD officer's vehicle was side swiped and disabled by a passing vehicle. Fortunately, CHP and a Border Patrol unit were already on scene and were able to stop the suspect car/driver about 100 yards down the freeway. That suspect was also arrested for DUI by CHP. There were no injuries during these events.



- On 04/24/17 at 21:47 hours, officers respond to a disturbance at 857 N. Cedar St. regarding a subject sitting in his vehicle possibly armed with a gun. Officers arrive on scene and observe a subject seated in a vehicle matching the description. The subject exits on his own and officers take him into custody without incident. A loaded handgun is located on the driver's side floorboard. The suspect was ultimately arrested for multiple gun charges, identity theft and drug possession.
- On 4/25/17 at 22:43 hours, officers responded to 1146 E. Valley Parkway reference a call for service of a subject stating he got into a fight with his father and cut him with a knife. The juvenile was involved in an altercation with his father at their home located at 829 E. Mission Ave. #E. During the altercation, the juvenile grabbed a knife from the kitchen and stabbed his father on his hand causing a pretty significant cut. The father self-transported to the hospital. The juvenile was arrested for Assault with a Deadly Weapon.
- On 4/27/17 at 08:42 hours, dispatch received a call regarding a stabbing that occurred at Grape Day Park near the City Hall fountain. Witness and victim advised that a verbal argument started near fountain by City Hall. The fight begins and victim is knocked to the ground by suspect. Suspect then delivered a single stab wound to victim's back causing a punctured lung (non-life threatening). Witness provided suspect description: Hispanic male, 30's, 5'-9" to 6'-0", slicked back black hair, wearing blue shirt and brown pants. Video cameras checked, but no identifiable images located. Victim is not cooperative with EPD.
- On 4/27/17 at 05:45 hours, EPD received a call regarding a fire in the creek bed area between 1045 Morning View Dr. and the Police Department. Escondido Fire Department advises the fire is suspicious. At 06:03 hours, another fire was reported on the hillside to the rear of 3286 Beven Dr. A cigarette in dry brush was possible cause of fire per FD. No witnesses or suspects were located. Both fires extinguished quickly. Unknown if the two fires are related at this time.

- On 4/28/17 at 18:25 hours, a nine-year-old boy visiting Barnes & Noble (810 W. Valley Pkwy), went into the public bathroom and into the stall. An adult male walked in shortly afterward and make some suggestive comments to the boy and exposed himself. The boy told him to stop and then ran out of the bathroom to find his mother. The suspect was caught on store video exiting the bathroom and was described as a Hispanic or Middle Eastern adult, about 5' 8", wearing a dark colored tank top with some type of lettering on the front, below the knee striped shorts, and sandals. He has a balding spot on the top part of his head and a short cropped beard. The suspect fled the store prior to officer's arrival.
- On 4/28/17 at 18:41 hours, a juvenile suspect and the victim were involved in a dispute over the suspect skateboarding in the street at Escondido Blvd/Vermont St. The suspect hit the victim with a chain which resulted in a minor injury. The suspect was found, identified and arrested for Assault with a Deadly Weapon. The victim declined any medical transport.
- On 4/28/17 at 15:58 hours, a two vehicle collision at Pennsylvania/Valley Parkway resulted in four injuries, including a juvenile with a significant leg injury. Juvenile was transported to Palomar Medical Center. The driver who caused the collision was arrested for felony DUI.
- On 4/29/17 at 15:09 hours, an EPD officer responded to assist SDSO investigating a possible homicide. The witnesses report a pair of mutual friends are involved, one a suspect, one a victim. The witnesses received information via snap chat from the suspect stating there was a homicide and it possibly occurred at McLeod Park. An attempt to contact the victim was conducted and it was confirmed he had been missing for two days. This case is still being actively investigated.
- On 4/29/17 at 17:02 hours, officers responded to 2355 E. Valley Parkway reference a domestic violence. They arrive, contact the suspect, and place him under arrest. While searching him at the patrol car he begins to physically resist, and during the incident places his hands on an officer's firearm. Officers used force and forced the suspect to the ground. One officer sustained minor abrasions and the suspect sustained minor cuts. The suspect was booked into jail for Felony Resisting Arrest, Felony Injury to a Peace Officer and Felony Domestic Abuse.

###