



Council Meeting Agenda

MAY 20, 2020
VIDEO CONFERENCE
6:00 P.M. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR	Paul McNamara
DEPUTY MAYOR	Consuelo Martinez
COUNCIL MEMBERS	Olga Diaz Michael Morasco
CITY MANAGER	Jeffrey Epp
CITY CLERK	Zack Beck
CITY ATTORNEY	Michael McGuinness
DIRECTOR OF COMMUNITY DEVELOPMENT	Mike Strong
DIRECTOR OF ENGINEERING SERVICES	Julie Procopio

COVID-19 PUBLIC SERVICE ANNOUNCEMENT

Pursuant to Governor Newsom's Executive Orders, including N-25-20 and N-29-20: Certain Brown Act requirements for the holding of a public meeting have been temporarily suspended and members of the Escondido City Council and staff will participate in this meeting via teleconference. In the interest of reducing the spread of COVID-19, members of the public are encouraged to submit their agenda and non-agenda comments online at the following link: <https://www.escondido.org/agenda-position.aspx>. Council Chambers will be closed.

Public Comment: To submit comments in writing, please do so at the following link: <https://www.escondido.org/agenda-position.aspx>. If you would like to have the comment read out loud at the meeting (not to exceed three minutes), please write "Read Out Loud" in the subject line. All comments received from the public will be made a part of the record of the meeting.

The meeting will be available for viewing via public television on Cox Communications Channel 19 (Escondido only). The meeting will also be live streamed online at the following link: <https://www.escondido.org/meeting-broadcasts.aspx>

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 20, 2020
6:00 P.M. Meeting**

Escondido City Council Mobilehome Rent Review Board

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, Martinez, Morasco, McNamara

PROCLAMATIONS: National Historic Preservation Month
National Public Works Week

PRESENTATIONS: Stormwater Pollution Prevention Program Presentation

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/RRB)

2. **APPROVAL OF WARRANT REGISTER (Council)**

Request the City Council approve the City Council and Housing Successor Agency warrant numbers:

- 341736 – 341901 dated May 6, 2020

Staff Recommendation: **Approval (Finance Department: Joan Ryan)**

3. **APPROVAL OF MINUTES: Special Meeting of February 26, 2020 and Regular Meetings of March 11, 2020; March 18, 2020; April 22, 2020; and May 6, 2020**

4. **TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2020 -**

Request the City Council receive and file the Quarterly Investment Report.

Staff Recommendation: **Receive and File (City Treasurer's Office: Douglas Shultz)**

5. **CONTRACT AWARD FOR ESCONDIDO CREEK TRAIL EXPANSION AND RENOVATION DESIGN PROJECT -**

Request the City Council approve authorizing a Consulting Agreement with RRM Design Group for a not-to-exceed fee amount of \$745,976 for the Escondido Creek Trail Expansion and Renovation Design Project.

Staff Recommendation: **Approval (Communications and Community Services Department: Joanna Axelrod)**

RESOLUTION NO. 2020-60

6. **BID AWARD FOR THE ESCONDIDO SPORTS CENTER TURF PROJECT -**

Request the City Council approve authorizing the Mayor and City Clerk to execute a Public Services Agreement in an amount not to exceed \$172,013.60 for the Escondido Sports Center Turf Project to Hellas Construction.

Staff Recommendation: **Approval (Communications and Community Services Department: Joanna Axelrod)**

RESOLUTION NO. 2020-63

7. **FISCAL YEAR 2019 URBAN AREA SECURITY INITIATIVE GRANT -**

Request the City Council approve authorizing the Escondido Police Department to accept a Fiscal Year 2019 Urban Area Security Initiative ("UASI") Grant in the amount of \$258,236; authorize the Chief of Police or his designee to execute grant documents on behalf of the City of Escondido; and approve budget adjustments needed to spend grant funds.

Staff Recommendation: **Approval (Police Department: Edward Varso)**

8. **SAN DIEGO COUNTY CAL-ID GRANT -**

Request the City Council approve authorizing the Police Department to accept a five-year San Diego County Cal-ID Grant from the County of San Diego Remote Access Network ("RAN"); authorize the Chief of Police or his designee to execute grant documents on behalf of the City of Escondido; and approve budget adjustments needed to spend grant funds.

Staff Recommendation: **Approval (Police Department: Edward Varso)**

CONSENT RESOLUTIONS AND ORDINANCES (COUNCIL/RRB)

The following Resolutions and Ordinances were heard and acted upon by the City Council/RRB at a previous City Council/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

9. **AMENDED CITIZEN PARTICIPATION PLAN AND CONFIRMATION OF PRIORITIES FOR CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ("CARES") ACT FUNDING -**

Request the City Council approve to amend the City's Citizen Participation Plan ("CCP") in order to streamline amendments to the Fiscal Year 2019-2020 Annual Action Plan for the use of Department of Housing and Urban Development funds. It is also requested that the City Council confirm priorities for new Coronavirus Aid, Relief, and Economic Security ("CARES") Act funds from the Department of Housing and Urban Development.

Staff Recommendation: **Approval (Community Development Department: Mike Strong, Housing & Neighborhood Services Department: Karen Youel)**

RESOLUTION NO. 2020-64

10. **APPROVAL OF FINAL CONSOLIDATED PLAN FOR FISCAL YEAR 2020-2024 COMMUNITY DEVELOPMENT BLOCK GRANT, EMERGENCY SOLUTIONS GRANT, AND HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDING AND FISCAL YEAR 2020-2021 ANNUAL ACTION PLAN -**

Request the City Council solicit and consider citizen input on the Fiscal Year 2020-2024 Consolidated Plan and Fiscal Year 2020-2021 Annual Action Plan for the use of Community Development Block Grant ("CDBG"), Emergency Solutions Grant ("ESG"), and HOME Investment Program ("HOME") funds; approve the CDBG, ESG, and HOME budget, authorizing the Director of Community Development and City Clerk to execute contracts as appropriate; approve the submittal of the Fiscal Year 2020-2021 Consolidated Plan and Fiscal Year 2020-2021 Annual Actions Plan to the US Department of Housing and Urban Development; and approve a budget adjustment in the amount of \$1,250.

Staff Recommendation: **Approval (Community Development Department: Mike Strong, Housing & Neighborhood Services Department: Karen Youel)**

A) RESOLUTION NO. 2020-65 B) RESOLUTION NO. 2020-66

11. **SHORT-FORM RENT REVIEW BOARD HEARING FOR CITY-OWNED SPACES AT ESCONDIDO VIEWS MOBILE HOME PARK (FILE NO. 0697-20-10244) -**

Request the City Council approve granting an increase of 75 percent of the change in the Consumer Price Index ("CPI"), or 4.285 percent (an average of \$18.20) for the period of December 31, 2017, to December 31, 2019.

Staff Recommendation: **Approval (Community Development Department: Mike Strong, Housing & Neighborhood Services Department: Karen Youel)**

RRB RESOLUTION NO. 2020-02

12. SHORT-FORM RENT REVIEW BOARD HEARING FOR CITY-OWNED SPACES AT MOUNTAIN SHADOWS MOBILE HOME PARK (FILE NO. 0697-20-10245) -

Request the City Council approve granting an increase of 75 percent of the change in the Consumer Price Index ("CPI"), or 4.285 percent (an average of \$15.53) for the period of December 31, 2017, to December 31, 2019.

Staff Recommendation: **Approval (Community Development Department: Mike Strong, Housing & Neighborhood Services: Karen Youel)**

RRB RESOLUTION NO. 2020-03

CURRENT BUSINESS

13. THE CITY OF ESCONDIDO'S INVESTMENT POLICY -

Request the City Council approve the City of Escondido's May 2020 Investment Policy.

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

RESOLUTION NO. 2020-34

14. CITY TREASURER'S INVESTMENT AND ECONOMIC UPDATE -

Request the City Council receive the City Treasurer's update on the economic consequences of the COVID-19 Pandemic.

Staff Recommendation: **Receive and File (City Treasurer's Office: Douglas Shultz)**

15. APPOINTMENT TO THE SAN DIEGO COUNTY WATER AUTHORITY BOARD OF DIRECTORS -

Request the City Council ratify the appointment of Deputy Mayor Consuelo Martinez to serve on the San Diego County Water Authority Board of Directors.

Staff Recommendation: **None (City Clerk's Office: Zack Beck)**

16. URGENCY ORDINANCE FOR THE CORONAVIRUS (COVID-19) EMERGENCY BUSINESS RECOVERY STRATEGY -

Request the City Council consider and adopt Urgency Ordinance No. 2020-12 to formally approve the regulatory measures outlines in the COVID-19 Emergency Business Recovery Strategy that was considered by the City Council on May 13, 2020 to support Escondido's economic recovery.

Staff Recommendation: **Approval (City Manager's Office: Jay Petrek, Community Development Department: Mike Strong, Economic Development Department: Amber Tarrac)**

ORDINANCE NO. 2020-12 (Urgency Ordinance per Government Code Section 36936)

17. CONSIDERATION OF EXTENSION OF TEMPORARY EVICTION MORATORIUM ARISING OUT OF IMPACT OF COVID-19 EMERGENCY -

Request the City Council consider the adoption of Ordinance No. 2020-13 which would extend the expiration of Urgency Ordinance No. 2020-09R, adopted April 8, 2020, enacting a temporary moratorium on residential and commercial evictions arising out of the Local Emergency related to the COVID-19 pandemic outbreak.

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

ORDINANCE NO. 2020-13 (Urgency Ordinance per Government Code Section 36936)

FUTURE AGENDA

18. 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: Zack Beck)**

COUNCIL MEMBERS SUBCOMMITTEE REPORTS AND OTHER 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. This report is also available on the City's website, www.escondido.org.

- 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 27	-	-	No Meeting	-
June 3	Wednesday	5:00 & 6:00 p.m.	Regular Meeting	Council Chambers
June 10	Wednesday	5:00 & 6:00 p.m.	Regular Meeting	Council Chambers
June 17	Wednesday	5:00 & 6:00 p.m.	Regular Meeting	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
- 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 5:00 in Closed Session and 6:00 in Open Session.

(Verify schedule with City Clerk's Office)

Members of the Council also sit as the Successor Agency to the Community Development Commission, 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.



AFFIDAVITS

OF

ITEM

POSTING



CITY COUNCIL STAFF REPORT

Consent Item No. 2

May 20, 2020

File No. 0400-40

SUBJECT: Approval of Warrants

DEPARTMENT: Finance Department

RECOMMENDATION:

Request approval for City Council and Housing Successor Agency warrant numbers 341736 – 341901 dated May 6, 2020.

FISCAL ANALYSIS:

The total amount of the warrants for the period of April 30 – May 6, 2020, is \$840,391.43.

BACKGROUND:

The Escondido Municipal Code Section 10-49 states that warrants or checks may be issued and paid prior to audit by the City Council, provided the warrants or checks are certified and approved by the Director of Finance as conforming to the current budget. These warrants or checks must then be ratified and approved by the City Council at the next regular Council meeting.

**CITY OF ESCONDIDO
SPECIAL MEETING OF THE CITY COUNCIL
8:00 A.M. WEDNESDAY, FEBRUARY 26, 2020
CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO
STATE OF THE CITY
MINUTES**

CALL TO ORDER

The Special Meeting of the City Council of the City of Escondido, California, was called to order at 8:00 a.m. on Wednesday, February 26, 2020 at the California Center for the Arts, Escondido with Mayor McNamara presiding.

MASTER OF CEREMONIES

Irv Erdos, Columnist for the San Diego Union Tribune, welcomed everyone to the annual State of the City Address and introduced Mayor McNamara, Deputy Mayor Consuelo Martinez, Councilmember Olga Diaz and Councilmember Michael Morasco.

INVOCATION

Cantor Larry Kornit, Congregation B'nai Tikvah

PRESENTATION OF COLORS AND FLAG SALUTE

Escondido Police and Fire Color Guard

PLEDGE OF ALLEGIANCE

Irv Erdos, Columnist for the San Diego Union Tribune

NATIONAL ANTHEM

Tori Hitchcock, Classical Academy High School

ATTENDANCE

The following members were present: Councilmember Olga Diaz, Deputy Mayor Consuelo Martinez, Councilmember Michael Morasco, and Mayor Paul McNamara. Absent: Councilmember John Masson. Quorum present.

CITY COUNCIL AWARDS

The Escondido City Council District 1 Award was presented by Deputy Mayor Martinez to Alex Anaya for his work in arts and culture.

The Escondido City Council District 2 Award was presented by Deputy Mayor Martinez (on behalf of Council Member Masson) to Clint Sweet for his volunteer service with the Escondido Fire Department.

The Escondido City Council District 3 Award was presented by Council Member Diaz to Rick Hernandez for his volunteer work with the Escondido Union School District and the Escondido Police Department.

The Escondido City Council District 4 Award was presented by Council Member Morasco to Sandy Velasco for her volunteer work with Escondido COMPACT.

The City Council At-Large Award was presented by Mayor McNamara to Marge Kelley for her volunteer service at the Escondido Public Library

STATE OF THE CITY ADDRESS

Mayor McNamara noted the many achievements made in the past year in the areas of Housing, Technology, Neighborhood Improvement, Public Safety, Economic Development, Water and Community Engagement.

ORAL COMMUNICATIONS

None.

ADJOURNMENT

Mayor McNamara adjourned the meeting at 9:41 A.M.

MAYOR

CITY CLERK

CITY OF ESCONDIDO
MARCH 11, 2020
3:30 p.m. Meeting Minutes

MITCHELL ROOM
Special Meeting of the
Escondido City Council

CALL TO ORDER

The Special Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, March 11, 2020 in the Mitchell Room at City Hall with Mayor McNamara presiding.

ATTENDANCE:

The following members were present: Councilmember Olga Diaz, Deputy Mayor Consuelo Martinez, Councilmember Michael Morasco, and Mayor Paul McNamara. Absent: Councilmember John Masson. Quorum present.

Also present were: Zack Beck, City Clerk, Joanna Axelrod, Director of Communications and Community Services, Bill Martin, Director of Community Development, and Julie Procopio, Director of Engineering Services.

JOINT CITY COUNCIL AND BOARD/COMMISSION INTERVIEWS

Library Board of Trustees

The City Council interviewed the following candidates:

- Ronald Guiles
- Frank Wesley
- Mirek Gorny

Building Advisory and Appeals Board

The City Council interviewed the following candidate:

- Mirek Gorny

Transportation and Community Safety Commission

The City Council interviewed the following candidates:

- Lori Hatley
- Lawrence Thornburgh

Public Art Commission

The City Council interviewed the following candidates:

- Marty Tiedenman
- Juan Vargas

NO COUNCIL ACTION, DISCUSSION ONLY.

ORAL COMMUNICATIONS

None.

ADJOURNMENT

Mayor McNamara adjourned the meeting at 5:53 p.m.

MAYOR

CITY CLERK

CITY OF ESCONDIDO
March 18, 2020
3:30 P.M. Special Meeting Minutes

Escondido City Council

CALL TO ORDER

The Special Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, March 18, 2020 in the City Council Chambers at City Hall with Mayor McNamara presiding.

MOMENT OF REFLECTION

Zack Beck, City Clerk led the Moment of Reflection

FLAG SALUTE

Paul McNamara, Mayor, led the flag salute

ATTENDANCE

The following members were present: Councilmember Olga Diaz, Deputy Mayor Consuelo Martinez, Councilmember Michael Morasco, and Mayor Paul McNamara. Quorum present.

Also present were: Jeffrey Epp, City Manager; Michael McGuinness, City Attorney; and Zack Beck, City Clerk.

CLOSED SESSION REPORT

None.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

MOTION: Moved by Councilmember Diaz and seconded by Deputy Mayor Martinez to approve all consent items. Approved unanimously.

1. AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/RRB)

CURRENT BUSINESS

2. PROCLAMATION OF THE CITY COUNCIL THAT A LOCAL EMERGENCY EXISTS ARISING OUT OF THE COVID-19 VIRUS; AUTHORIZATION TO APPLY FOR AND RECEIVE EMERGENCY RELATED FUNDS -

Request the City Council approve a Proclamation of the Director of Emergency Services declaring a local emergency exists throughout the City of Escondido

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

RESOLUTION NO. 2020-38

ADJOURNMENT

Mayor McNamara adjourned the meeting at 3:45 p.m.

MAYOR

CITY CLERK

CITY OF ESCONDIDO
April 22, 2020
6:00 P.M. Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 6:00 p.m. on Wednesday, April 22, 2020 via Video Conference and in the City Council Chambers at City Hall with Mayor McNamara presiding.

MOMENT OF REFLECTION

Zack Beck, City Clerk led the Moment of Reflection

FLAG SALUTE

Paul McNamara, Mayor, led the flag salute

ATTENDANCE

The following members were present: Councilmember Olga Diaz, Deputy Mayor Consuelo Martinez, Councilmember Michael Morasco, and Mayor Paul McNamara. Quorum present.

Also present were: Michael McGuinness, City Attorney and Zack Beck, City Clerk.

CLOSED SESSION REPORT

None.

ORAL COMMUNICATIONS

Joan Nelson - Requested that the City of Escondido re-open Daley Ranch.

Jeremiah Anderson - Requested that the City of Escondido lift the ordinance that denies the ability to have someone reside in a recreational vehicle on private property.

CITY COUNCIL DISTRICT 2 VACANCY INTERVIEWS

1. APPLICANT INTERVIEWS, DISCUSSION AND POSSIBLE ACTION OR APPOINTMENT TO FILL COUNCIL VACANCY -

Request the City Council conduct the interviews of applicants to fill the City Council District 2 vacancy, discuss and consider applicant qualifications, and take action on the vacancy, including appointment of a District 2 representative.

Staff Recommendation: **None (City Clerk's Office: Zack Beck)**

Patricia Borchmann – Requested that the City Council appoint Vanessa Valenzuela.

The Following candidates were interviewed by the City Council:

- Tina Ostrem Inscoe
- William Curtin
- Rick Paul

- Barbara Aguilar
- Jeff Griffith
- Pamela Kleinkauf
- Vanessa Valenzuela
- Scotty Lombardi
- Nicole Downey

MOTION: Moved by Deputy Mayor Martinez and seconded by Councilmember Diaz to appoint Vanessa Valenzuela. Failed 2-2 (McNamara, Morasco – No)

MOTION: Moved by Councilmember Morasco and seconded by Mayor McNamara to appoint Tina Ostrem Inscoe. Failed 2-2 (Diaz, Martinez – No)

ADJOURNMENT

Mayor McNamara adjourned the meeting at 6:22 p.m.

MAYOR

CITY CLERK

CITY OF ESCONDIDO
May 6, 2020
6:00 P.M. Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 6:00 p.m. on Wednesday, May 6, 2020 via Video Conference and in the City Council Chambers at City Hall with Mayor McNamara presiding.

MOMENT OF REFLECTION

Zack Beck, City Clerk led the Moment of Reflection

FLAG SALUTE

Paul McNamara, Mayor, led the Flag Salute

ATTENDANCE

The following members were present: Councilmember Olga Diaz, Deputy Mayor Consuelo Martinez, Councilmember Michael Morasco, and Mayor Paul McNamara. Quorum present.

Also present were: Jeffrey Epp, City Manager; Michael McGuinness, City Attorney; Mike Strong, Director of Community Development; Julie Procopio, Director of Engineering Services; and Zack Beck, City Clerk.

PROCLAMATIONS

Water Awareness Month and Drinking Water Week

CLOSED SESSION REPORT

None.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

MOTION: Moved by Deputy Mayor Martinez and seconded by Councilmember Morasco to approve all consent calendar items except items 6 and 7. Approved 4-0.

1. AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/RRB)

2. APPROVAL OF WARRANT REGISTER (Council)

Request the City Council approve the City Council and Housing Successor Agency warrant numbers (File No. 0400-40):

- 340749 - 340907 dated April 1, 2020
- 340908 - 341106 dated April 8, 2020
- 341107 - 341319 dated April 15, 2020
- 341320 - 341563 dated April 22, 2020

Staff Recommendation: **Approval (Finance Department: Joan Ryan)**

3. APPROVAL OF MINUTES: Regular Meetings of March 25, 2020 and April 8, 2020

4. APPROVAL OF A CHANGE ORDER TO COMPLETE ADDITIONAL WORK AS PART OF THE 2019 STREET REHABILITATION AND MAINTENANCE PROJECT -

Request the City Council approve a change order with Eagle Paving, Inc. in the amount of \$199,153.15 to complete additional work for the 2019 Street Rehabilitation and Maintenance Project with funding from the Utilities Fund and ADA Fund. (File No. 0600-10, A-3306)

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

RESOLUTION NO. 2020-58

5. EMERGENCY REPAIRS OF THE PRIMARY SEDIMENTATION BASINS AT THE HALE AVENUE RESOURCE RECOVERY FACILITY ("HARRF") -

Request the City Council approve declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council affirms that it was appropriate for City staff to forego normal bidding procedures and award a contract for emergency mechanical repairs to the primary sedimentation basins at the Hale Avenue Resource Recovery Facility ("HARRF"). (File No. 0600-10, A-3330)

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

RESOLUTION NO. 2020-61

6. FIREHOUSE SUBS PUBLIC SAFETY FOUNDATION GRANT AWARD ACCEPTANCE -

Request the City Council approve accepting \$23,597.25 in grant funding from the Firehouse Subs Public Safety Foundation to purchase three thermal imaging cameras. It is also requested that the City Council authorize the Fire Chief to execute, on behalf of the City, all documents required for the management of this grant and authorize the necessary budget adjustment to establish a new project number to track these grant funds. (File No. 0480-70)

Staff Recommendation: **Approval (Fire Department: Rick Vogt)**

Removed from the Consent Calendar by Mayor McNamara

7. LANDSCAPE MAINTENANCE DISTRICT BUDGET ADJUSTMENT FOR ZONE 9, LAUREL VALLEY -

Request the City Council approve a budget adjustment in the amount of \$34,000 from the Landscape Maintenance Assessment District ("LMD") Zone 9 (Laurel Valley) Reserve Fund Balance to the LMD Zone 9, Professional Services Account to pay for removal of the leaning wall along Rincon Avenue and its replacement with a solid-panel vinyl fence. Zone 9 is located along Rincon Avenue and North Ash Street. (File No. 0430-80)

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

Pulled for discussion by Councilmember Morasco.

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Morasco to approve a budget adjustment in the amount of \$34,000 from the Landscape Maintenance Assessment District ("LMD") Zone 9 (Laurel Valley) Reserve Fund Balance to the LMD Zone 9, Professional Services Account to pay for removal of the leaning wall along Rincon Avenue and its replacement with a solid-panel vinyl fence. Zone 9 is located along Rincon Avenue and North Ash Street. Approved 4-0.

CONSENT RESOLUTIONS AND ORDINANCES (COUNCIL/RRB)

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

8. ANNUAL CODE CLEAN-UP AND AMENDMENTS TO THE MUNICIPAL AND ZONING CODES (AZ 20-0001) -

Approved on April 8, 2020 with a vote of 4/0

ORDINANCE NO. 2020-07 (Second Reading and Adoption)

PUBLIC HEARINGS

9. PUBLIC HEARING FOR CITY OF ESCONDIDO LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT ZONES 1 THROUGH 38 -

Request the City Council receive input from the property owners in Zones 1 through 38 of the City of Escondido Landscape Maintenance Assessment District ("LMD") on the proposed budget and assessments for Fiscal Year 2020/2021. No Council action is required. (File No. 0685-10)

Staff Recommendation: **Receive Public Input (Engineering Services Department: Julie Procopio)**

CURRENT BUSINESS

10. FINANCIAL REPORT FOR THE QUARTER ENDED MARCH 31, 2020, AND BUDGET ADJUSTMENT TO ADDRESS FINANCIAL IMPACT FROM COVID-19 -

Request the City Council receive and file the Third Quarter Financial Report for Fiscal Year 2019/20 and adopt a Budget Adjustment to address the financial impact the COVID-19 pandemic will have on the City of Escondido through the end of the current fiscal year. (File No. 0430-30)

Staff Recommendation: **Approval (Finance Department: Joan Ryan)**

MOTION: Moved by Councilmember Morasco and seconded by Deputy Mayor Martinez to receive and file the Third Quarter Financial Report for Fiscal Year 2019/20 and adopt a Budget Adjustment to address the financial impact the COVID-19 pandemic will have on the City of Escondido through the end of the current fiscal year. Approved 3-1 (Diaz - No)

11. MOBILEHOME RENT PROTECTION ORDINANCE ("PROPOSITION K") VACANCY CONTROL/DECONTROL -

Request the City Council take public input, discuss and consider an amendment to the City of Escondido's ("City") Mobilehome Rent Protection Initiative to address vacancy control. Staff recommends that you do not pursue a ballot measure. (File No. 0697-20)

Staff Recommendation: **Non-Supportive (City Attorney's Office: Michael R. McGuinness and Housing & Neighborhood Services Department: Karen Youel)**

MOTION: Moved by Councilmember Diaz and seconded by Deputy Mayor Martinez to direct the City Attorney to draft an amendment to the City of Escondido's ("City") Mobilehome Rent Protection Initiative to address vacancy control by placing a measure on the November 2020 ballot. Approved 3-1 (Morasco - No)

12. CITY COUNCIL DISTRICT 2 VACANCY -

Request the City Council discuss and consider applicant qualifications, and take action on the vacancy, including appointment of a District 2 representative. (File No. 0610-70)

Staff Recommendation: **None (City Clerk's Office: Zack Beck)**

MOTION: Moved by Deputy Mayor Martinez and seconded by Councilmember Diaz to appoint Vanessa Valenzuela. Failed 2-2 (McNamara, Morasco - No)

MOTION: Moved by Councilmember Morasco and seconded by Mayor McNamara to appoint Tina Ostrem Inscoc. Failed 2-2 (Diaz, Martinez - No)

MOTION: Moved by Councilmember Morasco and seconded by Councilmember Diaz to call for a special election and place the District 2 seat on the November 3, 2020 ballot. Approved 4-0.

FUTURE AGENDA

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: Zack Beck)**

COUNCIL MEMBERS SUBCOMMITTEE REPORTS AND OTHER 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. This report is also available on the City's website, www.escondido.org.

- **WEEKLY ACTIVITY REPORT -**

ORAL COMMUNICATIONS

None.

ADJOURNMENT

Mayor McNamara adjourned the meeting at 8:34 p.m.

CITY COUNCIL STAFF REPORT

Consent Item No. 4

May 20, 2020

File No. 0490-55

SUBJECT: Treasurer's Investment Report for the Quarter Ended March 31, 2020

DEPARTMENT: City Treasurer

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, 2019, was filed with the City Clerk's Office on January 27, 2020, and presented to the City Council on February 12, 2020.

BACKGROUND:

The City of Escondido's ("City") Investment Policy requires the City Treasurer to submit a quarterly investment report to the City Council and City Manager. The quarterly investment report should include the type of investment, issuer, date of maturity, par and dollar amount invested, and market value for each security held by the City. Details of the City's investment portfolio are included in the attached reports that are listed below:

- Summary of Investment Allocation as of March 31, 2020 (Attachment 1)
- Summary of Investment Portfolio Yield for the last 12 months (Attachment 2)
- Schedule of Funds Managed by Outside Parties as of March 31, 2020 (Attachment 3)
- PFM's Investment Performance Review as of March 31, 2020 (Attachment 4)

PFM Asset Management Firm was onboarded as the City's Investment Advisor in May 2019. In their Investment Performance Review (Attachment 4) you will find a Market Update, the City's Portfolio Strategy and Performance, Issuer Distributions, Portfolio Distributions and Portfolio Holdings. The Summary of Investment Allocation (Attachment 1), and the Summary of Investment Portfolio Yield for the last 12 months (Attachment 2), shows the total investment portfolio including funds in LAIF and Stone Castle. From January 1, 2020, to March 31, 2020, the City's investment portfolio increased from \$145.9 million to \$151.5 million. The adjusted average annual yield decreased from 2.092 percent to 2.062 percent with the portfolio duration at 1.52. An excess of cash receipt inflows over cash payment outflows for the quarter resulted in an increase of \$5.6 million in the book value of the investment portfolio.

Treasurer's Investment Report for the Quarter Ended March 31, 2020
May 20, 2020
Page 2

There are adequate funds to meet the next six-month's expected expenditures. As of March 31, 2020, the City complies with all requirements of the City's Investment Policy.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

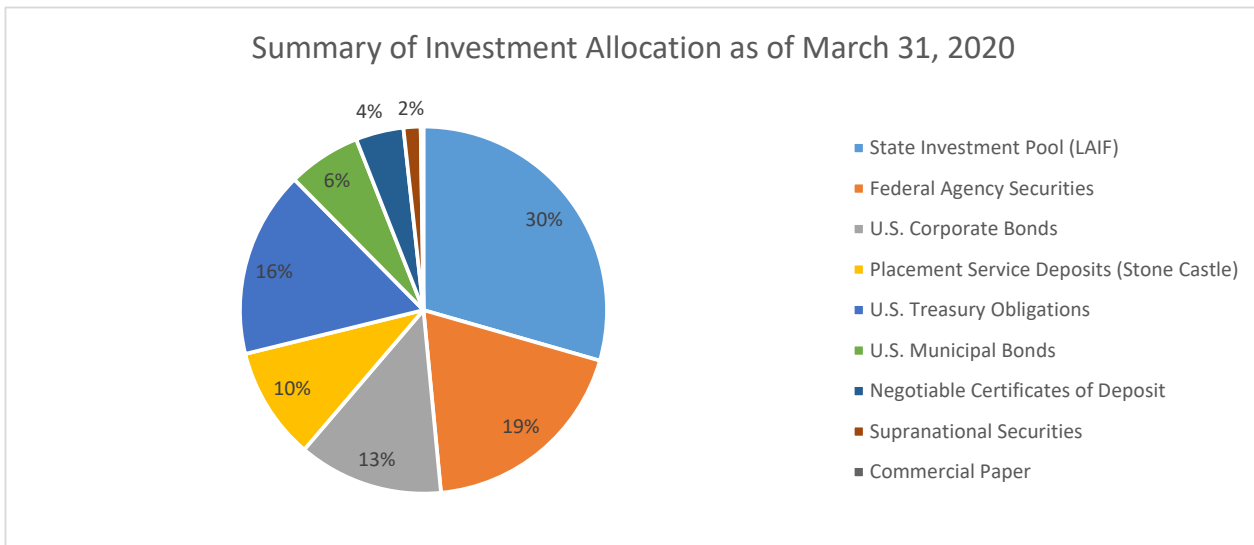
Douglas Shultz, City Treasurer
5/14/20 12:13 p.m.

ATTACHMENTS:

1. Attachment 1 – Summary of Investment Allocation as of March 31, 2020
2. Attachment 2 – Summary of Investment Portfolio Yield for the last 12 months
3. Attachment 3 – Schedule of Funds Managed by Outside Parties as of March 31, 2020
4. Attachment 4 – Investment Performance Review for the Quarter Ended March 31, 2020

**City of Escondido
Summary of Investment Allocation
as of March 31, 2020**

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
State Investment Pool (LAIF)	\$ 45,263,600	\$ 45,263,600	29.44%
Federal Agency Securities	28,648,775	29,257,059	19.03%
U.S. Corporate Bonds	19,358,526	19,645,857	12.78%
Placement Service Deposits (Stone Castle)	15,225,131	15,225,131	9.90%
U.S. Treasury Obligations	24,286,488	25,257,730	16.43%
U.S. Municipal Bonds	9,726,870	9,898,304	6.44%
Negotiable Certificates of Deposit	6,430,000	6,487,129	4.22%
Supranational Securities	2,230,954	2,313,749	1.51%
Commercial Paper	374,878	374,925	0.24%
Total Investment Portfolio - March 2020	\$ 151,545,223	\$ 153,723,484	100%
Reported Total Investments - December 2019	\$ 145,872,101	\$ 146,622,738	
Change from Prior Quarter	\$ 5,673,122	\$ 7,100,746	
Portfolio Duration	1.52		



Attachment 2

**CITY OF ESCONDIDO
as of March 31, 2020
FOR THE LAST 12 MONTHS**

<u>Date</u>	<u>Book Value</u>	<u>Yield</u>
Mar-20	\$151,545,222.69	1.819%
Feb-20	\$150,033,673.99	1.939%
Jan-20	\$145,872,100.79	1.966%
Dec-19	\$145,872,100.79	1.993%
Nov-19	\$140,341,177.53	2.012%
Oct-19	\$139,739,470.19	2.062%
Sep-19	\$139,305,537.02	2.112%
Aug-19	\$138,385,437.07	2.149%
Jul-19	\$139,305,537.02	2.112%
Jun-19	\$163,935,936.23	2.234%
May-19	\$159,528,865.80	2.215%
Apr-19	\$147,858,832.13	2.130%
Average Portfolio Interest Yields		2.062%

** Includes Assets managed by PFM, LAIF, and Stone Castle.*

CITY OF ESCONDIDO
FUNDS MANAGED BY OUTSIDE PARTIES
as of March 31, 2020

<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:			
1998-1 Rancho San Pasqual Assessment District	\$ 353,236.25	0.190%	Treasury
2012 JPFA Revenue Bonds (Wastewater System Financing)	76.79	0.190%	Treasury
2013 JPFA Reidy Creek Lease Revenue Bonds (2001 Refunding)	57,559.17	0.400%	Treasury
2015 Community Facility District - Eureka Ranch (2006 Refunding)	135.47	0.410%	Cash/Treasury
2015A Wastewater Bond (2004A Refunding)	580,191.33	0.270%	Dreyfus Cash Management Fund
2015B Wastewater Bond (2004B Refunding)	225,062.42	0.270%	Dreyfus Cash Management Fund
2019AB Water Bond (2007 & 2012 Refunding)	9,509.41	0.020%	Dreyfus Cash Management Fund
	<u>\$ 1,225,770.84</u>		
<u>SECTION 115 TRUST FUNDS</u>			
PUBLIC AGENCY RETIREMENT SERVICES:			
PARS Post-Employment Benefits Trust	\$ 9,883,796.50		Moderately Conservative HighMark PLUS
TOTAL FUNDS MANAGED BY OUTSIDE PARTIES	<u><u>\$ 11,109,567.34</u></u>		



CITY OF ESCONDIDO

Investment Performance Review For the Quarter Ended March 31, 2020

Client Management Team

PFM Asset Management LLC

Sarah Meacham, Managing Director

50 California Street, Suite 2300

213 Market Street

Meredith LaBuda Sullivan, Portfolio Manager

San Francisco, CA 94111

Harrisburg, PA 17101-2141

Richard Babbe, CCM, Senior Managing Consultant

949-230-6896

717-232-2723

Jeremy King, Key Account Manager

Market Update

COVID-19: A Three-Pronged Crisis



Health Crisis Pandemic

The rapidly spreading coronavirus is overwhelming healthcare facilities around the world as the number of cases and deaths related to the virus continue to grow.



Effects on the Economy

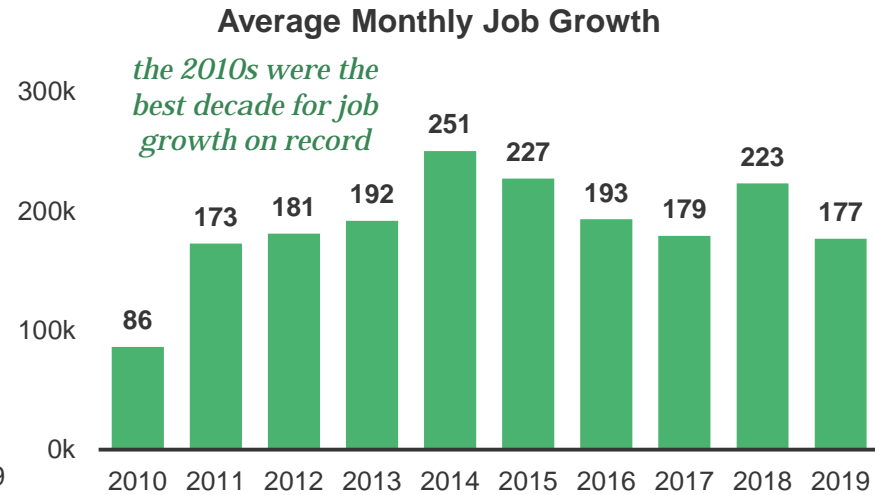
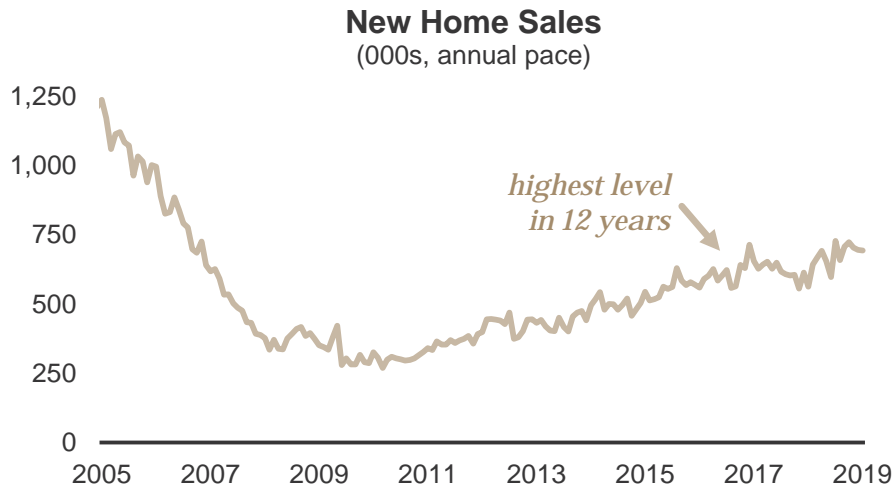
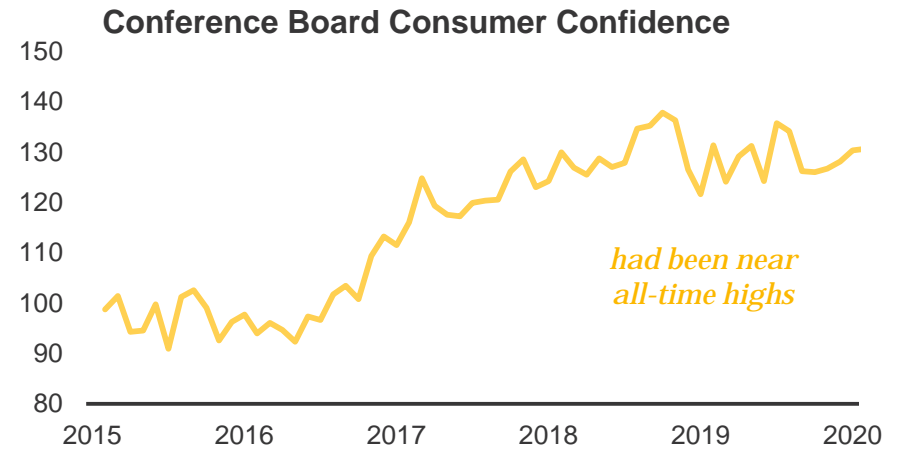
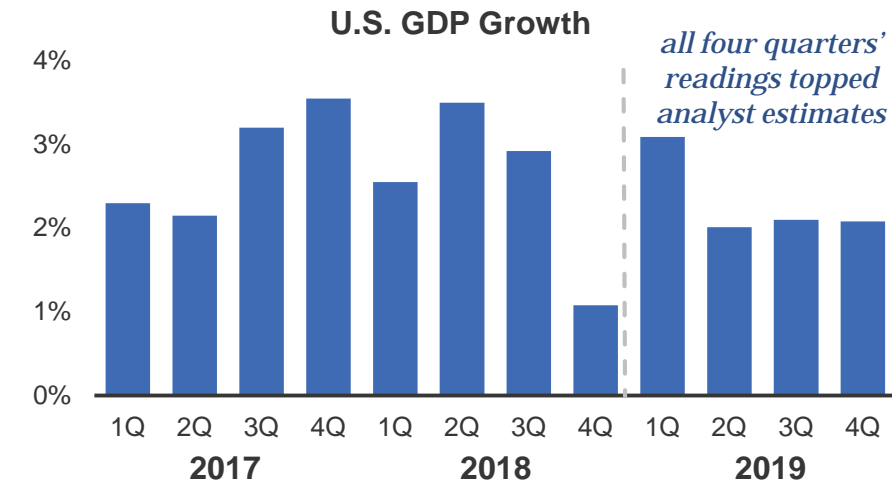
With businesses forced to close their doors and consumers stuck at home “social distancing,” the economy has come to a near standstill over a very short period of time.



Effects on Financial Markets

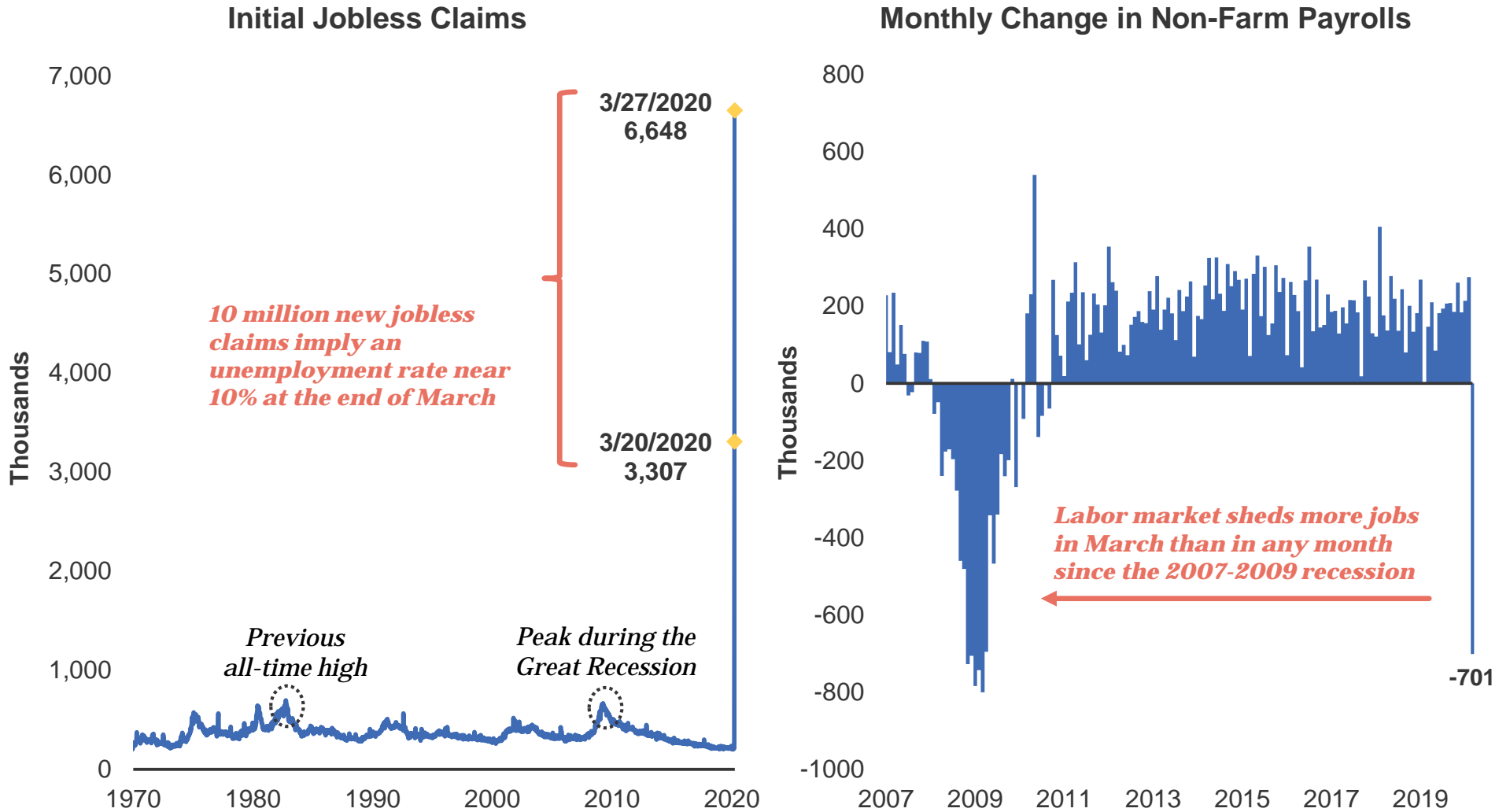
Treasury yields and stock prices have plummeted while credit spreads and volatility have soared in reaction to the uncertainty created by the pandemic.

Domestic Data Was Strong Prior to Coronavirus Outbreak



Source: Bloomberg, latest data available as of 2/29/2020.

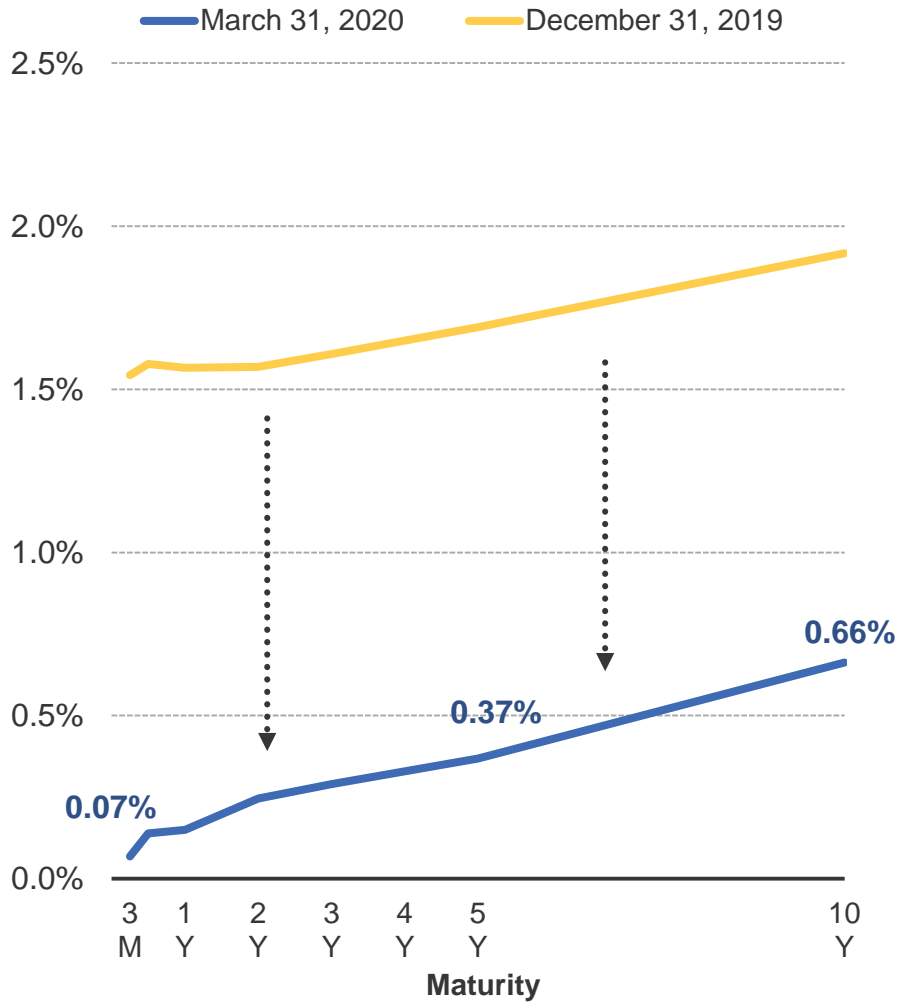
U.S. Economy Posts Massive Job Losses in March



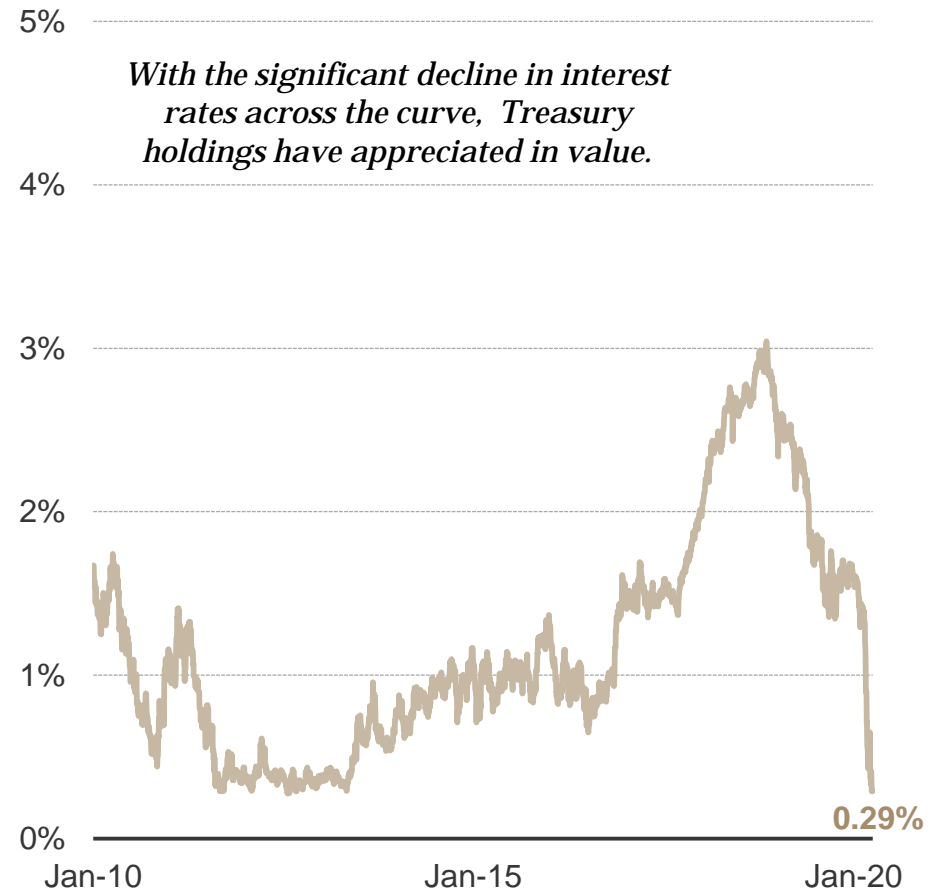
Source: Bloomberg, as of 4/3/2020. Data is seasonally adjusted.

Interest Rates Plunge; Likely to Stay Ultra-Low Through the Crisis

US Treasury Yield Curve

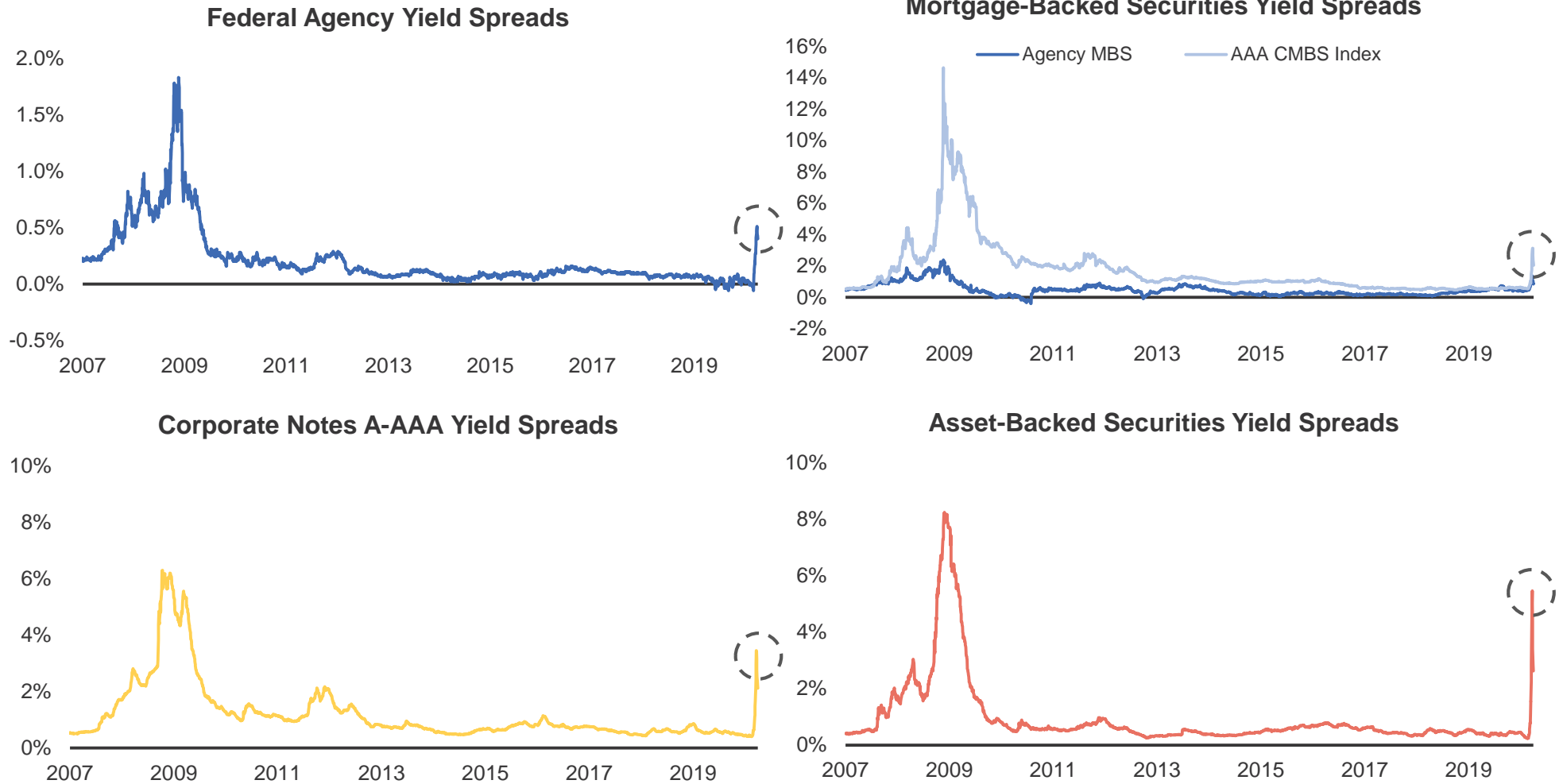


3-Year Treasury Yield



Source: Bloomberg as of 3/31/2020.

Sector Spreads Spike to Levels Not Seen Since the Great Recession



Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess and PFM as of 3/31/20. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable-maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

Federal Reserve Broadens Tool Kit to Support Markets

Zero Interest Rates

Cut rates by 150 bps at two emergency meetings in March

Asset Purchase Programs

Treasury and Agency MBS purchase program

U.S. Dollar Swap Lines

Expanded swap lines with additional foreign central banks

Liquidity Support

Funding for CP, corporate bonds, ABS, MMF & primary dealers

Discount Window

Decreased rate charged and extended term of loans

Repurchase Agreements

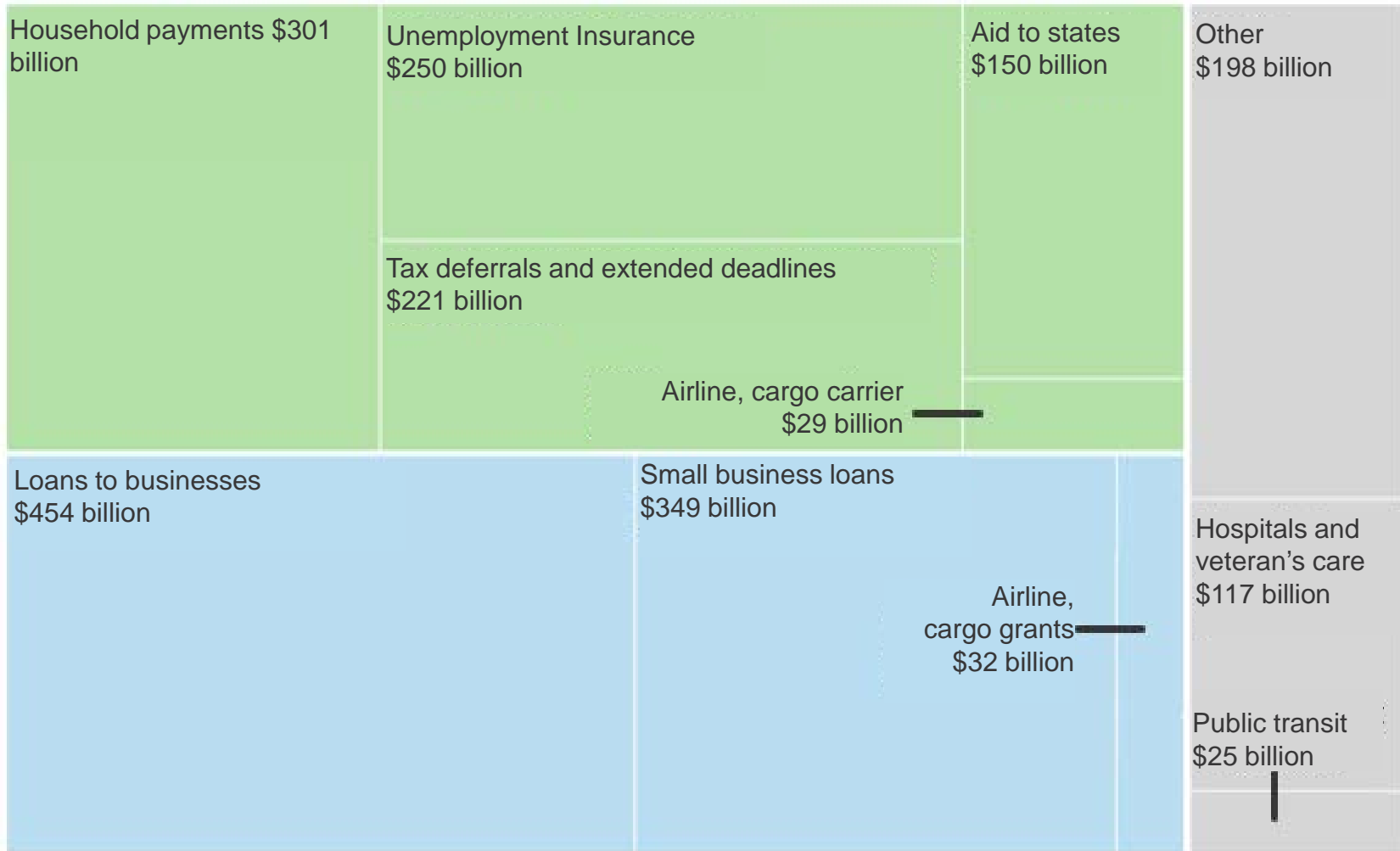
Increased the amount offered in repurchase operations

Regulatory Relief

Moved reserve requirement to 0, extended the filing deadline for 3/31 financial statements, and eased capital liquidity restraints

Congress Passes \$2 Trillion Stimulus Package Coronavirus Aid, Relief, and Economic Security (CARES) Act

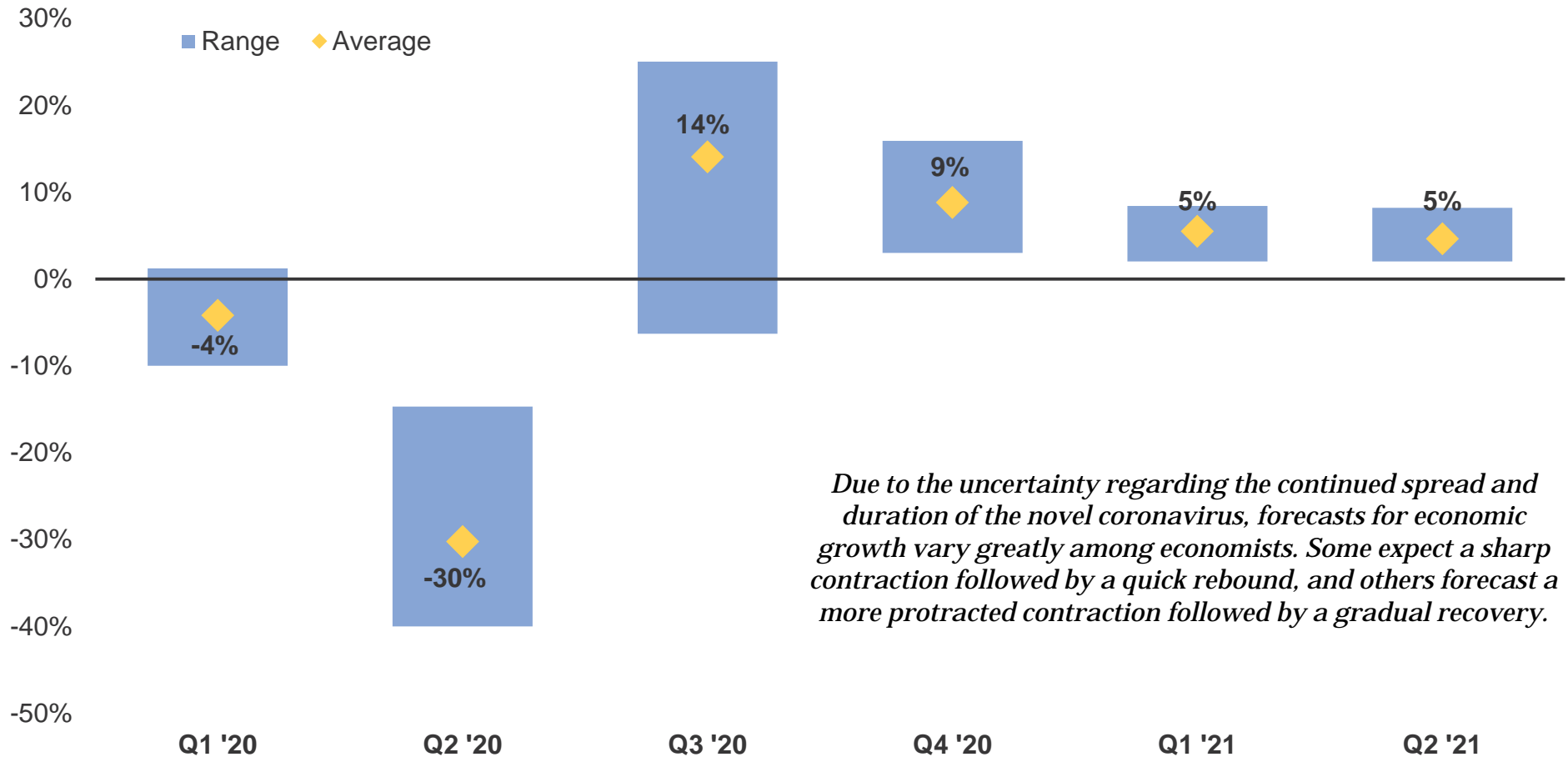
■ Direct Relief
 ■ Loans
 ■ Supplemental



Source: NPR, as of 3/31/2020.

Economists Expect a Significant, Immediate Downturn in the U.S. Economy

U.S. GDP Forecasts



Source: Bloomberg. Forecasts made from 3/25/2020 through 4/3/2020 by ING Group, Morgan Stanley, Deutsche Bank, Goldman Sachs Group, Barclays, JPMorgan Chase, UBS, TD Bank, and Wells Fargo.

Investment Strategy & Portfolio Review

First Quarter Portfolio Recap

- PFM took a proactive response to the emerging crisis and fast-moving markets by maintaining our emphasis on safety and liquidity in the portfolio's strategy, as well as holding frequent ad-hoc Credit and Investment Committee meetings to assess emerging news and market trends.
- Our strategy throughout the first quarter included the following elements:
 - The portfolio's duration was maintained in line with its benchmark, which has been an important element in sustaining the portfolio's performance over the past several quarters.
 - We have been increasing the portfolio's target allocation to U.S. Treasuries reflective of narrow yield spreads to most fixed-income sectors. The portfolio's significant allocation to the Treasury and Agency sectors enhanced the portfolio's liquidity profile.
 - Entering the quarter, we had a modestly defensive posture towards corporate credit, reflective of narrow yield spreads and our concerns about overall increased leverage by issuers in the sector. We had modestly reduced allocations to the sector, but still viewed corporate securities as a core holding in the portfolio. As the crisis developed, one of the first steps we took was to restrict to all new credit purchases.
 - Although not to the same degree as during the 2008-09 financial crisis, investment grade corporate bond spreads widened significantly in the second half of the quarter. The move in spreads resulted in significant negative excess returns in the sector to the tune of 200 to 400 basis points (-2% to -4%). This resulted in significant underperformance for the sector relative to Treasury benchmarks.
 - Like their longer-term counterparts, short-term credit (negotiable CDs and commercial paper) spreads widened sharply due to credit and liquidity concerns. We partially returned to the CP/CD market in a cautious manner late in the quarter, emphasizing the largest, strongest banks and industrial issuers.
 - The unprecedented economic conditions will stress many companies' revenue, profits, liquidity, and credit ratings. As noted above, we initially paused all new credit purchases and subsequently re-approved a limited number of issuers for short-term purchases only. PFM has also undertaken a wholesale review of all issuers on our approved list and redoubled our ongoing monitoring and due diligence efforts.
 - PFM was selective about new agency mortgage-backed security (MBS) purchases in the first quarter as declining rates caused a wave of prepayments and yield spread widening. However, the Fed's quick response and commitment to purchase large amounts of agency MBS and commercial MBS have helped stabilize the sector and created some opportunities.

Sector Allocation & Compliance

- The portfolio is in compliance with the City's Investment Policy and the California Government Code.

Security Type	Market Value as of 3/31/20	% of Portfolio	% Change vs. 12/31/19	Permitted by Policy	In Compliance
U.S. Treasury	\$25,257,730	29.3%	5.0%	100%	✓
Federal Agency	\$26,411,614	30.7%	-5.7%	100%	✓
Agency CMOs	\$2,845,445	3.3%	0.7%	100%	✓
Supranationals	\$2,313,749	2.7%	0.0%	30%	✓
Municipal Obligations	\$2,812,704	3.3%	0.0%	40%	✓
Certificates of Deposits	\$6,487,129	7.5%	0.9%	30%	✓
Commercial Paper	\$374,925	0.4%	0.4%	25%	✓
Corporate Notes	\$19,645,857	22.8%	-1.0%	30%	✓
Securities Sub-Total	\$86,149,154	100.0%			
Accrued Interest	\$383,801				
Total Investments	\$86,532,955	100.0%			

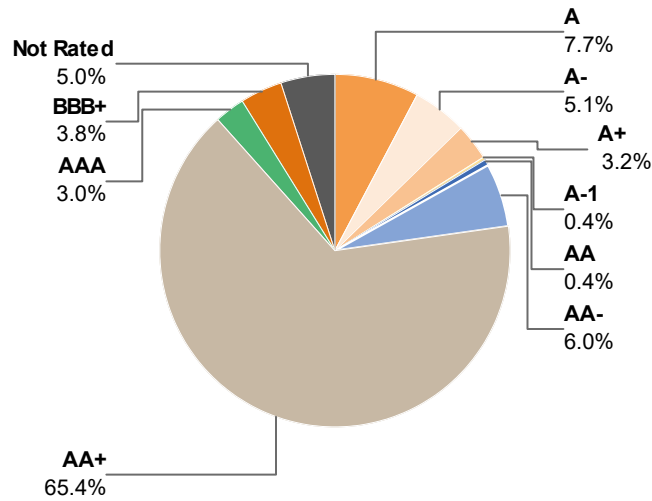
Market values, excluding accrued interest, only for the PFM managed portfolio. Detail may not add to total due to rounding. Current investment policy as of May 2019

Portfolio Statistics

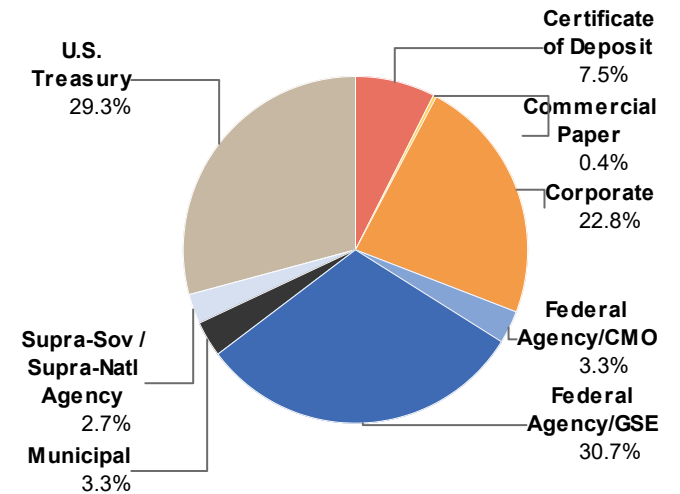
As of March 31, 2020

Par Value:	\$83,538,369
Total Market Value:	\$86,532,955
Security Market Value:	\$86,149,154
Accrued Interest:	\$383,801
Cash:	-
Amortized Cost:	\$84,109,085
Yield at Market:	0.92%
Yield at Cost:	1.92%
Effective Duration:	2.52 Years
Duration to Worst:	2.50 Years
Average Maturity:	2.67 Years
Average Credit: *	AA

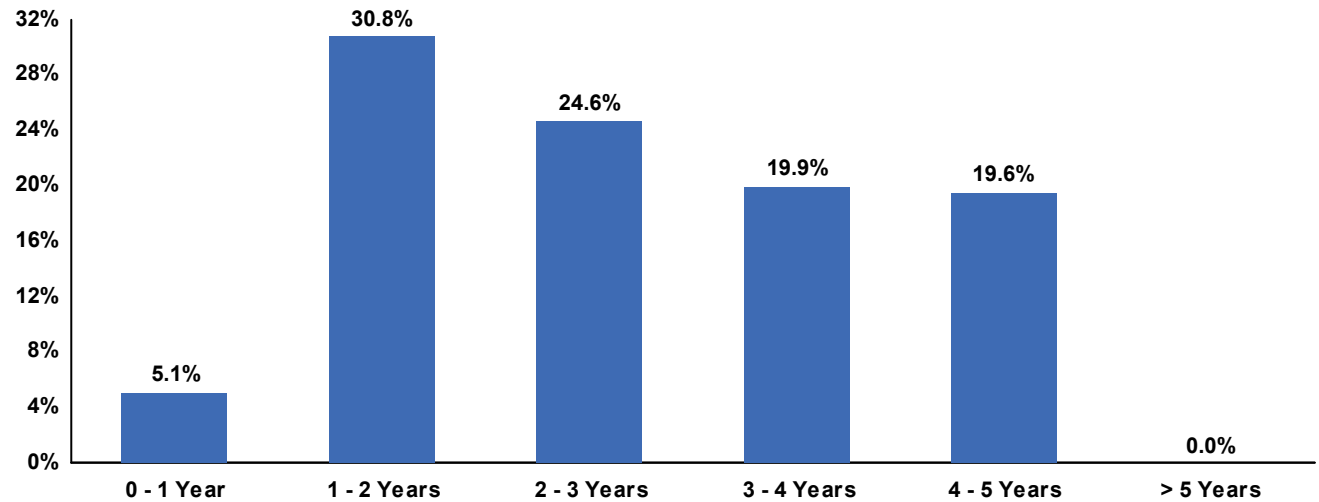
Credit Quality (S&P Ratings)**



Sector Allocation



Maturity Distribution

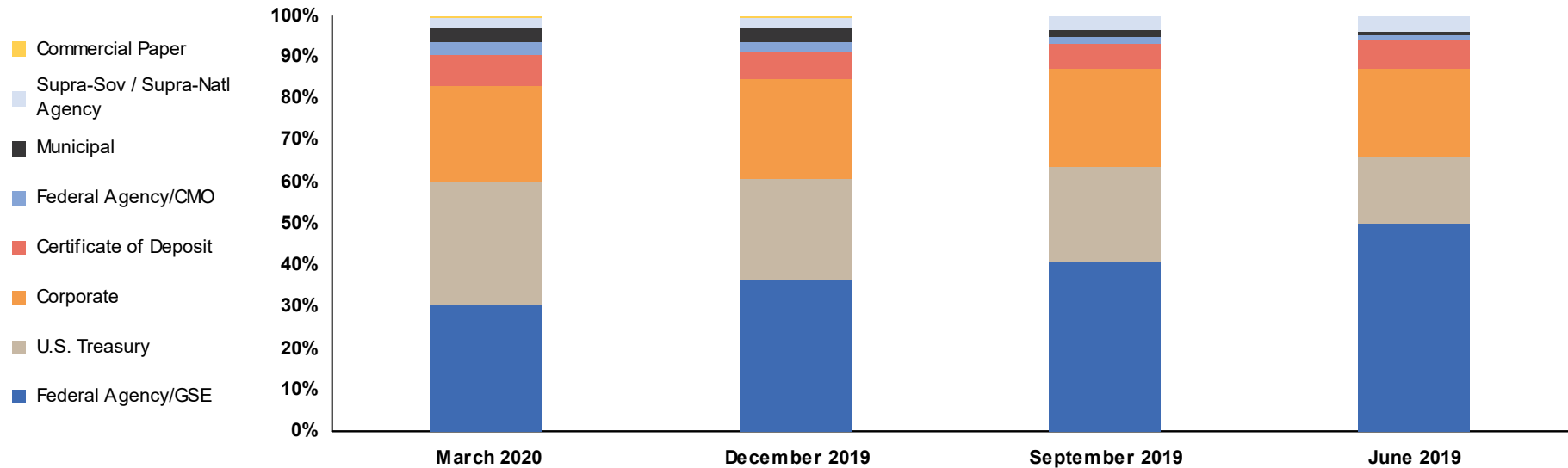


* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

**Securities held in the City's portfolio are in compliance with California Government Code and the City's investment policy dated May 2019.

Sector Allocation

Sector	March 31, 2020		December 31, 2019		September 30, 2019		June 30, 2019	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	26.4	30.7%	30.8	36.3%	35.2	40.9%	42.3	49.8%
U.S. Treasury	25.3	29.3%	20.6	24.3%	19.2	22.4%	13.6	16.0%
Corporate	19.6	22.8%	20.2	23.8%	20.5	23.8%	18.2	21.4%
Certificate of Deposit	6.5	7.5%	5.6	6.6%	5.2	6.1%	5.9	7.0%
Federal Agency/CMO	2.8	3.3%	2.2	2.6%	1.2	1.5%	0.9	1.0%
Municipal	2.8	3.3%	2.8	3.3%	1.6	1.9%	0.7	0.9%
Supra-Sov / Supra-Natl Agency	2.3	2.7%	2.3	2.7%	2.9	3.4%	3.3	3.9%
Commercial Paper	0.4	0.4%	0.4	0.4%	0.0	0.0%	0.0	0.0%
Total	\$86.1	100.0%	\$84.8	100.0%	\$85.8	100.0%	\$84.8	100.0%

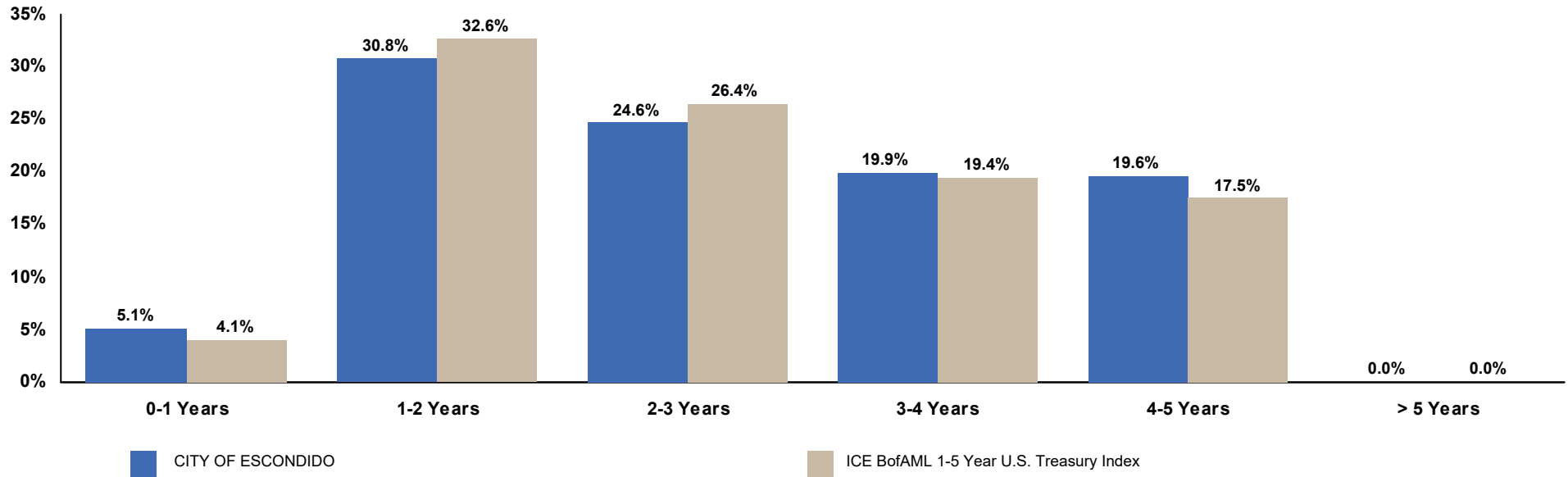


Detail may not add to total due to rounding.

Maturity Distribution

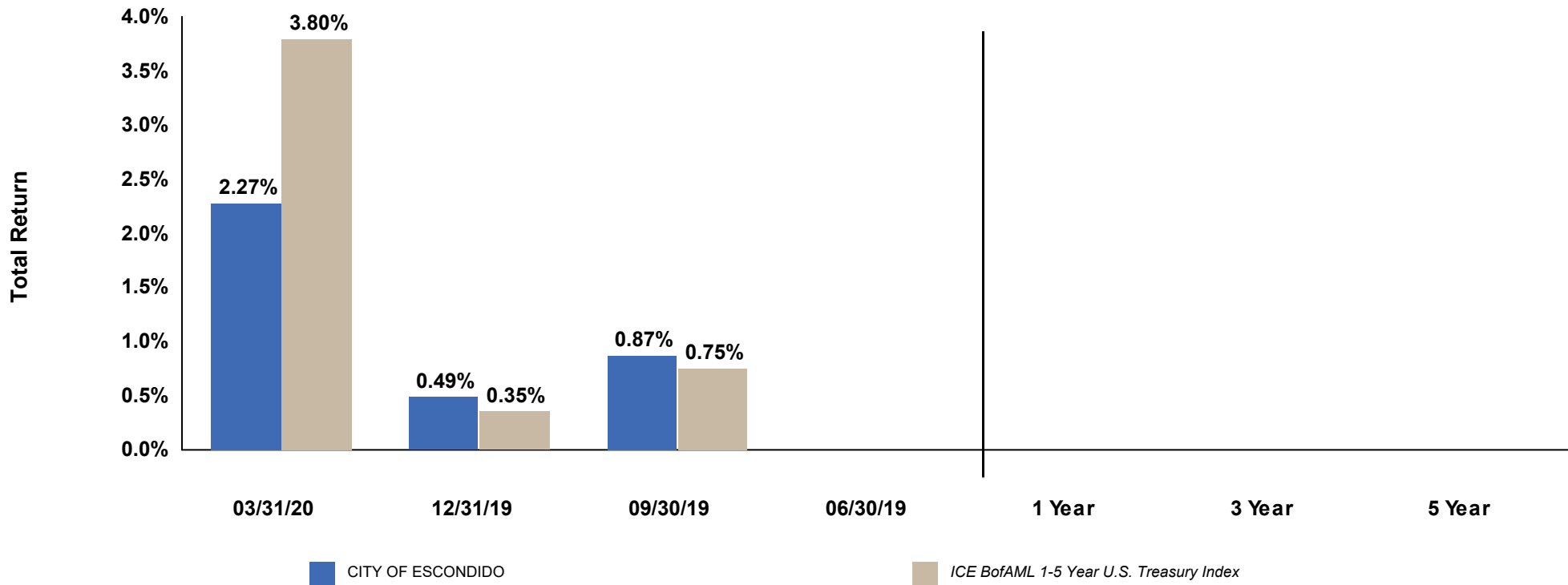
As of March 31, 2020

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF ESCONDIDO	0.92%	2.67 yrs	5.1%	30.8%	24.6%	19.9%	19.6%	0.0%
ICE BofAML 1-5 Year U.S. Treasury Index	0.25%	2.67 yrs	4.1%	32.6%	26.4%	19.4%	17.5%	0.0%



Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		03/31/20	12/31/19	09/30/19	06/30/19		3 Year	5 Year
CITY OF ESCONDIDO	2.52	2.27%	0.49%	0.87%	-	-	-	-
ICE BofAML 1-5 Year U.S. Treasury Index	2.58	3.80%	0.35%	0.75%	-	-	-	-
Difference		-1.53%	0.14%	0.12%	-	-	-	-



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Earnings**Quarter-Ended March 31, 2020**

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (12/31/2019)	\$84,827,483.97	\$84,178,977.54
Net Purchases/Sales	(\$151,327.12)	(\$151,327.12)
Change in Value	\$1,472,996.72	\$81,434.12
Ending Value (03/31/2020)	\$86,149,153.57	\$84,109,084.54
Interest Earned	\$454,418.32	\$454,418.32
Portfolio Earnings	\$1,927,415.04	\$535,852.44

Second Quarter Investment Strategy Outlook

- U.S. economic fundamentals are expected to deteriorate significantly in the second quarter as the full effect of COVID-19 materializes. The real question is the duration of the economic shutdown and the speed and trajectory of the eventual recovery. As a result of this uncertainty, we plan to maintain neutral portfolio durations relative to their respective benchmarks into April as we monitor guidance from index vendors regarding future rebalancing.
- Our outlook for major investment-grade sectors includes the following:
 - Federal agencies currently offer value, materially less credit risk, and better liquidity than most other sectors. Moving into the second quarter, we will likely target increased allocations to agencies. Given low yields, we also find value in callable agencies but will evaluate them on an issue-specific basis.
 - The supranational sector remains underwhelming, even though spreads are wider than the previous quarter. We anticipate increasing allocations as opportunities become available.
 - The investment grade corporate market faces numerous challenges and uncertainties. We believe the prudent action is to remain cautious and vigilant until longer-term economic consequences are better understood and market liquidity stabilizes. While spreads are significantly wider, PFM's view is that under current conditions the risks still outweigh the potential benefits. The late quarter surge in new issues that were easily absorbed by investors is an early, optimistic sign.
 - The MBS sector survived the recent surge of prepayments and now has support from the unlimited Fed purchase program. As a result, spreads began to narrow in the late first quarter. We view this stabilization as a modest buying opportunity in MBS heading into the second quarter with a focus on structures with less prepayment risk.
 - In the municipal sector, recent monetary and fiscal stimulus is expected to benefit local government issuers. We anticipate continuing to search for and scrutinize high-quality municipal issuers that are best positioned to weather current challenges.

Issuer Distribution

Issuer Distribution**As of March 31, 2020**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	25,257,730	29.3%
FREDDIE MAC	8,940,201	10.4%
FEDERAL HOME LOAN BANKS	8,014,754	9.3%
FANNIE MAE	7,922,311	9.2%
FEDERAL FARM CREDIT BANKS	4,379,793	5.1%
BLACKROCK INC	1,502,396	1.7%
BANK OF AMERICA CO	1,488,674	1.7%
THE BANK OF NEW YORK MELLON CORPORATION	1,471,744	1.7%
INTER-AMERICAN DEVELOPMENT BANK	1,402,872	1.6%
TOYOTA MOTOR CORP	1,069,454	1.2%
GOLDMAN SACHS GROUP INC	1,053,244	1.2%
SKANDINAVISKA ENSKILDA BANKEN AB	1,016,250	1.2%
NORDEA BANK AB	1,016,013	1.2%
APPLE INC	965,578	1.1%
AMAZON.COM INC	915,522	1.1%
INTL BANK OF RECONSTRUCTION AND DEV	910,877	1.1%
ABBOTT LABORATORIES	867,737	1.0%
CHARLES SCHWAB	855,975	1.0%

Top 5 = 63.3%

Top 10 = 71.4%

Issuer	Market Value (\$)	% of Portfolio
DEERE & COMPANY	855,429	1.0%
THE WALT DISNEY CORPORATION	851,196	1.0%
VENTURA CNTY CA CMNTY CLG DIST	844,192	1.0%
US BANCORP	843,421	1.0%
BB&T CORPORATION	841,014	1.0%
AMERICAN EXPRESS CO	840,316	1.0%
AMERICAN HONDA FINANCE	829,156	1.0%
SOCIETE GENERALE	821,441	1.0%
CATERPILLAR INC	821,194	1.0%
CITIGROUP INC	807,938	0.9%
MORGAN STANLEY	783,919	0.9%
CITY & COUNTY OF SAN FRANCISCO, CA	742,067	0.9%
UNITEDHEALTH GROUP INC	657,139	0.8%
DNB ASA	649,672	0.8%
TAMALPAIS CA UNION HIGH SCH DIST	623,930	0.7%
JP MORGAN CHASE & CO	617,955	0.7%
PNC FINANCIAL SERVICES GROUP	606,379	0.7%
MITSUBISHI UFJ FINANCIAL GROUP INC	374,925	0.4%
LONG BEACH CA	352,954	0.4%
ORACLE CORP	255,635	0.3%
FOCUS BANK	251,606	0.3%

Issuer	Market Value (\$)	% of Portfolio
CAPITAL ONE FINANCIAL CORP	251,358	0.3%
BENEFICIAL BANK	251,018	0.3%
ALLIANCE DATA SYSTEMS CORP	250,332	0.3%
UNITY BANK	249,940	0.3%
SAN DIEGO CA CMNTY CLG DIST	249,562	0.3%
SYNCHRONY BANK	247,937	0.3%
MEDALLION BANK UTAH	247,859	0.3%
FIRST BANK OF RICHMOND	246,210	0.3%
ALLY FINANCIAL INC.	245,509	0.3%
MERCANTILE BK MI	245,382	0.3%
WEX BANK MIDVALE UTAH	245,343	0.3%
ADOBE INC	96,104	0.1%
Grand Total:	86,149,154	100.0%

Portfolio Transactions

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/1/20	1/1/20	880,000.00	459058GU1	INTL BK RECON & DEVELOP SN NOTE	2.12%	7/1/22	9,354.40		
INTEREST	1/1/20	1/25/20	314,504.88	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	585.24		
INTEREST	1/1/20	1/25/20	845,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	1,965.33		
INTEREST	1/1/20	1/25/20	650,000.00	3136AJB54	FANNIEMAE-ACES	3.34%	3/25/24	1,812.33		
INTEREST	1/1/20	1/25/20	356,665.29	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	768.73		
PAYDOWNS	1/1/20	1/25/20	4,774.77	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	4,774.77		0.00
PAYDOWNS	1/1/20	1/25/20	15,000.60	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	15,000.60		0.00
BUY	1/2/20	1/6/20	2,180,000.00	9128283J7	US TREASURY N/B	2.12%	11/30/24	(2,231,944.85)	1.66%	
SELL	1/2/20	1/6/20	400,000.00	912828W48	US TREASURY N/B NOTES	2.12%	2/29/24	410,629.64	1.65%	10,704.49
SELL	1/2/20	1/6/20	800,000.00	912828V80	US TREASURY N/B NOTES	2.25%	1/31/24	826,683.42	1.65%	20,222.03
SELL	1/2/20	1/6/20	1,000,000.00	3133EFLZ8	FEDERAL FARM CREDIT BANKS NOTES	1.46%	10/28/20	1,001,407.78	1.63%	(1,350.00)
BUY	1/8/20	1/10/20	700,000.00	3135G0X24	FANNIE MAE NOTES	1.62%	1/7/25	(697,767.00)	1.69%	
SELL	1/8/20	1/10/20	700,000.00	9128283J7	US TREASURY N/B	2.12%	11/30/24	718,263.99	1.62%	1,454.36
INTEREST	1/11/20	1/11/20	1,090,000.00	89236TEL5	TOYOTA MOTOR CREDIT CORP	2.70%	1/11/23	14,715.00		
INTEREST	1/13/20	1/13/20	249,000.00	20033AND4	COMENITY CAPITAL BANK LT CD	2.00%	10/13/20	422.96		
INTEREST	1/13/20	1/13/20	240,000.00	3137EADB2	FREDDIE MAC GLOBAL NOTES	2.37%	1/13/22	2,850.00		
BUY	1/16/20	1/21/20	245,000.00	9128284D9	US TREASURY NOTES	2.50%	3/31/23	(253,886.95)	1.58%	
BUY	1/16/20	1/21/20	270,000.00	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	(271,179.74)	1.60%	
SELL	1/16/20	1/21/20	250,000.00	097023BW4	BOEING CO CORP NOTES	2.80%	3/1/23	257,659.72	2.14%	778.71
SELL	1/16/20	1/21/20	270,000.00	097023CL7	BOEING CO	2.30%	8/1/21	274,234.95	1.98%	1,293.41

ATTACHMENT 4

For the Quarter Ended March 31, 2020

CITY OF ESCONDIDO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/17/20	1/17/20	247,000.00	87165HKM1	SYNCHRONY BANK CD	2.25%	7/17/20	2,801.59		
INTEREST	1/22/20	1/22/20	1,395,000.00	06051GFB0	BANK OF AMERICA CORP NOTE	4.12%	1/22/24	28,771.88		
BUY	1/22/20	2/3/20	95,000.00	00724PAA7	ADOBE INC CORP NOTE	1.70%	2/1/23	(94,869.85)	1.75%	
SELL	1/22/20	2/3/20	95,000.00	9128282S8	US TREASURY NOTES	1.62%	8/31/22	95,906.53	1.52%	389.18
INTEREST	1/28/20	1/28/20	245,000.00	58403B6Y7	MEDALLION BANK UTAH CD	2.05%	6/28/21	426.57		
INTEREST	1/29/20	1/29/20	2,410,000.00	3134G34D9	FREDDIE MAC (EX-CALLABLE) NOTES	1.65%	1/29/21	19,882.50		
INTEREST	1/30/20	1/30/20	249,000.00	91330ABC0	UNITY BANK CD	1.65%	10/30/20	348.94		
INTEREST	1/30/20	1/30/20	845,000.00	91159HHX1	US BANCORP	2.40%	7/30/24	10,196.33		
INTEREST	1/31/20	1/31/20	680,000.00	9128285X4	UNITED STATES TREASURY NOTES	2.50%	1/31/21	8,500.00		
INTEREST	1/31/20	1/31/20	1,100,000.00	912828Y87	UNITED STATES TREASURY NOTES	1.75%	7/31/24	9,625.00		
INTEREST	1/31/20	1/31/20	800,000.00	912828V80	US TREASURY N/B NOTES	2.25%	1/31/24	9,000.00		
INTEREST	1/31/20	1/31/20	940,000.00	912828Y61	US TREASURY NOTES	2.75%	7/31/23	12,925.00		
INTEREST	2/1/20	2/1/20	350,000.00	542411NH2	LONG BEACH CCD, CA TXBL GO BONDS	1.74%	8/1/23	1,660.69		
INTEREST	2/1/20	2/1/20	490,000.00	923040GU7	VENTURA CNTY CCD, CA TXBL GO BONDS	1.80%	8/1/24	2,229.50		
INTEREST	2/1/20	2/1/20	615,000.00	874857KJ3	TAMALPAIS UHSD, CA TXBL GO BONDS	1.97%	8/1/23	3,771.18		
INTEREST	2/1/20	2/1/20	350,000.00	923040GT0	VENTURA CNTY CCD, CA TXBL GO BONDS	1.75%	8/1/23	1,548.26		
INTEREST	2/1/20	2/1/20	245,000.00	797272QP9	SAN DIEGO CCD, CA TXBL GO BONDS	2.04%	8/1/24	1,462.04		
INTEREST	2/1/20	2/1/20	815,000.00	808513AY1	CHARLES SCHWAB CORP NOTES	3.55%	2/1/24	14,466.25		
INTEREST	2/1/20	2/25/20	341,664.69	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	747.96		
INTEREST	2/1/20	2/25/20	845,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	1,965.33		
INTEREST	2/1/20	2/25/20	650,000.00	3136AJB54	FANNIEMAE-ACES	3.34%	3/25/24	1,812.42		
INTEREST	2/1/20	2/25/20	309,730.11	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	1,092.88		

ATTACHMENT 4

For the Quarter Ended March 31, 2020

CITY OF ESCONDIDO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
PAYDOWNS	2/1/20	2/25/20	61,591.50	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	61,591.50		0.00
PAYDOWNS	2/1/20	2/25/20	20,229.33	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	20,229.33		0.00
INTEREST	2/3/20	2/3/20	800,000.00	025816BW8	AMERICAN EXPRESS CREDIT CORP NOTES	3.70%	8/3/23	14,800.00		
BUY	2/3/20	2/5/20	1,080,000.00	9128283V0	UNITED STATES TREASURY NOTES	2.50%	1/31/25	(1,139,391.19)	1.36%	
BUY	2/3/20	2/5/20	5,800,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	(5,824,047.99)	1.44%	
SELL	2/3/20	2/5/20	2,410,000.00	3134G34D9	FREDDIE MAC (EX-CALLABLE) NOTES	1.65%	1/29/21	2,412,976.35	1.55%	(10,071.15)
SELL	2/3/20	2/5/20	200,000.00	912828V80	US TREASURY N/B NOTES	2.25%	1/31/24	206,897.75	1.37%	7,158.60
SELL	2/3/20	2/5/20	1,100,000.00	3130ABD94	FEDERAL HOME LOAN BANKS BONDS	1.61%	8/26/20	1,103,636.42	1.57%	566.69
SELL	2/3/20	2/5/20	890,000.00	9128285K2	US TREASURY N/B	2.87%	10/31/23	946,151.07	1.35%	10,837.57
SELL	2/3/20	2/5/20	2,350,000.00	3133XD4P3	FHLB NOTES	4.62%	9/11/20	2,435,939.50	1.58%	(2,495.94)
BUY	2/4/20	2/5/20	125,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	(125,449.91)	1.48%	
BUY	2/5/20	2/7/20	1,090,000.00	89236TDK8	TOYOTA MOTOR CREDIT CORP CORP NOTES	2.25%	10/18/23	(1,114,800.23)	1.80%	
SELL	2/5/20	2/7/20	1,090,000.00	89236TEL5	TOYOTA MOTOR CREDIT CORP	2.70%	1/11/23	1,123,375.80	1.69%	31,467.05
INTEREST	2/12/20	2/12/20	2,165,000.00	3137EAEC9	FHLMC REFERNCE NOTE	1.12%	8/12/21	12,178.13		
INTEREST	2/13/20	2/13/20	249,000.00	20033AND4	COMENITY CAPITAL BANK LT CD	2.00%	10/13/20	422.96		
BUY	2/13/20	2/14/20	1,250,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/25	(1,249,037.50)	1.52%	
SELL	2/13/20	2/14/20	600,000.00	912828V23	US TREASURY NOTES	2.25%	12/31/23	620,583.02	1.41%	20,398.93
SELL	2/13/20	2/14/20	660,000.00	3130A7CV5	FHLB NOTES	1.37%	2/18/21	663,255.27	1.55%	(1,809.16)
BUY	2/14/20	2/19/20	845,000.00	83369XDL9	SOCIETE GENERALE NY CERT DEPOS	1.80%	2/14/22	(845,000.00)	1.80%	
SELL	2/14/20	2/19/20	850,000.00	313379RB7	FHLB NOTES	1.87%	6/11/21	857,030.92	1.51%	(1,757.26)
INTEREST	2/15/20	2/15/20	575,000.00	912828D56	US TREASURY NOTES	2.37%	8/15/24	6,828.13		
INTEREST	2/17/20	2/17/20	2,000,000.00	3134G92Y2	FREDDIE MAC (EX-CALLABLE) NOTES	1.87%	8/17/21	18,750.00		

ATTACHMENT 4

For the Quarter Ended March 31, 2020

CITY OF ESCONDIDO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	2/17/20	2/17/20	1,710,000.00	3135G0N82	FNMA NOTES	1.25%	8/17/21	10,687.50		
INTEREST	2/18/20	2/18/20	1,340,000.00	3130A7CV5	FHLB NOTES	1.37%	2/18/21	9,212.50		
BUY	2/20/20	2/21/20	850,000.00	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/23	(848,436.00)	1.44%	
SELL	2/20/20	2/21/20	850,000.00	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	859,905.78	1.38%	26,156.90
INTEREST	2/21/20	2/21/20	120,000.00	3134G3D64	FREDDIE MAC NOTES	1.55%	8/21/20	930.00		
INTEREST	2/22/20	2/22/20	880,000.00	023135AW6	AMAZON.COM INC BONDS	2.40%	2/22/23	10,560.00		
INTEREST	2/26/20	2/26/20	2,000,000.00	3136G05L1	FANNIE MAE (EX-CALLABLE) NOTES	2.00%	8/26/22	20,000.00		
INTEREST	2/26/20	2/26/20	1,000,000.00	65558TLL7	NORDEA BANK ABP NEW YORK CERT DEPOS	1.85%	8/26/22	9,301.39		
INTEREST	2/26/20	2/26/20	1,000,000.00	83050PDR7	SKANDINAV ENSKILDA BANK LT CD	1.86%	8/26/22	9,093.33		
INTEREST	2/28/20	2/28/20	245,000.00	58403B6Y7	MEDALLION BANK UTAH CD	2.05%	6/28/21	426.57		
INTEREST	2/28/20	2/28/20	845,000.00	254687FK7	WALT DISNEY COMPANY/THE	1.75%	8/30/24	7,065.14		
INTEREST	2/29/20	2/29/20	650,000.00	912828W48	US TREASURY N/B NOTES	2.12%	2/29/24	6,906.25		
INTEREST	2/29/20	2/29/20	270,000.00	912828YC8	UNITED STATES TREASURY NOTES	1.50%	8/31/21	2,025.00		
INTEREST	2/29/20	2/29/20	1,400,000.00	9128282S8	US TREASURY NOTES	1.62%	8/31/22	11,375.00		
INTEREST	2/29/20	2/29/20	249,000.00	91330ABC0	UNITY BANK CD	1.65%	10/30/20	337.68		
INTEREST	3/1/20	3/1/20	350,000.00	79772EAX7	SAN FRAN COMM FAC DIST, CA TXBL REV BNDS	2.50%	9/1/22	4,375.00		
INTEREST	3/1/20	3/1/20	310,000.00	31331S4M2	FEDERAL FARM CREDIT BANKS NOTES	4.81%	9/1/20	7,455.50		
INTEREST	3/1/20	3/1/20	380,000.00	79772EAE9	SAN FRAN COMM FAC DIST, CA TXBL REV BNDS	2.50%	9/1/22	4,750.00		
INTEREST	3/1/20	3/25/20	650,000.00	3136AJB54	FANNIEMAE-ACES	3.34%	3/25/24	1,812.42		
INTEREST	3/1/20	3/25/20	321,435.36	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	610.73		
INTEREST	3/1/20	3/25/20	845,000.00	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	1,965.33		
INTEREST	3/1/20	3/25/20	248,138.61	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	432.59		

ATTACHMENT 4

For the Quarter Ended March 31, 2020

CITY OF ESCONDIDO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
PAYDOWNS	3/1/20	3/25/20	505.05	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	505.05		0.00
PAYDOWNS	3/1/20	3/25/20	699.63	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/25/22	699.63		0.00
BUY	3/3/20	3/4/20	1,175,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/25	(1,210,218.67)	0.90%	
SELL	3/3/20	3/4/20	680,000.00	9128285X4	UNITED STATES TREASURY NOTES	2.50%	1/31/21	691,661.52	0.85%	6,242.67
SELL	3/3/20	3/4/20	500,000.00	313382K69	FHLB NOTES	1.75%	3/12/21	508,260.56	0.95%	2,817.20
SELL	3/4/20	3/4/20	15,000.00	912828R77	US TREASURY NOTES	1.37%	5/31/21	15,177.16	0.71%	210.20
INTEREST	3/6/20	3/6/20	835,000.00	24422ETG4	JOHN DEERE CAPITAL CORP	2.80%	3/6/23	11,690.00		
INTEREST	3/11/20	3/11/20	2,000,000.00	313378CR0	FHLB NOTES	2.25%	3/11/22	22,500.00		
INTEREST	3/12/20	3/12/20	950,000.00	037833DC1	APPLE INC CORP (CALLABLE) NOTES	2.10%	9/12/22	9,975.00		
INTEREST	3/12/20	3/12/20	500,000.00	313382K69	FHLB NOTES	1.75%	3/12/21	4,375.00		
INTEREST	3/13/20	3/13/20	249,000.00	20033AND4	COMENITY CAPITAL BANK LT CD	2.00%	10/13/20	395.67		
INTEREST	3/14/20	3/14/20	1,000,000.00	4581X0CZ9	INTER-AMERICAN DEVEL BANK	1.75%	9/14/22	8,750.00		
INTEREST	3/14/20	3/14/20	365,000.00	4581X0CZ9	INTER-AMERICAN DEVEL BANK	1.75%	9/14/22	3,193.75		
INTEREST	3/15/20	3/15/20	640,000.00	91324PCC4	UNITEDHEALTH GROUP INC CORP NOTES	2.87%	3/15/23	9,200.00		
INTEREST	3/18/20	3/18/20	1,420,000.00	09247XAL5	BLACKROCK INC CORP NOTES	3.50%	3/18/24	24,850.00		
BUY	3/19/20	3/25/20	665,000.00	3137BGK24	FHMS K043 A2	3.06%	12/25/24	(699,295.77)	0.94%	
SELL	3/19/20	3/25/20	690,000.00	9128287A2	US TREASURY N/B	1.62%	6/30/21	695,097.99	1.34%	894.09
INTEREST	3/20/20	3/20/20	2,000,000.00	3133EHZA4	FEDERAL FARM CREDIT BANKS NOTES	1.66%	9/20/21	16,600.00		
INTEREST	3/23/20	3/23/20	600,000.00	46625HJE1	JPMORGAN CHASE & CO CORP NOTES	3.25%	9/23/22	9,750.00		
INTEREST	3/28/20	3/28/20	245,000.00	58403B6Y7	MEDALLION BANK UTAH CD	2.05%	6/28/21	399.05		
INTEREST	3/30/20	3/30/20	249,000.00	91330ABC0	UNITY BANK CD	1.65%	10/30/20	337.68		
INTEREST	3/31/20	3/31/20	955,000.00	912828T34	US TREASURY NOTES	1.12%	9/30/21	5,371.88		

CITY OF ESCONDIDO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	3/31/20	3/31/20	245,000.00	912828J76	US TREASURY NOTES	1.75%	3/31/22	2,143.75		
INTEREST	3/31/20	3/31/20	245,000.00	9128284D9	US TREASURY NOTES	2.50%	3/31/23	3,062.50		
INTEREST	3/31/20	3/31/20	795,000.00	9128282Y5	US TREASURY NOTES	2.12%	9/30/24	8,446.88		
TOTALS								701,260.99		124,108.57

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 05/15/2018 2.625% 05/15/2021	9128284P2	470,000.00	AA+	Aaa	7/26/2019	7/30/2019	475,875.00	1.91	4,677.40	473,698.24	482,704.66
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	230,000.00	AA+	Aaa	7/23/2019	7/23/2019	228,023.44	1.85	1,062.81	228,753.53	233,126.57
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	250,000.00	AA+	Aaa	7/23/2019	7/24/2019	247,861.33	1.85	1,155.23	248,649.36	253,398.45
US TREASURY N/B DTD 07/01/2019 1.625% 06/30/2021	9128287A2	125,000.00	AA+	Aaa	2/4/2020	2/5/2020	125,249.02	1.48	513.39	125,222.04	127,187.50
US TREASURY N/B DTD 07/01/2019 1.625% 06/30/2021	9128287A2	5,110,000.00	AA+	Aaa	2/3/2020	2/5/2020	5,122,974.61	1.44	20,987.50	5,121,566.64	5,199,425.00
UNITED STATES TREASURY NOTES DTD 09/03/2019 1.500% 08/31/2021	912828YC8	270,000.00	AA+	Aaa	1/16/2020	1/21/2020	269,588.67	1.60	352.17	269,639.06	274,640.63
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	955,000.00	AA+	Aaa	8/26/2019	8/28/2019	946,979.49	1.53	29.35	949,230.84	966,788.33
UNITED STATES TREASURY NOTES DTD 10/15/2018 2.875% 10/15/2021	9128285F3	240,000.00	AA+	Aaa	8/8/2019	8/13/2019	246,346.88	1.63	3,186.07	244,519.61	249,525.00
US TREASURY NOTES DTD 03/31/2015 1.750% 03/31/2022	912828J76	245,000.00	AA+	Aaa	6/18/2019	6/20/2019	244,846.88	1.77	11.71	244,890.87	251,967.19
UNITED STATES TREASURY NOTES DTD 04/15/2019 2.250% 04/15/2022	9128286M7	380,000.00	AA+	Aaa	10/7/2019	10/8/2019	387,718.75	1.43	3,947.95	386,266.66	394,843.75
UNITED STATES TREASURY NOTES DTD 04/15/2019 2.250% 04/15/2022	9128286M7	245,000.00	AA+	Aaa	10/28/2019	10/30/2019	248,397.46	1.67	2,545.39	247,826.40	254,570.31
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	425,000.00	AA+	Aaa	6/4/2019	6/5/2019	424,916.99	1.88	3,349.50	424,942.19	438,613.26
US TREASURY NOTES DTD 08/31/2017 1.625% 08/31/2022	9128282S8	1,400,000.00	AA+	Aaa	12/12/2019	12/16/2019	1,397,757.82	1.69	1,978.26	1,398,006.29	1,443,531.32
US TREASURY N/B NOTES DTD 10/31/2017 2.000% 10/31/2022	9128283C2	250,000.00	AA+	Aaa	8/30/2019	9/6/2019	254,238.28	1.45	2,101.65	253,486.94	260,820.30
US TREASURY NOTES DTD 04/02/2018 2.500% 03/31/2023	9128284D9	245,000.00	AA+	Aaa	1/16/2020	1/21/2020	251,995.90	1.58	16.73	251,583.23	260,733.61

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B DTD 04/30/2018 2.750% 04/30/2023	9128284L1	1,000,000.00	AA+	Aaa	6/3/2019	6/5/2019	1,033,046.88	1.87	11,559.07	1,026,284.63	1,073,906.20
US TREASURY N/B NOTES DTD 05/02/2016 1.625% 04/30/2023	912828R28	250,000.00	AA+	Aaa	6/17/2019	6/18/2019	248,085.94	1.83	1,707.59	248,466.33	259,765.63
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	345,000.00	AA+	Aaa	4/23/2019	4/26/2019	335,242.97	2.35	1,884.07	337,385.55	358,584.38
US TREASURY NOTES DTD 06/30/2016 1.375% 06/30/2023	912828S35	975,000.00	AA+	Aaa	5/8/2019	5/9/2019	940,417.97	2.28	3,388.39	947,638.49	1,006,687.50
US TREASURY NOTES DTD 07/31/2018 2.750% 07/31/2023	912828Y61	940,000.00	AA+	Aaa	9/3/2019	9/5/2019	989,643.75	1.36	4,332.01	982,558.61	1,014,906.25
US TREASURY NOTES DTD 11/30/2016 2.125% 11/30/2023	912828U57	300,000.00	AA+	Aaa	8/1/2019	8/5/2019	303,796.88	1.82	2,142.42	303,241.85	319,125.00
US TREASURY N/B NOTES DTD 01/31/2017 2.250% 01/31/2024	912828V80	600,000.00	AA+	Aaa	5/8/2019	5/9/2019	598,851.56	2.29	2,262.36	599,067.91	642,937.50
US TREASURY N/B NOTES DTD 02/28/2017 2.125% 02/29/2024	912828W48	650,000.00	AA+	Aaa	4/29/2019	5/1/2019	644,236.33	2.32	1,201.09	645,290.90	693,976.53
US TREASURY N/B NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	1,655,000.00	AA+	Aaa	6/4/2019	6/5/2019	1,660,365.82	1.93	13,912.91	1,659,510.57	1,762,833.51
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,500,000.00	AA+	Aaa	7/1/2019	7/3/2019	1,516,113.28	1.77	7,582.42	1,513,798.19	1,601,718.75
UNITED STATES TREASURY NOTES DTD 07/31/2019 1.750% 07/31/2024	912828Y87	1,100,000.00	AA+	Aaa	12/2/2019	12/4/2019	1,103,824.22	1.67	3,225.96	1,103,574.44	1,164,625.00
US TREASURY NOTES DTD 08/15/2014 2.375% 08/15/2024	912828D56	575,000.00	AA+	Aaa	10/25/2019	10/28/2019	595,282.23	1.61	1,725.79	593,551.54	624,593.75
US TREASURY NOTES DTD 10/02/2017 2.125% 09/30/2024	912828Y5	795,000.00	AA+	Aaa	12/2/2019	12/4/2019	811,334.77	1.68	46.16	810,281.90	856,612.50
US TREASURY N/B DTD 11/30/2017 2.125% 11/30/2024	912828J7	1,480,000.00	AA+	Aaa	1/2/2020	1/6/2020	1,512,085.94	1.66	10,569.26	1,510,609.32	1,597,243.82
UNITED STATES TREASURY NOTES DTD 01/31/2018 2.500% 01/31/2025	9128283V0	1,080,000.00	AA+	Aaa	2/3/2020	2/5/2020	1,139,020.31	1.36	4,524.73	1,137,254.79	1,188,337.50

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Security Type Sub-Total		24,085,000.00					24,304,119.37	1.70	115,979.34	24,286,796.92	25,257,729.70
Supra-National Agency Bond / Note											
INTL BK RECON & DEVELOP SN NOTE DTD 05/29/2019 2.125% 07/01/2022	459058GU1	880,000.00	AAA	Aaa	5/21/2019	5/29/2019	876,770.40	2.25	4,675.00	877,620.67	910,877.44
INTER-AMERICAN DEVEL BANK DTD 09/14/2017 1.750% 09/14/2022	4581X0CZ9	365,000.00	AAA	Aaa	11/2/2017	11/6/2017	358,795.00	2.12	301.63	361,788.24	375,126.93
INTER-AMERICAN DEVEL BANK DTD 09/14/2017 1.750% 09/14/2022	4581X0CZ9	1,000,000.00	AAA	Aaa	11/3/2017	11/7/2017	983,100.00	2.12	826.39	991,247.96	1,027,745.00
Security Type Sub-Total		2,245,000.00					2,218,665.40	2.17	5,803.02	2,230,656.87	2,313,749.37
Municipal Bond / Note											
SAN FRAN COMM FAC DIST, CA TXBL REV BNDS DTD 11/09/2017 2.500% 09/01/2022	79772EAX7	350,000.00	NR	NR	10/27/2017	11/9/2017	348,355.00	2.61	729.17	349,144.84	355,785.50
SAN FRAN COMM FAC DIST, CA TXBL REV BNDS DTD 11/09/2017 2.500% 09/01/2022	79772EAE9	380,000.00	NR	NR	10/27/2017	11/9/2017	377,362.80	2.66	791.67	378,629.96	386,281.40
TAMALPAIS UHSD, CA TXBL GO BONDS DTD 10/09/2019 1.971% 08/01/2023	874857KJ3	615,000.00	NR	Aaa	9/20/2019	10/9/2019	615,000.00	1.97	2,020.28	615,000.00	623,929.80
LONG BEACH CCD, CA TXBL GO BONDS DTD 10/23/2019 1.743% 08/01/2023	542411NH2	350,000.00	AA	Aa2	10/9/2019	10/23/2019	350,000.00	1.74	1,016.75	350,000.00	352,954.00
VENTURA CNTY CCD, CA TXBL GO BONDS DTD 10/31/2019 1.750% 08/01/2023	923040GT0	350,000.00	AA+	Aa1	10/3/2019	10/31/2019	350,000.00	1.75	1,020.83	350,000.00	351,648.50
VENTURA CNTY CCD, CA TXBL GO BONDS DTD 10/31/2019 1.800% 08/01/2024	923040GU7	490,000.00	AA+	Aa1	10/3/2019	10/31/2019	490,000.00	1.80	1,470.00	490,000.00	492,543.10

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Municipal Bond / Note											
SAN DIEGO CCD, CA TXBL GO BONDS DTD 10/16/2019 2.046% 08/01/2024	797272QP9	245,000.00	AAA	Aaa	9/18/2019	10/16/2019	245,000.00	2.05	835.45	245,000.00	249,561.90
Security Type Sub-Total		2,780,000.00					2,775,717.80	2.07	7,884.15	2,777,774.80	2,812,704.20
Federal Agency Collateralized Mortgage Obligation											
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2015 2.791% 01/25/2022	3137BHXY8	845,000.00	AA+	Aaa	5/16/2019	5/21/2019	850,281.25	2.20	1,965.33	848,300.16	859,134.37
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/25/2022	3136AEGQ4	320,735.73	AA+	Aaa	9/4/2019	9/9/2019	324,937.69	1.42	609.40	324,200.82	328,465.14
FANNIEMAE-ACES DTD 04/01/2014 3.346% 03/25/2024	3136AJB54	650,000.00	AA+	Aaa	12/13/2019	12/18/2019	681,585.94	1.04	1,812.33	679,741.64	691,825.32
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FQ3V3	247,633.56	AA+	Aaa	11/20/2019	11/26/2019	247,627.61	2.03	431.71	247,627.62	253,129.14
FHMS K043 A2 DTD 03/01/2015 3.062% 12/25/2024	3137BGK24	665,000.00	AA+	Aaa	3/19/2020	3/25/2020	697,938.28	0.94	1,696.86	697,938.28	712,891.13
Security Type Sub-Total		2,728,369.29					2,802,370.77	1.50	6,515.63	2,797,808.52	2,845,445.10
Federal Agency Bond / Note											
FREDDIE MAC NOTES DTD 08/21/2012 1.550% 08/21/2020	3134G3D64	120,000.00	AA+	Aaa	5/25/2016	5/26/2016	120,835.68	1.38	206.67	120,078.78	120,509.64
FEDERAL FARM CREDIT BANKS NOTES DTD 08/30/2005 4.810% 09/01/2020	31331S4M2	310,000.00	AA+	Aaa	6/30/2016	6/30/2016	357,011.50	1.08	1,242.58	314,791.86	315,624.95
FHLB NOTES DTD 02/18/2016 1.375% 02/18/2021	3130A7CV5	1,340,000.00	AA+	Aaa	6/23/2016	6/24/2016	1,345,721.80	1.28	2,200.76	1,341,110.57	1,351,264.04
FHLB NOTES DTD 03/15/2013 1.750% 03/12/2021	313382K69	500,000.00	AA+	Aaa	4/26/2016	4/27/2016	505,850.00	1.50	461.81	501,170.67	506,606.00
FNMA BENCHMARK NOTE DTD 05/16/2016 1.250% 05/06/2021	3135G0K69	1,000,000.00	AA+	Aaa	5/18/2016	5/19/2016	987,848.00	1.51	5,034.72	997,236.06	1,009,939.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLB NOTES DTD 06/05/2012 1.875% 06/11/2021	313379RB7	1,150,000.00	AA+	Aaa	6/23/2016	6/24/2016	1,178,888.00	1.35	6,588.54	1,157,126.75	1,170,444.70
FHLMC REFERNCE NOTE DTD 08/12/2016 1.125% 08/12/2021	3137EAEC9	2,165,000.00	AA+	Aaa	8/16/2016	8/17/2016	2,145,311.49	1.31	3,315.16	2,159,487.69	2,185,093.37
FREDDIE MAC (EX-CALLABLE) NOTES DTD 08/17/2016 1.875% 08/17/2021	3134G92Y2	2,000,000.00	AA+	Aaa	5/8/2017	5/9/2017	1,997,934.00	1.90	4,583.33	1,999,322.90	2,039,332.00
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	1,710,000.00	AA+	Aaa	10/7/2016	10/11/2016	1,696,414.05	1.42	2,612.50	1,706,048.33	1,728,965.61
FEDERAL FARM CREDIT BANKS NOTES DTD 09/20/2017 1.660% 09/20/2021	3133EHZA4	2,000,000.00	AA+	Aaa	10/5/2017	10/11/2017	1,986,364.00	1.84	1,014.44	1,994,804.54	2,035,652.00
FEDERAL FARM CREDIT BANKS NOTES DTD 10/14/2016 1.400% 10/14/2021	3133EGYQ2	2,000,000.00	AA+	Aaa	10/26/2016	10/27/2016	1,994,260.00	1.46	12,988.89	1,998,180.46	2,028,516.00
FHLB NOTES DTD 11/30/2016 1.875% 11/29/2021	3130AABG2	2,000,000.00	AA+	Aaa	12/14/2016	12/16/2016	1,978,920.00	2.10	12,708.33	1,992,690.58	2,046,526.00
FREDDIE MAC GLOBAL NOTES DTD 01/13/2012 2.375% 01/13/2022	3137EADB2	240,000.00	AA+	Aaa	8/27/2019	8/30/2019	244,548.00	1.56	1,235.00	243,439.21	248,120.64
FHLB NOTES DTD 02/17/2012 2.250% 03/11/2022	313378CR0	2,000,000.00	AA+	Aaa	5/8/2017	5/9/2017	2,022,926.00	2.00	2,500.00	2,009,487.56	2,068,534.00
FANNIE MAE (EX-CALLABLE) NOTES DTD 11/26/2012 2.000% 08/26/2022	3136G05L1	2,000,000.00	AA+	Aaa	9/27/2017	9/28/2017	2,003,700.00	1.96	3,888.89	2,001,861.38	2,072,176.00
FANNIE MAE AGENCY NOTES DTD 10/06/2017 2.000% 10/05/2022	3135G0T78	1,310,000.00	AA+	Aaa	10/5/2017	10/11/2017	1,309,986.90	2.00	12,808.89	1,309,993.96	1,359,396.17
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	850,000.00	AA+	Aaa	2/20/2020	2/21/2020	848,436.00	1.44	1,298.61	848,493.02	871,379.20
FANNIE MAE NOTES DTD 01/10/2020 1.625% 01/07/2025	3135G0X24	700,000.00	AA+	Aaa	1/8/2020	1/10/2020	697,767.00	1.69	2,559.38	697,863.72	731,544.10
FREDDIE MAC NOTES DTD 02/14/2020 1.500% 02/12/2025	3137EAEP0	1,175,000.00	AA+	Aaa	3/3/2020	3/4/2020	1,209,239.50	0.90	2,301.04	1,208,730.21	1,221,995.30

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FREDDIE MAC NOTES DTD 02/14/2020 1.500% 02/12/2025	3137EAEP0	1,250,000.00	AA+	Aaa	2/13/2020	2/14/2020	1,249,037.50	1.52	2,447.92	1,249,061.73	1,299,995.00
Security Type Sub-Total		25,820,000.00					25,880,999.42	1.63	81,997.46	25,850,979.98	26,411,613.72
Corporate Note											
CITIGROUP INC CORP (CALLABLE) NOTES DTD 04/25/2017 2.750% 04/25/2022	172967LG4	800,000.00	BBB+	A3	9/21/2017	9/25/2017	803,432.00	2.65	9,533.33	801,572.57	807,938.40
GOLDMAN SACHS GROUP INC (CALLABLE) NOTE DTD 01/26/2017 3.000% 04/26/2022	38141GWC4	800,000.00	BBB+	A3	9/18/2017	9/20/2017	810,848.00	2.68	10,333.33	803,331.30	801,984.00
AMERICAN HONDA FINANCE DTD 06/27/2019 2.200% 06/27/2022	02665WCY5	845,000.00	A	A3	6/24/2019	6/27/2019	844,222.60	2.23	4,854.06	844,415.13	829,156.25
APPLE INC CORP (CALLABLE) NOTES DTD 09/12/2017 2.100% 09/12/2022	037833DC1	950,000.00	AA+	Aa1	11/15/2017	11/16/2017	933,802.50	2.48	1,052.92	941,548.12	965,578.10
JPMORGAN CHASE & CO CORP NOTES DTD 09/24/2012 3.250% 09/23/2022	46625HJE1	600,000.00	A-	A2	11/29/2017	12/1/2017	614,778.00	2.70	433.33	607,856.47	617,955.00
ORACLE CORP NOTES DTD 10/25/2012 2.500% 10/15/2022	68389XAP0	250,000.00	A+	A3	11/15/2017	11/16/2017	249,387.50	2.55	2,881.94	249,675.54	255,634.50
ADOBE INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023	00724PAA7	95,000.00	A	A2	1/22/2020	2/3/2020	94,869.85	1.75	260.19	94,876.69	96,104.00
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	880,000.00	AA-	A2	5/14/2019	5/16/2019	873,523.20	2.61	2,288.00	874,986.07	915,522.08
JOHN DEERE CAPITAL CORP DTD 03/04/2016 2.800% 03/06/2023	24422ETG4	835,000.00	A	A2	5/16/2019	5/20/2019	838,724.10	2.68	1,623.61	837,923.23	855,429.11
UNITEDHEALTH GROUP INC CORP NOTES DTD 02/28/2013 2.875% 03/15/2023	91324PCC4	640,000.00	A+	A3	11/20/2019	11/22/2019	656,358.40	2.07	817.78	654,651.87	657,138.56

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
BANK OF NY MELLON CORP DTD 04/30/2018 3.500% 04/28/2023	06406RAG2	1,410,000.00	A	A1	4/24/2019	4/26/2019	1,445,376.90	2.83	20,973.75	1,437,507.76	1,471,743.90
AMERICAN EXPRESS CREDIT CORP NOTES DTD 08/03/2018 3.700% 08/03/2023	025816BW8	800,000.00	BBB+	A3	4/23/2019	4/26/2019	821,480.00	3.02	4,768.89	817,047.88	840,316.00
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 10/18/2016 2.250% 10/18/2023	89236TDK8	1,090,000.00	AA-	A1	2/5/2020	2/7/2020	1,107,374.60	1.80	11,104.38	1,106,701.09	1,069,453.50
CATERPILLAR FINANCIAL SERVICES CORP NOTE DTD 11/26/2013 3.750% 11/24/2023	14912L5X5	790,000.00	A	A3	5/8/2019	5/10/2019	823,243.20	2.76	10,451.04	817,035.43	821,193.94
ABBOTT LABORATORIES CORP NOTES DTD 11/22/2016 3.400% 11/30/2023	002824BE9	825,000.00	A-	A3	5/10/2019	5/14/2019	846,441.75	2.79	9,427.92	842,340.40	867,737.48
BB&T CORPORATION DTD 12/06/2018 3.750% 12/06/2023	05531FBF9	800,000.00	A-	A3	4/23/2019	4/25/2019	824,928.00	3.02	9,583.33	820,171.25	841,013.60
BANK OF AMERICA CORP NOTE DTD 01/21/2014 4.125% 01/22/2024	06051GFB0	1,395,000.00	A-	A2	4/23/2019	4/25/2019	1,456,477.65	3.12	11,029.22	1,445,112.46	1,488,674.25
CHARLES SCHWAB CORP NOTES DTD 10/31/2018 3.550% 02/01/2024	808513AY1	815,000.00	A	A2	4/25/2019	4/29/2019	843,321.25	2.76	4,822.08	838,130.03	855,974.94
BLACKROCK INC CORP NOTES DTD 03/18/2014 3.500% 03/18/2024	09247XAL5	1,420,000.00	AA-	Aa3	4/22/2019	4/24/2019	1,464,588.00	2.81	1,794.72	1,456,554.63	1,502,395.50
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	745,000.00	BBB+	A3	7/19/2019	7/23/2019	788,604.85	2.56	12,189.03	782,641.41	783,918.80
US BANCORP DTD 07/29/2019 2.400% 07/30/2024	91159HHX1	845,000.00	A+	A1	7/30/2019	8/1/2019	844,247.95	2.42	3,436.33	844,343.52	843,420.70
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	845,000.00	A	A2	9/3/2019	9/6/2019	841,552.40	1.84	1,273.37	841,928.12	851,195.54
PNC BANK NA CORP NOTES DTD 11/01/2019 2.200% 11/01/2024	693475AY1	600,000.00	A-	A3	11/5/2019	11/8/2019	599,802.00	2.21	5,500.00	599,818.04	606,379.20

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Security Type Sub-Total		19,075,000.00					19,427,384.70	2.60	140,432.55	19,360,169.01	19,645,857.35
Commercial Paper											
MUFG BANK LTD/NY COMM PAPER DTD 09/25/2019 0.000% 04/06/2020	62479LD69	375,000.00	A-1	P-1	10/8/2019	10/9/2019	371,343.75	1.97	0.00	374,898.44	374,925.00
Security Type Sub-Total		375,000.00					371,343.75	1.97	0.00	374,898.44	374,925.00
Certificate of Deposit - FDIC Insured											
WEX BK MIDVALE UTAH CD DTD 06/02/2017 1.800% 06/02/2020	92937CFS2	245,000.00	NR	NR	5/25/2017	6/2/2017	245,000.00	1.76	1,461.95	245,000.00	245,342.51
MERCANTILE BK MICH GRAND RAPIDS CD DTD 06/07/2017 1.800% 06/08/2020	58740XZJ2	245,000.00	NR	NR	5/25/2017	6/7/2017	245,000.00	1.76	1,389.45	245,000.00	245,381.96
ALLY BANK CD DTD 06/22/2017 1.900% 06/22/2020	02006L3N1	245,000.00	NR	NR	6/13/2017	6/22/2017	245,000.00	1.86	1,288.10	245,000.00	245,508.62
SYNCHRONY BANK CD DTD 07/17/2015 2.250% 07/17/2020	87165HKM1	247,000.00	NR	NR	7/17/2015	7/17/2015	247,000.00	2.15	1,141.95	247,000.00	247,936.62
COMENITY CAPITAL BANK LT CD DTD 09/29/2015 2.000% 10/13/2020	20033AND4	249,000.00	NR	NR	10/13/2015	10/13/2015	249,000.00	1.73	259.23	249,000.00	250,331.90
FIRST BANK OF RICHMOND CD DTD 10/18/2017 1.900% 10/19/2020	319267GK0	245,000.00	NR	NR	10/4/2017	10/18/2017	245,000.00	1.86	2,104.32	245,000.00	246,210.30
UNITY BANK CD DTD 10/30/2015 1.650% 10/30/2020	91330ABC0	249,000.00	NR	NR	10/21/2015	10/30/2015	249,000.00	1.59	22.51	249,000.00	249,939.98
MEDALLION BANK UTAH CD DTD 06/28/2017 2.050% 06/28/2021	58403B6Y7	245,000.00	NR	NR	6/16/2017	6/28/2017	245,000.00	1.98	55.04	245,000.00	247,858.66
CAPITAL ONE BANK USA NA CD DTD 06/01/2017 2.400% 06/01/2022	1404203C2	245,000.00	NR	NR	5/25/2017	6/1/2017	245,000.00	2.28	1,965.37	245,000.00	251,357.75
GOLDMAN SACHS GROUP INC CD DTD 06/21/2017 2.350% 06/21/2022	38148PKX4	245,000.00	NR	NR	6/13/2017	6/21/2017	245,000.00	2.23	1,608.95	245,000.00	251,260.24
BENEFICIAL BANK CD DTD 10/18/2017 2.150% 10/18/2022	08173QBX3	245,000.00	NR	NR	9/27/2017	10/18/2017	245,000.00	2.05	2,395.63	245,000.00	251,017.94

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit - FDIC Insured											
FOCUS BANK CD DTD 11/24/2017 2.200% 11/24/2022	34415LAP6	245,000.00	NR	NR	11/14/2017	11/24/2017	245,000.00	2.10	1,904.96	245,000.00	251,605.94
Security Type Sub-Total		2,950,000.00					2,950,000.00	1.95	15,597.46	2,950,000.00	2,983,752.42
Certificate of Deposit											
SOCIETE GENERALE NY CERT DEPOS DTD 02/19/2020 1.800% 02/14/2022	83369XDL9	845,000.00	A	A1	2/14/2020	2/19/2020	845,000.00	1.80	1,774.50	845,000.00	821,441.40
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	1,000,000.00	AA-	Aa3	8/27/2019	8/29/2019	1,000,000.00	1.87	1,798.61	1,000,000.00	1,016,013.00
SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	1,000,000.00	A+	Aa2	8/29/2019	9/3/2019	1,000,000.00	1.88	1,808.33	1,000,000.00	1,016,250.00
DNB BANK ASA/NY LT CD DTD 12/04/2019 2.040% 12/02/2022	23341VZT1	635,000.00	AA-	Aa2	12/4/2019	12/6/2019	635,000.00	2.04	4,210.05	635,000.00	649,672.31
Security Type Sub-Total		3,480,000.00					3,480,000.00	1.89	9,591.49	3,480,000.00	3,503,376.71
Managed Account Sub Total		83,538,369.29					84,210,601.21	1.92	383,801.10	84,109,084.54	86,149,153.57
Securities Sub-Total		\$83,538,369.29					\$84,210,601.21	1.92%	\$383,801.10	\$84,109,084.54	\$86,149,153.57
Accrued Interest											\$383,801.10
Total Investments											\$86,532,954.67

Bolded items are forward settling trades.

Appendix

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

CITY COUNCIL STAFF REPORT

Consent Item No. 5

May 20, 2020

File No. 0600-10, A-3332

SUBJECT: Contract Award for Escondido Creek Trail Expansion and Renovation Design Project

DEPARTMENT: Communications & Community Services

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2020-60 authorizing a Consulting Agreement (“Agreement”) with RRM Design Group (“RRM”) for a not-to-exceed fee amount of \$745,976 for the Escondido Creek Trail Expansion and Renovation Design Project.

FISCAL ANALYSIS:

There is no General Fund impact as the City of Escondido (“City”) was awarded \$8.5 million in Prop 68 Statewide Park Development and Community Revitalization Program (“SPP”) funds from the California Department of Parks and Recreation to fund this project.

PREVIOUS ACTION:

On June 5, 2019, the City Council approved Resolution No. 2019-87 authorizing the Director of Communications and Community Services or her designee to submit an application to the California Department of Parks and Recreation for \$8.5 million in SPP funds for improvements to the Escondido Creek Trail including its extension to Citracado Parkway; and if awarded, authorized the Director of Communications and Community Services or her designee to accept the SPP funds, complete a budget adjustment, and complete grant documents on behalf of the City to receive, track and spend these funds. City Council also authorized a \$40,000 budget adjustment for Park Development Fees to fund community outreach to facilitate the scope and design of the project for the purposes of the grant application.

On January 25, 2012, the City Council approved Resolution No. 2012-11 accepting the final Escondido Creek Trail Master Plan Report and authorized staff to seek and acquire grant funding that will enable the City to continue revitalization of the Escondido Creek Trail.

BACKGROUND:

California voters passed the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (“Prop 68”) on June 5, 2018. The California Department of Parks and Recreation released the SPP application with the goal of creating new parks and recreation opportunities in critically underserved communities across California. The City submitted an application requesting \$8.5 million to fund the Escondido Creek Trail Expansion and Renovation Project which will extend the Creek Trail from the eastern to the western City limits, connecting to the Citracado Parkway extension, and will construct multiple trail amenities to transform the Class I

bicycle lane into a linear park. This project will expand and improve Escondido Creek Linear Park by constructing new walking trails, fitness stations, skate features, play spots, monuments, signage, murals, and viewing areas, with fencing, lighting and landscaping at key locations throughout the site. The project will open both sides of the Escondido Creek Trail to accommodate multiple types of users by building an additional pedestrian pathway along approximately 1.7 miles of trail between Date Street and Midway Drive.

The City was notified by the California Department of Parks and Recreation on February 21, 2020, that our project had been selected to be funded at the full requested amount of \$8.5 million. On March 16, 2020, the City released a Request for Proposal (“RFP”) seeking proposals for design services from firms who could bring to life the community’s vision for revitalizing the Escondido Creek Trail and turning it into a premier linear park. The scope of this Agreement includes design services, project management, public outreach and engagement, environmental services, preparation of construction bid documents, and oversight of the construction process. Five proposals were received from the following firms:

Firm Name (Prime, Abbrev.)	Proposed Fee
RRM Design Group	\$745,976
Rick Engineering	\$748,160
Chen Ryan Associates	\$749,649
MIG	\$749,762
VDLA Landscape Architects	\$749,806

A team composed of staff from Communications & Community Services, Engineering, Community Development, Public Works, and Utilities reviewed the submissions and determined that the proposal submitted by RRM provides the best overall value and meets the City’s needs for this project. RRM has demonstrated experience in all the areas necessary to complete this project within budget and under the limitations of the tight timeline set forth by the grant, including project management expertise on a variety of similar linear park projects. They are supported by a range of required professional staff and have established an organizational structure to manage these studies and plans.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Joanna Axelrod, Director of Communications and Community Services
5/13/20 10:09 p.m.

ATTACHMENTS:

1. Resolution No. 2020-60
2. Resolution No. 2020-60 - Exhibit “1” Consulting Agreement with RRM Design Group

RESOLUTION NO. 2020-60

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, A CONSULTING AGREEMENT WITH
RRM DESIGN GROUP FOR THE ESCONDIDO
CREEK TRAIL EXPANSION AND
RENOVATION DESIGN PROJECT

WHEREAS, on June 5, 2018, California voters passed the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (“Prop 68”); and

WHEREAS, the California Department of Parks and Recreation released the Statewide Park Development and Community Revitalization Program (“SPP”) with the goal of creating new parks and recreation opportunities in critically underserved communities across California; and

WHEREAS, on June 5, 2019, the City Council approved Resolution No. 2019-87, authorizing the submittal for a California Department of Parks and Recreation Prop 68 SPP grant in the amount of \$8.5 million to renovate and expand the Escondido Creek Trail, the acceptance of these grant funds, and the completion of related grant documents and budget adjustments on behalf of the City of Escondido (“City”); and

WHEREAS, on February 21, 2020, the City was notified that the City’s project was selected to receive a grant award in the amount of \$8.5 million; and

WHEREAS, the City participated in an evaluation process of competitive proposals to search for the qualified consulting firm that would provide the best price, best quality, delivery time, and other factors deemed advantageous to the City. City staff released the

Requests for Proposals on March 16, 2020. The deadline to submit proposals was April 13, 2020. After receiving the proposals from five qualified consultants, City staff deemed RRM Design Group as the most qualified; and

WHEREAS, the Director of Communications and Community Services recommends the execution of a Consulting Agreement (“Agreement”) with the aforementioned firm to perform services to design and prepare construction-ready bid documents for the Escondido Creek Trail Expansion and Renovation Project.

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

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Director of Communications and Community Services to award an Agreement to RRM Design Group to undertake the design and construction bid document preparation for the Escondido Creek Trail Expansion and Renovation Project for a not-to-exceed fee amount of \$745,976.
3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, an Agreement with RRM Design Group. A copy of the Agreement is attached as Exhibit “1,” and is incorporated by this reference.



CITY OF ESCONDIDO
CONSULTING AGREEMENT FOR DESIGN PROFESSIONALS

(ONLY for licensed architects, landscape architects, professional engineers, and professional land surveyors who are performing design services for the City)

This Agreement is made this _____ day of May, 2020.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Joanna Axelrod
760-839-4871
("CITY")

And: RRM Design Group
32332 Camino Capistrano, Ste. 205
San Juan Capistrano, CA 92675
Attn: Brian Hannegan
949-361-7650
("CONSULTANT")

Witness that whereas:

- A. It has been determined to be in the CITY's best interest to retain the professional services of a consultant to bring to life the community's vision for revitalizing the Escondido Creek Trail and turning it into a premier linear park. The scope of this Agreement includes design services, project management, public outreach and engagement, environmental services, preparation of construction bid documents, and oversight of the construction process in order to fully implement the Escondido Creek Trail Expansion and Renovation project funded by the Prop 68 Statewide Park Development and Community Revitalization Program ("SPP") funds from the California Department of Parks and Recreation; and
- B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

NOW, THEREFORE, it is mutually agreed by and between CITY and CONSULTANT as follows:

1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference.
2. Compensation. The CITY will pay the CONSULTANT in accordance with the conditions specified in "Attachment A," in a sum not to exceed \$745,976. Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it.

3. Scope of Compensation. The CONSULTANT will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.
4. Duties. CONSULTANT will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT will not be responsible for the accuracy of information supplied by the CITY.
5. Personnel. The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT will assign the persons listed on "Attachment B," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY. CONSULTANT will not subcontract any tasks under this Agreement without obtaining the advance written consent of the CITY.
6. Termination. Either CONSULTANT or the CITY may terminate this Agreement with thirty (30) days advance written notice.
7. City Property. All original documents, drawings, electronic media, and other material prepared by CONSULTANT under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONSULTANT for any other purpose without prior written consent of the CITY.
8. Insurance.
 - a. The CONSULTANT shall secure and maintain at its own costs, for all operations, the following insurance coverage, unless reduced by the City Attorney:
 - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 8(b) below; and
 - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
 - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.
 - b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONSULTANT _____

Waiver appropriate by CITY _____
 - c. Each insurance policy required above must be acceptable to the City Attorney:
 - (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California,

or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.

- (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
- (3) Both the General Liability and the Automotive Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.
- (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work including its ongoing operations and products-completed operations hazard.
- (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

d. In executing this Agreement, CONSULTANT agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

9. Indemnification. CONSULTANT (which in this paragraph 9 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any claim of liability arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of CONSULTANT in the performance of this Agreement. However, CONSULTANT's responsibility for defense costs shall not exceed the percentage of CONSULTANT's fault.
10. Anti-Assignment Clause. The CONSULTANT may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY, and any attempt to do so will immediately render this entire Agreement null and void.
11. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.
12. Independent Contractor. CONSULTANT is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement.
13. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
14. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.
15. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.

16. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
17. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
18. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
19. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.
20. Business License. The CONSULTANT is required to obtain a City of Escondido Business License prior to execution of this Agreement.
21. Compliance with Applicable Laws, Permits and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. CONSULTANT shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
22. Immigration Reform and Control Act of 1986. CONSULTANT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONSULTANT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONSULTANT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: _____

Paul McNamara
Mayor

Date: _____

Zack Beck
City Clerk

Date: _____

RRM Design Group

Signature

Name & Title (please print)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
MICHAEL R. MCGUINNESS, City Attorney

By: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

COMPREHENSIVE WORK PLAN

Detailed and thorough, this work plan will move Escondido Creek Trail from preliminary design to 90% construction documents by September 30, 2020 to comply with the City's grant requirement.

Building upon our site investigations, document research, responses from City staff, review of grant requirements, and initial design discussions, our work plan and team will focus on two parallel design tracks to move on the technical studies and concentrate design and public outreach. This parallel design approach will allow us to reach 60% construction documents by July 30, 2020 to arrive at the same time as the Administrative Draft ISMND. This approach is what will allow the City and the design team the ability to laser focus on 90% construction documents from mid-August through a September 30th completion. The work plan's task summary is below, and all the detail can be found on the following pages.

SCOPE OF SERVICES TASK SUMMARY

TASK A: PRE-DESIGN SERVICES

- Subtask A.01: Data Collection and Review
- Subtask A.02: Kickoff Meeting and Field Walk
- Subtask A.03: Stakeholder Interviews
- Subtask A.04: Underground Utility
- Subtask A.05: Topographic Survey and Base Mapping
- Subtask A.06: Geotechnical Investigation

TASK B: PRELIMINARY DESIGN SERVICES

- Subtask B.01: Draft Schematic Design Plan
- Subtask B.02: Draft Schematic Design Meeting
- Subtask B.03: Public Design Meeting Series #1
- Subtask B.04: 60% Design Plans and Estimates
- Subtask B.05: City Council Presentation
- Subtask B.06: Public Design Meeting Series #2

TASK C: CEQA/NEPA COMPLIANCE SERVICES

- Subtask C.01: CEQA – Administrative Draft Initial Study
(Mitigated Negative Declaration)
- Subtask C.02: CEQA – Public Draft IS-(M)ND
- Subtask C.03: CEQA - Final IS/MND
- Subtask C.04: Public Hearing

TASK D: FINAL DESIGN SERVICES (PLANS, SPECIFICATIONS, AND ESTIMATES)

- Subtask D.01: Supplemental Topographic Survey (TBD)
- Subtask D.03: 90% Draft Construction Documents
- Subtask D.04: 100% Draft Construction Documents
- Subtask D.05: Bid-Ready Construction Documents

TASK E: CONSTRUCTION SUPPORT SERVICES

- Subtask E.01: Bidding Support
- Subtask E.02: Construction Administration
- Subtask E.03: Construction Observation
- Subtask E.04: Record Drawings

TASK F: PROJECT COORDINATION SERVICES

- Subtask F.01: Project Coordination and Management
- Subtask F.02: Project Development Team (PDT) Meetings
- Subtask F.03: Permitting Coordination Meetings
- Subtask F.04: Online Community Information Website and Social Media

TASK A: PRE-DESIGN SERVICES AND DATA COLLECTION

Subtask A.01: Data Collection and Review

RRM will collect from the City all relevant data for the design effort, and may include the following:

- Previous current engineering studies along corridor
- Existing geotechnical investigations and reports in the project corridors
- Available right-of-way mapping
- Traffic studies for Project corridor
- Current or previous environmental documentation in the project corridor
- As-built drawings of relevant projects within the right-of-way
- Underground and/or overhead public utility maps in AutoCAD format
- Standard City details and specifications
- Sample bid documents (plans and specifications) from recent similar projects
- Most up-to-date grant requirements
- Other pertinent data related to the creek floodway and easements

Our design team will review this data for completeness and may request additional information from the City, as necessary, to help further identify the project area's opportunities and constraints. This data will be useful in identifying the physical, jurisdictional and land use constraints of the corridor, and will play a critical role in assessing all aspects of pedestrian improvements, transit access, and other adjacent projects affecting the trail access and alignment.

DELIVERABLES:

- Collect and review relevant data as noted above
- Compile data in a portable file for use by the City and design team

Subtask A.02: Kickoff Meeting and Field Walk

To initiate the design process and get the project rolling, RRM's team will conduct a kickoff meeting with the project team. Principally, this meeting will provide an opportunity to confirm the schedule's key milestones. This meeting will also provide a forum to discuss the data we've collected thus far, identify any outstanding data needs, and set dates for upcoming meetings and workshops.

Following the kickoff meeting, RRM and the project team will walk the project area to conform the possible trail alternative alignments and points of connection. The objective of this tour is to evaluate site constraints, discuss pros and cons for potential alternative alignment options, and look for the most feasible solutions to complete the path.

DELIVERABLES:

- Prepare for and conduct one (1) kickoff meeting
- Prepare for and conduct one (1) site tour
- Meeting and site tour notes



Field walk of the Otay River Trail Design and Restoration project in Chula Vista

Subtask A.03: Stakeholder Interviews

The stakeholder meetings will be setup to include one full day of back-to-back 30-minute meetings with various stakeholders. Stakeholders with similar interests can be grouped together for efficiency and collaboration. Stakeholders may consist of individuals and/or groups which are recommended by City staff. Potential groups may include:

- City staff
- Elected officials
- Local schools
- Residents and neighborhood Councils
- Bicycle advocacy groups
- Recreation and activity groups
- Businesses and community organizations
- Utility agencies
- Emergency services
- Local Health Department



DELIVERABLES:

- Summary of stakeholder meeting notes

Subtask A.04: Underground Utility

RRM will utilize CBelow to locate detectable utilities within the trail alignment areas. CBelow will review existing utility records and use a variety of utility investigation equipment and techniques, including electromagnetic locators and ground penetrating radar, will be used to locate subsurface utilities. Locating of utilities will be performed only at locations delineated in accordance with the Common Ground Alliance (CGA) Best Practices. Indications found during utility locating will be marked directly on the scanning surface utilizing the American Public Works Association (APWA) Uniform Color Code. Utility locating services will include only those materials commonly used for locating and marking indications. This scope excludes utility videotaping and assumes clear access to scanning areas will be provided by the City and necessary agencies.

DELIVERABLES:

- This electronic data will be incorporated into the topographic base file

Subtask A.05: Topographic Survey and Base Mapping

I. Record Boundary Mapping:

Research and plot Escondido Creek Flood Control Right-of-Ways based on record data compiled together with found boundary monumentation.

2. Aerial Photo Control and Coordination:

EPS will facilitate the coordination of aerial mapping with an aerial photogrammetrist. This task will include establishing horizontal and vertical survey control. Horizontal control will be based on California State Plane Coordinates. The vertical datum will be established from National Geodetic Survey monuments and will be North American Vertical Datum 1988. EPS surveyors will coordinate with the photogrammetrist to obtain aerial photography suitable for compiling a topographic map at a scale of 1" = 30' showing contours at 1.0-foot intervals with planimetric features, including detail on roads, structures, fences, power poles, trees, brush, and other aboveground features according to standard practice. The contour information on the aerial mapping will only be visible in the open areas. The areas obstructed by tree cover will not show contour information. Accuracy will equal or exceed national map accuracy standards for large-scale topographic maps compiled by photogrammetric methods. The finished product will be available in a digital format compatible with AutoCAD Civil 3D.

3. Ground Survey 0.4 mile new trail in un-channelized river:

On the ground survey will be needed in this area due to the obstructed tree cover that will not allow the aerial to show contour information.

DELIVERABLES:

- Digital topographic map file in AutoCAD format and Civil 3D.

Subtask A.06: Geotechnical Investigation

The purpose of this geotechnical evaluation is to obtain information regarding the subsurface soil conditions and to provide geotechnical recommendations in support of the design and construction of proposed project improvements. Based on our understanding of the project, we propose the following scope of services for a geotechnical evaluation:

- Performing a review of the background information including available geologic and geotechnical reports, topographic maps, geologic maps, fault maps, and historical stereoscopic aerial photographs.
- Review of maps of existing utilities provided by the client for the area near our proposed borings.
- Acquisition of an encroachment (right-of-way) permit from the City of Escondido, as necessary.
- Performing a geologic reconnaissance of the site to observe site conditions and to mark-out proposed boring locations. We also would contact Underground Service Alert (USA) for utility clearance.
- Performing a subsurface exploration that includes drilling, logging, and sampling of fifteen (15) exploratory borings. The borings will be logged and sampled by Ninyo & Moore personnel. Bulk and in-place samples of the encountered soils will be collected and transported to our in-house geotechnical laboratory for analysis. A summary of where the borings will be performed is presented below:
 - Two (2) borings will be manually excavated to depths up to approximately 5 feet (or refusal) adjacent to the existing trail along the Citricado-Harmony Grove portion of the project.
 - Five (5) borings will be manually excavated to depths up to approximately 5 feet (or refusal) adjacent to the existing trail along the Harmony Grove-Centre City portion of the project.
 - Two (2) borings will be manually excavated to depths up to approximately 5 feet (or refusal) and three (3) borings will be advanced using a truck mounted drill rig to depths up to approximately 15 feet (or refusal) along the Broadway-Rose portion of the project.

- Three (3) borings will be manually excavated to depths up to approximately 5 feet (or refusal) adjacent to the existing trail along the Rose-Midway portion of the project.
- Converting the two manually excavated borings for infiltration tests along the Citricado-Harmony Grove portion of the project and performing two-day infiltration testing within the shallow borings per City of Escondido guidelines.
- Performing laboratory testing of selected soil samples to evaluate soil characteristics and geotechnical parameters for design.
- Performing agronomic testing of three (3) total soil samples obtained from the Harmony Grove-Centre City, Broadway-Rose, and Rose-Midway portions of the project.
- Compilation and engineering analysis of data obtained during our background, field, and laboratory evaluations.
- Preparing an illustrated and written report providing our findings, conclusions and recommendations for design and construction of the project. A PDF copy of our report will be submitted.

ASSUMPTIONS

- The conditions identified below will apply to the performance of the scope of services described herein.
- Permission for site access to our personnel and vehicles will be granted.
- Our field operations can be performed during regular work hours, Monday through Friday, 8:00 a.m. to 5:00 p.m. The site is drive-up accessible for a standard, truck-mounted drill rig.
- Fees associated with the encroachment permit from the City of Escondido will be waived. Furthermore, traffic control and associated permits will not be required for the project. If fees or additional permits are required, they will be charged on a Time & Materials (T&M) basis in addition to the estimated fee.
- Excess soil cuttings from our borings may be thin-spread at the site. If soil needs to be disposed of off-site, there will be an additional fee.
- Environmental sampling and testing of the subsurface soils or ground water, and environmental assessment are not included within the scope of this proposal. A cost estimate for these services will be provided upon your request.
- This project is subject to State of California Prevailing Wage requirements.
- Site-specific ground motion analysis in accordance with the 2019 California Building Code (CBC) and American Society of Civil Engineers (ASCE) 7-17 will not be required for the proposed improvements.

DELIVERABLES:

- Boring locations map
- Preliminary geotechnical report

TASK B: PRELIMINARY DESIGN SERVICES

Subtask B.01: Draft Schematic Design Plan

RRM's team will explore a paved Class I multi-use path alignment, storm water mitigation strategies, system components, soft surface DG pathway, improvements to existing paved segments of the trail, and roadway crossing exhibits by others, in the context of anticipated path users such as cyclists, walkers, joggers, and nature watchers. Design consideration will also take into account the alternative access from streets to connect with the main corridor and work with the city's consultant team hired to provide the street crossings. The following general design and engineering activities will be addressed beginning with the draft schematic design plan and schematic level construction cost opinions as we head toward the construction design series:

Path Related Elements

- Evaluate the recommended improvements on the existing trail reaches
- Evaluate the 1.7 mile proposed soft surface trail and amenities
- Evaluate the 0.4 Mile proposed trail design alignment and trail amenities
- Review recommended public art locations for current vs. later phase
- Improvements and interface with street crossings - (street crossing design treatment by others)
- Park playground design and elements
- Recommended trail site furnishings, lighting, fencing, wayfinding signs, and other enhancement types and proposed locations
- Connectivity of new trail segments to streets and neighborhoods
- Schematic construction cost opinions

The schematic design package will be communicated through a combination of plan view graphics and sections. The schematic design package will be provided to the City's project manager for distribution to the PDT members in advance of the upcoming alternatives assessment study session.

DELIVERABLES:

- Schematic design plan package
- Schematic level construction cost opinions
- Analysis that path meets ADA regulations

Subtask B.02: Schematic Design Plan Meeting

RRM's project manager and design team will facilitate a meeting with City staff to assess the schematic design package and estimates. The meeting's purpose is to present the trail alignment, fence type and material, lighting concepts, site amenity options, overall alignment strategies, and discuss the pros and cons of the preliminary plan. The primary goal of this review session is for the City to provide feedback and options so RRM's team can move forward with a clearly defined project for which the refined construction document package can be developed. This preliminary plan will also be shared with the public at the public design meeting series #1. The presentation will be determined for on-line or public venue at a later date depending on present COVID19 social distancing levels.

DELIVERABLES:

- Prepare for and conduct one (1) design team review session
- Meeting notes and discussions to prepare for upcoming public meetings

Subtask B.03: Public Design Meeting Series #1

Following the stakeholder and focus group meetings, the first community workshop will be held to set the stage for the preliminary engineering package. RRM will present a brief project background, project update, schedule, existing opportunities and constraints, the preliminary plan and inspiration images. The participants will then be asked to weigh-in on the design elements shown and share their goals and visions for the project. We envision the workshop program as follows:

- Presentation of project background, project update, trail alternatives and program for the evening (PowerPoint or similar)
- Brainstorming of goals and visions
- Breakout for input on key elements such as connectivity, access, and safety
- Wrap up and next steps announcement

The location will be decided upon by City staff, but a likely workshop location would be at City Hall or local school because of its proximity to the trail. Alternative on-line workshop can be provided if social distancing is in effect. RRM will take photos and summarize the information gathered to be posted on the City's project information website and social media platforms for viewing and review at subsequent public meetings.



Brian Hannegan leading a public workshop for San Sevaine Trail in Fontana

DELIVERABLES:

- Plan and facilitate workshop
- Presentation materials and graphics
- Community input summary

Subtask B.04: 60% Draft Construction Documents, Estimates, Specifications

RRM will prepare 60% draft construction documents that address plan-check comments generated from the City's review of the preliminary design plan submittal. The 60% draft construction documents will be submitted to the City's project manager for distribution to, and review by, City staff.

DELIVERABLES:

- One (1) PDF file 60% draft construction document package
- One (1) construction cost opinion
- Draft technical specifications for the project's specifications

Subtask B.05: City Council Presentation

RRM will work with City staff to prepare for and present the 60% construction document package and CEQA document of the Escondido Creek Trail to City Council. RRM will develop a PowerPoint and/or other presentation support media/graphics as determined appropriate by the City/RRM team for the presentation.

DELIVERABLES:

- Prepare for one (1) City Council meeting
- Support media/graphics

Subtask B.06: Public Design Meeting Series #2

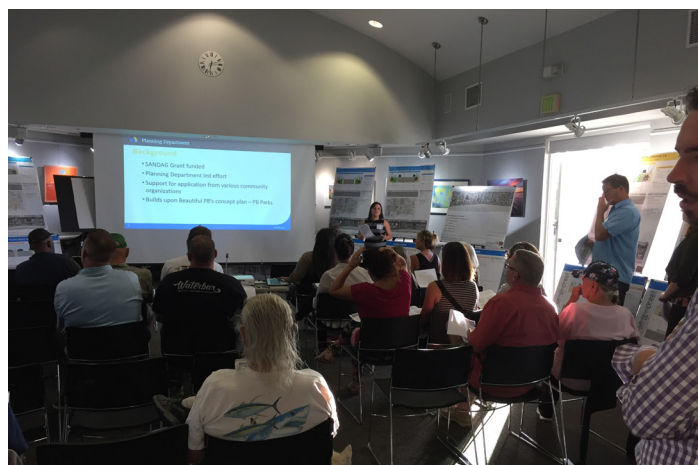
The second community workshop will be an open house format meeting to update stakeholders and community members on the project's evolution since the first community workshop and share the draft preferred alternative for the Escondido Creek Trail. The open house format will afford design team members, and City staff an opportunity to engage with participants to discuss the preferred trail alignment, alternatives explored, feasibility, provide project information, answer questions, and deliver projected milestone dates. RRM will prepare the open house exhibits, name tags, sign-in sheet. RRM will present a brief project update, the plan and inspiration images to inform the community. We envision the workshop program as follows:

- Open house session (informal discussion and viewing exhibits)
- Brief project update presentation discussing what has been done and what is next
- Breakout groups to review the draft preferred alternative plan and gather community input
- Wrap up and next steps announcement

The location will be decided upon by City staff, but once again, a likely workshop location would be at City Hall or neighboring school to the trail alignment. RRM will take photos and summarize the information gathered to be posted on the City's project information website and social media platforms for viewing and review at subsequent public meetings.

DELIVERABLES:

- Plan and facilitate workshop
- Presentation materials and graphics
- Community input summary



Brian Hannegan leading a public workshop for Mission Boulevard Public Spaces and Active Transportation Network (ATN) in San Diego

TASK C: CEQA/NEPA COMPLIANCE SERVICES

Subtask C.01: CEQA – Administrative Draft Initial Study-(Mitigated) Negative Declaration

Rincon will prepare the Administrative Draft Initial Study-(Mitigated) Negative Declaration (IS-[M]ND), in accordance with the State CEQA Guidelines. The Administrative Draft IS-(M)ND will follow the format included in the latest Appendix G environmental checklist or City-provided template. For each issue area, the IS-(M)ND will include a project-specific examination and an assessment of the potential for cumulative impacts associated with the project, together with other anticipated development in the project area. The project-specific analysis will include the CEQA Appendix G checklist questions for the topic and identification of its significance level, followed by an analysis of said impact, and mitigation measures needed, if applicable, to lower an impact to a level less than significant after mitigation. Mitigation measures will be presented so that they can be directly applied as conditions of approval and will include monitoring requirements. Secondary impacts of mitigation measures will also be discussed, as needed.

Rincon will prepare a project description in accordance with CEQA Guidelines Section 15124. The project description will provide a detailed summary of the proposed project components, using text, tables and graphics as needed. The project description will include:

- A description of proposed construction and long-term operational activities, including the regulatory basis for such activities;
- A thorough explanation of proposed land development under City regulatory controls;
- Identification of additional features to be included as part of the project such as any off-site improvements required by the project including drainage or other utility connections;
- Features that have been incorporated into the proposed project to minimize potential environmental impacts or land use conflicts;
- Identification of proposed truck routes for the delivery of construction materials and supplies
- A list of permits requested and responsible agencies; and
- Supporting graphics.

Rincon will update and revise the project description based on compiled comments received from the design team and City staff. This version of the project description will be used for the purposes of the CEQA impact analysis. Any modifications of the project description would be coordinated with the project design team and City, as applicable. Changes to the project description after completion of this task could result in a later scope amendment if technical studies, field surveys, or other analyses need to be updated or changed.

The following technical approach is proposed for key issues to be addressed in the IS-(M)ND.

AESTHETICS

The analysis of visual resources will be concerned primarily with identifying key public observation points and potentially affected viewers, and with evaluating the effects of the project on the nearby residences and businesses. The project is expected to have mainly beneficial impacts to visual environment from the removal of pavement and the introduction of vegetation and staging features. Rincon assumes the project design team will provide drawings or renderings of the proposed project for our evaluation. Particular attention will be paid to the potential light and glare impacts that may result from new lighting feature installed along the proposed trail.

AIR QUALITY

An air quality analysis will be prepared based on the proposed project's potential to create air quality impacts. The analysis will include assessments of potential short-term construction emissions as well as any long-term operational related emissions. It is expected that the trail facility may reduce vehicle miles travelled (VMT by providing better bicycle and pedestrian facilities to traverse central Escondido, but this assumption would be discussed qualitatively to provide a conservative analysis. Air pollutant emissions from construction and operation will be assessed using City of Escondido standards outlined in Municipal Code Section Sec. 33-924. The analysis will qualitatively assess toxic air contaminants associated with construction activities. The project's relationship to regional air quality and land use assumptions will be presented in the air quality analysis. The air quality analysis will be summarized in the CEQA document and separate report will not be prepared. All data used in the air quality analysis will be included as an appendix to the CEQA document.

BIOLOGICAL RESOURCES

The proposed biological resources work program involves review of existing literature sources, a field survey, and preparation of the survey and research results to incorporate into the Initial Study to assess potential impacts and develop mitigation recommendations, if necessary. It is expected that the proposed project would enhance biological resources along the corridor through habitat enhancement and introduction of additional vegetation.

Research and Literature Review

Rincon staff will review background information including base maps that will be used in preparation of the study and will prepare preliminary desktop vegetation and habitat mapping. Background information to be reviewed would include state and federal agency databases, aerial imagery, online wetlands and vegetation mappers, GIS data of existing trails, stormwater culverts, and any previous technical reports prepared for projects in the region.

Field Survey

Rincon staff will then conduct a field survey of the project corridor to refine vegetation mapping and map wildlife habitats, assess the site for the capacity to support special status species, and document habitat features and potential jurisdictional waters (or lack thereof) to support the impacts assessment. Given the current public health crisis precipitated by the COVID-19 outbreak, it is understood that we may not be able to activate or complete portions of our work for reasons beyond our control (e.g., stay-at-home orders). We will maintain consistent communication with the client as this project progresses to ensure timely execution of work as feasible.

Findings

The biological resources section of the IS-(M)ND will utilize the analysis prepared by Rincon to directly answer the CEQA Appendix G questions under biological resources. The focus will be on those items with a potentially significant impact and how through project design or mitigation, those impacts can be avoided or reduced to a less than significant level. The analysis will address all biological impacts and provide the data needed to assist with the follow-on for any permitting necessary for the project, including identification of any on-site mitigation strategies to reduce or eliminate the need for off-site mitigation, if applicable.

Option Task: Design Consultation

Rincon understands the City's project involves enhancement of existing disturbed areas and storm drainage systems into wildlife habitat, landscape or swale systems. The storm drain inlets and culverts may be subject to the jurisdiction of the San Diego Regional Water Quality Control Board (RWQCB) and impacts to these features may require permitting. As described, the project proposes to enhance these features to increase resource and aesthetic value. It may be possible for these improvements to be considered as advanced mitigation for future project impacts to RWQCB resources. In addition, landscape features that enhance habitat for native species may result in a net benefit when evaluating potential impacts under CEQA. This task includes up to 20 hours of senior staff time to consult with the design team and the City on plant pallets, vegetation structure and/or design considerations that may affect the RWQCB or other jurisdictional agency permitting processes. While not required for purposes of CEQA, Rincon can also work with the City to prepare any future documentation, such as 401 water quality certification or Storm Water Pollution Prevention Plans that will be required for construction.

CULTURAL/TRIBAL CULTURAL RESOURCES

The cultural resources section of the IS-(M)ND will analyze the project's impact on potential cultural resources located within or adjacent to the project boundary. The section will be based on the cultural resources information gathered as described below. In addition, Rincon will complete an assessment of tribal cultural resources in conformance with AB 52. If significant impacts are identified, mitigation measures will be developed to avoid or reduce project impacts to the greatest extent feasible.

Cultural Resources Records Search

Upon notice to proceed (NTP), Rincon will conduct a California Historical Resources Information System (CHRIS) records search of the project site and a 0.5-mile radius around it at the South Coast Information Center (SCIC) located at San Diego State University. The primary purpose of the records search is to identify any cultural resources known to exist within or adjacent to the project site. The records search will also reveal the nature and extent of any cultural resources work conducted within or near the project site. We have assumed that SCIC direct expenses will not exceed \$800.

Native American Outreach

Rincon will reach out to local Native American individuals and groups who may have knowledge of or concerns with Native American cultural resources in the area. Rincon will initiate this task by contacting the Native American Heritage Commission (NAHC) to request a Sacred Lands File (SLF) search and to request a list of Native American contacts culturally affiliated with the project area. Upon receipt of the response, Rincon will prepare and mail letters to each of the NAHC-listed contacts, requesting information if they are aware of any Native American religious or cultural resources within or immediately adjacent to the project site. No telephone calls or meetings with Native Americans are included in this proposal. This task does not constitute Native American consultation under Assembly Bill 52 (AB 52). AB 52 consultation is performed through the lead planning agency. Rincon assumes the City will complete any necessary AB 52 consultations without any assistance from Rincon.

Field Survey

Rincon will conduct a Phase I pedestrian survey of the project site, a total area of approximately 4.5 linear miles. A Rincon archaeologist will conduct the survey using one transect on either side of the linear alignment spaced at maximum interval of 15 meters, covering the entire project site where access is available. Transect accuracy will be maintained through use of a hand-held global positioning system (GPS) unit. For the purposes of this proposal and cost estimate, Rincon assumes that the survey will be negative for cultural resources. Should any cultural resources be identified during the survey, a scope and budget augmentation will be requested for formal recordation or record updating. No testing or excavation will be conducted, nor will any artifacts, samples, or specimens be collected during the survey. Rincon assumes the survey effort will be completed by a single archaeologist in a single 8-hour day.

Negative Findings Letter Report

Rincon assumes that a short letter format report will be acceptable for a negative study. The letter report will include a project description, summary of background research, survey methods, management recommendations, and figures. Draft copies of the report (digital pdf) will be submitted to City of Escondido for review and approval. Rincon assumes one round of comments will be necessary to address cultural resources concerns. Once reviewed, digital copies of the final report will be prepared and submitted. Should cultural resources be found during the survey, Rincon assumes that a letter format report will no longer be acceptable, and a scope and budget augmentation will be submitted to complete a full technical report addressing the project finds.

Assembly Bill 52 Assistance

Under AB 52, the City of Escondido, as the lead agency, is required to begin consultation with California Native American tribes that are traditionally and culturally affiliated with the project site prior to the release of an ND, MND, or environmental impact report. Under this task, Rincon will assist the City with consultation for AB 52 by providing letter templates, checklists, and detailed instructions to ensure meaningful consultation with interested Native American groups can be completed in accordance with AB 52. This task does not include costs for meetings, outreach, or additional consultation by Rincon. Additionally, this assistance does not include an assessment of impacts for a CEQA document. Rincon may request an AB 52 consultation list from the NAHC on behalf of the City should they choose to request such a list from the NAHC.

GREENHOUSE GAS EMISSIONS

A greenhouse gas (GHG) analysis will be prepared based on the proposed project's potential to result in an impact on statewide GHG emissions. Increased in energy demand anticipated from the proposed land uses would be the primary sources of GHG emissions. The analysis will quantify carbon dioxide equivalent (CO₂e) units associated with project construction and operation using the California Emissions Estimator Model (CalEEMod) or similarly appropriate model. An overview of the current regulatory framework regarding GHGs/climate change, including Assembly Bill (AB) 32, Senate Bill (SB) 97, SB 100 and SB 375, as well as adopted amendments to the State CEQA Guidelines, will also be described. Future GHG emissions will be calculated using established methodology and will be based, in part, on emissions calculation prepared for the air quality analysis where applicable.

The City has not formally adopted thresholds to evaluate post 2020 GHG emissions. In the absence of local guidance, Rincon will consult with City staff during the preparation of this section to verify the thresholds and assumptions to be used for this analysis. In our experience, it is best practice for lead agencies to consider a tiered approach for evaluating GHG emissions and related mitigation measures as they best apply to the specific project. In addition, to account for the recent court case, *Golden Door Properties v. County of San Diego*, Rincon will provide a summary justifying the use of the threshold used in the analysis. The GHG analysis will be summarized in the ISMND and separate report will not be prepared. All data used in the analysis will be included in the ISMND.

HYDROLOGY AND WATER QUALITY

Rincon anticipates that drainage information for the project will be provided by the design team. The water runoff estimates from the trail will be assessed. Our analyses are expected to demonstrate the proposed drainage facilities will manage peak flows. Rincon will research ongoing communication between the City staff and the San Diego Regional Water Quality Control Board regarding water topics and ensure that any applicable regulations or water quality control measures are met and referenced in the ISMND.

NOISE AND VIBRATION

A noise and vibration analysis will be prepared based on existing conditions and proposed traffic generation due to the proposed project. It is assumed that generation will be minimal, as the project provides a mode alternative to vehicular travel through central Escondido. To establish baseline noise levels, Rincon will conduct an ambient noise survey in and around the project area to characterize the existing noise conditions. Short-term (15-20 minute) ambient and traffic noise-level measurements will be taken at up to four (4) locations with simultaneous manual traffic counts, as feasible. Due to the current Covid-19 conditions, noise measurements may not be possible. Therefore, if noise measurement cannot be completed, Rincon will develop an existing setting based on published data. No vibration measurements are proposed. Rincon will assess the projected construction noise and vibration levels and compare them with City and State guidelines, standards, and ordinances. The operations analysis will assess the impact of increased trail activities on the surrounding neighborhood. Operational noise is not anticipated to be a significant issue, but Rincon staff will survey land uses the length of the corridor to determine locations of noise sensitive uses. If warranted, Rincon will recommend mitigation measures to reduce noise and vibration levels to ensure compliance with Municipal Code Sections 17-229 and 17-234. The noise analysis will be provided in the ISMND and a separate technical report will not be needed. Noise data sets will be incorporated into appendices.

TRANSPORTATION

The impact analysis will focus on construction period traffic as it is anticipated that operational or trip generation traffic would be negligible. Instead, the section will focus on safety concerns related to mode conflicts between pedestrians, bicyclists, and vehicles at approaches to the trail corridor. This section will include:

- A discussion of the existing transportation facilities and traffic conditions in the study area
- Potential traffic safety concerns related to staging areas and trail access approaches
- Identification of proposed truck routes for transportation of equipment and supplies
- Discussion of traffic conditions and impacts during construction
- The proposed construction management plan
- Any additional mitigation necessary to reduce potential impacts

Subtask C.02: CEQA – Public Draft IS-(M)ND

Rincon will respond to two rounds of review of the Administrative Draft IS-(M)ND prior to preparing the Public Draft IS-MND. It is expected that consolidated comments will be received in an electronic editable Word document. Rincon will prepare a Screencheck Public Review Draft IS-(M)ND for the City of Escondido for final review prior to distributing the document for the required CEQA public review period. Rincon will prepare a draft Notice of Intent (NOI) to adopt a (Mitigated) Negative Declaration for City review and use. One electronic copy of the Public Review Draft IS-(M)ND in PDF and MS Word formats will be provided to the City for their use. We have assumed that the City will be responsible for printing any hardcopies of the Draft IS-(M)ND. Rincon will be responsible for submitting the IS-MND electronically to the State Clearinghouse (SCH) for a 30-day public review, on behalf of the City. The City will be responsible for distributing the NOI and IS-MND to responsible agencies and other interested parties, as well as newspaper, radius label and other noticing required under CEQA or City of Escondido procedures. Rincon can advise the City on these requirements if needed.

Subtask C.03: CEQA - Final IS/MND

Upon receipt of public comments on the Public Review Draft IS-(M)ND, Rincon will prepare draft responses to comments for City review and prepare the Administrative Final IS-(M)ND. For the purposes of this proposal, we assume that up to 24 professional staff hours will be adequate to respond to all comments on the IS-(M)ND. If the volume or sophistication of comments are higher than expected, a scope amendment may be required to respond.

If mitigation measures are included in the IS-(M)ND, this submittal will be accompanied by a Mitigation Monitoring and Reporting Program (MMRP); a matrix table listing all mitigation measures and indicating what monitoring actions are required, the department(s) responsible for monitoring, and when monitoring is to occur. Rincon will prepare the MMRP in a city-preferred format. Rincon will work with the City of Escondido to finalize and file the Notice of Determination with the County Clerk and State Clearinghouse. The City of Escondido will be responsible for the applicable administrative or California Department of Fish and Wildlife (CDFW) filing fees.

Subtask C.04: Public Hearing

Rincon's project manager will participate in one (1) public hearing, assumed to be before the Planning Commission. If desired, we will make a presentation summarizing the conclusions of the IS-(M)ND to support City of Escondido staff's CEQA recommendations to decision makers. If desired, we can attend additional meetings in accordance with our standard fee schedule.

Subtask C.05: CEQA Project Management

Rincon's Project Manager and her support staff will be responsible for general day-to-day project management tasks, including team management, client coordination and communication, and monthly invoicing. As part of this assignment, Rincon's Project Manager, or appropriate proxy (i.e., Assistant Project Manager), will participate in up to eight (8) check-in calls or in-person meetings with the design team and/or the City of Escondido to review CEQA document status, milestones, and CEQA needs and concerns. Regular check-in meetings

TASK D: FINAL DESIGN SERVICES (PLANS, SPECIFICATIONS, AND ESTIMATES)

Subtask D.01: Supplemental Topographic Survey

EPS will perform up to five (5) days for (10) areas of supplemental field survey work to detail topographic feature not covered in sufficient detail in the aerial topographic map. Work will include detail on surface evidence of aboveground utilities, drainage structures, pipe inverts, swales, sidewalks, ramps, critical tie in points, and other aboveground pertinent information. Woodland areas and other dense cover will be depicted with a single canopy line. The collected data will be incorporated into the digital base map for use in the planning and design.

DELIVERABLES:

- Updated survey file base file of city staff and design team approved additional areas to be collected

Subtask D.02: 90% Draft Construction Documents

RRM will prepare 90% draft construction documents that address plan-check comments generated from the City's review of the 60% draft construction documents submittal. The 90% draft construction documents will be submitted to the City's project manager for distribution to, and review by, City staff.

DELIVERABLES:

- One (1) set 90% draft construction document package
- One (1) pdf file 90% draft construction document package uploaded to local print shop
- One (1) construction cost opinion
- Draft technical specifications for the project's specifications bid package
- Drainage and water quality, storm water management plan

Subtask D.03: 100% Draft Construction Documents

RRM will prepare 100% draft construction documents that address plan-check comments generated from the City's review of the 90% draft construction documents submittal. The 100% draft construction documents will be submitted to engineering staff to perform a back-check.

DELIVERABLES:

- One (1) set 100% draft construction documents package for back-check
- One (1) PDF file 100% draft construction document package uploaded to local print shop
- One (1) construction cost opinion
- Final technical specifications for the project's specifications bid package
- Drainage and water quality, storm water management plan

Subtask D.04: Bid-Ready Construction Documents

RRM will prepare the bid-ready construction documents that address any back-check comments generated from the City's review of the 100% construction document submittal. Once the final revisions are complete, one signed reproducible bid-ready set of construction documents will be submitted to the City's project manager for final City/Agency signatures and bidding.

DELIVERABLES:

- One (1) signed PDF bid-ready construction document package
- One (1) updated construction cost opinion

TASK E: CONSTRUCTION ADMINISTRATION SERVICES

Subtask E.01: Bidding Support

RRM's design team will support the City during the bidding phase of the project. RRM's team will attend a pre-bid conference, and respond to requests for clarifications as determined by the City to be reasonable or necessary for the bidding process. All bidder questions will be received by the City and forwarded in writing to the RRM for distribution to the appropriate team member for a response back to the City in writing.

DELIVERABLES:

- Prepare for and attend one (1) pre-bid conference
- Prepare written responses to bidder's questions

Subtask E.02: Construction Administration

RRM's team will support the City during the anticipated 450-calendar day (15 month) construction period construction process. RRM will attend a pre-construction conference, review and respond to Requests for Information (RFI), Change Orders (CO), submittals, and contractor supplied shop drawings. Under this task, RRM will also prepare and issue Supplemental Instructions as necessary to clarify technical details and prepare preliminary and final punch lists. RRM will also coordinate with City staff as necessary.

DELIVERABLES:

- Prepare for and attend one (1) pre-construction conference
- RFI, CO, submittal reviews, shop drawings responses, supplemental instructions, and general record keeping documents

Subtask E.03: Construction Observation

RRM's project manager will prepare for and attend up to twelve (12) field observation meetings throughout the anticipated 360-calendar days (12 month) construction period to observe construction progress.

In addition to attendance by RRM's project manager at the meetings listed above, RRM's team members will attend field observation meetings related to their design elements at the key milestones specified below:

These site visits and observations are not intended to be an exhaustive check or a detailed inspection of the contractor's work, but rather are to allow RRM and team to stay informed with the work in progress and to determine, in general, that the work is proceeding in accordance with the construction documents.

RRM's design team shall not supervise, direct, or have control over the contractor's work nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the contractor, nor for the contractor's safety precautions or programs in connection with the work. These rights and responsibilities are solely those of the contractor in accordance with the contract documents. Furthermore, the contractor shall be responsible for notifying RRM in a timely manner to schedule these field observation meetings. RRM's team shall not be responsible for any acts or omissions of the contractor, subcontractor, any entity performing any portion of the work, or any agents or employees of any of them. RRM does not guarantee the performance of the contractor and shall not be responsible for the contractor's failure to perform work in

accordance with the contract documents or any applicable laws, codes, rules, or regulations.

Due to the indeterminate nature of the construction observation requests, this task includes budget for meeting quantity stated above. If more construction observation requests are received, they are to be authorized by the City as additional work.

DELIVERABLES:

- Prepare for and attend quantity of construction observation meetings listed above

Subtask E.04: Record Drawings

Upon completion of construction work, RRM will compile and deliver to the City a reproducible set of record drawings based upon the marked-up record drawings, addenda, change orders, and other data furnished by the contractor. These record drawings will show significant changes made during construction. Because these record drawings are based on unverified information provided by the other parties, which RRM shall assume will be reliable, RRM cannot and does not warrant their accuracy.

DELIVERABLES:

- One (1) set reproducible set of record drawings

TASK F: PROJECT COORDINATION SERVICES

Subtask F.01: Project Coordination and Management

RRM's project manager will coordinate with City and design staff, utility companies, sub-consultants, and other agencies as necessary on an on-going basis throughout the duration of the project. This task also includes project schedule creation and maintenance as tasks are completed, development of a project approval process flowchart, internal QA/QC, Federal Aid assistance, document review, and day-to-day project coordination efforts including general correspondence and telephone conferencing as required to support City staff during the project's development phase.

DELIVERABLES:

- Memos, meeting agendas and minutes, project schedule maintenance and general correspondence for document control, compiled in electronic file form and stored on RRM's project website for access by City staff
- Project schedule creation and maintenance
- Project approval process flowchart

Subtask F.02: Project Development Team (PDT) Meetings

RRM's project manager, and appropriate team member(s) as the subject matter dictates, will prepare for and facilitate up to fifteen (15) PDT meetings with the client team over the course of the project as subject matter dictates. The fifteen (15) meetings will be in addition to the scheduled meetings identified in the scope tasks. These meetings will provide an opportunity to collectively review, discuss, and clarify any design issues so that work may proceed forward in an efficient manner.

DELIVERABLES:

- Prepare for and facilitate up to fifteen (15) PDT meetings
- Prepare and distribute meeting agendas and notes

Subtask F.03: Permitting Coordination Meetings

RRM's team will work with the City project management team to process Escondido Creek Trail through the City's departments and related agencies for review and permitting. This scope assumes the following will be required:

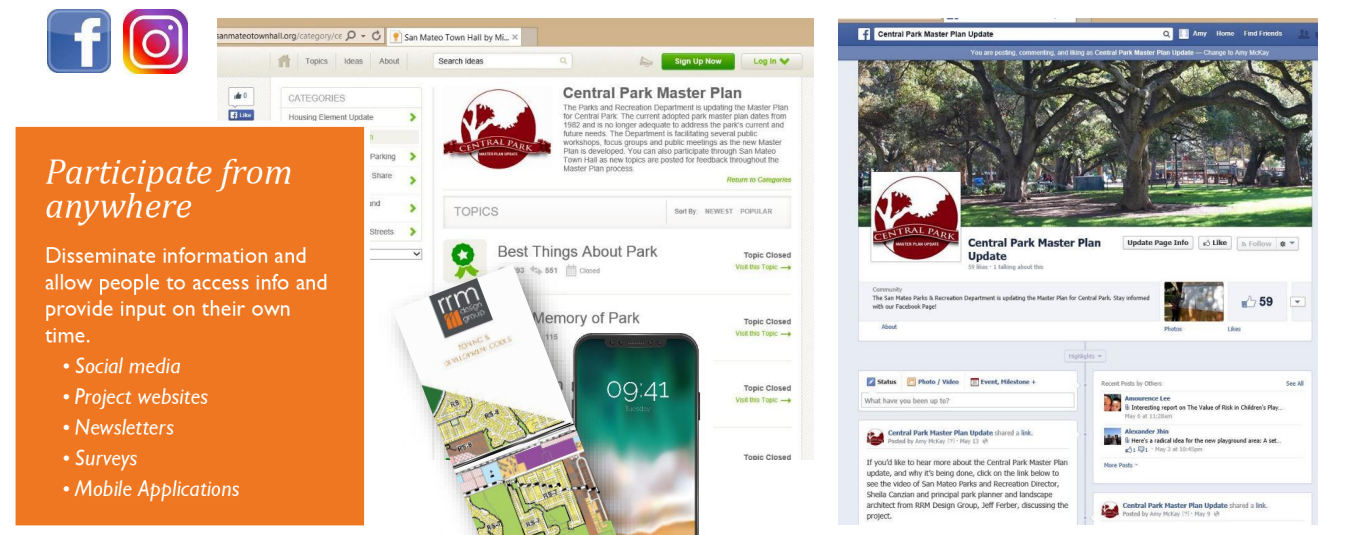
- Project CEQA and permitting kickoff meeting
- Monthly progress calls
- One in-person field visit

Subtask F.04: Online Community Information Website and Social Media

Working with City staff, RRM will create a website or webpage for Escondido Creek Trail that will serve as the home base for all public information about the improved trail including: a summary of the project, noticing for all public meetings and other events, as well as project status and next steps. Information can be posted by the City on their various social media platforms. To direct community members to the website and social media pages, RRM will design a business card with website addresses, URL(s) and/or a QR Code to distribute throughout the project initiation, preliminary engineering and environmental planning.

DELIVERABLES:

- Initial set up of project website



- Informational business cards

CLIENT RESPONSIBILITIES

- One contact person who will serve as the City's representative and will consolidate all Agency review comments for each submittal milestone into one list of official comments to which RRM can respond.
- Bid and contract "boiler plate" documents, such as invitation, instructions, general and special conditions, contract forms, insurance, forms, etc.
- Document distribution for technical reviews, bidding, and construction
- Bidding and Construction management, inspection, and testing
- Meeting notification, facility, and logistics
- Hazardous materials testing, reports, or recommendations for removal and technical specifications

LIMITATION OF SCOPE

Please note that the tasks to be performed by the RRM team are limited to those outlined above. This scope of services excludes the following:

- Independent verification of accuracy of City-provided information
- LEED documentation and design
- Off-site utility analysis
- Hazardous Materials testing, reports, or recommendations for removal
- Payment of fees and Permits
- Easement/dedication/annexation Exhibits
- Construction phase services beyond the 450-calendar day (15 month) construction duration

Any additional services that RRM Design Group is asked to perform over and above the tasks described above will be billed on a negotiated and City-approved fixed fee or hourly basis as additional services.



Escondido Creek Trail Expansion and Renovation Design Project Budget Summary

Task A: Pre-Design Services

Subtask A.1: Data Collection and Review	NTE Fee: \$ 3,040
Subtask A.2: Kickoff Meeting and Field Walk	NTE Fee: \$ 10,228
Subtask A.3: Stakeholder Interviews	NTE Fee: \$ 4,320
Subtask A.4: Underground Utility	NTE Fee: \$ 16,500
Subtask A.5: Topographic Survey and Base Mapping	NTE Fee: \$ 62,260
Subtask A.6: Geotechnical Investigation	NTE Fee: \$ 27,390

Task B: Preliminary Design Services

Subtask B.1: Draft Schematic Design Plan	NTE Fee: \$ 49,890
Subtask B.2: Draft Schematic Design Meeting	NTE Fee: \$ 4,800
Subtask B.3: Public Design Meeting Series #1	NTE Fee: \$ 4,760
Subtask B.4: 60% Design Plans and Estimates	NTE Fee: \$ 89,065
Subtask B.5: City Council Presentation	NTE Fee: \$ 3,960
Subtask B.6: Public Design Meeting Series #2	NTE Fee: \$ 3,420

Task C: CEQA/NEPA Compliance Services

Subtask C.1: CEQA – Administrative Draft Initial Study-MND	NTE Fee: \$ 45,612
Subtask C.2: CEQA – Public Draft IS/MND	NTE Fee: \$ 12,879
Subtask C.3: CEQA - Final IS/MND	NTE Fee: \$ 4,222
Subtask C.4: Public Hearing	NTE Fee: \$ 1,287

Task D: Final Design Services (PS&E)

Subtask D.1: Supplemental Topographic Survey	NTE Fee: \$ 15,785
Subtask D.2: 90% Draft Construction Documents	NTE Fee: \$ 145,643
Subtask D.3: 100% Draft Construction Documents	NTE Fee: \$ 48,548
Subtask D.4: Bid-Ready Construction Documents	NTE Fee: \$ 19,419

Task E: Construction Support Services

Subtask E.1: Bidding Support	NTE Fee: \$ 8,680
Subtask E.2: Construction Administration	NTE Fee: \$ 34,280
Subtask E.3: Construction Observation	NTE Fee: \$ 12,160
Subtask E.4: Record Drawings	NTE Fee: \$ 10,280

Task F: Project Coordination Services

Subtask F.1: Project Coordination & Management	NTE Fee: \$ 54,880
Subtask F.2: Project Development Team Meetings	NTE Fee: \$ 30,400
Subtask F.3: Permitting Coordination Meetings	NTE Fee: \$ 8,540
Subtask F.4: Online Community Info Website and Social Media	NTE Fee: \$ 9,280



Escondido Creek Trail Expansion and Renovation Design Project Budget Summary

Reimbursable Expenses (see note 2) T&M (est. fee): \$ 4,450

Estimated Total Project Budget \$ 745,976

Notes:

- 1. Not-to-Exceed (NTE) fee tasks will be billed as the work progresses until the task is completed and the total amount stated in the contract for the task is invoiced. Invoices will be submitted monthly and will show hours worked for each task.
- 2. Reimbursable expenses include such things as document reproduction, plotting services, public meeting materials, company car mileage (current federal rate), rental car, per diem, and overnight delivery. Reimbursable expenses will be billed as incurred at cost plus 10%.
- 3. RRM and the City may adjust any individual line item amount within the total overall budget amount shown, with prior written approval of the City.
- 4. Standard professional hourly rate sheet attached as schedule A-1.

ATTACHMENT "B"

CITY OF ESCONDIDO

RRM DESIGN GROUP



MIKE SHERROD, ASLA, PLA, LEED AP
PRINCIPAL-IN-CHARGE



BRIAN HANNEGAN, ASLA
PROJECT MANAGER
Trail Specialist

CIVIL ENGINEERING

BRYAN REDSUN
PE
Civil Engineer

LANDSCAPE ARCHITECTURE

KAYLA SZUBIELSKI
ASLA, PLA
Landscape Architect/
Park Designer

STRUCTURAL ENGINEERING

MICHAEL DOREMUS
SE, PE, LEED AP
Structural Engineer

ART/INTERPRETIVE ELEMENTS

AMY MCKAY
Resident Artist & Muralist/
Graphic Design & Branding

SUBCONSULTANTS

ENVIRONMENTAL

RINCON

ELECTRICAL

P2S ENGINEERING

GEOTECHNICAL

NINYO & MOORE

COST ESTIMATION

PRECISION ESTIMATING

SKATE FEATURES

**WORMHOUDT
INCORPORATED**

BELOW GRADE UTILITIES

CBELOW

SURVEYING

EPS GROUP



CITY COUNCIL STAFF REPORT

Consent Item No. 6

May 20, 2020

File No. 0600-10, A-3328

SUBJECT: Bid Award for the Escondido Sports Center Turf Project

DEPARTMENT: Communications and Community Services

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2020-63 authorizing the Mayor and City Clerk to execute a Public Services Agreement in an amount not to exceed \$172,013.60 for the Escondido Sports Center Turf Project ("Project") to Hellas Construction.

FISCAL ANALYSIS:

This project is fully funded by the FY 2019-20 CIP budget and will not impact the General Fund.

BACKGROUND:

This Project will consist of new artificial turf that will allow for expanded use and additional revenue-generating program opportunities including but not limited to lacrosse, flag football, and Ultimate Frisbee.

Turf technology has changed quite a bit over the years, and this new turf will provide a natural look and feel, with increased foot stability, enhanced shock absorption, and reduced surface temperatures, improving playability and overall customer experience.

On April 23, 2020, five (5) sealed bids were received in response to the advertised request for bids on this Project. The bid results are listed below:

Hellas Construction	\$172,013.60
Astro Turf Corporation	\$174,979.00
Asphalt Fabric & Engineering	\$185,000.00
Ohno Construction	\$205,000.00
TLS Choice, LLC	\$430,168.58

Staff recommends that the bid submitted by Hellas Construction be considered the lowest responsive and responsible bid, and that the contract be awarded in the amount of \$172,013.60 to Hellas Construction.

Bid Award for the Escondido Sports Center Turf Project
May 20, 2020
Page 2

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Joanna Axelrod, Director of Communications and Community Services
5/13/20 10:09 p.m.

ATTACHMENTS:

1. Resolution No. 2020-63
2. Resolution No. 2020-63 – Exhibit “1”: Public Service Agreement with Hellas Construction.

RESOLUTION NO. 2020-63

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AWARDING A BID FOR THE ESCONDIDO SPORTS CENTER TURF PROJECT; AND AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A PUBLIC SERVICES AGREEMENT WITH HELLAS CONSTRUCTION

WHEREAS, the City Council has allocated funding in the adopted FY 2019-20 Capital Improvement Program Budget for the Escondido Sports Center Turf Project; and

WHEREAS, a notice inviting bids for said improvements was duly published; and

WHEREAS, pursuant to said notice, five (5) sealed bids for the project were opened and evaluated on April 23, 2020; and

WHEREAS, Hellas Construction was determined to be the lowest responsive and responsible bidder; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award this contract to Hellas Construction in an amount not to exceed \$172,013.60.

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 authorized to execute, on behalf of the City, a Public Services Agreement with Hellas Construction in substantially similar form to that which is attached and incorporated to this Resolution as Exhibit "1," and subject to final approval as to form by the City Attorney.



CITY OF ESCONDIDO
PUBLIC SERVICES AGREEMENT

This Agreement is made this _____ day of _____, 20__.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Danielle Lopez
760-839-6269
("CITY")

And: Hellas Construction, Inc
12710 Research Blvd.
Suite 240
Austin, TX 78759
Attn: Tommy McDougal
512-250-2910
("CONTRACTOR")

WHEREAS, the CITY and CONTRACTOR desire to enter into this Agreement for the performance of services;

NOW, THEREFORE, it is mutually agreed as follows:

1. Description of Services. CONTRACTOR will furnish all of the services described in "Attachment A," which is attached and incorporated by this reference. CONTRACTOR agrees to diligently perform such services to their completion, with professional quality and technical accuracy.
2. Compensation. The CITY will pay and CONTRACTOR will accept in full payment for the above work, in a sum not to exceed \$172,013.60. Any breach of this Agreement will relieve CITY from the obligation to pay CONTRACTOR, if CONTRACTOR has not corrected the breach after CITY provides notice and a reasonable time to correct it. If this Agreement is amended at any time, additional compensation of CONTRACTOR contained in subsequent amendment(s) shall not exceed a cumulative total of ten percent (10%) of the maximum payment provided for in this Section 2.
3. Term and Time of Performance. CONTRACTOR must start working within one (1) week from City's notice to begin. CONTRACTOR must diligently perform and complete the work by July 17, 2020. Extension of terms or time of performance may be made only upon the City's written consent.
4. Scope of Compensation. CONTRACTOR will be responsible for performance of the tasks specified in the Description of Services in "Attachment A." No compensation will be provided for any other tasks without specific prior written consent from the CITY.

5. Performance. CONTRACTOR must faithfully perform in a proficient manner, to the satisfaction of the CITY, all the work or services described in the Description of Services, above.
6. City Property. All original documents, drawings, electronic media, and other material prepared by CONTRACTOR under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONTRACTOR for any other purpose without prior written consent of the CITY.
7. Insurance Requirements.

- a. The CONTRACTOR shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:
 - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 7(b) below; and
 - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
- b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONTRACTOR acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of CONTRACTOR. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONTRACTOR _____

Waiver appropriate by CITY _____

- c. Each insurance policy required above must be acceptable to the City Attorney.
 - (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
 - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
 - (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.
 - (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONTRACTOR's work, including its on-going operations and products-completed operations hazard.
 - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

- d. In executing this Agreement, CONTRACTOR agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.
8. Indemnification. CONTRACTOR (which in this paragraph 8 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
- a. Any claim of liability arising out of the negligence or any acts or omissions of CONTRACTOR in the performance of this Agreement;
 - b. Any personal injuries, property damage or death that CONTRACTOR may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
 - c. Any injury or death which results or increases by any action taken to medically treat CONTRACTOR.
- Stormwater Indemnification. CONTRACTOR shall further indemnify, defend, and hold harmless CITY and its officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceeds, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorney's fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. R9-2013-0001), as amended or renewed, of the California Regional Water Quality Control Board Region 9, San Diego, which CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project or the Improvements.
9. Anti-Assignment Clause. Since the CITY has relied on the particular skills of CONTRACTOR in entering this Agreement, CONTRACTOR may not assign, delegate, or sublet any duty or right under this Agreement, or any portion of the Description of Services. Any such purported assignment, delegation, or subletting will void this entire Agreement, unless the CITY has previously approved such action in writing. Unless CONTRACTOR assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY'S written consent, CONTRACTOR shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.
10. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.
11. Independent Contractor. CONTRACTOR is an independent contractor and no agency or employment relationship is created by the execution of this Agreement.
12. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.

13. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived because any other provision has been waived by CITY, in whole or in part.
14. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.
15. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
16. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
17. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
18. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party.
19. Business License. The CONTRACTOR is required to obtain a City of Escondido Business License prior to execution of this Agreement.
20. Compliance with Applicable Laws, Permits and Licenses. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. This shall include, but not limited to, all California Labor Code laws regarding payment of prevailing wages and all OSHA regulations. CONTRACTOR shall obtain any and all licenses, permits, and authorizations necessary to perform the services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
21. Prevailing Wages. If applicable, pursuant to Section 1770 et seq. of the Labor Code, CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable State and Federal Law, will be paid in the carrying out of this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the 'General Prevailing Wage Rates' approved by the Department of Industrial Relations as of the date of the execution of this Agreement. Said rates and scales are herein referred to and adopted in this Agreement as though fully and completely set forth herein, and said scale as adopted by the Department is made a part of this Agreement by reference. Copies of the prevailing rate of per diem wages are available on the Intranet at (<http://www.dir.ca.gov/DLSR>). Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.

22. Immigration Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONTRACTOR affirms that as a licensed Contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONTRACTOR agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: _____

Signature

Paul McNamara, Mayor

Date: _____

Hellas Construction, Inc.

Signature

Name & Title (please print)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
MICHAEL R. MCGUINNESS, City Attorney

BY: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

ATTACHMENT "A" Scope of Work

A. GENERAL.

Hellas Construction ("Contractor") agrees and shall provide work to generally install new artificial turf on two soccer arenas, located at the sports center in Kit Carson Park for the City of Escondido ("City"). All work performed under this Agreement shall include the furnishing of all labor, materials, and equipment necessary to perform this Agreement.

The Contractor shall be a licensed contractor pursuant to the Business and Profession Code and shall be licensed in the following appropriate classification of Contractor's license, for the work bid upon, and must maintain the license throughout the duration of the Contract: Class A.

B. LOCATION(S).

Escondido Sports Center
3315 Bear Valley Parkway
Escondido, Ca 92027

C. SERVICES.

Contractor shall provide services, as follows:

Furnish all labor, materials, tools, and equipment necessary to remove and legally dispose of existing turf, and install in place all synthetic turf materials on two arenas. The installation of all new materials shall be performed in strict accordance with the manufacturer's written installation instructions and in accordance with approved shop drawings.

Only factory-trained technicians, skilled in the installation of athletic caliber synthetic turf systems working under the direct supervision of the synthetic turf manufacturer's installation supervisor shall undertake the placement of the turf system.

The surface to receive the synthetic turf shall be inspected and certified by the turf manufacturer as ready for the installation. The subbase and curbs shall be inspected by means of a laser level and plotted on a 10-foot grid. Based upon the Contractor's inspection of the topological survey, the Contractor shall fine grade the subbase suitably including properly rolling and compacting the base to achieve a surface planarity. The Contractor shall supply a certificate of Subbase Acceptance.

Prior to ordering materials the Contractor shall verify all measurements and submit the following:

- Product data including independent test lab results.
- Shop drawing prepared to scale, containing all pertinent information regarding installation details, edge detail, and goal post detail, striping plan, field lines, markings and boundaries.
- Product warranty that guarantees the usability and playability of the synthetic turf system for a minimum of eight (8) years.

The Contractor shall thoroughly inspect all materials delivered to the site both for quality and quantity to assure that the entire installation shall have sufficient materials to maintain the schedule and proper mixing ratios. Any damaged or defective items shall be rejected.

Synthetic turf shall be loose laid across the field and attached to the perimeter edge detail. Turf shall be of sufficient length to permit full cross-field installation. No head or cross seams will be allowed, except as required for inlaid fabric striping or to accommodate programmed cut-outs.

All seams shall be flat, tight, and permanent with no separation or fraying. All seams and markings shall be adhered to a special tape with a single component, high strength polyurethane adhesive applied per the Turf Supplier's standard procedures for outdoor applications.

Infill materials shall be properly applied in numerous lifts using special broadcasting equipment to produce a layered system of pea gravel, SBR rubber particles, and ectotherm. The turf shall be raked and brushed properly as the mixture is applied. The rubber infill materials can only be applied when the turf fabric is dry.

Prior to final acceptance, the Contractor shall submit to the City three (3) copies of Maintenance Manuals, which will include necessary instructions for the proper care and preventative maintenance of the synthetic turf system.

Turf Contractor shall provide the labor, supplies and equipment as necessary for final cleaning of surfaces and installed items.

All usable remnants of new material shall become the property of the City.

The Contractor shall keep the area clean throughout the project and clear of debris.

Surfaces, recesses, enclosures, etc., shall be cleaned as necessary to leave the work area in a clean, immaculate condition ready for immediate occupancy and use by the Owner.

Contractor shall provide one (1) towed, non-powered Turf Sweeper with hitch, excluding prime mover vehicle. The sweeper attachment shall be of sufficient size to cover a 36" wide swath in a single pass. The sweeper attachment shall be fitted with synthetic bristle brushes as recommended by the synthetic turf manufacturer and shall be used primarily to collect surface debris.

Products:

Turf: Hellas Major Play Matrix - Helix + Thatch

Infill: Hallas Pea Gravel, Hellas SBR Rubber and Hellas ectotherm (green)

Shock Pad: GMax Drain

D. PERFORMANCE OF SERVICES.

1. Hours of Operation

Normal business hours, Monday – Friday 7:00 a.m. – 5:00 p.m.

Hours and scheduling may be arranged with proper notification and prior approval of the City of Escondido representative.

2. Communication

The contact for the City of Escondido is Danielle Lopez, and can be reached by phone at 760-839-6269 and/or email dmlopez@escondido.org.

3. Site Admittance

For access to each site - coordinate with Kimi Cornett, Sports Center Supervisor at 760-839-5485

4. Work Completion

The Contractor must complete all work described in this agreement by July 17, 2020.

E. TERMINATION.

Either party may terminate this Agreement with thirty (30) days advance written notice.

F. RATES.

Contractor shall provide the services in accordance with the following Bid Schedule:

Item	Description	Unit	Estimated Quantity	Unit Price	Amount
1.	Large Field	Lump Sum	1	\$135,361.60	\$135,361.60
2.	Small Field	Lump Sum	1	\$36,652.00	\$36,652.00

In addition, prevailing Wages are required along with DIR registration.

G. PAYMENT.

The total contract price is \$172,013.60. Payment for services shall be made on a monthly basis upon completion of all services, and shall be made within 30 days of receipt of invoice.

H. CONTRACT DOCUMENTS AND OTHER PROVISIONS.

All work shall be in accordance with the terms and conditions of the RFP documents, including the Notice Inviting Sealed Bids, Instructions to Bidders, Bid Proposal, Information Required of Contractor, Non-collusion Affidavit, Insurance Certificates, Plans, Drawings, Specifications, the Public Service Agreement, and all modifications, addenda, and amendments thereto.

CITY COUNCIL STAFF REPORT

Consent Item No. 7

May 20, 2020

File No. 0480-70

SUBJECT: FY 2019 Urban Area Security Initiative Grant

DEPARTMENT: Police Department

RECOMMENDATION:

It is requested that the City Council authorize the Escondido Police Department to accept a FY 2019 Urban Area Security Initiative (“UASI”) Grant in the amount of \$258,236; authorize the Chief of Police or his designee to execute grant documents on behalf of the City of Escondido (“City”); and approve budget adjustments needed to spend grant funds (see Attachment 1).

PREVIOUS ACTION:

On March 20, 2019, the City Council accepted \$32,922 in funds from a FY 2017-18 UASI Grant.

BACKGROUND:

The Escondido Police and Fire Departments received a FY 2019 UASI Grant in the amount of \$258,236. UASI funds support regional efforts to prevent, mitigate, respond to, and recover from acts of terrorism or disaster. The San Diego County Regional Technology Partnership (“RTP”) and the Urban Area Working Group (“UAWG”) vetted and approved Escondido’s proposed UASI projects. The funding must be spent on the following:

- Portable Security Tower with Camera System = \$220,000 – Several police departments throughout the County were awarded portable security towers with observation systems. These towers are regional assets that are interoperable and deployable. To maintain consistency, all towers throughout the County will be standardized by make and model. The towers will be used to improve community safety at public events and in crowded parking lots during the holiday season.
- Fire and Police Department training = \$38,236
 - Police Department Training - California Narcotics Canine training, Western States Canine Conference, and California Association of Tactical Officers (“CATO”) Conference
 - Fire Department Training - Confined Space Rescue training, Rescue Systems 1 training and CFED Conference

FY 2019 Urban Area Security Initiative Grant
May 20, 2020
Page 2

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Edward Varso, Chief of Police
5/14/20 8:29 a.m.

ATTACHMENTS:

1. Attachment 1 - Budget Adjustment



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: May 11, 2020
 Department: Police Department
 Division: Administration
 Project/Budget Manager: Lisa Rodelo 4905
 Name Extension
 Council Date (if applicable): May 20, 2020
 (attach copy of staff report)

For Finance Use Only	
Log #	_____
Fiscal Year	_____
_____	Budget Balances
_____	General Fund Accts
_____	Revenue
_____	Interfund Transfers
_____	Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Revenue	4128-451-New Project Number	\$258,236	
Police Grants	451-New Project Number	\$258,236	

Explanation of Request:
 A budget adjustment is needed to spend FY 2019 Urban Area Security Initiative (UASI) funds.

APPROVALS

	<u>5/11/2020</u>		
Department Head	Date	City Manager	Date
	<u>5/12/20</u>		
Finance	Date	City Clerk	Date

Distribution (after approval): Original: Finance

CITY COUNCIL STAFF REPORT

Consent Item No. 8

May 20, 2020

File No. 0480-70

SUBJECT: San Diego County Cal-ID Grant

DEPARTMENT: Police Department

RECOMMENDATION:

It is requested that City Council authorize the Police Department to accept a five-year San Diego County Cal-ID Grant from the County of San Diego Remote Access Network ("RAN"); authorize the Chief of Police or his designee to execute grant documents on behalf of the City of Escondido ("City"); and approve budget adjustments needed to spend grant funds (see Attachment 1).

FISCAL ANALYSIS:

Funds will be used to pay salary expenses for a Forensic Technician. This will have no impact on the General Fund Budget.

PREVIOUS ACTION:

On December 9, 2015, City Council approved a five-year, County of San Diego Cal-ID Grant. Grant funds covered salary and benefit expenses for one full-time Forensic Technician.

BACKGROUND:

The San Diego County Cal-ID RAN Board currently provides grant funding to cover salary and benefit expenses for a full-time Forensic Technician position for the Escondido Police Department. The current grant will be exhausted on June 30, 2020.

The San Diego County Cal-ID RAN Board has authorized the use of Cal-ID revenue to fund a full-time Forensic Technician position devoted to latent print work in the City of Escondido Police Department Crime Laboratory. Funding will cover the cost of salary and benefits for a Forensic Technician and will renew annually through June 30, 2025. Grant funds are based on actual salary and benefit expenses. Funding for each fiscal year is estimated at \$98,499. The five-year total grant award is estimated at \$492,500.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Edward Varso, Chief of Police
5/14/20 8:29 a.m.

ATTACHMENTS:

1. Attachment 1 – Budget Adjustment



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: May 11, 2020
Department: Police
Division: Administration
Project/Budget Manager: Lisa Rodelo 4905
Name Extension
Council Date (if applicable): May 20, 2020
(attach copy of staff report)

For Finance Use Only
Log #
Fiscal Year
Budget Balances
General Fund Accts
Revenue
Interfund Transfers
Fund Balance

Table with 4 columns: Project/Account Description, Account Number, Amount of Increase, Amount of Decrease. Rows include Revenue (4127-451- CAID16) and Police Grants (451- CAID16).

Explanation of Request:

A budget adjustment is requested to spend Cal-ID Remote Access Network grant funds.

APPROVALS

Department Head: [Signature] 05/11/2020 Date City Manager Date
Finance: [Signature] 5/12/20 Date City Clerk Date

Distribution (after approval): Original: Finance

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 9

May 20, 2020

File No. 0870-11

SUBJECT: Amended Citizen Participation Plan and Confirmation of Priorities for Coronavirus Aid, Relief, and Economic Security (“CARES”) Act Funding

DEPARTMENT: Community Development Department/Housing & Neighborhood Services

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2020-64 to amend the City’s Citizen Participation Plan (“CPP”) in order to streamline amendments to the FY 2019-2020 Annual Action Plan for the use of Department of Housing and Urban Development (“HUD”) funds. It is also requested that the City Council confirm priorities for new Coronavirus Aid, Relief, and Economic Security (“CARES”) Act funds from the Department of Housing and Urban Development (“HUD”).

FISCAL ANALYSIS:

On March 27, 2020, the President of the United States signed the CARES Act into law, providing \$2.2 trillion in federal funds to respond to the COVID-19 emergency. The CARES Act included \$5 billion to HUD for the Community Development Block Grant (“CDBG-CV”) program and \$4 billion for the Emergency Solutions Grant (“ESG-CV”) program to “prevent, prepare for and respond to the coronavirus pandemic (“COVID-19”).”

CDBG-CV funds will be distributed in three buckets: 1) \$2 billion of the funds will be provided to state and local governments through the regular CDBG program; 2) \$1 billion will be provided to states based on public health needs; and 3) \$2 billion will be distributed to state and local governments based on a new formula to be developed by HUD considering several factors including economic and housing market disruption resulting from coronavirus. ESG-CV funds will be distributed similarly: (1) \$1 billion for ESG-CV grants based on the FY 2020 ESG formula; and (2) rest of the funding for ESG-CV grants will be allocated directly to state and local governments by a separate new formula.

HUD was required to allocate the first bucket of funds within 30 days of enactment of the bill. HUD has notified the City of Escondido (“City”) that \$1,070,024 in CDBG-CV, and \$552,803 in ESG-CV, have been allocated to Escondido thus far. In order to use these funds, an amendment to the FY 2019-20 Annual Action Plan and additional citizen participation requirements must be met.

PREVIOUS ACTION:

On April 22, 2015, the City Council held a public hearing and approved the FY 2015 -2019 Five-Year Consolidated Plan; this plan was amended on July 20, 2017, to include the ESG funds. The Plan established priorities for the use of these federal funds over the five-year period, ending June 30, 2020, to benefit low-income residents and neighborhoods in the City of Escondido.

On March 20, 2019, the City Council held a public hearing and reaffirmed the community development priorities adopted in the FY 2015-2019 Amended Five-Year Consolidated Plan.

On June 5, 2019, the City Council adopted Resolution No. 2019-55 approving the FY 2019-2020 Annual Action Plan.

On December 18, 2019, the City Council adopted Resolution No 2019-184 amending the FY 2019-2020 Annual Action Plan adding new activities to the plan at a public meeting.

BACKGROUND:

HUD has offered multiple waivers in order to make the CDBG and ESG funding as flexible as feasible. Staff recommends notifying HUD that the City will be using flexibility offered by these waivers by reducing the comment period for a Consolidated Plan/Action Plan Amendment. Entitlement cites must amend an approved consolidated plan in accordance with 24 CFR 91.505, which, before the current disaster, included providing residents with 30 days to comment on substantial amendments. HUD waiver #8, waives the 30-day minimum for the required public comment period for substantial amendments, provided that no less than 5 days are provided for public comments on each substantial amendment. The waiver is available through June 30, 2021.

Additionally, residents must be given reasonable notice and opportunity to comment, which includes in-person public meetings. HUD recognizes the efforts to contain COVID-19 require limiting public gatherings, and that there is a need to respond quickly to the growing spread and effects of COVID-19. Waiver #9 allows grantees to determine the best avenues for public comment, including the use of virtual meetings, so long as there is a mechanism for public comment. Draft amendments to the CPP are incorporated as Exhibit A to Resolution No. 2020-64.

CDBG-CV and ESG-CV funds must be allocated in accordance with the City's 2015-2019 Consolidated Plan and must "prevent, prepare for and respond to the coronavirus pandemic". Funds may be used to cover or reimburse allowable costs incurred by the City before the award of funding (including prior to the signing of the CARES Act) to prevent, prepare for, and respond to COVID-19.

The community development priorities approved in the Fiscal Year 2015-2019 Consolidated Plan are:

- Youth
- Economic Development
- Seniors
- Neighborhood Revitalization
- Homelessness
- ADA Improvements

Based on community needs assessments and public participation, eligible ESG objectives were prioritized to meet the greatest needs in the City of Escondido:

- Rapid re-housing for homeless individuals and families
- Homelessness prevention
- Emergency shelters
- Essential services to shelter residents
- Engagement of homeless individuals and families

ESG-CV funds are exempt for ESG match requirements, are not subject to the spending cap on emergency shelter and outreach, and may be used to provide homelessness prevention assistance to any individual or family who does not have income higher than HUD's Very Low-Income Limit and meets the criteria of "at risk of homelessness" definition.

Staff recommends working with the City-funded programs, CDBG and active non-profits, to address household challenges that resulting from the lack of incomes due to unemployment or loss of employment hours arising out of COVID-19 and bring an amendment to the FY 2019-2020 Action Plan in June 2020. Focus will be given to organizations addressing homeless prevention/rental assistance (with ESG funds), increased access to social services and basic needs, food insecurity, unsheltered homeless (to provide emergency shelter services/motel vouchers), and eviction prevention (landlord/tenant mediation). Funding may also be used for economic development or capital projects that encourage healthy distancing.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Mike Strong, Director of Community Development
5/14/20 8:26 a.m.

Karen Youel, Housing & Neighborhood Services Manager
5/14/20 8:38 a.m.

ATTACHMENTS:

1. Resolution No. 2020-64 – Amendment to Citizen Participation Plan
2. Exhibit A – Amended Citizen Participation Plan

RESOLUTION NO. 2020-64

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING THE AMENDED CITIZEN
PARTICIPATION PLAN FOR PROGRAMS
FUNDED BY THE U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

WHEREAS, the City of Escondido (“City”) is a recipient of various grant assistance programs offered by the U.S. Department of Housing and Urban Development (“HUD”), including the Community Development Block Grant (“CDBG”), Emergency Solutions Grant (“ESG”) funds, and Home Investment Partnerships (“HOME”) funds; and

WHEREAS, pursuant to Part 91 of Title 24 of the Code of Regulations, HUD requires the City to adopt a Citizen Participation Plan that sets forth the City’s policies and procedures in the encouragement of citizen participation with respect to HUD funds; and

WHEREAS, it is the City’s desire to amend the Citizen Participation Plan to incorporate new policies to respond to the coronavirus pandemic, including a reduction of required public notice to five days and additional acceptable opportunities for the public to comment upon plan changes; and

WHEREAS, the City in accordance with its Citizen Participation Plan, held a noticed public hearing on May 20, 2020, to consider a draft of the amended Citizen Participation Plan; and

WHEREAS, the City has made available the draft Citizen Participation Plan for public review for a period of 5 days; and

WHEREAS, the City Council having considered all public comments, now wishes to approve the Citizen Participation Plan.

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 City Council has heard and considered all public comments and testimony presented and adopts the Amended Citizen Participation Plan attached as Exhibit "A," and which is incorporated by this reference.

City of Escondido

CITIZEN PARTICIPATION PLAN

Citizen participation is a priority for the City of Escondido. The City of Escondido receives an annual entitlement of Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) funds from the U.S. Department of Housing and Urban Development (HUD) for housing and community development activities to assist low-income persons. In accordance with the Grant, the City must create a 5-Year Consolidated Plan (Consolidated Plan) that addresses affordable housing and community development needs, submit an Annual Action Plan (Annual Plan) to outline spending and activities for the corresponding program years, and provide a Consolidated Annual Performance and Evaluation Report (CAPER) to evaluate the City's accomplishments and use of CDBG, HOME and ESG funds as well conduct an Assessment of Fair Housing every five years.

The following Citizen Participate Plan (CPP) meets HUD standards for:

- Involvement of community members in the public participation process, including public hearings and public comment periods
- Opportunities for involvement of affected persons and other concerned citizens in the planning process
- Transparency of the planning process and freedom of access to the draft Plan
- Public's submission of comments and the standards for the grantee's response
- Continuity of participation throughout all stages of the Plan's development.

Objectives

The primary goal of the CPP is to solicit views and recommendations from members of the community, organizations, and other interested parties and to incorporate the views and recommendations in the decision making process. To accomplish this goal, the CPP mandates that the City will:

- Encourage participation from residents in the development and preparation of the Consolidated Plan, Annual Plan, Assessment of Fair Housing, substantial amendments to these plans, and the CAPER.
- Encourage the involvement by low and moderate income persons, particularly those who reside in CDBG-eligible neighborhoods, areas designated for revitalization, areas designated as a slum and blighted, people with disabilities, racial and ethnic minorities, Non-English speaking and limited English proficient (LEP) persons, and residents of public and assisted housing developments in the development of the Consolidated Plan and Assessment of Fair Housing.
- Encourage participation from Continuums of Care, businesses, developers, nonprofit organizations, philanthropic organizations, community-based and faith

based organizations, resident advisory boards, resident councils, and resident management corporations during the development and implementation of the Consolidated Plan and Assessment of Fair Housing.

- Provide residents reasonable and timely access to information, meetings, and records.
- Provide residents the opportunity to review, offer input and feedback regarding the use of CDBG, HOME, and ESG funds and the Assessment of Fair Housing, and comment on the CAPER.
- Provide assistance for non-English-speaking and LEP persons upon advance request, provided such services are available.
- Use comprehensive techniques to encourage and measure public participation and review program performance.
- Reasonable accommodations will be provided for those with disabilities upon advance request.

Reviews/Recommendations

Staff reviews proposals and make recommendations to the City Council concerning funding for social services, affordable housing projects, homeless initiatives, and capital improvement projects. City Council meetings are open to the public and available for viewing on the City website. City Council agendas are posted 72 hours prior to a meeting and available on the City's website and at City Hall, 201 N. Broadway.

During the Development of the Consolidated Plan, Annual Plans, and Assessments of Fair Housing:

- The City will make a concerted effort to notify residents, social service providers, business groups, nonprofit organizations, community and faith-based organizations, community boards and other interested parties of the development of the Consolidated/Annual Plans, and Assessment of Fair Housing through mailings, including electronic mail, online postings, and newspaper notices.
- The City will issue a Notice of Funding Availability/Request for Proposals inviting proposals for CDBG, HOME and ESG activities. Upon request, the City will provide technical assistance to groups representing low-moderate income persons to develop proposals for eligible activities and comment on the Assessment of Fair Housing.

- The City will make available any HUD-provided data and other supplemental information the grantee plans to incorporate into its Assessment of Fair Housing at the start of the public participation process (or as soon as feasible after).
- Prior to adoption of the Plan(s), the City will make available the estimated amount of CDBG, HOME, and ESG funding that it expects to receive, the activities that may be undertaken, the estimated amount of funds that will be used to benefit low-moderate income persons, and any activities that may result in displacement.
- The City will publish a summary of the proposed Plan(s) and/or Assessment of Fair Housing in the newspaper and have it available on the City's website for a period of ten days prior to a public meeting. The summary will describe the contents and purpose of the Plan(s) and/or Assessment of Fair Housing and include a list of the locations where they may be examined. The Plan(s) and/or Assessment of Fair Housing will be available for review at Escondido City Hall, on the City's website, and at the Escondido Public Library. The City will provide a reasonable number of free copies to citizens and groups upon request.

Public Hearings

- The City will conduct at least two public hearings each year to obtain residents' views regarding housing and community development needs, proposed allocation of CDBG and ESG funds, strategies and actions taken to affirmatively further fair housing, and approve program/funding activities. The City will conduct at least one public hearing each year regarding the proposed allocation of HOME funds. HOME funds will be conditionally committed to an affordable housing development only after a public hearing to discuss the project.
- The City will conduct at least one public hearing during the development of the Assessment of Fair Housing prior to publishing the Assessment of Fair Housing for public comment. The public hearing must be held prior to formulating the Consolidated Plan.
- The City will conduct at least one public hearing during the development of the Consolidated Plan prior to publishing the Consolidated Plan for public comment.
- The City will receive and consider comments concerning the Plan(s) and/or Assessment of Fair Housing for period of not less than 30 days. All comments received, in writing or orally at a public meeting, will be considered in preparing the final Plan(s) and/or Assessment of Fair Housing. A summary of the comments or views, including those not accepted and the reasons, shall be attached to the final Plan(s) and/or Assessment of Fair Housing
- Public notices, excluding the CAPER, will be published at least ten days prior to a hearing. Notices will include the date, time, location, and summary of the proposed

action to help facilitate informed comments. Notices will be published in the newspaper and announced on the City's website.

Amendments to the Consolidated Plan, Annual Plans, and Assessments of Fair Housing

The City will amend its approved Plan(s) whenever it makes one of the following decisions:

- To carry out an activity not previously described in the Annual Plan using funds covered by the Consolidated Plan, including program income.
- To substantially amend the purpose, scope, location, or beneficiaries of an activity.
- To substantially amend the allocation priorities or the method of distributing funds.

A substantial amendment is defined as the following:

- An addition, modification, or elimination of a Consolidated Plan goal;
- An addition of a new activity not previously identified in the Annual Plan; or
- A change that affects the funding level of more than \$25,000 for projects budgeted at \$100,000 or less, or greater than 25 percent of projects budgeted at more than \$100,000

Substantial amendments must be authorized by the City Council and will be available on the City's website and through public notices in the newspaper. Minor changes and/or corrections may be made, so long as the changes do not constitute a substantial amendment. Minor changes, including but not limited to modifications of goal outcome indicators, shall not be considered a substantial amendment and do not require public review or a public hearing.

- The City will receive and consider comments concerning substantial amendments and/or Assessment of Fair Housing revisions for period of not less than 30 days. All comments received, in writing or orally at a public meeting, will be considered in preparing the final Plan(s) and/or Assessment of Fair Housing H. A summary of the comments or views, including those not accepted and the reasons, shall be attached to the final Plan(s) and/or Assessment of Fair Housing.
- Public notices will be published at least ten days prior to the hearing. Notices will include the date, time, location, and summary of the proposed action to help facilitate informed comments.

Consolidated Annual Performance and Evaluation Reports ("CAPERs")

The City will prepare an annual CAPER to evaluate the progress of the Consolidated Plan and to review accomplishments for the previous program year.

- A comment period of not less than 15-days will be provided. All comments received, in writing or orally, will be included in the final submission to HUD.

Access to Information and Records

- Any citizen, organization, or other interested party may submit written requests for information regarding the Consolidated Plan, Annual Plans, Assessment of Fair Housing, and CAPER, including the City's use of funds under the CDBG, HOME, and ESG programs and the benefit to low-moderate income residents during the preceding five years.
- This Citizen Participation Plan, the Consolidated Plan, the current Annual Plan, the current Assessment of Fair Housing, the current CAPER, and any substantial amendments to these plans will be available for public review at City Hall, 201 N. Broadway and on the City's website.

Comment and Complaint Process

The City will consider any comments from citizens received in writing or orally at public hearings in preparing this Citizen Participation Plan, the Consolidated Plan, Annual Plans, CAPERs, Assessment of Fair Housing, and/or substantial amendments to these plans. A summary of all comments will be attached and submitted to HUD.

The City will respond to written complaints received relating to the Consolidated Plan, Annual Plans, Assessment of Fair Housing, CAPERs, and/or substantial amendments. Written complaints must describe the objection and provide contact information of the complainant. The City will respond to complaints within 15 working days of receiving the written complaint, acknowledging the letter and identifying a plan of action, if necessary.

Amendment for 2020 CARES Act Funding

In response to the COVID-19 Pandemic, the City is amending the City's Citizen Participation Plan, to promote and support "social distancing" while continuing to offer the public an opportunity to provide valuable citizen input and insight into the policies and procedures of the Housing & Neighborhoods Services Division, particularly as it relates to the administration and implementation of its federal programs. The following process will be used to solicit citizen participation and input into any programmatic amendments necessary to quickly and effectively administer federal funding made available either directly or indirectly as a result of the COVID-19 Pandemic.

- Effective May 20, 2020, consistent with the Mega-waiver issued by HUD on March 31, 2020, community input prior to drafting a substantial amendment to any plan will be waived, including but not limited to an approved consolidated plan or annual action plan concerning the proposed uses of CDBG, HOME, and ESG funds.

- Staff will prepare an amendment to any respective plan, where applicable, and the amendment shall include a discussion of the amount of assistance the state expects to receive, the range of activities it will undertake with this assistance, and, to the extent possible, the benefit to low and moderate income people of these proposed activities.
- The Amendment will be posted in a prominent place on the Neighborhood Services website, along with a notice identifying the availability of the amendment. The Notice will include the opportunity to provide electronic comment for a period of not less than five days and information on participation in a "virtual public hearing". As part of the Notice, the state will provide information on how citizens
- Any comments received either at the virtual public hearing or during the public comment period will be considered by the agency before the final amended action plan is submitted to HUD. A summary of the comments and the agency's responses will be an attachment to the final amended action plan.
- The procedures and actions discussed above will constitute the state's citizen participation plan for any substantial amendments, which may need to be made in the course of the program year. A "substantial amendment" to the plan is one which implements a change the use and/or method of distributing those funds.
- This amended citizen participation plan will itself be made available to the public for a five-day public comment period prior to implementation, and any interest groups may review and comment accordingly.

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 10

May 20, 2020

File No. 0870-11

SUBJECT: Approval of Final Consolidated Plan for Fiscal Year 2020-2024 Community Development Block Grant, Emergency Solutions Grant, and HOME Investment Partnerships Program Funding and Fiscal Year 2020-2021 Annual Action Plan

DEPARTMENT: Community Development Department/Housing & Neighborhood Services

RECOMMENDATION:

It is requested that the City Council:

- Solicit and consider citizen input on the FY 2020-2024 Consolidated Plan (“Con Plan”) and FY 2020-2021 Annual Action Plan for the use of Community Development Block Grant (“CDBG”), Emergency Solutions Grant (“ESG”) and HOME Investment Program (“HOME”) funds;
- Adopt Resolution No. 2020-65 approving the CDBG, ESG, and HOME budget, an authorizing the Director of Community Development and City Clerk to execute contracts as appropriate;
- Adopt Resolution No. 2020-66 approving the submittal of the FY 2020-2024 Consolidated Plan and FY 2020-2021 Annual Actions Plan to the US Department of Housing and Urban Development (“HUD”); and
- Approve a budget adjustment (Attachment 7) in the amount of \$1,250.

FISCAL ANALYSIS:

The City of Escondido (“City”) receives annual federal entitlements from HUD for community development, homeless and housing activities. If the community development entitlements remain consistent with previous years’ awards, the City anticipates receiving approximately \$9,000,000 in CDBG, \$775,000 in ESG, and \$3,000,000 in HOME funds over the next five years. HUD may allocate additional emergency funds which would be considered under this Con Plan.

The Consolidated Plan will provide guidance for the expenditure of these funds for FY 2020-2024. CDBG projects will be funded solely by grant money received. ESG funds must be used to assist people experiencing homelessness or those at imminent risk of homelessness. HOME funds can only be used for the development of affordable housing.

PREVIOUS ACTION:

On April 22, 2015, the City Council held a public hearing and approved the FY 2015-2019 Consolidated Plan. The Plan established priorities for the use of HOME and CDBG funds over the five-year period, ending June 30, 2015, to benefit low-income residents and neighborhoods in the City of Escondido. This plan was amended on July 20, 2016, to allow the City to set priorities for the use of ESG funds.

On March 25, 2020, the City Council held a public hearing to approve new community development, housing and homeless priorities to be adopted in the 2020-2024 Five-Year Consolidated Plan.

BACKGROUND:

The Con Plan is a federally-required document for communities that receive federal HUD funds. The Con Plan is intended to provide a comprehensive, strategic framework for a community to establish a unified vision and action plan to address the needs of low-income individuals, families and neighborhoods. The goals of CDBG, ESG, and HOME programs covered by the Consolidated Plan are to provide decent housing, provide services to households experiencing homelessness, provide a suitable living environment, and expand economic opportunities.

HUD requires that each jurisdiction consider several elements in developing the Con Plan. Staff has undertaken a community assessment of the City's community development, homeless and housing needs; developed a comprehensive citizen participation plan; developed a five-year strategic plan; identified priorities to benefit low-income individuals. The draft report is posted on the City's website (<https://www.escondido.org/neighborhood-services.aspx>). The draft executive summary of this report is incorporated as Attachment 1.

The Con Plan includes a Citizen Participation Plan ("CPP"). In April 2020, HUD recommended modifying the CPP to include emergency procedures, including the reduction of public notice and the allowance of virtual meetings (provided the community has the ability to submit input) during a pandemic. The amended CPP is incorporated as Attachment 2. Outreach was conducted regarding citizen priorities for funding between December 2019 and March 2020. City staff hosted four Con Plan meetings and attended five community meetings and conducted an on-line survey. From that input, the four community development, two housing, and five homeless priorities were determined.

First Year Annual Action Plan (FY 2020-2021)

The one-year action plan, required for each year of the Consolidated Plan period, will determine the goals, objectives and performance benchmarks for activities for a single year and will specify how CDBG, ESG, and HOME entitlement funds are spent. Projects must meet the Con Plan goals to provide decent housing, assistance to households who are homeless or at risk of homelessness, a

suitable living environment, or expand economic opportunities within the community. In accordance with the CPP, the City conducted two public hearings to solicit and consider citizen input.

CDBG Funds

The CDBG program is a flexible block grant program that provides communities with resources to address a wide range of unique community development needs. The CDBG program works to ensure decent affordable housing and neighborhoods, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. Each CDBG activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency. Escondido projects have focused on benefit to low- and moderate-income persons. See Attachment 3 for a map of CDBG eligible areas. The City will receive \$1,818,942 in CDBG entitlement funds for FY 2020-2021. No more than 20 percent (\$363,788) may be expended for administrative activities. Under normal policies, no more than 15 percent of entitlement funds (\$272,841) may be used for public service activities, however, due to the COVID-19 pandemic, this limit has been waived for the fiscal year. Staff recommends using this flexibility to fund additional services in the wake of the COVID-19 pandemic.

As a recipient of CDBG funds, the City is also required to take steps to affirmatively further fair housing within its jurisdiction as part of the obligation it assumes when it accepts these funds. Fair Housing services are allowable under Public Service or Administration. By utilizing Administration funds, the City is able to fund more programs under Public Service. Every five years, the City participates in a North County Request for Proposals to select a new fair housing provider. Specific recommendations for a provider will be brought forward when that process is complete.

FY 2020-2024 Community Development Priorities

1. Homeless services: Support homeless shelter and other services.
2. Basic Needs: Provide access to food, water, shelter, and sanitation.
3. Health and Human Development: Provide access to recreation, education, and healthcare (including mental health).
4. Neighborhood revitalization: Improve the livability of neighborhoods.

Due to needs highlighted by the COVID-19 pandemic, staff now recommends adding a fifth priority: Economic Development: to provide economic development opportunities to low-mod income residents and business.

Each year, the City must develop an action plan that describes all the activities the City will carry out that year. This year an RFP was released on March 26, 2020, with applications due April 23, 2020. The City received seven proposals from outside agencies for FY 2020-2021 CDBG funding. Five requests are for public service funds: (1) Meals on Wheels is requesting \$25,000 for its in-home meal delivery to moderate and low-income seniors; (2) San Diego Children's Museum is requesting \$30,000 to provide school field trip workshops, mobile museum workshops, and complementary

memberships; (3) Alliance for Regional Solutions is requesting \$56,000 for its Bridge Housing Network providing year round shelter and services for homeless individuals; (4) Voices for Children is requesting \$10,000 for direct advocacy, assessment and ongoing case monitoring for Escondido foster youth; and (5) Palomar Family Counseling Service, a new applicant, is requesting \$17,900 to provide school based counseling at Orange Glen and Escondido High Schools. Two applications request capital funds: (6) Urban Corps of San Diego County is requesting \$208,245 to renovate their new Escondido Center; and (7) Interfaith Community Services is requesting \$250,000 to purchase and renovate a motel to convert into the Center for Hope and Healing, providing recuperative care for homeless individuals and short-term accommodations (up to 180 days) to people who have spent over 60 days in Haven House, have successfully completed a residential treatment program or are leaving the recuperative care program.

Staff has reviewed the applications for completeness and eligibility. Criteria for review includes, but is not limited to a pre-award risk assessment based on subrecipient history, complexity of the project, funding and budget appropriateness, experience, and compliance with federal criteria. Staff also reviews each non-profits' ratings and profiles on sites such as Charity Navigator, Guidestar, and performs other general research. The Interfaith Community Services project included choice limiting decisions completed before a NEPA report could be written, making the project ineligible for funds. Specific allocation recommendations for CDBG-funded activities are included as Attachment 4 and are described below.

Proposed Public Service Activities (\$319,620)

Learn-to-Swim (\$15,000)

The Learn-to-Swim program provides water safety training to low-income youth, addressing the youth priority.

Senior Transportation, Senior Nutrition, Senior Care (\$34,610; \$56,110; \$16,000)

Programs offered by Older Adult services provided by the City's Community Services Department address the senior services priority. These programs include a low-cost transportation program, lunch program and staff assistance to promote the independence of seniors by assisting them to resolve their issue(s) themselves and encouraging independence and self-sufficiency while providing support and resources at the Park Avenue Community Center.

Neighbor-to-Neighbor (\$45,000)

Neighbor-to-Neighbor supports the neighborhood revitalization priority as an additional component to the Grants to Blocks Program. Neighborhood Clean-ups block parties, leadership trainings, neighborhood group meetings, and other neighborhood organization efforts in low-income neighborhoods will be supported through this program.

Meals-on-Wheels (\$25,000)

The Meals-on-Wheels Program addresses the senior services priority by providing meal delivery services for homebound seniors and people with disabilities.

Alliance for Regional Solutions (\$45,000)

The Alliance for Regional Solutions is a collaboration of North County organizations addressing homelessness issues. The Bridge to Housing Committee of the Alliance is a collaboration of providers who offer short-term housing solutions, case management and services directed at navigating North County's homeless men, women, and families towards permanent housing and self-sufficiency. The City has received additional CDBG funds to battle the COVID-19 pandemic; additional funds are expected to be recommended as part of that offering.

San Diego Children's Museum (\$5,000)

The San Diego Children's Museum serves youth aged pre-school through third grade. This program will help to provide museum memberships, school field trip workshops, and mobile museum workshops to Escondido Union School District students.

Voices for Children (\$10,000)

Voices for Children provides advocacy services to Escondido foster youth through Court Appointed Special Advocate ("CASA") and Case Liaison programs. This project will provide Escondido foster youth with case oversight, triage, and advocacy services as needed to ensure that their educations, mental and physical health and placement needs are met.

Project Up (\$17,900)

Palomar Family Counseling Service offers school based and in office group counseling of low-income high school students in high need of mental health counseling services. This project would offer services at Orange Glen and Escondido HS.

Neighborhood Improvement Planning Program (\$50,000)

The objectives this program is determine whether a proposed future CDBG Neighborhood Revitalization project is feasible and that at least 51 percent of the intended beneficiaries will be of low or moderate income. Eligible activities include preliminary architectural and engineering design, cost estimates, and market analysis. Detailed engineering specifications and working drawings are not eligible. This project will help to guide future projects and speed delivery of City projects. Staff anticipates commissioning a plan for the restoration of the Victorian in Grape Day Park and a study for lighting needs in the City's low-mod neighborhoods.

Proposed Capital Improvement and Neighborhood Revitalization Activities (\$1,135,534)

CDBG-Funded Code Enforcement (\$115,000)

CDBG-funded neighborhood revitalization efforts would include funding four part-time Code Enforcement Officers to work in commercial and residential areas of CDBG-eligible census tracts. The officers would address code issues relating to business licensing, illegal signage and other appearance and compliance issues generally associated with commercial and residential areas.

Grants to Blocks (\$75,000)

Implemented to address the neighborhood revitalization priority. This program addresses the need to fund multiple, small neighborhood revitalization projects and Right-of-Way Enhancement mini grants associated with street improvement projects.

Graffiti Removal (\$140,000)

The Graffiti Removal Project, also implemented to address the revitalization priority and carried out by City staff, provides funding for graffiti removal in qualifying low income census tracts and applies only to private properties. CDBG funds can be used to remove graffiti from private homes, garages, fences and exterior surfaces of privately owned businesses.

Project NEAT (\$45,000)

Project NEAT (Neighborhood Enhancement, Awareness and Training) addresses the neighborhood revitalization priority. The goal of Project NEAT is to improve the appearance and safety of neighborhoods through mediation, education and fostering relationships with neighbors. Project NEAT works with organized neighborhood groups to resolve potential code compliance issues, mostly with regard to yard maintenance and other appearance-related issues, before they reach the level of code enforcement cases.

Urban Corps Escondido Center Renovations (\$208,245)

Urban Corps of San Diego County serves 18-26 year-old young adults in need of a high school education and paid work experience. In 2019, Urban Corps purchased a building in Escondido to better serve Escondido and North County youth. The building needs multiple tenant improvements, including plumbing, electrical and finishes to ensure the center is fully functioning and safe.

Homeless Navigation Center/Day Center Site Purchase (\$552,289)

City staff have been in discussion with service providers and citizens regarding the creation of a day center, where homeless individuals and families can drop in during the day to access basic needs resources and services. Staff anticipates that additional funds will need to be added to this project, from future allocations or from the CDBG Unallocated account after the beginning of the new fiscal year.

At the end of the year, activities are reviewed. Public Service activities and completed capital projects are closed out and unspent funds are put into a CDBG Unallocated account to be re-allocated to future capital projects. This year, staff also recommends closing out an incomplete street light project along Washington Avenue. In FY 2020-2021, the Neighborhood Improvement Planning Program can be used to fund a study of lighting needs in the City's low-mod neighborhoods to determine the highest priority projects. Six funded capital projects will carry over into FY 2020-2021: Escondido Creek Trail Fencing, Jesmond Dene Ballfield LED Retrofit, Old Escondido Lighting, Street Light LED Retrofits, Old Escondido Street Sign Replacements, and the Sidewalk Infill Program.

In addition to unspent project funds, program income is also deposited into the CDBG Unallocated account. Rent payments from leases on CDBG purchased property at 613-623 E. Lincoln have been

deposited into this account. In FY 2018-2019, lease payments did not reach the threshold to be considered program income. Staff recommends transferring these funds to the Neighborhood Outreach and Support account. Funds in this account are used for small CDBG-eligible purchases following City purchasing procedures.

ESG Funds

The ESG program provides funds for a variety of activities to address homelessness, to prevent homelessness and to help homeless people move toward safe and healthy living. Allocations are based on a jurisdiction's CDBG allocation; HUD's allocation to the City of Escondido for FY 2020-2021 is \$160,313. As an ESG recipient, the City is required to work with the local Continuum of Care ("CoC") to determine how ESG will be used and evaluated, and how to apply CoC-wide ESG Standards to service providers. In San Diego County, the CoC is the Regional Taskforce for the Homeless ("RTFH").

ESG funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS (Homeless Management Information database; this is a required activity), as well as administrative activities. The City may reserve up to 7.5 percent, or \$12,013, in FY 2020-2021 for grant administration; the remaining funds (\$148,300) are to be made available for projects and activities that serve the homeless and those at-risk of homelessness. Costs associated with shelter operations and outreach may not exceed 60 percent of the grant funds. The subrecipient must match allocated ESG funds with an equal amount of funds from a non-federal source that can be in cash and/or non-cash contributions.

FY 2020-2024 Homeless Priorities

1. Homelessness Prevention: To keep households at imminent risk of homelessness from becoming homeless.
2. Emergency shelters: To temporarily house homeless residents.
3. Essential services to shelter residents: To provide basic needs and case management to homeless residents living in an emergency shelter.
4. Engagement of homeless individuals and families: To conduct outreach to unsheltered people.
5. Rapid Rehousing: To provide permanent housing to homeless households.

This year an RFP was released on March 26, 2020, with applications due April 23, 2020. The City of Escondido has received one proposal from an outside agency for FY 2020-2021 ESG funding: (1) Interfaith Community Services is requesting \$148,300 to assist homeless and at-risk homeless by providing homeless prevention and emergency shelter.

Staff has reviewed the applications for completeness and eligibility. Criteria for review includes, but is not limited to a pre-award risk assessment based on subrecipient history, complexity of the project, funding and budget appropriateness, and experience. Staff also looks at each individual ratings and

profiles on sites such as Charity Navigator, Guidestar, and other general research. Specific allocation recommendations for ESG-funded activities are included as Attachment 4.

Proposed ESG Funds Activity

Interfaith Community Services (\$148,300)

Interfaith will provide 12 households with homeless prevention assistance (providing case management, rental assistance and referrals to recourses that can strengthen their housing stabilization, such as employment services or other individualized services), and provide emergency shelter for 200 unduplicated homeless individuals with a priority given to the TAY populations (ages 18-24) and seniors over 62 years.

HOME Funds

The City will receive \$622,298 in HOME funds for Fiscal Year 2020-2021. HUD provides formula grants to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. The City may allocate ten percent of new HOME allocation, interest, and program income derived from loan repayments for administration. A minimum of 15 percent of the annual allocation of HOME Program funds must be reserved for the housing development activities of Community Housing Development Organizations (“CHDOs”). A total of five percent of the HOME grant may, but is not required to, be used to provide operating funds to certified CHDOs. Federal regulations state that HOME Program funds must be committed within two years and expended within five years of allocation; recent guidance from HUD has relaxed the commitment deadline, but not the expenditure deadline. Allocation recommendations for HOME-funded activities are included as Attachment 2.

FY 2015-2019 Housing Priorities

1. Creation and preservation of affordable rental housing; and
2. Conservation and expansion of affordable homeownership opportunities.

Rental Housing Assistance & Affordable Housing Project Development

The first priority relates to the improvement of the supply of rental housing in the City to meet the needs of Escondido residents. Overpayment for housing is a widespread housing problem in Escondido, especially among lower-income renters. Additionally, the rate of overcrowding is especially acute for large related renter households. In order to meet this goal, HOME funding and recycled Housing Set-Aside/Successor Housing Agency (“SHA”) funds, is used as leverage to other funding sources, such as Low-Income Tax Credits.

In the 2015-2019 Con Plan cycle, the City has used HOME funds to assist several projects. San Diego Habitat for Humanity completed 11 new homeowner units on Elm Street in 2015; funds were conditionally committed in 2019 for a new project. UHC completed the acquisition and rehabilitation of

43-deed restricted rental units on North Escondido Blvd. using HOME and SHA funds in 2016. Community HousingWorks acquired and rehabilitated 11 HOME-deed restricted rental units on Midway Drive as part of a 200-unit acquisition and rehabilitation project in early 2017. In 2018, Interfaith Community Services to acquired and rehabilitated a four-plex on Aster Street In 2019, Community HousingWorks rehabilitated six transitional cabins for homeless families on South Maple Street.

Homeownership Opportunities

The second priority relates to the need for homeownership in Escondido. The rate of homeownership in Escondido is 52 percent, which is lower than the state and national averages of 55 percent and 64 percent respectively as reported by the 2018 One-Year American Community Survey.

The City developed the Homebuyer Entry Loan Program (“HELP”) loans to assist first-time homebuyers in the purchase of their homes will contribute to increased stability in 1996. The HELP program currently provides loans up to 5 percent of the purchase price of a home (up to a maximum of \$25,000) to assist homebuyers earning 80 percent or less of the San Diego County area median income to purchase their first home.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Mike Strong, Director of Community Development
5/14/20 8:26 a.m.

Karen Youel, Housing & Neighborhood Services Manager
5/14/20 8:38 a.m.

ATTACHMENTS:

1. Attachment 1 - Executive Summary 2020-2024 Consolidated Plan
2. Attachment 2 – Citizen Participation Plan
3. Attachment 3 – Map of CDBG Eligible Census Blocks
4. Attachment 4 – FY 2020-2021 Proposed CDBG Allocations
5. Attachment 5 – FY 2020-2021 Proposed ESG Allocations
6. Attachment 6 – FY 2020-2021 Proposed HOME Allocations
7. Attachment 7 – Budget Adjustment
8. Resolution No. 2020-65
9. Resolution No. 2020-65 – Exhibits A, B, C, D, and E
10. Resolution No. 2020-66

Attachment 1



CITY OF ESCONDIDO 2020-2024

DRAFT CONSOLIDATED PLAN

Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The Consolidated Plan is a federally required document, which incorporates the application of planning processes for four formula-based federal housing and community development programs. As an entitlement jurisdiction/participating jurisdiction, the City of Esccondido directly receives and distributes Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) funds. The City does not receive HOPWA (Housing Opportunities for Persons with Aids) funds. The goals outlined in this Consolidated Plan developed out of a collaborative process to identify priority needs of the community and detail the activities to be undertaken by the City using these funds during the 2020-2024 period.

The Consolidated Plan includes extensive public outreach and consultation, and is comprised of the following components:

- A Needs Assessment of the affordable housing, community development and homeless needs of the community.
- A Market Analysis, analyzing the existing housing market, public housing needs, inventory of homeless needs, and characteristics of the jurisdiction's economy.
- A Strategic Plan describing the strategies to be undertaken to serve the priority needs during the upcoming five-year period.
- An Action Plan, which is a concise summary of what will take place during the program year to address the priority needs.

The statutes for the HUD consolidated planning formula grant programs set forth three basic goals to benefit low- and moderate-income persons:

Attachment 1

- Provide a suitable living environment
- Provide decent housing
- Expand economic opportunities

All CDBG-funded activities must meet one of the following national HUD objectives:

- Benefits low- and moderate-income persons
- Benefits an area of low- and moderate-income residents
- Housing that benefits low- and moderate-income households
- Low- or moderate-income job creation or retention

The types of projects eligible in the HOME program are:

- Rental housing development
- Homebuyer activities
 - New construction or acquisition/rehabilitation of for-sale housing
 - Home buying assistance
- Homebuyer rehabilitation
- Tenant based rental assistance

Projects that are eligible in the ESG program are:

- Assisting individuals and families who are currently homeless to become housed
- Providing prevention assistance to individuals and families who would otherwise become homeless
- Providing assistance to rapidly re-house persons who are homeless, and those who are at-risk of becoming homeless

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

As summarized in the Needs Assessment and Market Analysis of this plan, the City has extensive housing and community development needs. This Consolidated Plan for FY 2020-2024 establishes the goals and objectives of the City's CDBG, HOME and ESG programs. The goals and objectives will form the basis for allocating federal investments within the jurisdiction during the next five-year period, and are the result of various community outreach efforts and consultation meetings developed during the Citizen Participation process. CDBG, HOME and ESG funds are not adequate to address all of the needs identified during the Consolidated Plan process, and will be leveraged with other funding when possible.

Attachment 1

The use of HOME, CDBG and ESG funds will focus on some of the most critical areas identified in Escondido, based on the following established priority needs:

- Basic Needs
- Homelessness Services
- Health and Human Development
- Neighborhood Revitalization
- Economic Development
- Creation and Preservation of Affordable Rental Housing
- Conservation and Expansion of Affordable Homeownership Opportunities
- Homelessness Prevention
- Emergency Shelters
- Essential Services to Shelter Residents
- Engagement of Homeless Individuals and Families
- Rapid Rehousing for homeless individuals and families

3. Evaluation of past performance

During the previous Consolidated Plan period 2015-2019, the City utilized its CDBG, HOME and ESG funds for a variety of different housing and community development activities. The following includes some of the accomplishments of the past five years:

Housing:

During the first four years of the 2015-2019 consolidated planning period, the City assisted developers. Eleven new affordable ownership units were bought and sold to low income homeowners. In addition, 64 affordable rental units were rehabilitated (47 units were converted to affordable housing, construction on 15 units preserved affordability). The City was able to leverage other funds to support its housing goals. State grant funds were used to provide rehabilitation loans to four low-income homeowners. In addition, local funds were utilized to provide monthly rental assistance to approximately 30 extremely-low income seniors.

The City completed four first-time homebuyer loans during the period. Although the City was not able to assist as many first-time homebuyers with loans as anticipated previously, the program remains invaluable to those households and assisting homeownership continues to be a priority goal.

Attachment 1

Community/Neighborhood Development:

During the 5-year period of the last Consolidated Plan (2015-2019), the City carried out many programs and projects that furthered the City's priority to revitalize neighborhoods. During that time period, the City participated in 358 neighborhood group meetings, and 20 resident leaders graduated from the Neighborhood Leadership Academy, totaling 194 alumni. One additional neighborhood group was also added, bringing the total to 18 groups. The City also conducted 71 neighborhood cleanups and 61 NEAT sweeps, and helped to organize the first residential parking district in the City.

Public Facility Improvements:

During 2015-2019, many capital improvement projects were completed using CDBG funds. Projects on public streets include: Elm/Grape Street which included street and associated improvements; Tulip Street, the continuation and completion of street improvements on a large portion of a major street; and several street light retrofitting projects which included several residential streets.

Projects on private properties include: Center for Community Solutions, updating floors at a residence for domestic violence victims; Escondido Community Childcare Development Center, new security fencing and improvements; and the Boys and Girls Club, improvements to gym ceiling.

Homelessness:

The City began receiving ESG funds in 2016. Prior to that, the City was able to provide homeless assistance using CDBG funds. CDBG funds were used to support the existing emergency shelter program operated by Interfaith Community Services. Since 2017, more than \$400,000 in ESG funds have been used to provide outreach to homeless youth, assist an existing emergency shelter, and provide homeless prevention, rapid rehousing and street outreach. Homelessness will continue to be a priority need in Escondido, funded through both CDBG and ESG.

4. Summary of citizen participation process and consultation process

The citizen participation process and consultation process undertaken by the City to solicit input in the development of the Five-Year Consolidated Plan for 2020-2024, and the accompanying Action Plan for FY 2020-2021, consisted of the following:

Community and stakeholder meetings: Several community meetings were held on various days of the week and times of the day to accommodate as many members of the public as possible.

Attachment 1

During meetings the Consolidated Plan process was described, and feedback and input from various members of the public was solicited. The City hosted four Consolidated Plan meetings and participated in four other community meetings. The meetings included:

- Neighborhood Leadership Forum, October 24, 2019, Escondido City Hall, 6:30 PM
- CAFÉ Meeting, January 17, 2020, Live Well Center, 8:00 AM
- Neighborhood Leadership Forum, January 23, 2020, Escondido City Hall, 6:30 PM
- Stakeholder one-on-one, January 29, 2020, Mental Health Systems
- Outreach Meeting, February 3, 2020, Windsor Garden Senior Apartment, 6:00 PM
- Escondido Sunrise Rotary, February 13, 2020, Cocina del Charro, 7:00 AM
- Outreach Meeting, February 13, 2020, Park Avenue Community Center, 10:00 AM
- Outreach Meeting, February 13, 2020, East Valley Community Center, 6:00 PM
- Outreach Meeting, February 22, 2020, Washington Park Recreation Building, 10:00 AM

Community Needs Survey: A Community Needs survey was developed to assess the housing and community development needs in the City. The survey was available in English and in Spanish, and was distributed to residents, business owners, nonprofit representatives, housing organizations, health/mental health providers, and other interested community members. The survey was available online; via hard copy at City Hall, the Escondido Library, and the County Live Well Center; and was distributed at affordable and senior housing complexes and at various community meetings. Seventy-four surveys were returned and analyzed to determine the community's top community development, housing and homeless needs.

Public Hearings: A public hearing was held before the City Council on March 25, 2020, to accept input on the Consolidated Plan and discuss and establish priorities for spending HOME, CDBG and ESG funds during 2020-2024. The allocation process for distributing funds for FY 2020-2021 was also discussed and approved. The City Council recommended that seniors and veterans be specifically targeted in housing and community development assistance.

A second (virtual) public hearing was held on May 20, 2020, to review and adopt the Final Consolidated Plan and Action Plan. Public notices for each hearing were published at least 15 days prior to the date of the hearing in the Times Advocate, as well as posted at City Hall.

5. Summary of public comments

During all of the public outreach, there was a general consensus of what the community's needs are and what should be prioritized. In the various categories the following needs were given as desired priorities:

Attachment 1

Community Needs: When need categories as a whole were reviewed, homelessness services was the most commonly listed need. Closely followed in order were public infrastructure, community facilities, housing supply and services, community services, and neighborhood services. Special needs services was the lowest priority, specified by only a 33% of respondents.

Homelessness services: Out of all homelessness services discussed, three were the highest priorities - homeless prevention and diversion, mental and behavioral health and emergency shelters. Permanent supportive housing, substance abuse programs, transitional housing and short-term rental assistance were grouped together with between 35% and 43% choosing them as priorities. Rapid rehousing programs, storage facilities/lockers, navigation/day centers, case management and landlord engagement programs were the least common priorities among homelessness services.

Public infrastructure: By far, the most common public infrastructure needs were street lighting and street/alley improvements. These were closely followed by sidewalk improvements. Flood drainage improvements and accessibility improvements were the least common priorities, listed by approximately 20% of respondents.

Community facilities: Parks and healthcare facilities were listed as the most important priorities in this category, followed closely by community centers and recreation facilities. Senior centers, nonprofit facilities, and youth centers were prioritized by 33%-38% of respondents. Libraries and childcare centers were the lowest community facility priorities.

Housing supply and services: A wide range of topics/programs/services are included in this category. The four highest priorities were new affordable rental housing, new affordable ownership housing, rehabilitation of affordable rental housing, and first-time homebuyer assistance. Next, as a priority to between 43% and 49% of respondents, were housing for seniors, owner occupied housing rehabilitation, housing for disabled, and housing down payment assistance. Fair housing services, ADA improvements, rental subsidy programs and energy efficiency improvements were prioritized by 31% - 37% of respondents. The lowest priorities with less than 20% of respondents were housing for large families and lead based paint programs.

Community services: There were several categories of community service needs, with the amount of responses spread out. The highest priority was anti-crime programs with 58% of responses. This was followed by health services (46%); senior services/activities (45%); recreational and cultural services (43%); transportation services (42%); youth activities/services (40%); mental health services (39%); and job readiness programs (39%). College readiness programs, childcare services and legal services received the lowest response rates.

Attachment 1

Neighborhood services: Abandoned lot and building cleanup, and trash and debris removal were the most commonly prioritized neighborhood services programs. They were followed closely by graffiti removal, tree planting and urban greening, and code enforcement. The lowest priority was historic preservation.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments received during the public outreach and comment period were accepted. All input is included in the plan.

7. Summary

The City made every effort to outreach to as many individuals as possible in the community who would benefit from the CDBG, HOME and ESG programs. The priority needs in

Attachment 2

City of Escondido

CITIZEN PARTICIPATION PLAN

Citizen participation is a priority for the City of Escondido. The City of Escondido receives an annual entitlement of Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) funds from the U.S. Department of Housing and Urban Development (HUD) for housing and community development activities to assist low-income persons. In accordance with the Grant, the City must create a 5-Year Consolidated Plan (Consolidated Plan) that addresses affordable housing and community development needs, submit an Annual Action Plan (Annual Plan) to outline spending and activities for the corresponding program years, and provide a Consolidated Annual Performance and Evaluation Report (CAPER) to evaluate the City's accomplishments and use of CDBG, HOME and ESG funds as well conduct an Assessment of Fair Housing every five years.

The following Citizen Participate Plan (CPP) meets HUD standards for:

- Involvement of community members in the public participation process, including public hearings and public comment periods
- Opportunities for involvement of affected persons and other concerned citizens in the planning process
- Transparency of the planning process and freedom of access to the draft Plan
- Public's submission of comments and the standards for the grantee's response
- Continuity of participation throughout all stages of the Plan's development.

Objectives

The primary goal of the CPP is to solicit views and recommendations from members of the community, organizations, and other interested parties and to incorporate the views and recommendations in the decision making process. To accomplish this goal, the CPP mandates that the City will:

- Encourage participation from residents in the development and preparation of the Consolidated Plan, Annual Plan, Assessment of Fair Housing, substantial amendments to these plans, and the CAPER.
- Encourage the involvement by low and moderate income persons, particularly those who reside in CDBG-eligible neighborhoods, areas designated for revitalization, areas designated as a slum and blighted, people with disabilities, racial and ethnic minorities, Non-English speaking and limited English proficient (LEP) persons, and residents of public and assisted housing developments in the development of the Consolidated Plan and Assessment of Fair Housing.
- Encourage participation from Continuums of Care, businesses, developers, nonprofit organizations, philanthropic organizations, community-based and faith based organizations, resident advisory boards, resident councils, and resident

Attachment 2

management corporations during the development and implementation of the Consolidated Plan and Assessment of Fair Housing.

- Provide residents reasonable and timely access to information, meetings, and records.
- Provide residents the opportunity to review, offer input and feedback regarding the use of CDBG, HOME, and ESG funds and the Assessment of Fair Housing, and comment on the CAPER.
- Provide assistance for non-English-speaking and LEP persons upon advance request, provided such services are available.
- Use comprehensive techniques to encourage and measure public participation and review program performance.
- Reasonable accommodations will be provided for those with disabilities upon advance request.

Reviews/Recommendations

Staff reviews proposals and make recommendations to the City Council concerning funding for social services, affordable housing projects, homeless initiatives, and capital improvement projects. City Council meetings are open to the public and available for viewing on the City website. City Council agendas are posted 72 hours prior to a meeting and available on the City's website and at City Hall, 201 N. Broadway.

During the Development of the Consolidated Plan, Annual Plans, and Assessments of Fair Housing:

- The City will make a concerted effort to notify residents, social service providers, business groups, nonprofit organizations, community and faith-based organizations, community boards and other interested parties of the development of the Consolidated/Annual Plans, and Assessment of Fair Housing through mailings, including electronic mail, online postings, and newspaper notices.
- The City will issue a Notice of Funding Availability/Request for Proposals inviting proposals for CDBG, HOME and ESG activities. Upon request, the City will provide technical assistance to groups representing low-moderate income persons to develop proposals for eligible activities and comment on the Assessment of Fair Housing.
- The City will make available any HUD-provided data and other supplemental information the grantee plans to incorporate into its Assessment of Fair Housing at the start of the public participation process (or as soon as feasible after).

Attachment 2

- Prior to adoption of the Plan(s), the City will make available the estimated amount of CDBG, HOME, and ESG funding that it expects to receive, the activities that may be undertaken, the estimated amount of funds that will be used to benefit low-moderate income persons, and any activities that may result in displacement.
- The City will publish a summary of the proposed Plan(s) and/or Assessment of Fair Housing in the newspaper and have it available on the City's website for a period of ten days prior to a public meeting. The summary will describe the contents and purpose of the Plan(s) and/or Assessment of Fair Housing and include a list of the locations where they may be examined. The Plan(s) and/or Assessment of Fair Housing will be available for review at Escondido City Hall, on the City's website, and at the Escondido Public Library. The City will provide a reasonable number of free copies to citizens and groups upon request.

Public Hearings

- The City will conduct at least two public hearings each year to obtain residents' views regarding housing and community development needs, proposed allocation of CDBG and ESG funds, strategies and actions taken to affirmatively further fair housing, and approve program/funding activities. The City will conduct at least one public hearing each year regarding the proposed allocation of HOME funds. HOME funds will be conditionally committed to an affordable housing development only after a public hearing to discuss the project.
- The City will conduct at least one public hearing during the development of the Assessment of Fair Housing prior to publishing the Assessment of Fair Housing for public comment. The public hearing must be held prior to formulating the Consolidated Plan.
- The City will conduct at least one public hearing during the development of the Consolidated Plan prior to publishing the Consolidated Plan for public comment.
- The City will receive and consider comments concerning the Plan(s) and/or Assessment of Fair Housing for period of not less than 30 days. All comments received, in writing or orally at a public meeting, will be considered in preparing the final Plan(s) and/or Assessment of Fair Housing. A summary of the comments or views, including those not accepted and the reasons, shall be attached to the final Plan(s) and/or Assessment of Fair Housing
- Public notices, excluding the CAPER, will be published at least ten days prior to a hearing. Notices will include the date, time, location, and summary of the proposed action to help facilitate informed comments. Notices will be published in the newspaper and announced on the City's website.

Attachment 2

Amendments to the Consolidated Plan, Annual Plans, and Assessments of Fair Housing

The City will amend its approved Plan(s) whenever it makes one of the following decisions:

- To carry out an activity not previously described in the Annual Plan using funds covered by the Consolidated Plan, including program income.
- To substantially amend the purpose, scope, location, or beneficiaries of an activity.
- To substantially amend the allocation priorities or the method of distributing funds.

A substantial amendment is defined as the following:

- An addition, modification, or elimination of a Consolidated Plan goal;
- An addition of a new activity not previously identified in the Annual Plan; or
- A change that affects the funding level of more than \$25,000 for projects budgeted at \$100,000 or less, or greater than 25 percent of projects budgeted at more than \$100,000

Substantial amendments must be authorized by the City Council and will be available on the City's website and through public notices in the newspaper. Minor changes and/or corrections may be made, so long as the changes do not constitute a substantial amendment. Minor changes, including but not limited to modifications of goal outcome indicators, shall not be considered a substantial amendment and do not require public review or a public hearing.

- The City will receive and consider comments concerning substantial amendments and/or Assessment of Fair Housing revisions for period of not less than 30 days. All comments received, in writing or orally at a public meeting, will be considered in preparing the final Plan(s) and/or Assessment of Fair Housing H. A summary of the comments or views, including those not accepted and the reasons, shall be attached to the final Plan(s) and/or Assessment of Fair Housing.
- Public notices will be published at least ten days prior to the hearing. Notices will include the date, time, location, and summary of the proposed action to help facilitate informed comments.

Consolidated Annual Performance and Evaluation Reports (CAPERs)

The City will prepare an annual CAPER to evaluate the progress of the Consolidated Plan and to review accomplishments for the previous program year.

- A comment period of not less than 15-days will be provided. All comments received, in writing or orally, will be included in the final submission to HUD.

Attachment 2

Access to Information and Records

- Any citizen, organization, or other interested party may submit written requests for information regarding the Consolidated Plan, Annual Plans, Assessment of Fair Housing, and CAPER, including the City's use of funds under the CDBG, HOME, and ESG programs and the benefit to low-moderate income residents during the preceding five years.
- This Citizen Participation Plan, the Consolidated Plan, the current Annual Plan, the current Assessment of Fair Housing, the current CAPER, and any substantial amendments to these plans will be available for public review at City Hall, 201 N. Broadway and on the City's website.

Comment and Complaint Process

The City will consider any comments from citizens received in writing or orally at public hearings in preparing this Citizen Participation Plan, the Consolidated Plan, Annual Plans, CAPERs, Assessment of Fair Housing, and/or substantial amendments to these plans. A summary of all comments will be attached and submitted to HUD.

The City will respond to written complaints received relating to the Consolidated Plan, Annual Plans, Assessment of Fair Housing, CAPERs, and/or substantial amendments. Written complaints must describe the objection and provide contact information of the complainant. The City will respond to complaints within 15 working days of receiving the written complaint, acknowledging the letter and identifying a plan of action, if necessary.

Attachment 2

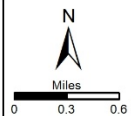
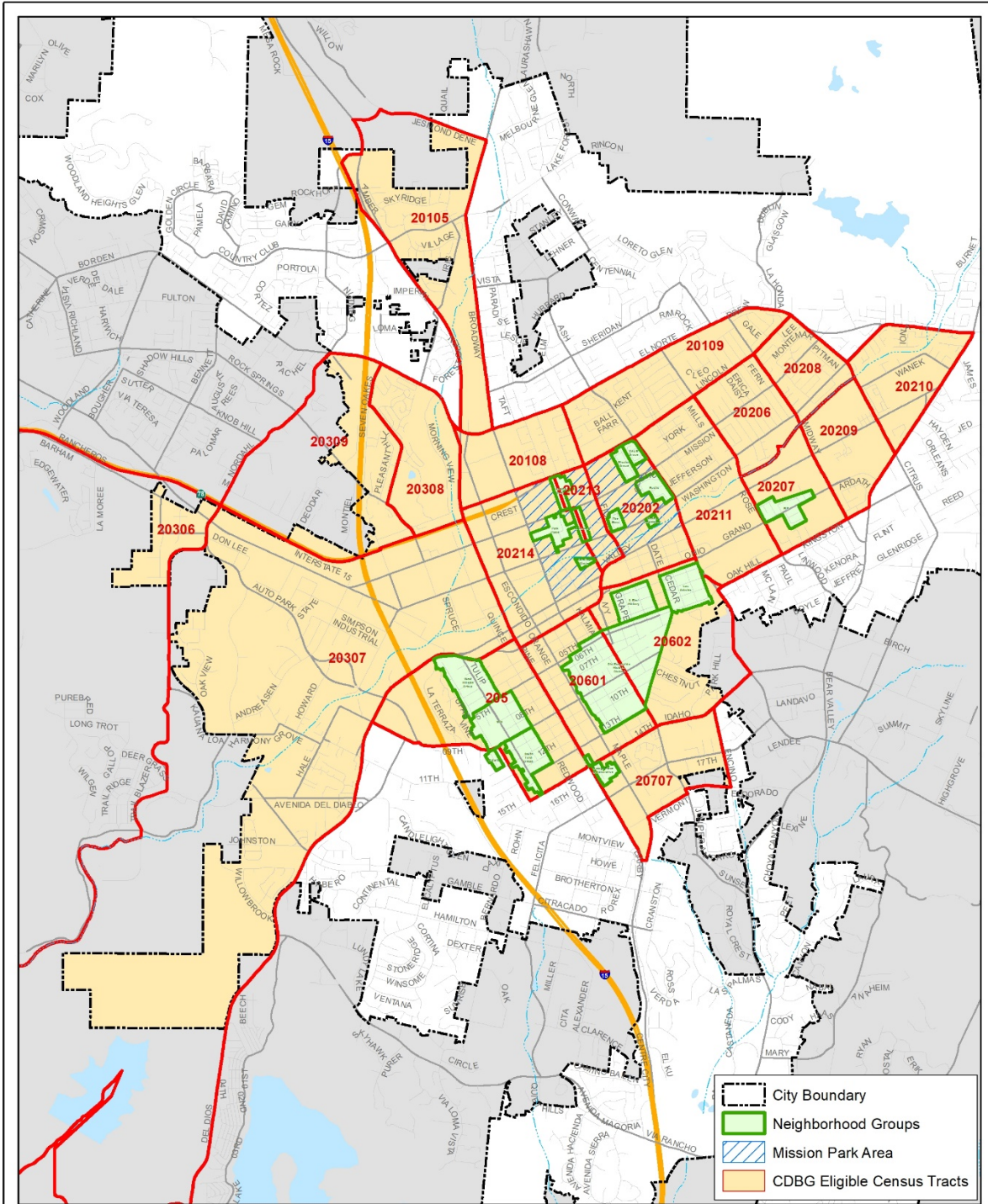
Amendment for 2020 CARES Act Funding

In response to the COVID-19 Pandemic, the City is amending the City's Citizen Participation Plan, to promote and support "social distancing" while continuing to offer the public an opportunity to provide valuable citizen input and insight into the policies and procedures of the Housing & Neighborhoods Services Division, particularly as it relates to the administration and implementation of its federal programs. The following process will be used to solicit citizen participation and input into any programmatic amendments necessary to quickly and effectively administer federal funding made available either directly or indirectly as a result of the COVID-19 Pandemic.

- Effective May 20, 2020, consistent with the Mega-waiver issued by HUD on March 31, 2020, community input prior to drafting a substantial amendment to any plan will be waived, including but not limited to an approved consolidated plan or annual action plan concerning the proposed uses of CDBG, HOME, and ESG funds.
- Staff will prepare an amendment to any respective plan, where applicable, and the amendment shall include a discussion of the amount of assistance the state expects to receive, the range of activities it will undertake with this assistance, and, to the extent possible, the benefit to low and moderate income people of these proposed activities.
- The Amendment will be posted in a prominent place on the Neighborhood Services website, along with a notice identifying the availability of the amendment. The Notice will include the opportunity to provide electronic comment for a period of not less than five days and information on participation in a "virtual public hearing". As part of the Notice, the state will provide information on how citizens
- Any comments received either at the virtual public hearing or during the public comment period will be considered by the agency before the final amended action plan is submitted to HUD. A summary of the comments and the agency's responses will be an attachment to the final amended action plan.
- The procedures and actions discussed above will constitute the state's citizen participation plan for any substantial amendments, which may need to be made in the course of the program year. A "substantial amendment" to the plan is one which implements a change the use and/or method of distributing those funds.
- This amended citizen participation plan will itself be made available to the public for a five-day public comment period prior to implementation, and any interest groups may review and comment accordingly.

Attachment 3

Map of CDBG Eligible Census Blocks



Neighborhood Groups and CDBG Areas

Attachment 4

**City of Escondido, Fiscal Year 2020-2021
CDBG Allocations
2020 HUD Allocation: \$1,818,942**

Administration - 20% cap of allocation (\$363,788 max.)		
116-109	CDBG Administration	\$ 328,788
346259	Fair Housing	\$ 35,000
	Total	\$ 363,788
Public Service - 15% cap of waived		
346469	Learn to Swim	\$ 15,000
346429	Senior Transportation	\$ 34,610
346489	Senior Nutrition	\$ 56,110
346419	Senior CARE	\$ 16,000
346640	Neighbor to Neighbor	\$ 45,000
346379	Meals on Wheels In Home Meal Delivery	\$ 25,000
346439	The Alliance for Regional Solutions	\$ 45,000
346661	San Diego Children's Museum	\$ 5,000
346662	Voices for Children	\$ 10,000
346663	Neighborhood Improvement Planning Program	\$ 50,000
	PFCS Project Up	\$ 17,900
	Total	\$ 319,620
Uncapped Capital Improvement & Other Neighborhood Revitalization Activities - (No max.)		
346580	Code Enforcement	\$ 115,000
346359	Grants to Blocks	\$ 75,000
346500	Project Neat	\$ 45,000
346610	Graffiti Removal	\$ 140,000
	Urban Corps Escondido Center Renovations	\$ 208,245
	Homeless Day Center Site Purchase	\$ 552,289
	Total	\$ 1,135,534
	Total CDBG Allocations	\$ 1,818,942

Attachment 5

City of Escondido, Fiscal Year 2020-2021 ESG Allocations
2020 HUD Allocation: \$163,313

ESG Administration (7.5% cap of allocation)	\$	12,013
Total	\$	12,013
Total Available for Other Activities		
Interfaith	\$	148,300
Total	\$	148,300
Total ESG Allocations	\$	163,313

Attachment 6

**HOME INVESTMENT PARTNERSHIPS PROGRAM
FY 2020**

SUMMARY OF HOME FUNDING CATEGORIES

FUNDING CATEGORY	AMOUNT AVAILABLE
<p>2020 Allocation</p> <p><i>Loan Repayments</i></p>	<p>\$622,298</p> <p><u>100,000</u></p>
TOTAL AVAILABLE FUNDS	\$722,298
<p><i>10% of Allocation</i></p> <p><i>10% of Program Income</i>¹</p> <p><i>City's Administrative Cost</i></p>	<p>\$ 62,229</p> <p><u>\$10,000</u></p> <p>\$72,229</p>
<p><u>Mandatory</u></p> <p>CHDO Set-Aside (<i>15% of allocation</i>)</p>	\$93,345
Housing Development	\$556,724
TOTAL EXPENDITURES	\$722,298

1. Generated from Loan Repayments received in the previous fiscal year

RESOLUTION NO. 2020-65

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING THE CDBG, ESG, AND HOME
BUDGETS FOR FISCAL YEAR 2020-2021
AND AUTHORIZING THE COMMUNITY
DEVELOPMENT DIRECTOR AND THE CITY
CLERK TO EXECUTE AGREEMENTS FOR
USE OF CDBG, ESG AND HOME FUNDS

WHEREAS, the City OF Escondido (“City”) is a recipient of Community Development Block Grant (“CDBG”), Emergency Solutions Grant (“ESG”), and HOME Investment Partnerships Program (“HOME”) funds from the United States Department of Housing and Urban Development (“HUD”); and

WHEREAS, a total of 20 percent of CDBG funds received may be used for administration with the remaining funds may be used for public service activities and capital improvements; and

WHEREAS, a total of 7.5 percent of ESG funds received by the City may be used for administration, and the remaining ESG funds (92.5 percent) received by the City must be used for homeless priorities; and

WHEREAS, a total of 15 percent of HOME funds received by the City must be used for the provision of affordable housing by eligible Community Housing Development Organizations (“CHDOs”), 10 percent of the HOME funds received by the City may be used for administration, and the remaining HOME funds (75 percent) received by the City may be used for Housing Development; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to adopt both CDBG, ESG, and HOME budgets for FY 2020-2021, which are attached as Exhibits “A,” “B,” and “C” respectively, and which are incorporated by this reference; and

WHEREAS, the CDBG, ESG, and HOME budgets reflect the work program for the coming year based on the City’s Action Plan for FY 2020-2021, which identifies the goals and priorities, established in the 2020-2024 Consolidated Plan; and

WHEREAS, the City Council also desires to authorize City officials, including the Director of Community Development and the City Clerk to execute agreements to provide for the use of CDBG, ESG and HOME funds.

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 CDBG, ESG and HOME budgets and administration of programs for the period of July 1, 2020, through June 30, 2021 inclusive, contained in the FY 2020-2021 CDBG, ESG and HOME Budget Documents, attached as Exhibit “A,” “B,” and “C” are hereby adopted.
3. That the Director of Community Development can authorize non-substantial changes to the CDBG, ESG, or HOME budgets within 25%, whether above or below the projected allocation; and, the allocation may be proportionally dispersed to current distributions.

4. That the Community Development Director and the City Clerk are hereby authorized to execute contracts with specific providers for use of CDBG and ESG funds in the amounts set forth in Exhibit "A," and Exhibit "B," provided such agreements have been approved as to form by the City Attorney, and provided such agreements are substantially in the form as that attached in Exhibit "D" and Exhibit "E," which are incorporated by this reference.

**City of Escondido, Fiscal Year 2020-2021
CDBG Allocations
2020 HUD Allocation: \$1,818,942**

Administration - 20% cap of allocation (\$363,788 max.)		
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Total CDBG Allocations		\$ 1,818,942

City of Escondido, Fiscal Year 2020-2021 ESG Allocations
2020 HUD Allocation: \$163,313

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HOME INVESTMENT PARTNERSHIPS PROGRAM FY 2020

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<i>10% of Program Income ¹</i>	<u>\$10,000</u>
<i>City's Administrative Cost</i>	\$72,229
<u>Mandatory</u> CHDO Set-Aside <i>(15% of allocation)</i>	\$93,345
Housing Development	\$556,724
TOTAL EXPENDITURES	\$722,298

1. Generated from Loan Repayments received in the previous fiscal year

AGREEMENT
BETWEEN THE CITY OF ESCONDIDO AND
[SUBRECIPIENT]
FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
CFDA 14.218

This Agreement made and entered into by and between the City of Escondido, a municipal corporation of the state of California, hereinafter "CITY," and [Subrecipient Name], hereinafter "SUBRECIPIENT."

WITNESSETH:

RECITALS:

1. CITY is recipient of funds from the United States Department of Housing and Urban Development (hereinafter "HUD") pursuant to Title I of the Housing and Community Development Act of 1974 (41 U.S.C. 5301-5320) as amended (hereinafter "ACT").
2. CITY has approved the provision of federal funds under the Act to be used by the SUBRECIPIENT as provided in its "Work Plan," attached hereto as Attachment "A" and as further modified by any negotiated Statement of Work.
3. SUBRECIPIENT represents that it shall perform the work as set forth in the Work Plan and Statement of Work.
4. SUBRECIPIENT warrants that it has the expertise and experience to perform the work set forth in the Work Plan and Statement of Work.
5. SUBRECIPIENT represents that it shall perform the work as set forth in the Work Plan and Statement of Work pursuant to the "Budget," attached hereto as Attachment "B" and incorporated herein by reference.
6. CITY shall provide Community Development Block Grant "CDBG" funds to the SUBRECIPIENT in the amount set forth in the Budget, and pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and based on the mutual covenants below, the parties hereby agree as follows:

1. The term of this Agreement shall be FY 20__-20__ (July 1, 20__ – June 30, 20__).
2. Upon the termination or expiration of the term of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of CDBG funds.

A. SUBRECIPIENT OBLIGATIONS

1. Use of Funds. SUBRECIPIENT agrees to use federal funds provided by CITY to SUBRECIPIENT pursuant to the provisions of this Agreement, the Work Plan and Statement of Work, and Budget for said program. SUBRECIPIENT'S failure to perform as required may, in addition to other remedies set forth in this Agreement, result in readjustment of the amount of funds CITY is otherwise obligated to pay to SUBRECIPIENT under Section B hereof.

SUBRECIPIENT agrees to use said funds to pay for necessary and reasonable costs to operate said program. Said amount shall include wages, administrative costs, employee benefits comparable to other similarly situated employees, and other allowable program costs as detailed in the Budget.

If SUBRECIPIENT uses the federal funds provided by CITY for the purpose of acquisition of real property or to reduce the cost of financing of acquisition of real property, there shall be no alteration of the use of the real property so acquired and no additional encumbrances placed on such property during the period of this agreement without the prior written consent of CITY, which consent shall not be unreasonably withheld.

SUBRECIPIENT shall, upon receipt of such federal funds for the purpose of acquiring or improving real property, cause a Deed of Trust, secured by a Promissory Note, to be executed and recorded, in favor of the CITY, for the amount of the federal funds provided by the CITY.

If SUBRECIPIENT uses federal funds provided by the CITY as set out in the preceding paragraph, and further encumbers the real property acquired without first giving notice to the CITY, and obtaining the CITY's written consent, which consent shall not be unreasonably withheld, such action on the part of the SUBRECIPIENT will be cause for termination or revocation of this Agreement and reversion of assets as delineated in paragraph A.(15.) or collection on any Promissory Note executed in favor of the CITY.

2. Statement of Work. SUBRECIPIENT represents that it will negotiate a Statement of Work in accordance with the Work Plan that will include an accurate schedule for performance and completion of the work. These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.

3. Budget. SUBRECIPIENT represents that the Budget includes only allowable costs and an accurate analysis of costs applicable to CDBG funds pursuant to 24 CFR 570.502, which includes requirements for compliance with the following in addition to other requirements as stated in 2 CFR Part 200 Subpart E – Cost Principles.

These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.
4. Records and Reports. The SUBRECIPIENT shall maintain records and reports as required by Federal Regulation 24 CFR 570.506 and 570.503, and 2 CFR Part 200.333-227 which may include but are not limited to:
 - a. Records.
 - (1) Documentation providing a full description of the activity undertaken.
 - (2) Documentation demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program.
 - (3) Documentation of the number, race and income level of persons and/or families participating in or benefiting the SUBRECIPIENT'S program.
 - (4) Documentation of all CDBG funds received from CITY.
 - (5) Documentation of expenses as identified in the Budget.
 - (6) Property and equipment acquisition, management and disposition documentation.
 - (7) Any such other related records as CITY shall require.
 - b. Reports.
 - (1) Payment Request/Invoice
 - (2) Quarterly Performance and Demographic Reports
 - (3) Final Evaluation Report
 - (4) Any such other reports as CITY shall reasonably require.
5. Program Income. Transfers of grant funds by the City to the SUBRECIPIENT shall be adjusted according to the principles described in 24 CFR 570.504(b)(2), and 24CFR570.504(c). Any program income on hand when this Agreement expires, or received after this Agreement's expiration, shall be paid to the CITY as required by Section A.15 of this Agreement and 24 CFR 570.503(b)(8).

6. Uniform Administrative Requirements. The SUBRECIPIENT shall comply with applicable uniform administrative requirements as described in 24 CFR 570.502, 2 CFR Part 200, and 24 CFR 570 Subpart K.
7. Separation of Accounts. All funds received by SUBRECIPIENT from City pursuant to this Agreement shall be maintained separate and apart from any other fund of SUBRECIPIENT or of any principal or member of SUBRECIPIENT in an account in a federally insured banking or savings and loan institution. No monies shall be withdrawn from such account except for expenditures authorized by this Agreement.
8. Retention of Records. All accounting records and evidence pertaining to all costs of SUBRECIPIENT and all documents related to this Agreement shall be kept available at SUBRECIPIENT'S office or place of business for the duration of the Agreement and thereafter for three (3) years after completion of an audit. Records which relate to (a) complaints, claims, administrative proceedings or litigation arising out of the performance of this Agreement, or (b) costs and expenses of this Agreement to which CITY or any other governmental agency takes exception, shall be retained beyond the three (3) years until resolution or disposition of such appeals, litigation claims, or exceptions.
9. Compliance with Applicable Laws. SUBRECIPIENT agrees to comply fully with all applicable federal, state and local laws, ordinances, regulations, and permits including but not limited to federal CDBG financial and contractual procedures, and 2 CFR Part 200, as set forth in 24 CFR 570.502(b). Said federal documents are on file in the City of Escondido Community Development Block Grant Division, 201 N. Broadway, Escondido, CA 92025, and are incorporated herein by reference. The SUBRECIPIENT shall secure any new permits required by authorities herein with jurisdiction over the project, and shall maintain all presently required permits. The SUBRECIPIENT shall ensure that the requirements of the California Environmental Quality Act are met for any permits or other entitlements required to carry out the terms of this Agreement.

SUBRECIPIENT agrees to comply fully with all applicable federal, state and local laws, ordinances, regulations, and permits regarding provision of services to non-U.S. citizens. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any

federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

10. Affirmative Action Policy.

a. Provision of Program Services.

- (1) SUBRECIPIENT shall not, on the ground of race, color, national origin, sex or disability, exclude any person from participation in, deny any person the benefits of, or subject any person to discrimination under any program or activity funded in whole or in part with CDBG funds.
- (2) SUBRECIPIENT shall not, under any program or activity funded in whole or in part with CDBG funds, on the ground of race, color, national origin, sex or disability:
 - (a) Deny any facilities, services, financial aid or other benefits provided under the program or activity.
 - (b) Provide any facilities, services, financial aid or other benefits which are different or are provided in a different form from that provided to others under the program or activity.
 - (c) Subject to segregated or separate treatment in any facility in, or in any matter of process related to receipt of any service or benefit under the program or activity.
 - (d) Restrict in any way access to, or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity.
 - (e) Treat an individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which the individual must meet in order

to be provided any facilities, services or other benefit provided under the program or activity as an employee.

- (f) Deny an opportunity to participate in a program or activity as an employee.
- (3) SUBRECIPIENT may not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination on the basis of race, color, national origin, sex or disability, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity with respect to individuals of a particular race, color, national origin, sex or disability.
- (4) SUBRECIPIENT, in determining the site or location of housing or facilities provided in whole or in part with CDBG funds, may not make selections of such site or location which have the effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color, national origin, sex or disability, or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Civil Rights Act of 1964 and amendments thereto.
- (5) (a) In administering a program or activity funded in whole or in part with CDBG funds regarding which the SUBRECIPIENT has previously discriminated against persons on the ground of race, color, national original, sex or disability, the SUBRECIPIENT must take affirmative action to overcome the effects of prior discrimination.
- (b) Even in the absence of such prior discrimination, a SUBRECIPIENT in administering a program or activity funded in whole or in part with CDBG funds should take affirmative action to overcome the effects of conditions which would otherwise result in limiting participation by persons of a particular race, color, national origin, sex or disability, to exclude individuals from participation in, to deny them the benefits of, or to subject them to discrimination under any program or activity to which CDBG funding applies, the SUBRECIPIENT has an obligation to take reasonable action to remove or overcome the consequences of the prior discriminatory practice or usage, and to accomplish the purpose of the Civil Rights Act of 1964.

- (c) A SUBRECIPIENT shall not be prohibited by this part from taking any eligible action to ameliorate any imbalance in services or facilities provided to any geographic area or specific group of persons within its jurisdiction where the purpose of such action is to overcome prior discriminatory practice or usage.
- (6) Notwithstanding anything to the contrary in Sections A.10.a(1-5), nothing contained herein shall be construed to prohibit any SUBRECIPIENT from maintaining or constructing separate living facilities or rest room facilities for the different sexes. Furthermore, selectivity on the basis of sex is not prohibited when institutional or custodial services can properly be performed only by a member of the same sex as the recipients of the services.
- b. Employment Discrimination.
 - (1) SUBRECIPIENT shall not discriminate against any employee or application for employment because of race, color, religion, sex, national origin, age or disability. SUBRECIPIENT shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, age or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training including apprenticeship. SUBRECIPIENT agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - (2) SUBRECIPIENT shall, in all solicitations or advertisements for employees placed by or on behalf of SUBRECIPIENT, state that all qualified applications will receive consideration for employment without regard to race, color, religion, sex, national origin, age or disability.
 - (3) SUBRECIPIENT shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contractor understanding, a notice to be provided by CITY'S contracting officers advising the labor union or workers' representative of SUBRECIPIENT'S commitments under Section 202 of Executive Order No. 11246 of September 14, 1965, and

shall post copies of the notices in conspicuous places available to employees and applicants for employment.

- (4) SUBRECIPIENT shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) SUBRECIPIENT shall furnish to the CITY all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the related rules, regulations, and orders.
- (6) In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) SUBRECIPIENT shall include the provisions of Section A.10.B, "Affirmative Action Policy," Paragraphs 1 through 6, in every subcontract or purchase order unless exempted by rules, regulations, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. SUBRECIPIENT shall take such action with respect to any subcontractor or purchase order as the CITY may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the CITY, SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.
- (8) SUBRECIPIENT shall not discriminate on the basis of age in violation of any provision of the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

SUBRECIPIENT shall also provide ready access to and use of all CDBG fund assisted buildings and programs to qualified persons with disabilities in compliance with the Americans with Disabilities Act of 1990.

- (9) SUBRECIPIENT will provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
 - (b) Establishing an ongoing drug-free awareness program to inform employees about:
 - 1) The dangers of drug abuse in the workplace.
 - 2) The grantee's policy of maintaining a drug-free workplace.
 - 3) Any available drug counseling, rehabilitation, and employee assistance programs.
 - 4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a).
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:
 - 1) Abide by the terms of the statement.
 - 2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
 - (e) Notifying the agency, in writing, within ten (10) calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the federal agency has

designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.

(f) Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:

1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended;

OR

2) Requiring such employee to participate satisfactorily in a drug-abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a)-(f).

(h) "Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15).

"Conviction" means a finding of guilt (through a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes.

"Criminal drug statute" means a federal or nonfederal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance.

"Employee" means the employee of a SUBRECIPIENT directly engaged in the performance of work under this contract including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under this contract and who are not on the SUBRECIPIENT'S payroll. This definition does not include workers not

on the payroll of the SUBRECIPIENT (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the payroll; or employees of SUBRECIPIENTS or subcontractors in covered workplaces).

- c. Remedies. In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, the CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts and any such other sanctions as may be imposed and remedies invoked as provided by law.
11. Ineligibility of Subrecipients of Contractors. SUBRECIPIENT shall not use CDBG funds directly or indirectly in its operations or to employ, award contracts to, or otherwise engage the services of, or fund any contractor during any period of debarment, suspension, or placement in ineligibility status of the SUBRECIPIENT or such contractor under the provisions of 24 CFR Part 24.
12. Conflict of Interest. In the procurement of supplies, equipment, construction and services by SUBRECIPIENT, the conflict of interest provisions in 2 CFR Part 200.317-326 and 24 CFR 570.611 shall apply.
13. Condition for Religious Organization. SUBRECIPIENT shall comply with all applicable conditions prescribed in 24 CFR 570.200(j) and by HUD for the use of CDBG funds by religious organizations if SUBRECIPIENT is a religious organization.
14. Suspension and Termination. In accordance with 2 CFR Part 200.338-342, suspension or termination may occur if SUBRECIPIENT materially fails to comply with any term of this Agreement and/or the award, of this Agreement and/or the award may be terminated for convenience.
15. Reversion of Assets. Upon termination or expiration of the term of this Agreement, the SUBRECIPIENT shall transfer to the CITY any CDBG funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of CDBG funds. Any real property under the SUBRECIPIENT'S control that was acquired or improved in whole or in part with CDBG funds shall either be:
 - a. Used to meet one of the national objectives stated in 24 CFR 570.208 until five (5) years after termination or expiration of this Agreement, or for such longer periods of time as determined to be appropriate by the CITY; or

- b. Disposed of in a manner that results in the CITY'S being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Reimbursement to the CITY shall not be required after the period of time specified in Section A.15.a of this Agreement.
16. Independent Contractor. SUBRECIPIENT agrees that the performance of obligations hereunder are rendered in its capacity as an independent contractor and that it is in no way an employee or agent of the CITY.
17. Licensing. SUBRECIPIENT agrees to obtain and maintain all licenses, registrations, accreditations, and inspections from all agencies governing its operations. SUBRECIPIENT shall insure that its staff shall also obtain and maintain all required licenses, registrations, accreditations, and inspections from all agencies governing SUBRECIPIENT'S operations hereunder.
18. Inspection of Records. CITY and the United States government and/or their representatives shall have access for purposes of monitoring, auditing, and examining SUBRECIPIENT'S activities and performance, to books, documents and papers, and the right to examine records of SUBRECIPIENT'S subcontractors, bookkeepers and accountants, employees and participants in regard to said program. CITY and the United States government and/or their representative shall also schedule on-site monitoring at their discretion. Monitoring activities may also include, but are not limited to, questioning employees and participants in said program and entering any premises or any site in which any of the services or activities funded hereunder are conducted or in which any of the records of SUBRECIPIENT are kept. Nothing herein shall be construed to require access to any privileged or confidential information as set forth in federal or state law.

SUBRECIPIENT agrees to provide notification of any audits or investigations, including copies of results, findings, and/or liens.

In the event SUBRECIPIENT does not make the above-referenced documents available within the City of Escondido, California, SUBRECIPIENT agrees to pay all necessary and reasonable expenses incurred by CITY in conducting any audit at the location where said records and books of account are maintained.

19. Assignability. SUBRECIPIENT shall not assign or transfer any interest in this Agreement, whether by assignment, delegation or novation, without the prior written consent of CITY; provided, however, that claims for money due or to become due to SUBRECIPIENT from CITY under this Agreement may be assigned to a bank, trust company or other financial institution, or to a trustee in bankruptcy, without such approval. Any assignment, delegation or novation other than as provided above shall be void and inoperative. Notice of any proper assignment or transfer shall be promptly furnished to CITY.
20. Hold Harmless.
- a. SUBRECIPIENT shall indemnify and save harmless CITY, its officers and employees, from and against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of CITY, and shall defend, indemnify and save harmless CITY, its officers, and employees from and against any and all claims, demands, suits, actions or proceedings of any kind or nature, including, but not by way of limitation, workers' compensation claims, resulting from or arising out of the negligent acts, errors or omissions of SUBRECIPIENT, its employees or subcontractors.
 - b. SUBRECIPIENT, shall indemnify and save harmless CITY, its officers, and employees from and against any and all damages to property or injuries to or death of any person or persons, including property, and employees or agents of CITY, and shall defend, indemnify and save harmless CITY, its officers, and employees from and against any and all claims, demands, suits, actions or proceedings therefrom, resulting from or arising out of the intentional or malicious acts of SUBRECIPIENT, its employees or subcontractors.
21. Insurance.
- a. The SUBRECIPIENT shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:
 - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 21(b) below; and

- (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
 - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.
- b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. SUBRECIPIENT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the SUBRECIPIENT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by SUBRECIPIENT _____

Waiver appropriate by CITY _____

- c. Each insurance policy required above must be acceptable to the City Attorney.
- (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
 - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
 - (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG 20 10 11 85 edition or its equivalent for General Liability endorsements and CA 20 01 for Automobile Liability endorsements.
 - (4) The General Liability policy must include coverage for bodily injury and property damage arising from SUBRECIPIENT'S work, including its on-going operations and products-completed operations hazard.
 - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

- d. In executing this Agreement, SUBRECIPIENT agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

B. CITY OBLIGATIONS

1. Payment of Funds. CITY shall pay to SUBRECIPIENT from CDBG funds, when, if and to the extent received from HUD, amounts expended by SUBRECIPIENT in carrying out said program pursuant to this Agreement up to a maximum aggregate payment of \$ [REDACTED] in installments determined by CITY. Payment shall be made to SUBRECIPIENT through the submission of monthly invoices, in a form prescribed by CITY, detailing such expenses. CITY shall pay such invoices within thirty (30) days after receipt thereof, provided CITY is satisfied that such expenses have been incurred within the scope of this Agreement and that SUBRECIPIENT is in compliance with the terms and conditions of this Agreement, including 2 CFR Part 200 Subpart F.
2. Audit of Account. CITY shall include an audit of the account maintained by SUBRECIPIENT pursuant to Section A.8 of this Agreement in CITY'S annual audit of all CDBG funds pursuant to federal regulations found in Title 24 of the Code of Federal Regulations and other applicable federal laws and regulations.

C. MISCELLANEOUS PROVISIONS.

1. Termination of Agreement. CITY or SUBRECIPIENT may terminate this Agreement by giving written notice to the other party thirty (30) days prior to the effective date of termination. Additionally, the CITY shall have the right, in accordance with 2 CFR Part 200.338-342, to terminate this Agreement immediately or withhold payment of any invoice for failure of the SUBRECIPIENT to comply with the terms and conditions of this Agreement. Should the CITY decide to terminate this Agreement after a full evaluation of all circumstances has been completed, the SUBRECIPIENT shall, upon written request, have the right to an appeal process. A copy of the appeal process will be attached to any termination notice.

If the CITY finds that the SUBRECIPIENT has violated the terms and conditions of this Agreement, the SUBRECIPIENT may be required to:

- a. repay all monies received from the CITY under this Agreement; and/or

- b. transfer possession of all materials and equipment purchased with grant money to the CITY.

In the case of early termination, a final payment may be made to the SUBRECIPIENT upon receipt of a final payment may be made to the SUBRECIPIENT upon receipt of a Final Report and invoices covering eligible costs incurred prior to termination. The total of all payments, including the final payment, shall not exceed the amount specified in this Agreement.

- 3. Notices. All notices to the parties required by this Agreement shall be in writing and addressed as follows:

TO CITY: City of Escondido
Housing and Neighborhood Services Division
201 N. Broadway
Escondido, CA 92025

TO SUBRECIPIENT: Subrecipient
Address
Address

- 3. Exclusivity and Amendment of Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the services of SUBRECIPIENT and provision of CDBG funds by CITY and contains all the covenants and agreements between the parties with respect to the conditions of said services and funding in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement or amendment hereto shall be effective unless executed in writing and signed by both CITY and SUBRECIPIENT.
- 4. Laws Governing This Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state of California, all applicable federal statutes and regulations as amended, and all applicable local laws.
- 5. Severability. The invalidity in whole or in part of any provision of this agreement shall not void or affect the validity of any other provisions of this Agreement.
- 6. Construction of Agreement. The provisions of this Agreement and its Exhibits shall be construed as a whole. The captions preceding the text of each section are included only for

convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

7. Immigration Reform and Control Act of 1986. SUBRECIPIENT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. SUBRECIPIENT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. SUBRECIPIENT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, CITY and SUBRECIPIENT have caused this Agreement to be executed by their duly authorized representatives.

SUBRECIPIENT:

By _____ Date: _____
Executive Director

By _____ Date: _____
President of Board of Directors
(above signatures must be notarized)

CITY OF ESCONDIDO:

By _____ Date: _____
Bill Martin
Director of Community Development

By _____ Date: _____
Zack Beck
City Clerk

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

By: _____

AGREEMENT
BETWEEN THE CITY OF ESCONDIDO AND
[SUBRECIPIENT]
FOR THE USE OF EMERGENCY SOLUTIONS GRANT FUNDS
CFDA 14.231

This Agreement, made and entered into by and between the City of Escondido, a municipal corporation of the state of California, hereinafter "CITY," and [Subrecipient Name], hereinafter "SUBRECIPIENT."

WITNESSETH:

RECITALS:

1. CITY is recipient of funds from the United States Department of Housing and Urban Development (hereinafter "HUD") pursuant to subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371–11378) as amended by the HEARTH Act (hereinafter "ACT").
2. CITY has approved the provision of federal funds under the Act to be used by the SUBRECIPIENT as provided in its "Work Plan," attached hereto as Attachment "A" and as further modified by any negotiated Statement of Work.
3. SUBRECIPIENT represents that it shall perform the work as set forth in the Work Plan and Statement of Work.
4. SUBRECIPIENT warrants that it has the expertise and experience to perform the work set forth in the Work Plan and Statement of Work.
5. SUBRECIPIENT represents that it shall perform the work as set forth in the Work Plan and Statement of Work pursuant to the "Budget," attached hereto as Attachment "B" and incorporated herein by reference.
6. CITY shall provide Emergency Solutions Grant "ESG" funds to the SUBRECIPIENT in the amount set forth in the Budget, and pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and based on the mutual covenants below, the parties hereby agree as follows:

1. The term of this Agreement shall be FY 20__-20__ (July 1, 20__ – June 30, 20__).

2. Upon the termination or expiration of the term of this Agreement, SUBRECIPIENT shall transfer to CITY any ESG funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of ESG funds.

A. SUBRECIPIENT OBLIGATIONS

1. Use of Funds. SUBRECIPIENT agrees to use federal funds provided by CITY to SUBRECIPIENT pursuant to the provisions of this Agreement, the Work Plan and Statement of Work, and Budget for said program. SUBRECIPIENT'S failure to perform as required may, in addition to other remedies set forth in this Agreement, result in readjustment of the amount of funds CITY is otherwise obligated to pay to SUBRECIPIENT under Section B hereof.

SUBRECIPIENT agrees to use said funds to pay for necessary and reasonable costs to operate said program. Said amount shall include wages, administrative costs, employee benefits comparable to other similarly situated employees, and other allowable program costs as detailed in the Budget.

If SUBRECIPIENT uses the federal funds provided by CITY for the purpose of acquisition of real property or to reduce the cost of financing of acquisition of real property, there shall be no alteration of the use of the real property so acquired and no additional encumbrances placed on such property during the period of this agreement without the prior written consent of CITY, which consent shall not be unreasonably withheld.

SUBRECIPIENT shall, upon receipt of such federal funds for the purpose of acquiring or improving real property, cause a Deed of Trust, secured by a Promissory Note, to be executed and recorded, in favor of the CITY, for the amount of the federal funds provided by the CITY.

If SUBRECIPIENT uses federal funds provided by the CITY as set out in the preceding paragraph, and further encumbers the real property acquired without first giving notice to the CITY, and obtaining the CITY's written consent, which consent shall not be unreasonably withheld, such action on the part of the SUBRECIPIENT will be cause for termination or revocation of this Agreement and reversion of assets as delineated in paragraph A.(15.) or collection on any Promissory Note executed in favor of the CITY.

2. Statement of Work. SUBRECIPIENT represents that it will negotiate a Statement of Work in accordance with the Work Plan that will include an accurate schedule for performance and completion of the work. These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.
3. Budget. SUBRECIPIENT represents that the Budget includes only allowable costs and an accurate analysis of costs applicable to ESG funds pursuant to 24 CFR 576.100, which includes requirements for compliance with the following in addition to other requirements as stated in 2 CFR Part 200 Subpart E – Cost Principles.

These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.
4. Records and Reports. The SUBRECIPIENT shall maintain records and reports as required by Federal Regulation 24 CFR 576.407, 24 CFR 576.2, and 2 CFR Part 200.333-227, which may include but are not limited to:
 - a. Records.
 - (1) Documentation providing a full description of the activity undertaken.
 - (2) Documentation demonstrating that each activity undertaken meets one of the ESG Eligible Activities.
 - (3) Documentation of the number, race and income level of persons and/or families participating in or benefiting the SUBRECIPIENT'S program.
 - (4) Documentation of compliance with the homeless definition in 24 CFR 576.2.
 - (5) Documentation of all ESG funds received from CITY.
 - (6) Documentation of expenses as identified in the Budget.
 - (7) Property and equipment acquisition, management and disposition documentation.
 - (8) Any such other related records as CITY shall require.
 - b. Reports.
 - (1) Payment Request/Invoice
 - (2) Quarterly Performance and Demographic Reports

- (3) Final Evaluation Report
 - (4) Any such other reports as CITY shall reasonably require.
- c. Homeless Management Information System (HMIS)
- (1) Adoption and compliance of HMIS policies and procedures, including data collection, privacy, and security requirements.
 - (2) Use HMIS and other pertinent data collected in the community to assist with evaluating ESG activities within the context of broader system performance and inform subsequent ESG program allocations.
 - (3) Subrecipient will consistently collect and report performance data to integrate into HMIS.
 - (4) Provide HMIS data necessary for specific elements of the Consolidated Plan and Consolidated Annual Performance Evaluation Report (CAPER).
5. Program Income. Program income shall have the same meaning provided in 2 CFR Part 200.80. SUBRECIPIENT is prohibited from collecting program income from any eligible activity. HUD has determined that the act of requiring the security deposits paid by ESG funds on the behalf of eligible subrecipients be returned to the subrecipient in the event that the subrecipient vacates the property is earning program income (24 CFR 576.3). As such, subrecipients are prohibited from requiring that vendors return security deposit payments to the subrecipient if the subrecipient ceases to remain in a dwelling for known or unknown reasons. In the event that subrecipients that have had a security deposit returned to them and are still active or are returning subrecipients, SUBRECIPIENT will retain the right to either instruct subrecipients on its use or in the case of a returning subrecipient, evaluate how the deposit was utilized in determining continued ESG service.
6. Uniform Administrative Requirements. The requirements of 2 CFR Part 200 apply to the subrecipient that are units of general purpose local government. .
7. Separation of Accounts. All funds received by SUBRECIPIENT from City pursuant to this Agreement shall be maintained separate and apart from any other fund of SUBRECIPIENT or of any principal or member of SUBRECIPIENT in an account in a federally insured banking or savings and loan institution. No monies shall be withdrawn from such account except for expenditures authorized by this Agreement.

8. Retention of Records. All accounting records and evidence pertaining to all costs of SUBRECIPIENT and all documents related to this Agreement shall be kept available at SUBRECIPIENT'S office or place of business for the duration of the Agreement and thereafter for three (3) years after completion of an audit. Records which relate to (a) complaints, claims, administrative proceedings or litigation arising out of the performance of this Agreement, or (b) costs and expenses of this Agreement to which CITY or any other governmental agency takes exception, shall be retained beyond the three (3) years until resolution or disposition of such appeals, litigation claims, or exceptions.
9. Compliance with Applicable Laws. SUBRECIPIENT agrees to comply fully with all applicable federal, state and local laws, ordinances, regulations, and permits including but not limited to federal ESG financial and contractual procedures, and 2 CFR Part 200). Said federal documents are on file in the City of Escondido Housing and Neighborhood Services Division, 201 N. Broadway, Escondido, CA 92025, and are incorporated herein by reference. The SUBRECIPIENT shall secure any new permits required by authorities herein with jurisdiction over the project, and shall maintain all presently required permits. The SUBRECIPIENT shall ensure that the requirements of the California Environmental Quality Act are met for any permits or other entitlements required to carry out the terms of this Agreement.

SUBRECIPIENT agrees to comply fully with all applicable federal, state and local laws, ordinances, regulations, and permits regarding provision of services to non-U.S. citizens.

No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an

employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

10. Affirmative Action Policy.

a. Provision of Program Services.

- (1) SUBRECIPIENT shall not, on the ground of race, color, religion, sex, age, national origin, familial status, or disability, exclude any person from participation in, deny any person the benefits of, or subject any person to discrimination under any program or activity funded in whole or in part with ESG funds.
- (2) SUBRECIPIENT shall not, under any program or activity funded in whole or in part with ESG funds, on the ground of race, color, religion, sex, age, national origin, familial status, or disability:
 - (a) Deny any facilities, services, financial aid or other benefits provided under the program or activity.
 - (b) Provide any facilities, services, financial aid or other benefits, which are different or are provided in a different form from that provided to others under the program or activity.
 - (c) Subject to segregated or separate treatment in any facility in, or in any matter of process related to receipt of any service or benefit under the program or activity.
 - (d) Restrict in any way access to, or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity.
 - (e) Treat an individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which the individual must meet in order to be provided any facilities, services or other benefit provided under the program or activity as an employee.
 - (f) Deny an opportunity to participate in a program or activity as an employee.
- (3) SUBRECIPIENT may not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination on the

basis of race, color, religion, sex, age, national origin, familial status, or disability, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity with respect to individuals of a particular race, color, religion, sex, age, national origin, familial status, or disability.

- (4) SUBRECIPIENT, in determining the site or location of housing or facilities provided in whole or in part with ESG funds, may not make selections of such site or location which have the effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color, religion, sex, age, national origin, familial status, or disability, or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Civil Rights Act of 1964 and amendments thereto.
- (5)
 - (a) In administering a program or activity funded in whole or in part with ESG funds regarding which the SUBRECIPIENT has previously discriminated against persons on the ground of race, color, religion, sex, age, national origin, familial status, or disability, the SUBRECIPIENT must take affirmative action to overcome the effects of prior discrimination.
 - (b) Even in the absence of such prior discrimination, a SUBRECIPIENT in administering a program or activity funded in whole or in part with ESG funds should take affirmative action to overcome the effects of conditions which would otherwise result in limiting participation by persons of a particular race, color, religion, sex, age, national origin, familial status, or disability, to exclude individuals from participation in, to deny them the benefits of, or to subject them to discrimination under any program or activity to which ESG funding applies, the SUBRECIPIENT has an obligation to take reasonable action to remove or overcome the consequences of the prior discriminatory practice or usage, and to accomplish the purpose of the Civil Rights Act of 1964.
 - (c) A SUBRECIPIENT shall not be prohibited by this part from taking any eligible action to ameliorate any imbalance in services or facilities provided to any geographic area or specific group of

persons within its jurisdiction where the purpose of such action is to overcome prior discriminatory practice or usage.

- (6) Notwithstanding anything to the contrary in Sections A.10.a(1-5), nothing contained herein shall be construed to prohibit any SUBRECIPIENT from maintaining or constructing separate living facilities or rest room facilities for the different sexes. Furthermore, selectivity on the basis of sex is not prohibited when institutional or custodial services can properly be performed only by a member of the same sex as the recipients of the services.

b. Employment Discrimination.

- (1) SUBRECIPIENT shall not discriminate against any employee or application for employment because of race, color, religion, sex, age, national origin, familial status, or disability. SUBRECIPIENT shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, familial status, or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training including apprenticeship. SUBRECIPIENT agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- (2) SUBRECIPIENT shall, in all solicitations or advertisements for employees placed by or on behalf of SUBRECIPIENT, state that all qualified applications will receive consideration for employment without regard to race, color, religion, sex, age, national origin, familial status, or disability.
- (3) SUBRECIPIENT shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contractor understanding, a notice to be provided by CITY'S contracting officers advising the labor union or workers' representative of SUBRECIPIENT'S commitments under Section 202 of Executive Order No. 11246 of September 14, 1965, and shall post copies of the notices

in conspicuous places available to employees and applicants for employment.

- (4) SUBRECIPIENT shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) SUBRECIPIENT shall furnish to the CITY all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the related rules, regulations, and orders.
- (6) In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) SUBRECIPIENT shall include the provisions of Section A.10.B, "Affirmative Action Policy," Paragraphs 1 through 6, in every subcontract or purchase order unless exempted by rules, regulations, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. SUBRECIPIENT shall take such action with respect to any subcontractor or purchase order as the CITY may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the CITY, SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.
- (8) SUBRECIPIENT shall not discriminate on the basis of age in violation of any provision of the Age Discrimination Act of 1975 (42 U.S.C. 6101

et seq.) or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

SUBRECIPIENT shall also provide ready access to and use of all ESG fund assisted buildings and programs to qualified persons with disabilities in compliance with the Americans with Disabilities Act of 1990.

- (9) SUBRECIPIENT will provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
 - (b) Establishing an ongoing drug-free awareness program to inform employees about:
 - 1) The dangers of drug abuse in the workplace.
 - 2) The grantee's policy of maintaining a drug-free workplace.
 - 3) Any available drug counseling, rehabilitation, and employee assistance programs.
 - 4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a).
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:
 - 1) Abide by the terms of the statement.
 - 2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
 - (e) Notifying the agency, in writing, within ten (10) calendar days after receiving notice under subparagraph (d)(2) from an employee or

otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.

- (f) Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:
- 1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended;
 - OR
 - 2) Requiring such employee to participate satisfactorily in a drug-abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a)-(f).
- (h) "Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15).

"Conviction" means a finding of guilt (through a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes.

"Criminal drug statute" means a federal or nonfederal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance.

"Employee" means the employee of a SUBRECIPIENT directly engaged in the performance of work under this contract including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under this contract and who are not on the SUBRECIPIENT'S payroll. This definition does not include workers not on the payroll of the SUBRECIPIENT (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the payroll; or employees of SUBRECIPIENTS or subcontractors in covered workplaces).

- c. Remedies. In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, the CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts and any such other sanctions as may be imposed and remedies invoked as provided by law.
11. Ineligibility of Subrecipients of Contractors. SUBRECIPIENT shall not use ESG funds directly or indirectly in its operations or to employ, award contracts to, or otherwise engage the services of, or fund any contractor during any period of debarment, suspension, or placement in ineligibility status of the SUBRECIPIENT or such contractor under the provisions of 24 CFR Part 24.
12. Conflict of Interest. In the procurement of supplies, equipment, construction and services by SUBRECIPIENT, the conflict of interest provisions in 2 CFR Part 200.317-326 and 24 CFR 576.404 shall apply.
13. Condition for Religious Organization. SUBRECIPIENT shall comply with all applicable conditions prescribed in 24 CFR 76.406 and by HUD for the use of ESG funds by religious organizations if SUBRECIPIENT is a religious organization.
14. Suspension and Termination. In accordance with 2 CFR Part 200.338-342, suspension or termination may occur if SUBRECIPIENT materially fails to comply with any term of this Agreement and/or the award, of this Agreement and/or the award may be terminated for convenience.

15. Reversion of Assets. Upon termination or expiration of the term of this Agreement, the SUBRECIPIENT shall transfer to the CITY any ESG funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of ESG funds. Any real property under the SUBRECIPIENT'S control that was acquired or improved in whole or in part with ESG funds shall either be:
 - a. Used to meet one of the eligible activities stated in 24 CFR 576.100-109 until five (5) years after termination or expiration of this Agreement, or for such longer periods of time as determined to be appropriate by the CITY; or
 - b. Disposed of in a manner that results in the CITY'S being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-ESG funds for acquisition of, or improvement to, the property. Reimbursement to the CITY shall not be required after the period of time specified in Section A.15.a of this Agreement.
16. Independent Contractor. SUBRECIPIENT agrees that the performance of obligations hereunder are rendered in its capacity as an independent contractor and that it is in no way an employee or agent of the CITY.
17. Licensing. SUBRECIPIENT agrees to obtain and maintain all licenses, registrations, accreditations, and inspections from all agencies governing its operations. SUBRECIPIENT shall insure that its staff shall also obtain and maintain all required licenses, registrations, accreditations, and inspections from all agencies governing SUBRECIPIENT'S operations hereunder.
18. Inspection of Records. CITY and the United States government and/or their representatives shall have access for purposes of monitoring, auditing, and examining SUBRECIPIENT'S activities and performance, to books, documents and papers, and the right to examine records of SUBRECIPIENT'S subcontractors, bookkeepers and accountants, employees and participants in regard to said program. CITY and the United States government and/or their representative shall also schedule on-site monitoring at their discretion. Monitoring activities may also include, but are not limited to, questioning employees and participants in said program and entering any premises or any site in which any of the services or activities funded hereunder are conducted or in which any of the records of SUBRECIPIENT are kept. Nothing herein shall be construed to require access to any privileged or confidential information as set forth in federal or state law.

SUBRECIPIENT agrees to provide notification of any audits or investigations, including copies of results, findings, and/or liens.

In the event SUBRECIPIENT does not make the above-referenced documents available within the City of Escondido, California, SUBRECIPIENT agrees to pay all necessary and reasonable expenses incurred by CITY in conducting any audit at the location where said records and books of account are maintained.

19. Assignability. SUBRECIPIENT shall not assign or transfer any interest in this Agreement, whether by assignment, delegation or novation, without the prior written consent of CITY; provided, however, that claims for money due or to become due to SUBRECIPIENT from CITY under this Agreement may be assigned to a bank, trust company or other financial institution, or to a trustee in bankruptcy, without such approval. Any assignment, delegation or novation other than as provided above shall be void and inoperative. Notice of any proper assignment or transfer shall be promptly furnished to CITY.
20. Hold Harmless.
 - a. SUBRECIPIENT shall indemnify and save harmless CITY, its officers and employees, from and against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of CITY, and shall defend, indemnify and save harmless CITY, its officers, and employees from and against any and all claims, demands, suits, actions or proceedings of any kind or nature, including, but not by way of limitation, workers' compensation claims, resulting from or arising out of the negligent acts, errors or omissions of SUBRECIPIENT, its employees or subcontractors.
 - b. SUBRECIPIENT, shall indemnify and save harmless CITY, its officers, and employees from and against any and all damages to property or injuries to or death of any person or persons, including property, and employees or agents of CITY, and shall defend, indemnify and save harmless CITY, its officers, and employees from and against any and all claims, demands, suits, actions or proceedings therefrom, resulting from or arising out of the intentional or malicious acts of SUBRECIPIENT, its employees or subcontractors.
21. Insurance.

- a. The SUBRECIPIENT shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:
- (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 21(b) below; and
 - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
 - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.
- b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. SUBRECIPIENT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the SUBRECIPIENT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by SUBRECIPIENT _____

Waiver appropriate by CITY _____

- c. Each insurance policy required above must be acceptable to the City Attorney.
- (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
 - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

(3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG 20 10 11 85 edition or its equivalent for General Liability endorsements and CA 20 01 for Automobile Liability endorsements.

(4) The General Liability policy must include coverage for bodily injury and property damage arising from SUBRECIPIENT'S work, including its on-going operations and products-completed operations hazard.

(5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

d. In executing this Agreement, SUBRECIPIENT agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

B. CITY OBLIGATIONS

1. Payment of Funds. CITY shall pay to SUBRECIPIENT from ESG funds, when, if and to the extent received from HUD, amounts expended by SUBRECIPIENT in carrying out said program pursuant to this Agreement up to a maximum aggregate payment of \$ [REDACTED] in installments determined by CITY. Payment shall be made to SUBRECIPIENT through the submission of monthly invoices, in a form prescribed by CITY, detailing such expenses. CITY shall pay such invoices within thirty (30) days after receipt thereof, provided CITY is satisfied that such expenses have been incurred within the scope of this Agreement and that SUBRECIPIENT is in compliance with the terms and conditions of this Agreement.
2. Audit of Account. CITY shall include an audit of the account maintained by SUBRECIPIENT pursuant to Section A.8 of this Agreement in CITY'S annual audit of all ESG funds pursuant to federal regulations found in Title 24 of the Code of Federal Regulations and other applicable federal laws and regulations.

C. MISCELLANEOUS PROVISIONS.

1. Termination of Agreement. CITY or SUBRECIPIENT may terminate this Agreement by giving written notice to the other party thirty (30) days prior to the effective date

of termination. Additionally, the CITY shall have the right, in accordance with 2 CFR Part 200.338-342, to terminate this Agreement immediately or withhold payment of any invoice for failure of the SUBRECIPIENT to comply with the terms and conditions of this Agreement. Should the CITY decide to terminate this Agreement after a full evaluation of all circumstances has been completed, the SUBRECIPIENT shall, upon written request, have the right to an appeal process. A copy of the appeal process will be attached to any termination notice.

If the CITY finds that the SUBRECIPIENT has violated the terms and conditions of this Agreement, the SUBRECIPIENT may be required to:

- a. repay all monies received from the CITY under this Agreement; and/or
- b. transfer possession of all materials and equipment purchased with grant money to the CITY.

In the case of early termination, a final payment may be made to the SUBRECIPIENT upon receipt of a Final Report and invoices covering eligible costs incurred prior to termination. The total of all payments, including the final payment, shall not exceed the amount specified in this Agreement.

- 2. Notices. All notices to the parties required by this Agreement shall be in writing and addressed as follows:

TO CITY: City of Escondido
 Housing & Neighborhood Services Division
 201 N. Broadway
 Escondido, CA 92025

TO SUBRECIPIENT: Subrecipient
 Address
 Address

- 3. Exclusivity and Amendment of Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the services of SUBRECIPIENT and provision of ESG funds by CITY and contains all the covenants and agreements between the parties with respect to the conditions of said services and funding in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement or

amendment hereto shall be effective unless executed in writing and signed by both CITY and SUBRECIPIENT.

4. Laws Governing This Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state of California, all applicable federal statutes and regulations as amended, and all applicable local laws.
5. Severability. The invalidity in whole or in part of any provision of this agreement shall not void or affect the validity of any other provisions of this Agreement.
6. Construction of Agreement. The provisions of this Agreement and its Exhibits shall be construed as a whole. The captions preceding the text of each section are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.
7. Immigration Reform and Control Act of 1986. SUBRECIPIENT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. SUBRECIPIENT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. SUBRECIPIENT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, CITY and SUBRECIPIENT have caused this Agreement to be executed by their duly authorized representatives.

SUBRECIPIENT

By _____ Date: _____
Executive Director

By _____ Date: _____
President of Board of Directors
(above signatures must be notarized)

CITY OF ESCONDIDO

By _____ Date: _____
Bill Martin
Director of Community Development

By _____ Date: _____
Zack Beck
City Clerk

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

By: _____

RESOLUTION NO. 2020-66

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADOPTING THE CITY OF ESCONDIDO FY 2020-2024 FIVE-YEAR CONSOLIDATED PLAN, AND THE FY 2020-2021 ANNUAL ACTION PLAN FOR CDBG, ESG AND HOME FUNDS; AND APPROVING SUBMITTAL TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the City is a recipient of Community Development Block Grant (“CDBG”), Emergency Solutions Grant (“ESG”) and HOME Investment Partnerships Program (“HOME”) funds from the United States Department of Housing and Urban Development (“HUD”); and

WHEREAS, the City desires at this time and deems it to be in the best interest to adopt the FY 2020-2024 Five-Year Consolidated Plan and the FY 2020-2021 Annual Action Plan for CDBG, ESG and HOME funds.

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

1. That the above recitations are true.
2. The City Council approves the adoption of the FY 2020-2024 Five-Year Consolidated Plan and the FY 2020-2021 Annual Action Plan for CDBG, ESG, and HOME funds.
3. The City Council approves the submittal of the FY 2020-2024 Five-Year Consolidated Plan and the FY 2020-2021 Annual Action Plan to HUD.

MOBILEHOME RENT REVIEW BOARD

Public Hearing Item No. 11

May 20, 2020

File No. 0697-20-10244

SUBJECT: Short-Form Rent Review Board Hearing for City-Owned Spaces at Escondido Views Mobile Home Park (File No. 0697-20-10244)

DEPARTMENT: Community Development Department, Housing & Neighborhood Services Division

RECOMMENDATION:

It is requested that the City Council adopt Rent Review Board Resolution No. 2020-02 granting an increase of 75 percent of the change in the Consumer Price Index (“CPI”), or 4.285 percent (an average of \$18.20) for the period of December 31, 2017, to December 31, 2019.

INTRODUCTION:

Escondido Views Mobile Home Park (“Park”), located at 2400 W. Valley Parkway contains 152 spaces. The City of Escondido (“City”), owner of four rental spaces in the Park, has filed a short-form rental increase application for the four rental spaces. The Board is asked to accept the staff report, hear public testimony, and make a determination concerning the request in accordance with the Escondido Rent Protection Ordinance and the short-form procedures as outlined in the Rent Review Board Guidelines (Section 12). The application and the staff report have been made available to the Board for review and consideration prior to the hearing.

OWNERSHIP BACKGROUND:

In 1991, the City purchased Mountain Shadows to facilitate residents’ efforts to establish the mobile home park as a resident-owned park. By late 1991 the conversion to an air space condominium structure was completed, the Homeowner’s Association (“HOA”) had been formed, and sales of lots to residents had begun. Although many residents had committed to purchasing their lot, the number of sales was less than expected, even when residents were offered State and City low-income housing loan assistance. The Housing Division continues in its responsibility for the management and sale of the remaining City-owned lots.

THE RENT INCREASE APPLICATION:

Unlike most other applications heard by the Board, the City makes this application as the owner of specific spaces, rather than as a Park owner. The HOA for the Park is not a party to the application. Common areas controlled by the HOA include a clubhouse with a kitchen and pool tables, a swimming pool, and indoor and outdoor spas. The Park also has a children’s playground and picnic area. The tenants of the City-owned rental spaces have full access to the community areas of the Park. A portion of the rent collected from the rental spaces goes to pay the HOA fees each month, which is currently \$220.00.

The application meets the eligibility criteria for submittal of a short-form rent increase application.

RENT INCREASE REQUEST:

In accordance with the short-form policy guidelines, the City is requesting an increase of 75 percent of the change in the San Diego CPI for the period of December 31, 2017, to December 31, 2019. The average increase requested is \$18.20 per space, per month, which is a 4.285 percent increase. The current average monthly base rent of the four spaces subject to the application is \$443.00. The last increase was granted in May 2018 for an average amount of \$14.77 per space, per month covering a 24-month period of consideration.

RESIDENT MEETING AND COMMENTS:

All residents affected by this request were invited to attend a meeting in their clubhouse on March 16, 2020, at 5 p.m. Due to COVID-19, residents voted to cancel the meeting. Staff has not received any phone calls or correspondence regarding the rent increase request and no one volunteered to serve as the resident representative.

CODE ENFORCEMENT INSPECTION:

Due to the unique structure of the City's ownership of the individual spaces, the Code Enforcement Division conducted an inspection for health and safety issues of only the spaces owned by the City. Homeowners may have received individual notices from the Code Enforcement Division if they had violations for homeowner-controlled issues such as maintenance issues. The inspection report of the City-owned spaces is attached as "Attachment 1." The City as owner of the spaces, has received a copy of the Code Inspection Report and is aware that no increase, if granted, may be implemented until the health and safety code violations have been cleared.

ADDITIONAL FACTORS AFFECTING THE APPLICATION:

In conformance with the Rent Review Board Guidelines, the decision of the Board will be finalized by adoption of the Resolution confirming the findings of the Public Hearing. The Notice of Determination will be mailed to the applicant and residents immediately upon adoption of the Resolution. The 90-day notice of any rent increase granted may be sent to the residents upon the adoption of the Resolution.

Short-Form Rent Increase Application for Escondido Views MHP
May 20, 2020
Page 3

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Mike Strong, Director of Community Development
5/14/20 8:26 a.m.

Karen Youel, Housing & Neighborhood Services Manager
5/14/20 8:38 a.m.


ATTACHMENTS:

1. Attachment 1: Code Inspection Report
2. Rent Review Board Resolution No. 2020-02



DATE: March 26, 2020

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE RENT CONTROL BOARD

FROM: TERRY WILSON, CODE ENFORCEMENT MANAGER 

SUBJECT: ESCONDIDO VIEWS MOBILEHOME PARK

The four "City Owned" spaces (managed by staff) in the Escondido Views Mobilehome Park were inspected on March 18, 2020 as a result of an application for a rent increase having been filed. Violations noted during the inspection included:

1. Lot 64 – The front stairs leading to the coach are cracked and shifting.
2. Lots 28, 129 & 135 had no violations.

The Escondido Views Mobile Home Park "Resident Meeting" to be held on March 16, 2020, was cancelled due to COVID 19 Issue.

There were no Code Enforcement cases opened during the past year at any of the city owned spaces.

CC: Bill Martin, Director of Community Development
Belinda Rojas, Rent Control Administration
Kristina Owens, Associate Planner, Housing



March 25, 2020

MOBILEHOME PARK RENT CONTROL
CODE ENFORCEMENT INSPECTION REPORT

Park Name: Escondido Views Mobile Home Park

2400 W. Valley Parkway

Escondido, CA 92029

Lot Owner: City of Escondido

201 N. Broadway

Escondido, CA 92025

(760) 839-4518

Park Manager: Kristina Owens **Phone:** (760) 839-4519

Inspection Date: 3/18/20 **Inspectors:** Stephen Jacobson & Monica Pinaglia

The following report is based on the inspection of each individual mobile home lot owned by the City of Escondido conducted under provisions outlined in the California Health & Safety Code, Division 13, and Part 2.1; the California Code of Regulations, Title 25. This inspection report only addresses health and safety issues that are related to areas for which maintenance, repair and operations is the responsibility of the owner of the lots.

General Violations:

1. There are cracked and shifting stairs leading to the front door of the coach in lot 64. **25 CCR § 1608(a)6.**

RESOLUTION NO. RRB 2020-02

A RESOLUTION OF THE ESCONDIDO
MOBILEHOME RENT REVIEW BOARD
MAKING FINDINGS AND GRANTING A RENT
INCREASE FOR ESCONDIDO VIEWS
MOBILE HOME PARK

(File No.: 0697-20-10244)

WHEREAS, Article V of Chapter 29 of the Escondido Municipal Code is a codification of the Escondido Mobilehome Rent Protection Ordinance ("Ordinance") and provides for mobilehome space rent regulation; and

WHEREAS, the City of Escondido Mobilehome Park Rental Review Board ("Board") is charged with the responsibility of considering applications for rent increases; and

WHEREAS, a short-form rent increase application pursuant to Section 12 of the Rent Review Board Guidelines was filed on February 24, 2020, by the City of Escondido ("City"), the owner of the four rental spaces in the Escondido Views Mobile Home Park located at 2400 W. Valley Parkway in Escondido; and

WHEREAS, this is the seventeenth (17th) rent increase application filed since the Ordinance became effective in 1988. The last rent increase was granted by the Board in Rent Review Board Resolution No. 2018-03 on May 16, 2018, for approximately \$14.77 per space per month; and

WHEREAS, at the time of the current application, the average monthly space rent was \$443.00 for the four spaces affected by the rent increase request. The owner requested a rent increase in the amount of 75 percent of the change in the Consumer Price Index ("CPI") for the period December 31, 2017, through December 31, 2019, in

accordance with the Rent Review Board short-form policy guidelines. The application estimated this amount to be an average of \$18.20 (4.285 percent) per space, per month; and

WHEREAS, a notice of the Rent Increase Application was sent to all affected homeowners. All parties were given notice of the time, date and place of the rent hearing before the Board; and

WHEREAS, on March 18, 2020, a Mobilehome Park Rent Review Code Enforcement Inspection Report ("Inspection Report") was completed. It noted Health and Safety Code violations in the Park; and

WHEREAS, on May 20, 2020, the Board held its public hearing and after an initial staff presentation, the Board invited testimony from the City, residents of the City spaces, and other residents of the community at large; and

WHEREAS, after all present had been given an opportunity to speak, the hearing was closed. Following an opportunity for discussion among the Board members and clarifying questions to the parties and staff, the Board voted to grant an average rent increase of \$18.20 per space, per month for the four spaces subject to rent control.

NOW, THEREFORE, BE IT RESOLVED by the Rent Review Board of the City of Escondido, as follows:

1. That the above recitations are true.
2. That the Board has heard and considered all of the reports and testimony presented, and has considered the facts as outlined in the Short-form Guidelines ("Guidelines").
3. That following the Guidelines, an increase based on 75 percent of the

change in the CPI for San Diego County from December 31, 2017, through December 31, 2019, would amount to 4.285 percent, which averages \$18.20 per space, per month, for the four spaces that are subject to rent control.

4. That the Board concluded that an increase of 4.285 percent, an average of \$18.20 per space, per month, is consistent with the Guidelines and is a fair, just, and reasonable increase in light of the information presented by all parties.

5. That the increase may not be implemented until after the Health and Safety code violations noted in the Inspection Report have been corrected, signed off, and comply with the various state and local code sections as noted in the Inspection Report.

6. That the increase may be implemented upon the expiration of the required 90-day notice to the residents, which may be issued upon the adoption of this Resolution and that rent increases not be applied until (a) the stay at home orders have been revoked and (b) the eviction moratorium period has expired.

MOBILEHOME RENT REVIEW BOARD

Public Hearing Item No. 12

May 20, 2020

File No. 0697-20-10245

SUBJECT: Short-Form Rent Review Board Hearing for City-Owned Spaces at Mountain Shadows Mobile Home Park (File No. 0697-20-10245)

DEPARTMENT: Community Development Department, Housing & Neighborhood Services Division

RECOMMENDATION:

It is requested that the City Council adopt Rent Review Board Resolution No. 2020-03 granting an increase of 75 percent of the change in the Consumer Price Index ('CPI'), or 4.285 percent (an average of \$15.53) for the period of December 31, 2017, to December 31, 2019.

INTRODUCTION:

Mountain Shadows Mobile Home Park ("Park"), located at 1750-1751 W Citracado Parkway, contains 209 spaces. The City of Escondido ("City"), owner of 22 rental spaces in the Park, has filed a short-form rental increase application for the 22 rental spaces. The Board is asked to accept the staff report, hear public testimony, and make a determination concerning the request in accordance with the Escondido Rent Protection Ordinance and the short-form procedures as outlined in the Rent Review Board Guidelines (Section 12). The application and the staff report have been made available to the Board for review and consideration prior to the hearing.

OWNERSHIP BACKGROUND:

In 1991, the City purchased Mountain Shadows to facilitate residents' efforts to establish the mobile home park as a resident-owned park. By late 1991 the conversion to an air space condominium structure was completed, the Homeowner's Association ("HOA") had been formed, and sales of lots to residents had begun. Although many residents had committed to purchasing their lot, the number of sales was less than expected, even when residents were offered State and City low-income housing loan assistance. The Housing Division continues in its responsibility for the management and sale of the remaining City-owned lots.

THE RENT INCREASE APPLICATION:

Unlike most other applications heard by the Board, the City makes this application as the owner of specific spaces, rather than as a Park owner. The HOA for the Park is not a party to the application. The common areas maintained by the HOA include a clubhouse with kitchen and game room, a swimming pool and a spa, basketball and tennis courts, two playgrounds, picnic areas, and laundry facility. The tenants of the City-owned rental spaces have full access to the community areas of the Park. A portion of the rent collected from the rental spaces goes to pay the HOA fees each month which are currently \$180.00.

The application meets the eligibility criteria for submittal of a short-form rent increase application.

RENT INCREASE REQUEST:

In accordance with the short-form policy guidelines, the City is requesting an increase of 75 percent of the change in the San Diego CPI for the period of December 31, 2017, to December 31, 2019. The average increase requested is \$15.53 per space, per month, which is a 4.285 percent increase. The current average monthly base rent of the 22 spaces subject to the application is \$362.35. The last increase was granted in May 2018 for an average amount of \$12.50 per space, per month covering a 24-month period of consideration.

RESIDENT MEETING AND COMMENTS:

All residents affected by this request were invited to attend a meeting in their clubhouse on March 16, 2020, at 5:30 p.m. No residents attended the meeting and no one volunteered to serve as the resident representative. Staff has not received any phone calls or correspondence regarding the rent increase request.

CODE ENFORCEMENT INSPECTION:

Due to the unique structure of the City's ownership of the individual spaces, the Code Enforcement Division conducted an inspection for health and safety issues of only the spaces owned by the City. Homeowners may have received individual notices from the Code Enforcement Division if they had violations for homeowner-controlled issues such as maintenance issues. The inspection report of the City-owned spaces is attached as "Attachment A." The City, as owner of the spaces, has received a copy of the Code Inspection Report and is aware that no increase, if granted, may be implemented until the health and safety code violations have been cleared.

ADDITIONAL FACTORS AFFECTING THE APPLICATION:

In conformance with the Rent Review Board Guidelines, the decision of the Board will be finalized by adoption of the Resolution confirming the findings of the Public Hearing. The Notice of Determination will be mailed to the applicant and residents immediately upon adoption of the Resolution. The 90-day notice of any rent increase granted may be sent to the residents upon the adoption of the Resolution.

Short-Form Rent Increase Application for Mountain Shadows MHP
May 20, 2020
Page 3

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Mike Strong, Director of Community Development
5/14/20 8:26 a.m.

Karen Youel, Housing & Neighborhood Services Manager
5/14/20 8:38 a.m.


ATTACHMENTS:

1. Attachment 1: Code Inspection Report
2. Rent Review Board Resolution No. 2020-03



DATE: March 26, 2020

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE RENT CONTROL BOARD

FROM: TERRY WILSON, CODE ENFORCEMENT MANAGER 

SUBJECT: MOUNTAIN SHADOWS RENT CONTROL INSPECTION

The twenty-two, city owned spaces managed by city staff, in the “Mountain Shadows Mobile-home Park” were inspected on March 18, 2020. The inspections were- conducted as a follow up to the City of Escondido filing a rent control application requesting a rent increase. There were six violations noted during the inspection. Four lots with overgrown tree branches. (6, 85,177 & 198) and two lots with trip hazards. (109 & 120)

The resident meeting occurred on March 16, 2020. One city staff member attended and no residents attended the meeting.

There were no Code Enforcement cases opened during the past year on any of these city owned spaces

CC: Bill Martin, Director of Community Development
Belinda Rojas, Rent Control Administrator
Kristina Owens, Associated Planner, Housing



March 26, 2020

MOBILEHOME PARK RENT CONTROL
CODE ENFORCEMENT INSPECTION REPORT

Park Name: Mountain Shadows Mobile Home Park

Lot Owner: City of Escondido

201 N. Broadway

Escondido, CA 92025

(760) 839-4518

Park Manager: Kristina Owens **Phone:** (760) 839-4519

Inspection Date: 3/18/20 **Inspectors;** Stephen Jacobson & Monica Pinagila

The following report is based on the inspection of each individual mobile home lot owned by the City of Escondido conducted under provisions outlined in the California Health & Safety Code, Division 13, and Part 2.1; the California Code of Regulations, Title 25. This inspection report only addresses health and safety issues that are related to areas for which maintenance, repair and operations is the responsibility of the owner of the lots.

General Violations:

1. Trees or overgrown vegetation that have extended over and onto the awnings or into the right of way. Lots 6, 85, 177 & 198; **CCR Title 25 § 1120 (b)**.
2. Trip hazards consisting of broken concrete or elevated pieces of concrete located on the lots. Lots 109 & 120. **CCR Title 25 § 1608 (a)6**.

RESOLUTION NO. RRB 2020-03

A RESOLUTION OF THE ESCONDIDO
MOBILEHOME RENT REVIEW BOARD
MAKING FINDINGS AND GRANTING A RENT
INCREASE FOR MOUNTAIN SHADOWS
MOBILEHOME PARK

(File No.: 0697-20-10245)

WHEREAS, Article V of Chapter 29 of the Escondido Municipal Code is a codification of the Escondido Mobilehome Rent Protection Ordinance ("Ordinance") and provides for mobilehome space rent regulation; and

WHEREAS, the City of Escondido Mobilehome Park Rental Review Board ("Board") is charged with the responsibility of considering applications for rent increases; and

WHEREAS, a short-form rent increase application pursuant to Section 12 of the Rent Review Board Guidelines was filed on February 24, 2020, by the City of Escondido ("City"), the owner of the 22 rental spaces in the Mountain Shadows Mobile Home Park ("Park") located at 1750-1751 W. Citracado Parkway in Escondido; and

WHEREAS, this is the sixteenth (16th) Application filed by the Park since the Ordinance became effective in 1988. The last short-form rent increase ("Increase") for 3.574 percent, or approximately \$12.50 per space, per month was granted by the board at a Rent Review Board Hearing held on May 20, 2020, and formally adopted by Rent Review Board Resolution 2018-04; and

WHEREAS, at the time of the current Application, the average monthly space rent was \$362.35 for the 22 spaces subject to rent control. The City of Escondido, as space

owner, requested a rent increase in the amount of 75 percent of the change in the Consumer Price Index ("CPI") for the period of December 31, 2017, through December 31, 2019, in accordance with the Rent Review Board short-form policy guidelines. The Application estimated this amount to be an average of \$15.53 (4.285 percent) per space, per month; and

WHEREAS, a notice of the Park's Application was sent to all affected homeowners. All parties were given notice of the time, date and place of the rent hearing before the Board; and

WHEREAS, on March 18, 2020, a Mobilehome Park Rent Review Code Enforcement Inspection Report ("Inspection Report") was completed. It noted Health and Safety Code violations in the Park; and

WHEREAS, on May 20, 2020, the Board held its public hearing and after an initial staff presentation, the Board invited testimony from Park ownership, residents of the Park, and other residents of the community at large; and

WHEREAS, after all present had been given an opportunity to speak, the hearing was closed. Following an opportunity for discussion among the Board members and clarifying questions to the parties and Staff, the Board voted to grant an average rent increase of \$15.53 per space, per month for the 22 spaces that are subject to rent control.

NOW, THEREFORE, BE IT RESOLVED by the Rent Review Board of the City of Escondido, as follows:

1. That the above recitations are true.

2. That the Board has heard and considered all of the reports and testimony presented, and has considered the facts as outlined in the Short-form Guidelines (“Guidelines”).

3. That following the Guidelines, an increase based on 75 percent of the change in the CPI for San Diego County from December 31, 2017, through December 31, 2019, would amount to 4.285 percent, which averages \$15.53 per space, per month, for the 22 spaces that are subject to rent control.

4. That the Board concluded that an increase of \$15.53 per space, per month is consistent with the Guidelines and is fair, just, and a reasonable increase in light of the information presented by all parties.

5. That the increase may not be implemented until after the Health and Safety code violations noted in the Inspection Report have been corrected, signed off, and are in compliance with the various state and local code sections as noted in the Inspection Report.

6. That the increase may be implemented upon the expiration of the required 90-day notice to the residents, which may be issued upon the adoption of this Resolution. That the increase may be implemented upon the expiration of the required 90-day notice to the residents, which may be issued upon the adoption of this Resolution and that rent increases not be applied until (a) the stay at home orders have been revoked and (b) the eviction moratorium period has expired.

CITY COUNCIL STAFF REPORT

Current Business Item No. 13

May 20, 2020

File No. 0490-60

SUBJECT: The City of Escondido's Investment Policy

DEPARTMENT: City Treasurer

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2020-34, approving the City of Escondido's May 2020 Investment Policy.

PREVIOUS ACTION:

The last adoption of the Investment Policy was on May 8, 2019, with Resolution No. 2019-57.

BACKGROUND:

In compliance with California Government Code Section 53646, the City Treasurer may annually present the City's Investment Policy to the legislative body at a public meeting to reaffirm or make any changes to the existing policy. The Investment Policy provides the City with guidelines for the investment of City funds. The Policy's guidelines set forth the investment selection criteria of safety, liquidity, and yield.

The City of Escondido's Investment Policy has been deemed current and up-to-date per the California Debt and Investment Advisory Commission ("CDIAC") Local Agency Investment Guidelines. However, with further review by the City's Investment Advisor, PFM Asset Management LLC, the following changes are recommended to update the policy's language to be more in line with current California Government Code requirements, enhance the clarity of the policy and provide the City with additional opportunities to safely enhance the portfolio's long-term return. Attachment 1 is a detailed listing of the revisions to the May 2019 Investment Policy.

The May 2020 Investment Policy was also submitted to the California Municipal Treasurer's Association who certified that the City of Escondido's Investment Policy complies with the current State statutes governing the investment practices of local government entities with the State of California (see Attachment 2).

The City of Escondido's May 2020 Investment Policy is attached as Exhibit 1 to Resolution 2020-34 for your review and approval.

The City of Escondido's Investment Policy
May 20, 2020
Page 2

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Douglas Shultz, City Treasurer
5/14/20 12:13 p.m.

ATTACHMENTS:

1. Attachment 1 – Summary of Revisions to Investment Policy for May 2019
2. Attachment 2 – California Municipal Treasurer's Association Investment Policy Certification
3. Resolution No. 2020-34 and Exhibit 1 – May 2020 Investment Policy

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR MAY 2020

Description of Change

The following is a summary of revisions from the May 2019 policy that were incorporated in the May 2020 policy. Existing language within the policy is presented in black, new language to the policy is presented in red and removal of language is shown with the line through it.

1. Revision to Section XII. Authorized and Suitable Investments

Section D – Summary Table of Policy’s Authorized and Suitable Investments

Investment Type	Maximum Maturity ²	Maximum % of Portfolio	Maximum % with One Issuer	Minimum Rating ³
Local Agency Investment Fund	N/A	\$ 7565M	None	None

2. Addition of Section XVII. Investment Pools/Mutual Funds

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

California Municipal Treasurers Association



Investment Policy Certification



Issued on 03/31/2020

City of Escondido

The California Municipal Treasurers Association certifies that the investment policy of the City of Escondido District complies with the current State statutes governing the investment practices of local government entities located within the State of California.



President

Date

RESOLUTION NO. 2020-34

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING THE CITY OF ESCONDIDO'S
INVESTMENT POLICY DATED MAY 2020

WHEREAS, the City Council has previously adopted annual Investment Policies pursuant to the requirements of the California Government Code; and

WHEREAS, the City of Escondido's May 2020 Investment Policy is in accordance with Government Code Section 53601 and meets Association of Public Treasurers of the United States & Canada ("APT US & C") Investment Policy Certification standards; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to adopt the City of Escondido's May 2020 Investment Policy, a copy of which is attached as Exhibit "1" and is incorporated by this reference;

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 City Council hereby adopts the City of Escondido's May 2020 Investment Policy attached to this Resolution as Exhibit "1."



City of Escondido

INVESTMENT POLICY

May 2020

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CITY OF ESCONDIDO INVESTMENT POLICY

I. Policy Statement

This policy establishes the limits within which the City's investment program shall be conducted. Investment goals and objectives are defined. Qualified investment instrumentalities and reporting requirements are identified. Authority, accountability, audit control and procedures governing the investment program are delineated.

The investment policies and practices of the City of Escondido are based upon state law, city ordinance, and prudent money management.

II. Scope

This policy applies to the investment of all funds under the control of the City Treasurer. These funds are accounted for in the City of Escondido's Comprehensive Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust Funds

This policy does not apply to the Employees Deferred Compensation Fund and PERS funds, which are administered separately. Also, this investment policy does not apply to stocks, bonds, or other securities donated to the Escondido Public Library until such time as the Library Board of Trustees determines to dispose of such securities

Bond proceeds shall be invested in the securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, the bond proceeds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed in elsewhere in this Policy do not apply to bond proceeds.

III. Prudence

Pursuant to California Government Code Section 53600.3, as amended, the City Council and all persons authorized to make investment decisions on behalf of the City are trustees of the public funds and therefore fiduciaries subject to the following prudent investor standard.

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The City Treasurer and other individuals who are assigned to manage the investment portfolio, when they are acting in accordance with the City's investment policy, with written procedures and in reasonable reliance on existing California statutes and when they have properly exercised due diligence, will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. Investment Objectives

A. The criteria for selecting investments by order of priority shall be:

1. *Safety.* Safety of principal is the City of Escondido's foremost objective. Investments shall seek to ensure that capital losses resulting from institution default, broker-dealer default, or the erosion of market value are avoided. The City of Escondido shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
 - a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only the highest quality securities (see authorized investments) and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.
 - b. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring the portfolio to eliminate the need to sell securities prior to maturity; and by prohibiting the taking of short positions, that is, selling securities that the City does not own. It is explicitly recognized, however, that in a diversified portfolio, occasional measured losses may occur, and must be considered within the context of overall investment return.

2. *Liquidity.* The portfolio will be structured with sufficient liquidity to allow the City to meet expected cash requirements. The investment portfolio shall remain sufficiently liquid to ensure that projected expenditure requirements of the next six months can be met with a combination of anticipated revenues, maturing securities, and highly liquid investments and shall maintain a minimum level of short-term investments (one year or less) equivalent to 25% of the General Fund operating budget. The duration is also mentioned in the "Maturity" section.
 3. *Yield.* In a manner consistent with the objectives of safety of principal and liquidity uppermost, a yield higher than the market rate of return shall be sought. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
 - A security with declining credit may be sold early to minimize loss of principal.
 - A security swap would improve the quality, yield, or target duration in the portfolio.
 - Liquidity needs of the portfolio require that the security be sold.
- B. It shall be the policy of the City that all idle funds shall be invested consistent with providing adequate cash to meet the City's obligation.

V. Executive Investment Committee

The Executive Investment Committee will act in an advisory and oversight capacity to review and discuss investment portfolio management and investment policy compliance. The City Manager, the City Treasurer, and the Director of Administrative Services will serve as permanent members of the Executive Investment Committee. Other members, as deemed necessary or desirable, may be appointed to the committee by the City Treasurer or the City Manager. The Treasury and Finance Department personnel shall serve as staff to the committee.

VI. Required Reporting

The City Treasurer or his designees shall report to the City Manager and City Council the following reports:

- A. A monthly list of list of transactions.
- B. Quarterly investment report (as per Government Code Section 53646) will include the type of investment, issuer, date of maturity, par, and dollar amount invested and market value for each security held by the City. The report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance. The report shall state the source of the market value valuation and include a statement denoting the ability to meet the City's expected expenditure

requirements for the next six months. The quarterly report shall be submitted within 30 days of the end of the quarter.

- C. An annual report setting forth a statement of investment policy.

VII. Authorized Financial Institutions and Broker/Dealers

- A. The following requirements only apply to purchases made directly by the City and not purchased directly from the issuer
- B. General criteria for the selection of financial institutions and broker/dealers shall be developed by the City Treasurer and reviewed by the City Investment Committee.
- C. Selection of financial institutions and broker/dealers shall be performed by authorized City staff under direction of the Executive Investment Committee. The City has an established formal procedure process in place for the selection of financial institutions and broker/dealers. As determined necessary by the Executive Investment Committee, the City will distribute a broker/dealer questionnaire to interested and known financial institutions and broker/dealers. The City Treasurer will maintain a list of qualified broker/dealers authorized to provide investment services to the City of Escondido. The list may include primary or regional dealers that are credit worthy and qualify under the uniform net capital rule of the Securities & Exchange Commission Rule 15C3-1.

All financial institutions and broker/dealers who desire to provide investment services must participate in the City's formal broker/dealer questionnaire process. To be considered, the financial institution or broker/dealers must supply the following as appropriate:

- Completed broker/dealer questionnaire
 - Proof of Financial Industry Regulatory Authority (FINRA) registration
- License to conduct business in the state of California
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Certification of having read and understood and agreeing to comply with the City of Escondido's investment policy
- Evidence of adequate insurance coverage

Qualified broker/dealers selected to do business with the City shall submit annually a current audited financial statement.

After the annual adoption of the City's Investment Policy by the City Council, a copy shall be sent to all broker/dealers approved to do business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City's investment policies and intends to sell the City only appropriate investments authorized by this investment policy.

- D. General criteria for the selection of banks and savings and loans into which the City shall invest its funds shall be developed by the City Treasurer and reviewed by the Executive Investment Committee subject to the limitations set forth in this policy.
- E. Selection of specific institutions in which City funds may be invested shall be performed by authorized City staff under the direction of the Executive Investment Committee.
- F. Institutions in which City funds may be invested shall be classified by the City Treasurer and reviewed by the Executive Investment Committee. The classification shall determine the maximum dollar amount allowable for investment in the specified institution.
- G. If the City has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, brokers/dealers and financial institutions with which to conduct transactions on the City's behalf.

VIII. Safekeeping and Custody

To protect against potential losses by the collapse of individual securities dealers, all deliverable securities owned by the City shall be held in safekeeping by a third party bank trust department acting as agent for the City under the terms of a custody agreement executed by the bank and the City. All deliverable securities will be received and delivered using standard delivery versus payment (DVP) procedures.

IX. Accountability and Authority

- A. The Escondido Municipal Code vests authority for and control of investments to the City Treasurer. Responsibility for the investment program is hereby delegated by the City Council to the City Treasurer, for a period of one-year, who shall thereafter assume full responsibility for the investment program until the delegation of authority is revoked. Subject to review, the City Council may renew the delegation of authority each year.
- B. The City Treasurer may delegate the authority to conduct investment transactions to qualified and competent officials and employees of the City. Daily management responsibility of the investment program may be delegated to Treasury staff and/or the Assistant Finance Director who shall establish procedures for operation consistent with the investment policy.
- C. The City Treasurer may utilize the services of an external investment advisor to assist with the investment program. The advisor shall act in a manner consistent with this Investment Policy and any written directions provided by the City Treasurer or other delegated officials per subsection B above. Furthermore, the advisor may not take possession of the City's cash or securities. Such investment advisors must be registered under the Investment Advisers Act of 1940.

X. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions. Additionally, the City Treasurer and the Assistant Finance Director are required to annually file a Statement of Economic Interest as mandated by Government Code Section 91013.

XI. Internal Control

The City Treasurer or his designee shall establish procedures for controlling daily investment transactions and monthly reconciliation of accounts. Separation of functions between the City Treasurer's Office and the Finance Department is designed to provide an internal review to prevent the potential for converting assets or concealing transactions. The investment portfolio and all related transactions are balanced to appropriate general ledger accounts by the Finance Department on a monthly basis. Such procedures and controls shall be subject to review and comments by the City's independent auditor.

XII. Authorized and Suitable Investments

A. Qualifying Investment Instruments Policy:

1. The following instruments are generally approved as qualifying investment instruments for City funds:
 - a. U.S. Treasury Obligations
 - b. U.S. Agency Securities
 - c. Municipal Securities
 - d. Supranationals
 - e. Negotiable Certificates of Deposit
 - f. Banker's Acceptances
 - g. Commercial Paper
 - h. Repurchase Agreements
 - i. Local Agency Investment Fund (LAIF) of the State of California
 - j. Local Government Investment Pools
 - k. Bank Deposits
 - l. Placement Service Deposits
 - m. Medium-Term Notes
 - n. Asset-Backed Securities
 - o. Money Market Funds

2. Within the qualified investment instrument listing, the Executive Investment Committee may further define, qualify, and restrict use of City investment monies.
 3. Trading is prohibited when cash or liquid securities are not available to pay for the securities being purchased. The taking of short positions, that is, selling securities which the City does not own, is also prohibited.
 4. Investments which exceed 5 years in maturity require that authority be granted by City Council before purchase. Written authority of the City Council must be granted specifically or as part of an investment program no less than three months prior to the date of purchase (California Government Code Section 53601).
 5. Callable agency securities (i.e. securities redeemable in part or in full by the issuer prior to the maturity date) shall not exceed 30% of the value of the portfolio. Callable agency securities which have passed their final call date and are no longer callable will not be included when calculating the 30% limit.
 6. The City may invest in floating-rate securities whose coupon resets are based upon a single fixed income index which would be representative of an eligible investment (e.g. LIBOR, T-bill, prime, 2-year CMT), provided that the security is not leveraged (e.g. 2 times an index) or has a coupon that resets inversely to the underlying index.
- B. Diversification by Type of Investment:

The City is governed by California Government Code, Sections 53600 (et seq.). It shall be the policy of the City that investments shall be diversified with respect to the type of investment instruments used. Percentage limitations and credit rating requirements listed in this policy apply at the time of purchase. If a security owned by the City is downgraded below the minimum credit rating required at purchase, the City Treasurer shall determine the course of action on a case-by-case basis considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security. Within the context of these limitations, the following investments are generally approved as qualifying investment instruments for City funds, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio, which can be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio, which can be invested in this category. However, no more than 30% of the portfolio can be invested in any one agency name.

3. Municipal Debt to include registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated in a rating category of "A" (long-term) or "A-1" (short-term) or their equivalents or better by an Nationally Recognized Statistical Rating Organizations (NRSRO). A maximum of 40% of the portfolio may be invested in this category.

4. United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or better by an NRSRO. A maximum of 30% of the portfolio may be invested in this category. These investments shall be classified as "Supranationals" for reporting purposes.
5. Negotiable Certificates of Deposit (NCD) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank. Purchases are limited to securities rated in a rating category of "A" (long-term) or "A-1" (short-term) or their equivalents or better by an NRSRO. NCDs for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. A maximum of 30% of the portfolio may be invested in this category.
6. Bills of exchange or time drafts drawn on and accepted by a commercial bank otherwise known as bankers' acceptances. Eligible bankers' acceptances are restricted to issuing financial institutions that have short-term debt rated in the rating category of "A-1" or its equivalent or better by a NRSRO. Purchases of banker's acceptances may not exceed 180 days to maturity. A maximum of 30% of the portfolio may be invested in this category.

7. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions: (A) Is organized and operating in the United States as a general corporation; (B) Has total assets in excess of five hundred million dollars (\$500,000,000), and (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of eligible commercial paper may not exceed 270 days. A maximum of 25% of the portfolio may be invested in this category. The City may not purchase more than 10 percent of the outstanding commercial paper of any single issuer.
8. Repurchase Agreements used solely as short-term investments not to exceed one year. The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities. All securities underlying Repurchase Agreements must be delivered to the City's custodian bank or held by a third party custodial agreement. The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The City shall have properly executed a Master Repurchase Agreement with each counter party with which it enters into repurchase agreements. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value, 102% of the funds invested against those securities. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis and the value of the underlying securities brought back up to 102% no later than the next business day. Market value must be calculated each time there is a substitution of collateral.
9. Local Agency Investment Fund. The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law. The City's investment in LAIF will be determined according to the City's liquidity needs and may not exceed the limit set by LAIF for operating accounts. When calculating this limit, the City does not include bond proceeds invested with LAIF. These bond proceeds are held separately to meet arbitrage regulations and are not part of our pooled investments. LAIF has traditionally limited investments to short-term government type bonds. Treasury staff reviews the LAIF statements quarterly to ensure that this practice is maintained.
10. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Government Code. Investments will be limited to LGIPs that seek to maintain a stable net asset value. Whenever the City has any funds invested in a LGIP, the City Treasurer shall maintain on file a copy of the LGIP's current information statement and periodically review the LGIP's investments. There is no limitation as to the percentage of the portfolio that can be invested in this category.

11. FDIC insured or fully collateralized bank deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts, and time deposits. To be eligible to receive City deposits, the financial institution must be located in California and have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. The amount on deposit in any financial institution shall not exceed the shareholder's equity. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The City Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The City shall have a signed agreement with any depository accepting City funds per Government Code Section 53649. The maturity of time certificate of deposits (TCDs) may not exceed 3 years. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20 percent of the portfolio may be invested in TCDs
12. Insured deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. A maximum of 30 percent of the portfolio may be invested in this category. The maximum investment maturity will be restricted to three (3) years.
13. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in a rating category of "A" or its equivalent or better by an NRSRO. A maximum of 30% of the portfolio may be invested in this category.
14. Mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond with a maximum remaining maturity of five years or less. Securities eligible for purchase shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO. A maximum of 20% of the portfolio may be invested in this category.
15. Money market funds (MMF) are restricted to Government Money Market Funds. Furthermore, these Money Market Funds must have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs, or (B) Retained an investment advisor with not less than five years' experience and registered or exempt from registration with the SEC, with assets under management in excess of five hundred million dollars (\$500,000,000). Whenever the City has any funds invested in a MMF, the

City Treasurer shall maintain on file a copy of the MMF's current information statement. A maximum of 20% of the portfolio may be invested in this category

16. Ineligible Investments. Investments not described herein, including, but not limited to, common stocks, inverse floaters, range notes, or mortgage-derived interest-only strips are prohibited from use in this portfolio.

C. Diversification by Institution.

The City shall seek to diversify its investments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific investment types, individual financial institutions or maturities.

To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type; excluding U.S. Treasuries, federal agencies, supranationals, and pooled investments such as LAIF, money market funds, or local government investment pools.

D. Investment Compliance Review

All securities held by the City will be maintained in compliance with Section XII, Authorized and Suitable Investments. The investment portfolio shall be reviewed quarterly to determine compliance with these parameters. Non-compliance events will be evaluated to determine and initiate actions needed to adjust investment yields, maturities, percentage requirements or other, in order to bring the portfolio back into compliance. In the event an instance of non-compliance is recommended by the City Treasurer, authorization may be given by the Executive Investment Committee and the Mayor if done unanimously. All major and critical incidences of non-compliance shall be reported in the quarterly treasurer's report to the City Council.

Summary Table of the Policy's Authorized and Suitable Investments: ¹

Investment Type	Maximum Maturity ²	Maximum % of Portfolio	Maximum % with One Issuer	Minimum Rating ³
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	100%	30%	None
Municipal Securities	5 years	40%	5%	A
Supranationals	5 years	30%	30%	AA
Negotiable Certificates of Deposit ⁴	5 years	30%	5%	A
Bankers' Acceptances ⁴	180 days	30%	5%	A-1
Commercial Paper ⁴	270 days	25%	5%	A-1
Repurchase Agreements ⁴	1 year	None	None	(5)

Investment Type	Maximum Maturity ²	Maximum % of Portfolio	Maximum % with One Issuer	Minimum Rating ³
Local Agency Investment Fund	N/A	\$75M	None	None
Local Government Investment Pools	N/A	None	None	(6)
Bank Deposits ⁷	5 years	100%	100%	(5)
Placement Service Deposits ⁷	5 years	30%	30%	(7)
Medium Term Notes ⁴	5 years	30%	5%	A
Asset-Backed Securities ⁴	5 years	20%	5%	AA
Money Market Funds ⁸	N/A	20%	20%	(8)

1. Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed above. In the event a discrepancy is found between this Policy and the Summary Table above, the more restrictive parameters will take precedence. See Section XII of the City Treasurer’s Investment Policy for additional detail.
2. In the absence of a specified maximum, the maximum is 5 years.
3. Minimum credit rating categories apply to the category without regards to modifications (+/-). Credit ratings are from any NRSRO.
4. Per issuer limitations apply across investment types.
5. Collateralization is required. See Section XII of the City Treasurer’s Investment Policy for additional detail.
6. The LGIP must have retained an advisor that is registered or exempt from registration with the Securities and Exchange Commission, has not less than five years of experience investing in the securities and obligations authorized by Code, and has assets under management in excess of five hundred million dollars (\$500,000,000).
7. Federal deposit is required for the full amount of the deposit and any accrued interest.
8. Money market funds must have the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or have an investment advisor that meets certain criteria.

XIII. Maturity Goals

1. Subject to the availability of funds, short-term investments (maturity of one year or less) of the City shall not be less than 25 percent of the General Fund annual operating budget of the City.
2. The percentage of the City's portfolio that may be invested intermediate term (maturity term over one year and not greater than five years) shall be determined by the City Treasurer based on estimated cash requirements.

3. Long-term investments (over five years to maturity date) shall be made only after review and approval by the City Council. Accordingly, no fixed percentage of the City's portfolio is designed for long-term investments.
4. Additional and/or clarifying maturity guidelines shall be adopted from time to time as devised by the City Treasurer and reviewed by the Executive Investment Committee.

XIV. Policy Review

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield, and its relevance to current law and financial and economic trends. The City of Escondido's investment policy shall be approved by the City Council on an annual basis.

XV. Investment Procedures

The City Treasurer and his/her delegated staff shall establish written investment policy procedures for the day-to-day operations of the investment program consistent with this policy. The procedures should include reference to cash balancing, safekeeping, wire transfer agreements, collateral/depository agreements, and the selection process for financial institutions and broker/dealers. The procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.

XVI. Investment Strategy and Performance Standards

The investment portfolio shall be managed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The City will employ an active management approach that allows for the sale of securities prior to their scheduled maturity dates for purposes of improving the portfolio's credit quality, liquidity, or return in response to changing market conditions or the City's circumstances. This Policy recognizes that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's structure and expected investment return, with the proviso that adequate diversification and credit analysis have been implemented.

An appropriate performance benchmark shall be established against which portfolio performance shall be compared on a regular basis. The selected performance benchmark shall be representative of the City's overall investment objectives and liquidity requirements.

XVII. Investment Pools/Mutual Funds

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

APPENDIX
CITY OF ESCONDIDO
INVESTMENT PROCEDURE MANUAL

Purpose

The purpose of these guidelines is to help create a Procedure Manual to assist Treasury staff with day-to-day investment operations.

References and subjects at the beginning of each section refer to elements in the Investment Policy. In the event a discrepancy between this Appendix and the requirements in the body of the Policy, the requirements listed in the Body of the Policy take precedence.

Cash Review

- I. Policy
- II. Scope
- IX. Accountability and Authority

The City Treasurer or his/her designee, must review the cash balances and investment portfolio daily, or as needed. Items to be reviewed should include:

- a) Balance of City of Escondido's General Account
- b) Maturing Investments (includes all investments)
- c) Large incoming wires from the State, County, and other miscellaneous agencies
- d) Large outgoing wires such as debt service payments and routine wires such as San Diego County Water Authority, Kaiser, and Workers' Compensation Service provider and any other routine that may be added
- e) Accounts payable and payroll disbursements

Investment Selection

- III. Prudence
- IV. Objective
- XII. Authorized and Suitable Investments
- XII B. Diversification
- XIII. Maturity Goals

The City Treasurer or designee determines how much of the cash balance is available for investment and selects the area of the yield curve that most closely matches the required maturity date based on cash flow needs.

In determining the maturity date, the Treasurer designee, should consider liquidity, cash flow, and expected expenditures. A review of some of the following sources should determine whether the investments should be placed to match projected expenditures or shorter, or take advantage of current and expected interest rate environments:

- a) Review daily business publications and commentaries from financial institutions and brokers.
- b) Read publications, Wall Street Journal, and watch media (CNBC) for general trends of economic interests.
- c) Input from approved broker/dealers.

Purchasing an Investment

- VII. Authorized Financial Institutions and Broker/Dealers
- VIII. Safekeeping and Custody
- XII. Authorized and Suitable Investments
- XII B. Diversification of Investments
- XIII. Maturity Goals

Financial institutions are selected through a "Request for Proposal" (RFP) process. Broker/dealers are selected through a formal questionnaire process, which helps provide the following evaluation:

- a) Financial conditions, strength, and capability to fulfill commitments.
- b) Overall reputation with other investors.
- c) Regulatory status of the broker/dealer (all providers).
- d) Background and expertise of the individual representative.

Selection of financial institutions and broker/dealers shall be performed by authorized City staff under direction of the Executive Investment Committee. The City has an established formal procedure process in place for the selection of financial institutions and broker/dealers. Every three to five years the City will distribute a broker/dealer questionnaire to interested and known financial institutions and broker/dealers. The City Treasurer will maintain a list of qualified broker/dealers authorized to provide investment services to the City of Escondido. The list may include primary or regional dealers that are credit worthy and Rule 15C3-1.

All financial institutions and broker/dealers who desire to provide investment services must participate in the City's formal broker/dealer questionnaire process. To be considered, the financial institution or broker/dealers must supply the following as appropriate:

- Completed broker/dealer questionnaire
- Proof of Financial Industry Regulatory Authority (FINRA) registration
- License to conduct business in the State of California
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Certification of having read and understood and agreeing to comply with the City of Escondido's investment policy
- Evidence of adequate insurance coverage

Qualified broker/dealers selected to do business with the City shall submit annually current audited financial statement.

After the annual adoption of the City's investment policy by the City Council, a copy shall be sent to all broker/dealers approved to do business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City's investment policies and intends to sell the City only appropriate investments authorized by this investment policy.

The Treasurer designee shall be as specific as possible in requesting the offering in purchasing a security. If a particular type of investment or a particular agency is to be excluded due to policy limitations that should be stated to the providers. If collateral is required (i.e. for Repo's or CD's) the collateral limitations (excess margin, types of securities, maximum maturity, etc.) should be specified. The City may invest in repurchase agreements provided it has a signed master repurchase contract, which specifies terms and conditions of repurchase agreements.

The following must be determined prior to contacting the providers:

- a) Settlement – cash, regular (next day), skip (2 business days), corporate (3 business days) or when-issued if a new issue.
- b) Amount – either par value or total dollars to be invested.
- c) Type of security to be purchased or type to be excluded.
- d) Targeted maturity or maturity range.
- e) Time limit to show offering – 5 minutes, 15 minutes, or a specified time.

If choosing an external pool (or LAIF or Money Market) as the preferred investment vehicle at the time, the following should be available for inspection prior to purchase and at reasonable time thereafter:

- a) LAIF written investment policy and a copy of the "LAIF ANSWER BOOK" (which contains detailed information about LAIF).

- b) A prospectus for the Money Market funds or bank-managed funds.
- c) The balance of the LAIF account is reviewed to adhere to the City's investment pool limit.

Before concluding the transaction, the following should be validated:

- a) The security selected for purchase meets all criteria including portfolio-diversification, collateralization (if appropriate), and maturity. If the security has any imbedded options such as call provisions or coupon adjustments, these should also be reviewed. Current practice is to buy bullet securities, no callable. The strategy is buy and hold.
- b) Verify yield.
- c) Total purchase cost (including accrued interest) does not exceed funds available for investment.
- d) Advise the successful provider that their offering has been selected for purchase.
- e) After confirmation of the purchase, as a courtesy, notify the other broker/dealers that you have placed the investment. Best price may be disclosed if the other broker/dealers ask.

After consummation of the transaction, and prior to settlement date, the following information should be confirmed with the provider in order to ensure prompt and uninterrupted settlement:

- a) Reconfirm amounts of transaction (principal, accrued interest, if any, and total cost).
- b) Reconfirm settlement date.
- c) Acquire CUSIP number of security, if applicable.
- d) Obtain a copy of the Bloomberg (trade ticket plus description page).

All qualified broker/dealers have the City's delivery instructions, which consist of the following:

- a) Name of third-party safekeeping agent (currently Bank of New York Mellon Trust, contact designated customer service representative)
- b) ABA number of safekeeping agent.
- c) Safekeeping account number.

Settlement and Follow-Through

IX. Accountability and Authority

The City Treasurer or other designee should forward to the safekeeping agent, by fax or e-mail, detailed information regarding investment transaction. The detailed information of the purchased security will consist of:

- a) Type of security.
- b) Par amount, stated coupon, interest yield, maturity date, and CUSIP number.

- c) Specified dollar amount (principal amount, accrued interest, if applicable, and total cost).
- d) Note the broker of the investment transaction.
- e) Signature of the Treasurer designee.

A phone call should be made to the safekeeping agent to inform of purchase and confirm receipt of the investment information. When applicable the following should be verified:

- a) Provision of receipt or disbursement of funds.
- b) Internal transfer or wiring of funds.
- c) Written validation from safekeeping agent.
- d) Notification of discrepancy prior to acceptance or rejection of the transaction.
- e) Immediate notification if a fail has occurred: by provider if they are responsible, by safekeeping agent if they are responsible.
- f) That all verbal and written verifications have been forwarded to and received from applicable parties to ensure that transaction was successfully executed.

Investment Strategy and Performance Standards

XVI. Accountability and Authority

The investment portfolio shall be managed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The City will employ an active management approach that allows for the sale of securities prior to their scheduled maturity dates for purposes of improving the portfolio's credit quality, liquidity, or return in response to changing market conditions or the City's circumstances. This Policy recognizes that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's structure and expected investment return, with the proviso that adequate diversification and credit analysis have been implemented.

An appropriate performance benchmark shall be established against which portfolio performance shall be compared on a regular basis. The selected performance benchmark shall be representative of the City's overall investment objectives and liquidity requirements.

GLOSSARY OF TERMS

Agencies — agencies of the federal government set up to supply credit to various classes of institutions (e.g., S&Ls, small business firms, students, farmers, housing agencies, etc.)

Amortized Cost — cost of investments adjusted for premiums and discounts. Amortized cost is used to maintain comparability with market value.

Asked — the price at which securities are offered.

Asset-Backed Securities — Securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

Bankers' Acceptance (BA) — a draft, bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Benchmark — a comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid — price a prospective buyer is ready to pay.

Bond Indenture — written agreement specifying the terms and conditions for issuing bonds, stating the form of the bond being offered for sale, interest to be paid, the maturity date, call provisions and protective covenants, if any, collateral pledged, the repayment schedule, and other terms. It describes the legal obligations of a bond issuer and the powers of the bond trustee, who has the responsibility for ensuring that interest payments are made to registered bondholders.

Book Value — a term synonymous with amortized cost.

Broker/Dealer — individual or firm acting as principal in securities transaction.

Callables — securities that the issuer has the right to redeem prior to maturity.

Certificates of Deposit (CD) — a time deposit with a specific maturity evidenced by a certificate.

Collateral — securities pledged to secure the value of an investment or deposit.

Commercial Paper — short-term IOU, or unsecured money market obligation, issued by prime rated commercial firms and financial companies, with maturities from 2 days up to 270 days. It

is a promissory note of the issuer used to finance current obligations, and is a negotiable instrument.

Comprehensive Annual Financial Report (CAFR) — an annual financial report that contains at a minimum, three sections: introductory, financial and statistical, and whose financial section provides information on each individual fund and component unit. (Definition source: 2005 Governmental Accounting, Auditing, and Financial Reporting (GAAFR)).

Coupon — a) the annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; b) a certificate attached to a bond evidencing interest due on a payment date.

Custody — a banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive, and deliver securities when ordered to do so by the principal.

Delivery vs. Payment — there are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with a simultaneous exchange of money. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives — a) financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor; b) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Discount — the difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities — non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

Diversification — dividing investment funds among a variety of securities offering independent returns.

Executive Investment Committee — a committee chaired and appointed by the City Treasurer to oversee the day-to-day investment program of the City.

Federal Credit Agencies — agencies of the federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

Federal Deposit Insurance Corporation (FDIC) — a federal agency that insures bank deposits. Deposit coverage increased from \$100,000 to \$250,000 per depositor in 2008. The increased coverage limits of \$250,000 per depositor, per insured institution, was extended indefinitely effective July 2010 with the passage of the Dodd-Frank Act.

Federal Funds Rate — the rate of interest associated with borrowing a Federal Reserve Bank's excess reserves. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Open Market Committee (FOMC) — a committee that sets interest rate and credit policies for the Federal Reserve System, the United States' central bank. The FOMC has 12 members. Seven are the members of the Federal Reserve Board, appointed by the president of the United States. The other five are presidents of the 12 regional Federal Reserve banks. Of the five, four are picked on a rotating basis; the other is the president of the Federal Reserve Bank of New York, who is a permanent member. The committee decides whether to increase or decrease interest rates through open market operations of buying or selling government securities. The committee's decisions are closely watched and interpreted by economists and stock and bond market analysts, who try to predict whether the Fed is seeking to tighten credit to reduce inflation or to loosen credit to stimulate the economy.

Federal Reserve System — system established by the Federal Reserve Act of 1913 to regulate the U.S. monetary and banking system. The Federal Reserve System (the Fed) is comprised of 12 regional Federal Reserve Banks, their branches, and all national and state that are a part of the system. The Federal Reserve System's main functions are to regulate the national money supply, set reserve requirements for member banks, supervise the printing of currency at the mint, act as clearinghouse for transfer of funds throughout the banking system, and examine member banks to make sure they meet various Federal Reserve regulations.

Financial Industry Regulatory Authority (FINRA) — The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. All told, FINRA oversees nearly 4,750 brokerage firms, about 167,000 branch offices and approximately 634,000 registered securities representatives.

Interest Rate Risk — the risk that investments will lose market value because of increases in market interest rates. A rise in market interest rates will cause the market value of investments made earlier at lower interest rate to lose value. The reverse will cause a gain in market value.

Investment Committee — a committee chaired by the City Treasurer to advise the City Treasurer on policies governing the City's investment program.

Laddered Portfolio — bond investment portfolio with securities in each maturity range (e.g. monthly) over a specified period of time (e.g. five years).

Leverage — investing with borrowed money with the expectation that the interest earned on the investment will exceed the interest paid on the borrowed money.

Liquidity — the ability to turn an asset into cash. The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

Local Agency Investment Fund (LAIF) — the aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Local Government Investment pool (LGIP)— a type of pooled investment program in which funds from local agency investors/participants are aggregated together for investment purposes.

Market Value— the price at which a security is trading, usually the liquidation value.

Master Repurchase Agreement— a written contract covering all future transactions between the parties to repurchase reverse repurchase agreements that establish each party's rights in the transactions. A master repurchase agreement will often specify the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity— the date upon which the principal or stated value of an investment becomes due and payable.

Modified Duration— a measure of the sensitivity that the value of a fixed-income security has to changes in market rates of interest. Modified duration is the best single measure of a portfolio's or security's exposure to market risk. Modified duration identifies the potential gain/loss in value before the gain/loss actually occurs. It is a prospective measurement, e.g., a modified duration of 1.5 indicates that when and if a 1% change in market interest rates occurs, a 1.5% change in the value of a security will result. Investments with modified durations of one to three are considered to be relatively conservative.

Money Market— the market in which short-term debt instruments (Treasury bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

Money Market Fund— A type of mutual fund that invests exclusively in short-term investments.

Nationally Recognized Statistical Rating Organizations (NRSRO)— a credit rating agency (CRA) that issues credit ratings which the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Offer— price at which someone who owns a security offers to sell it, also known as the asked price.

Open Market Operations— activities by which the Securities Department of the Federal Reserve Bank of New York, popularly called the desk, carries out instructions of the Federal Open Market Committee designed to regulate the money supply. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Portfolio— collection of securities held by an investor.

Primary Dealer— investment dealers authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York in its execution of Fed Open Market Operations. Such dealers must be qualified in terms of reputation, capacity, and adequacy of staff and facilities.

Prudent Investor Rule— an investment standard. In California, persons authorized to make investment decisions on behalf of a local agency are considered trustees and therefore fiduciaries subject to the Prudent Investor Rule. A trustee may invest in a security if it is one which would

be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Rate of Return— the yield obtainable on security based on its purchase price or its current market price.

Repurchase Agreement (RP or REPO)— agreement between a seller and a buyer, usually of U.S. government securities, whereby the seller agrees to repurchase the securities as an agreed upon price and usually, at a stated time. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

Required Reports — Section 53646 of the California Government Code specifies that certain information may be periodically transmitted to the City's governing body and chief executive officers by the City's chief fiscal or investment officer.

Safety— the ability of a security issuer to guarantee redemption of their security.

Safekeeping — sees custody

Secondary Market — a market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission (SEC) — an agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1 — see Uniform Net Capital Rule.

Time Deposit— a savings account or certificate of deposit held in a financial institution for a fixed term.

Treasury Bills— a non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Treasury Bills have a maturity of one year or less.

Treasury Bonds— long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes — medium-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from one to ten years.

Uniform Net Capital Rule — Securities and Exchange Commission requirement that all SEC registered broker/dealers maintain sufficient liquid resources to promptly satisfy their liabilities, including all claims by customers, creditors and other broker-dealers. The rule requires broker-dealers to maintain the greater of (1) a specified percentage of net capital as it relates to either total broker indebtedness or total customer receivables, or (2) a specified dollar amount.

Yield -The annual rate of return on an investment generally expressed as a percentage of the securities current price.



Market Update

May 11, 2020

Prepared by the Portfolio Strategies Group

PFM Asset
Management LLC

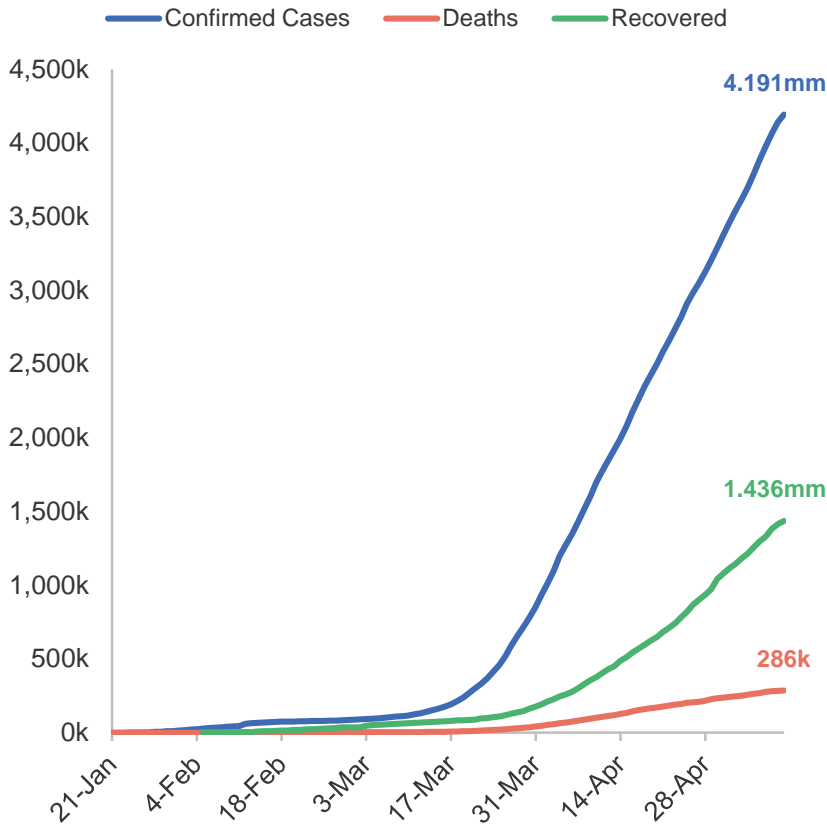
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COVID-19 Pandemic Tops 4 Million Cases Worldwide

Coronavirus Cases

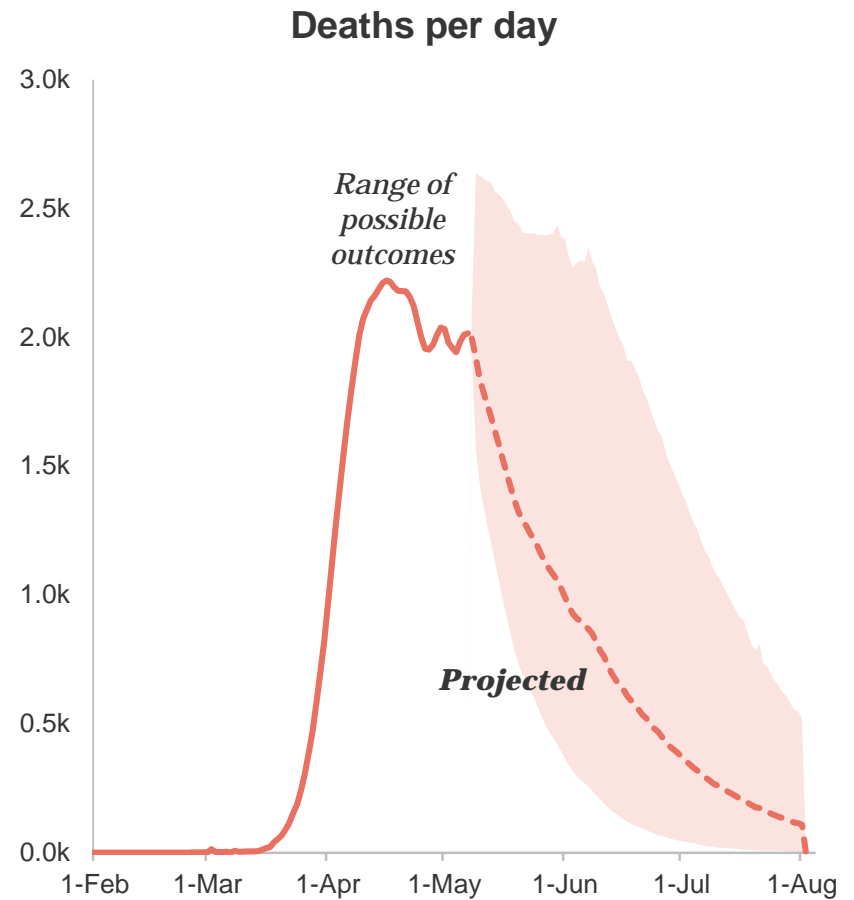
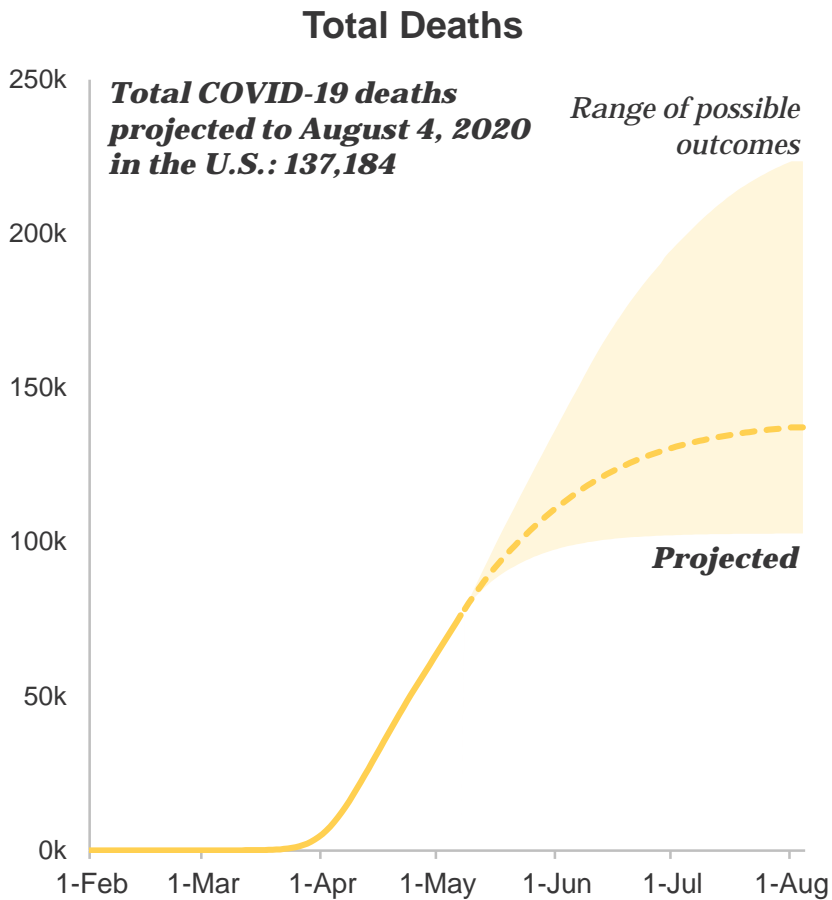


Rank*	Country	# Cases	# Deaths	Death Rate
1	United States	1,340,643	79,935	6.0%
2	China	84,010	4,637	5.5%
3	Japan	15,777	624	4.0%
4	Germany	172,295	7,611	4.4%
5	India	70,768	2,294	3.2%
6	United Kingdom	224,328	32,140	14.3%
7	France	212,618	26,646	12.5%
8	Italy	219,814	30,739	14.0%
9	Brazil	163,510	11,207	6.9%
10	Canada	70,987	6,669	9.4%
11	Russia	221,344	2,009	0.9%
12	South Korea	10,909	256	2.3%
13	Spain	224,350	26,621	11.9%
14	Australia	6,948	97	1.4%
15	Mexico	35,022	3,465	9.9%
23	Sweden	26,670	3,256	12.2%

Source: Bloomberg data compiled from Johns Hopkins University, the World Health Organization, and other sources. *By size of economy, estimates by IMF for 2019. Data as of 5/11/2020.



Due to Relaxed Social Distancing, U.S. Death Projections Rise

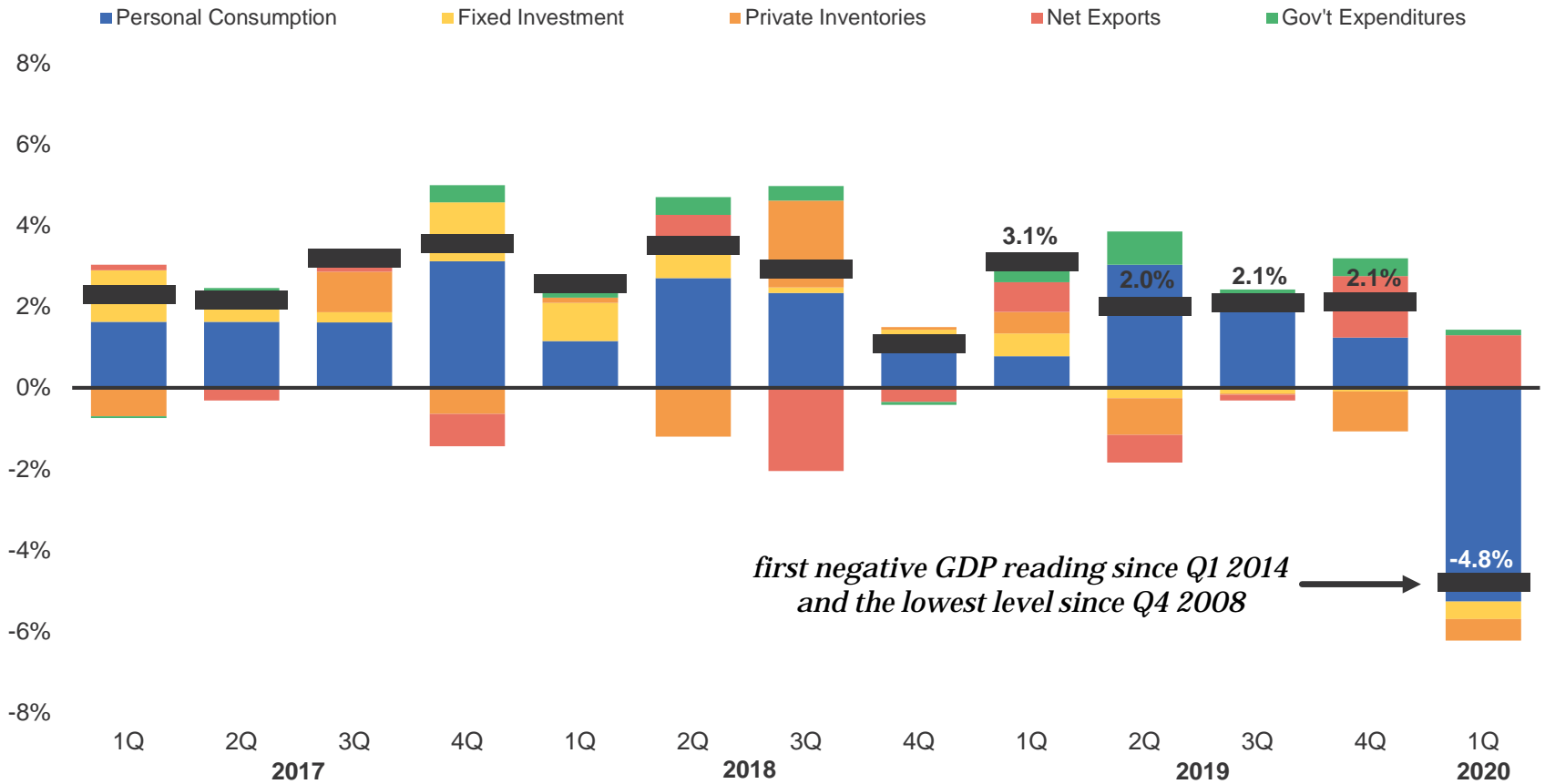


Source: Institute for Health Metrics and Evaluation, as of 5/11/2020. <https://covid19.healthdata.org/projections>



Q1 U.S. GDP Falls 4.8% as COVID-19 Lockdown Weighs on Growth

U.S. GDP Contributors and Detractors

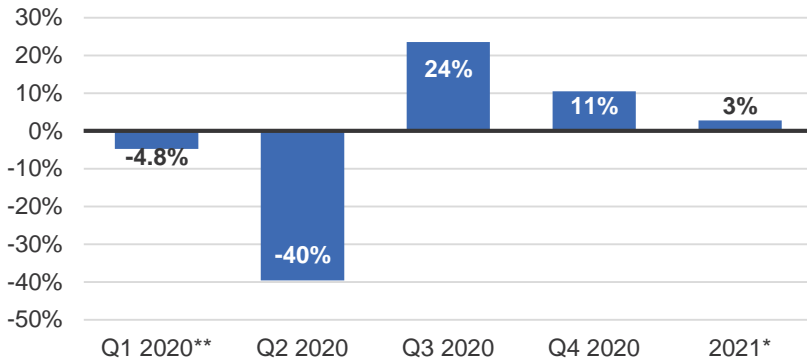


Source: Bureau of Economic Analysis.

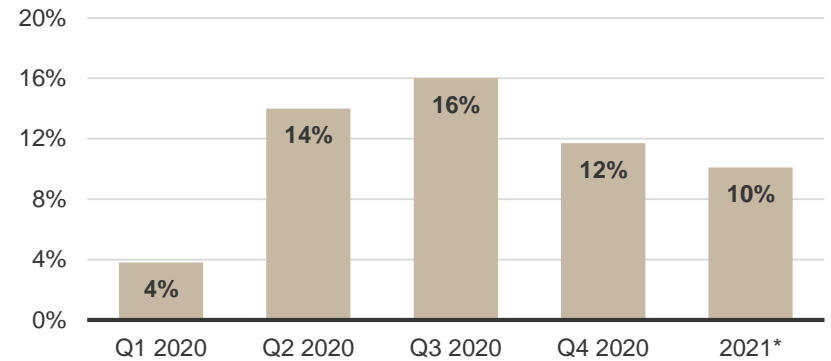


CBO Projections of Key Economic Variables

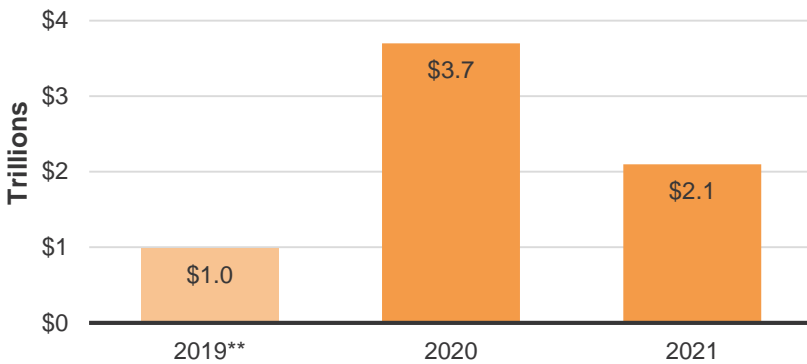
Real GDP (annualized rate)



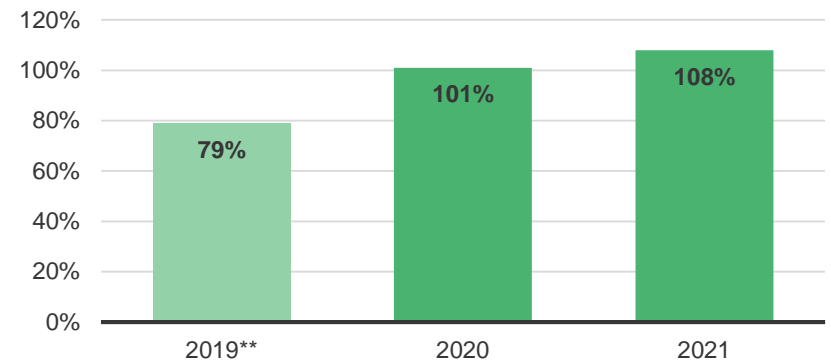
Unemployment Rate



Federal Deficit



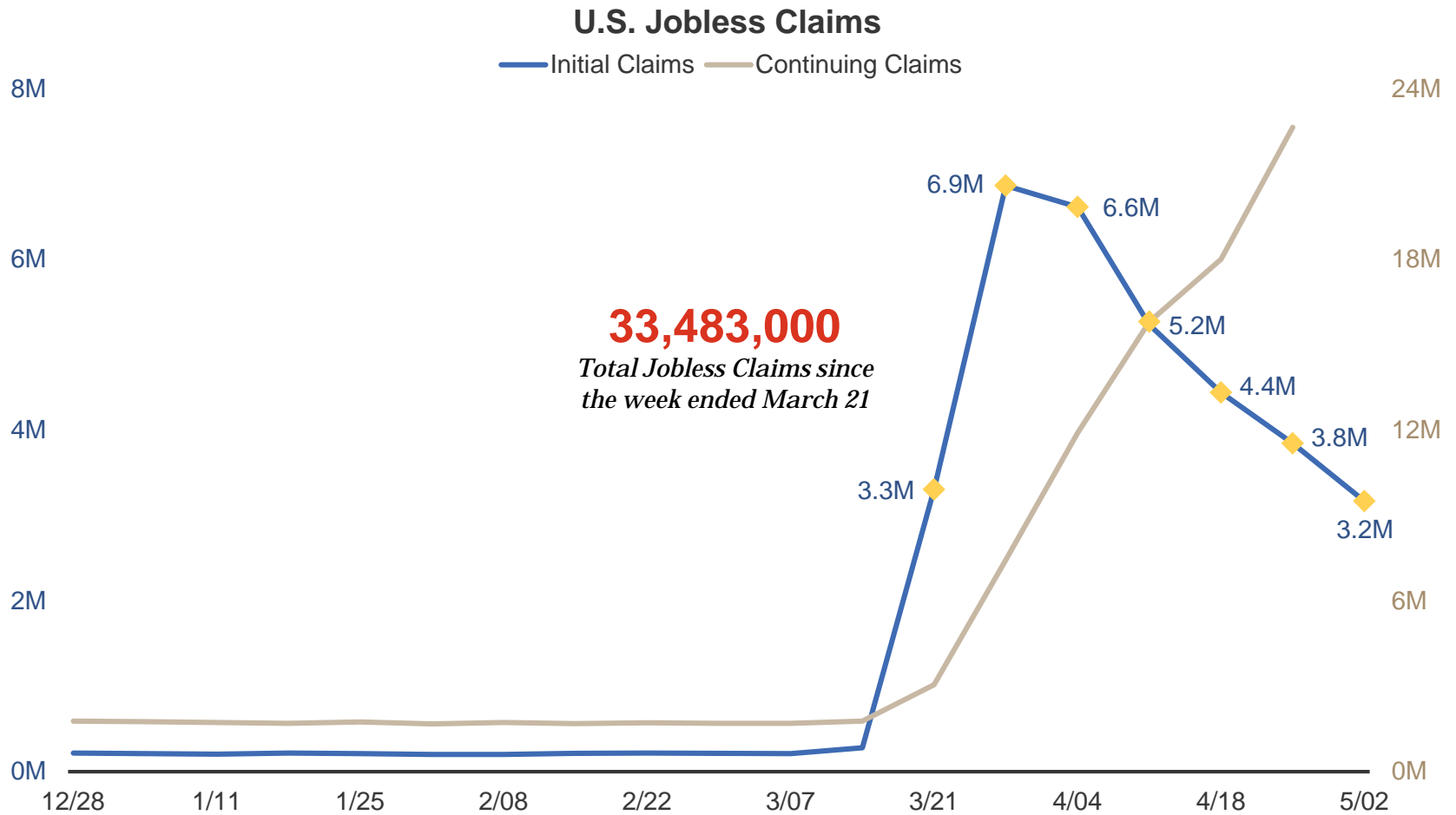
Debt Held by Public as % of GDP



Source: Congressional Budget Office, as of 5/11/2020. *Average for year. **Actual results.



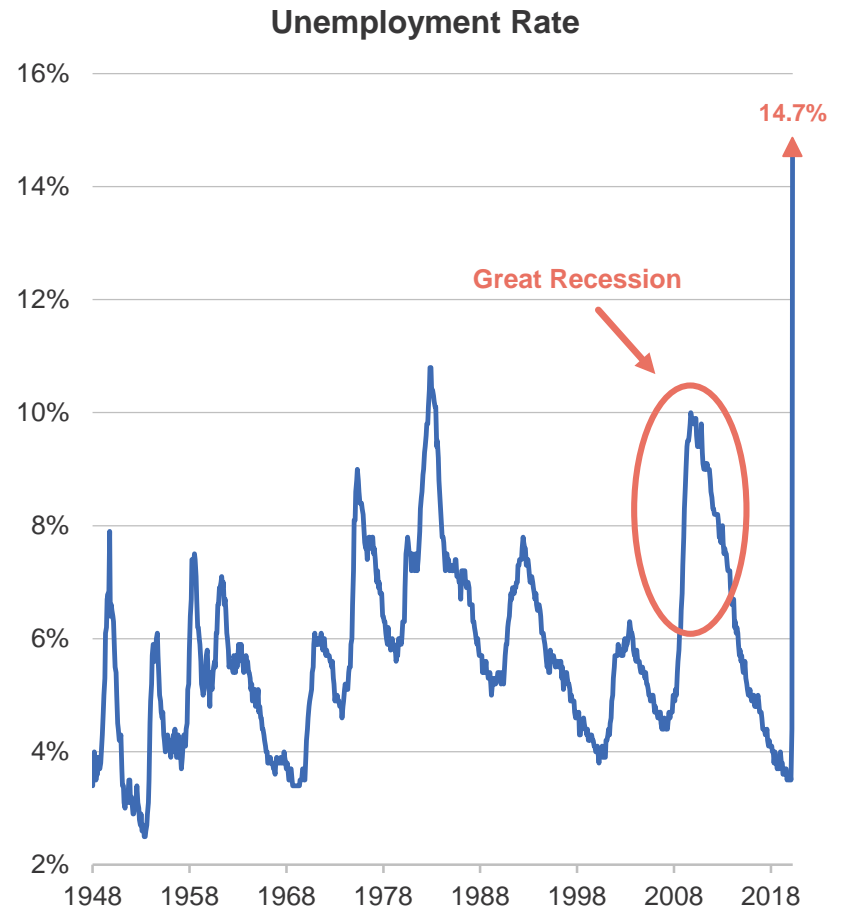
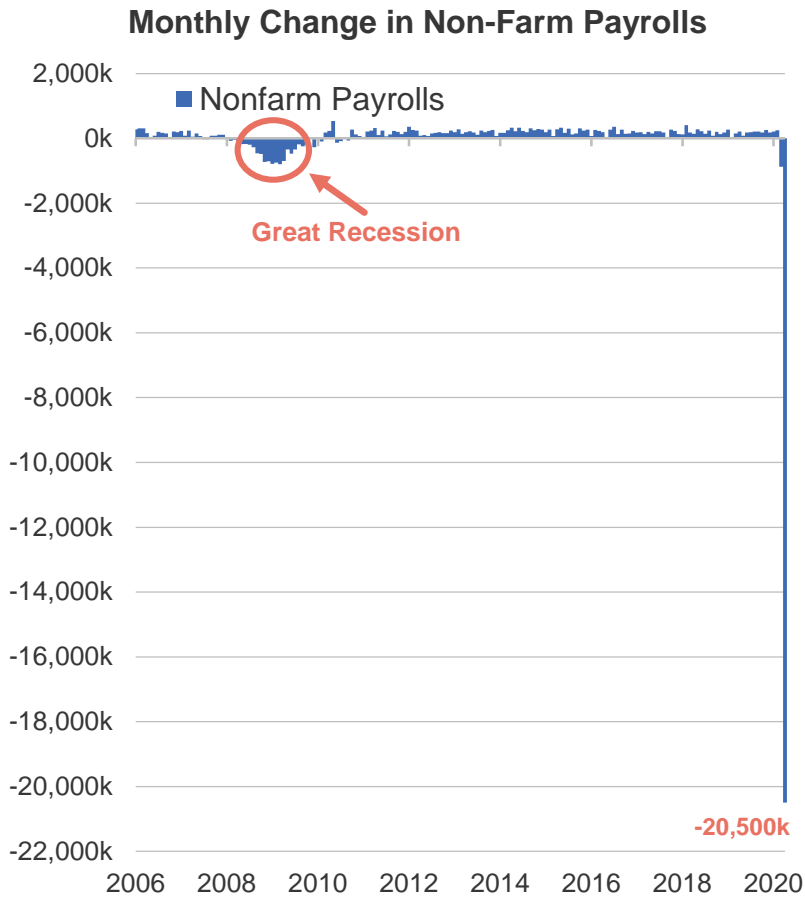
Unprecedented Job Losses Due to Public Health Measures



Source: Department of Labor, latest available data as of 5/11/2020.



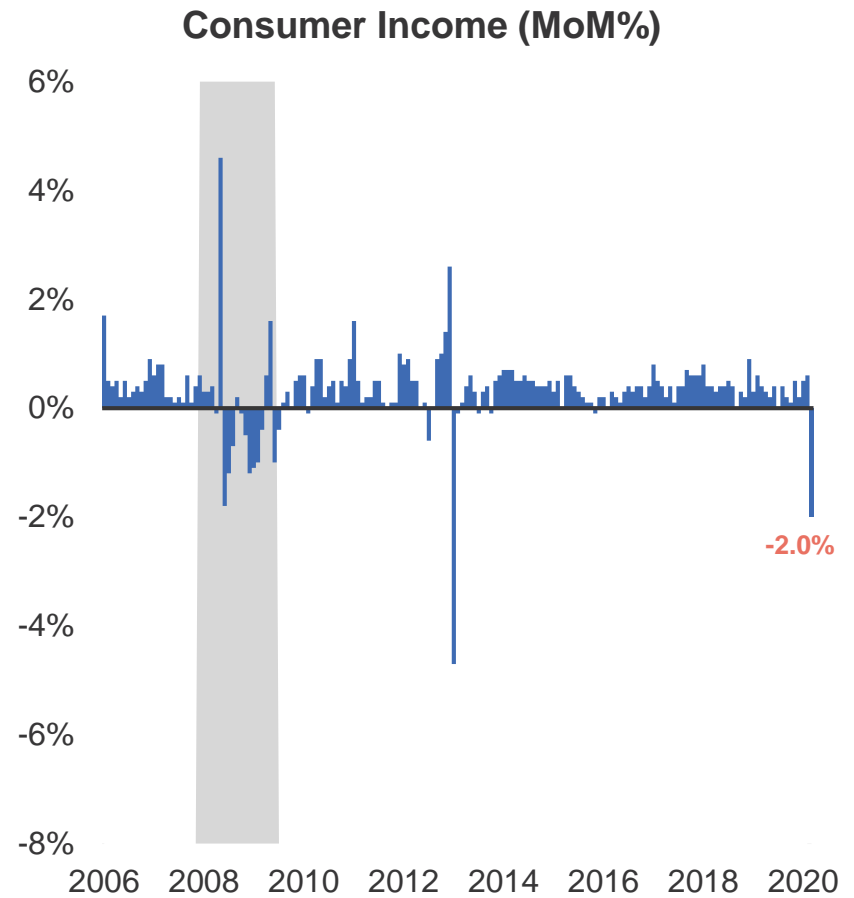
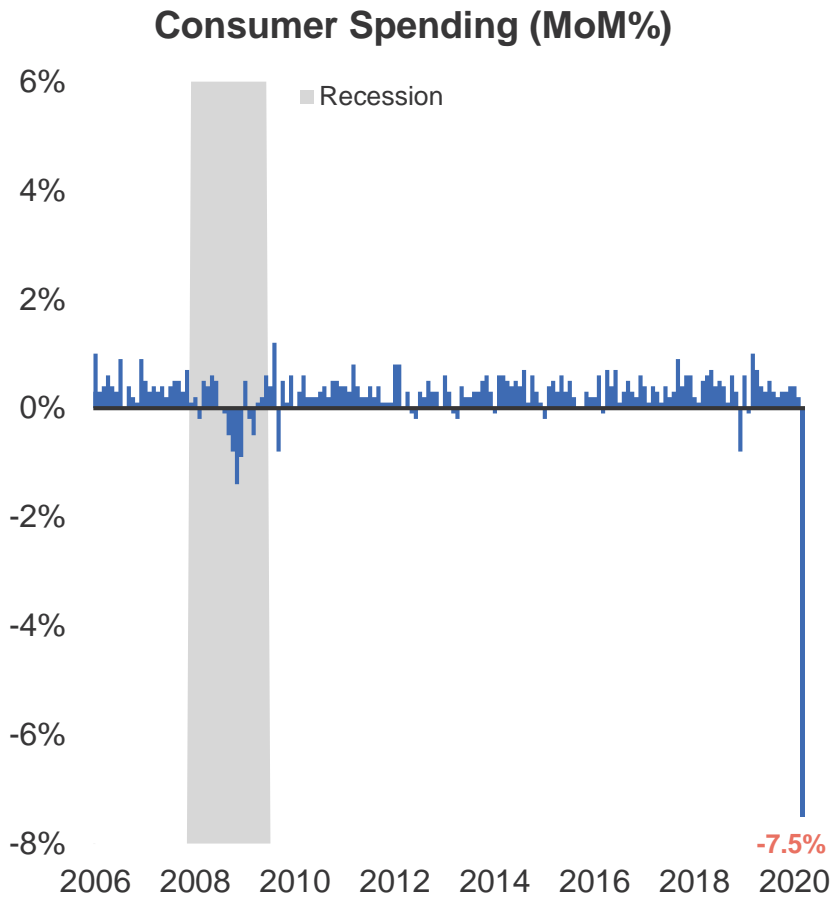
Record 20.5 Million Jobs Lost; Jobless Rate Soars



Source: Bloomberg, as of April 2020.



Consumer Income and Spending Fall Sharply in March

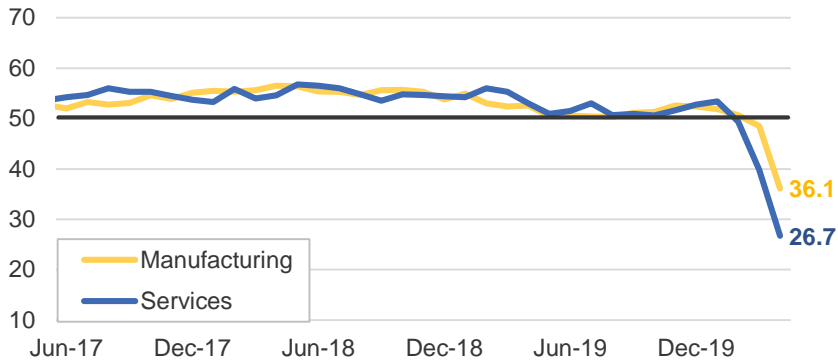


Source: Bloomberg, as of 5/11/2020.

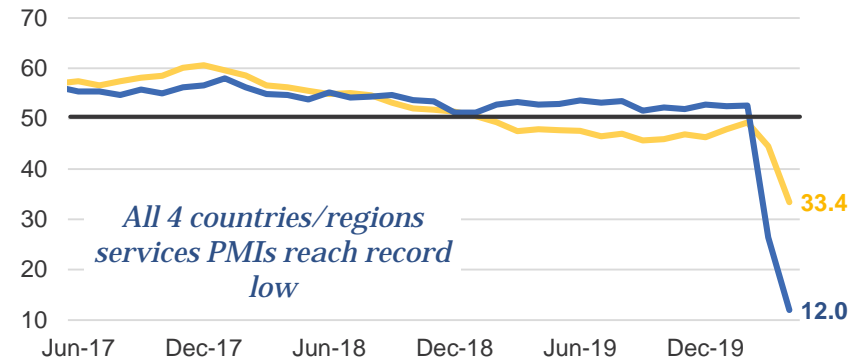


Broad Deterioration in Services and Manufacturing PMIs

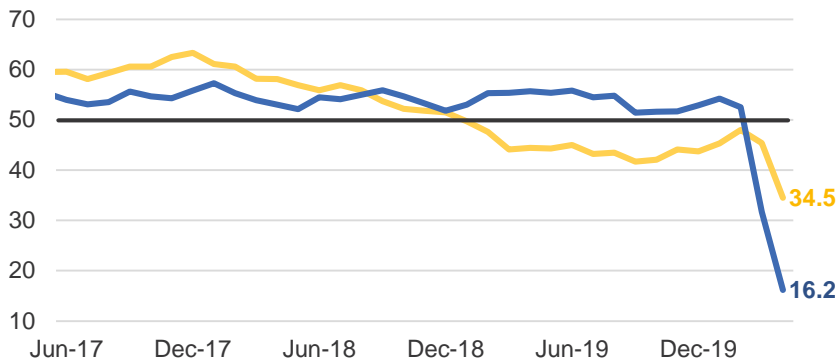
U.S. Markit PMI



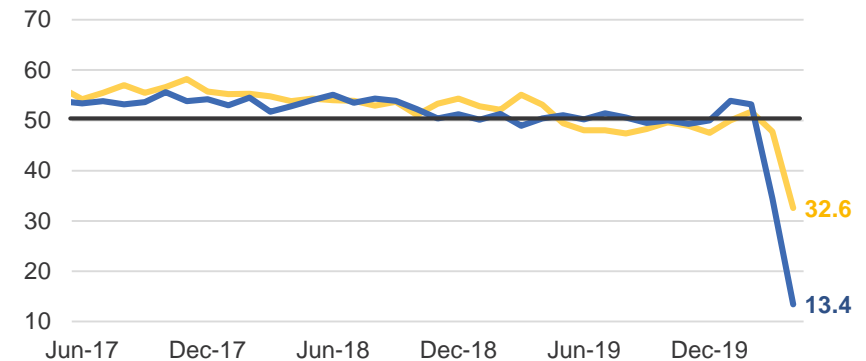
EuroZone Markit PMI



Germany Markit PMI



UK Markit PMI

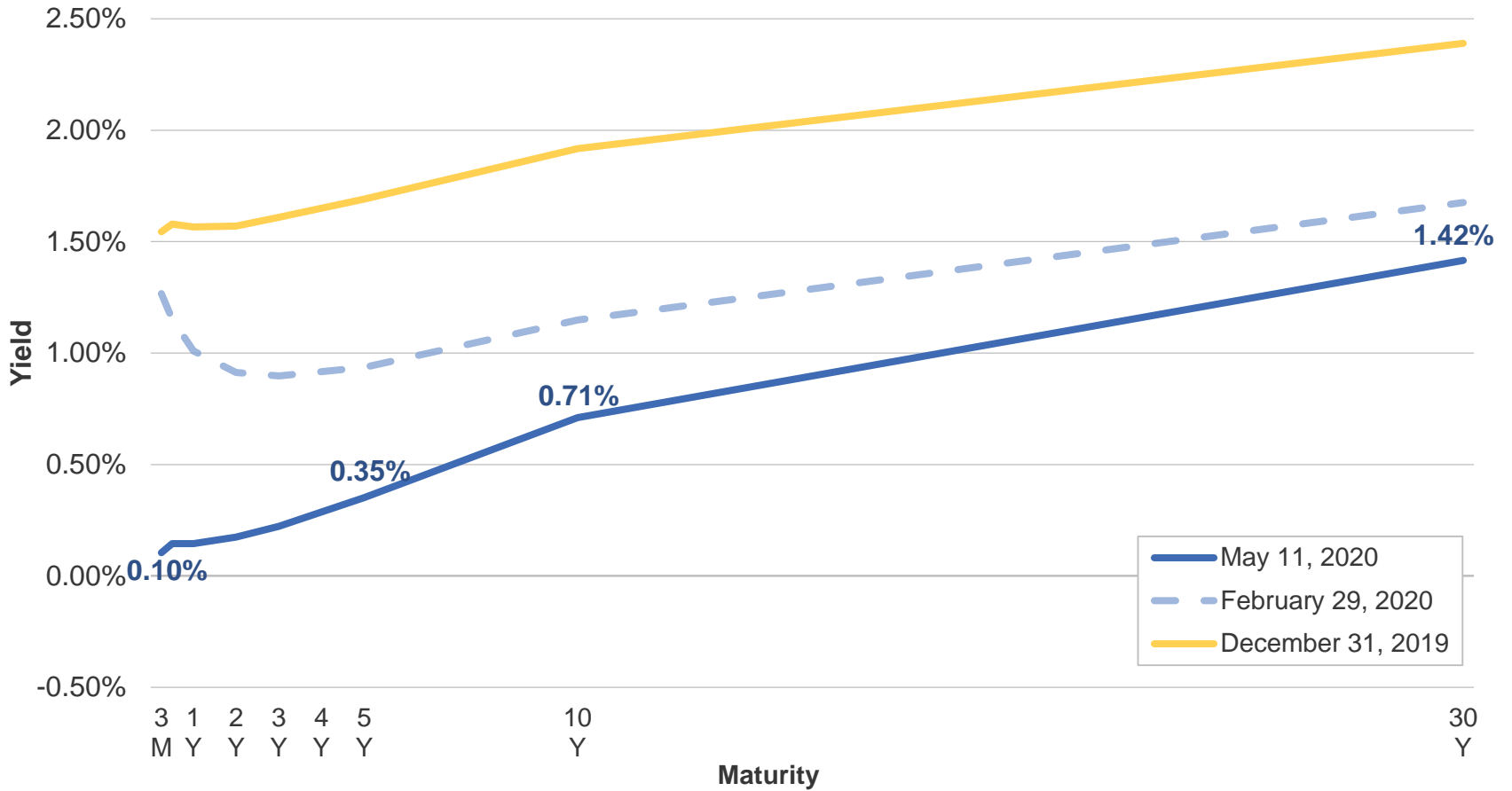


Source: Bloomberg, latest data available as of 5/11/2020.



Yield Curve Remains Sharply Lower

U.S. Treasury Yield Curve



Source: Bloomberg, as of 5/11/2020.



Federal Reserve Broadens Tool Kit to Support Markets

● Zero Interest Rates

- Cut rates by 150 bps at two emergency meetings in March

● Asset Purchase Programs

- Unlimited Treasury and agency MBS purchases

● Repurchase Agreements

- Increased amount and term options to primary dealers

● Discount Window

- Decreased rate and extended term of loans

● Bank Regulatory Relief

- Lowered reserve requirement to 0; capital & liquidity flexibility

● Liquidity Support

- Funding for CP, ABS, MMFs, corporate bonds and more

● U.S. Dollar Swap Lines

- Increased access to U.S. dollars to foreign central banks

● Paycheck Protection Program

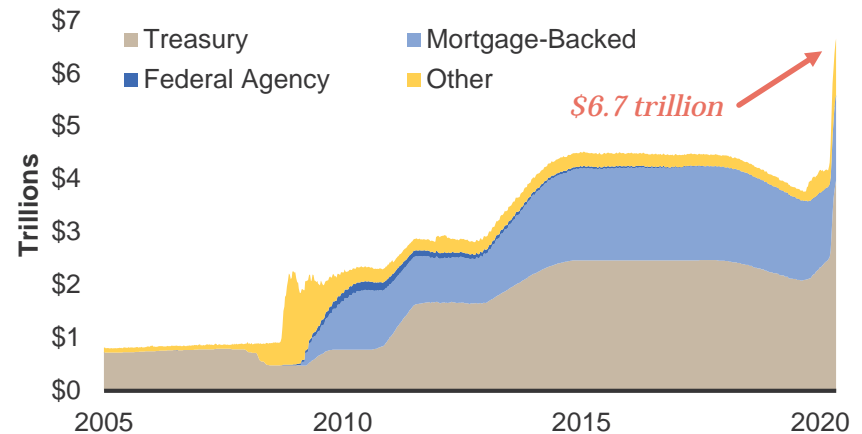
- Support for financial institutions issuing PPP loans

● Main Street Lending Program

- Purchasing loans to small- and mid-size businesses

Source: Federal Reserve, as of 5/11/2020.

Assets of the Federal Reserve



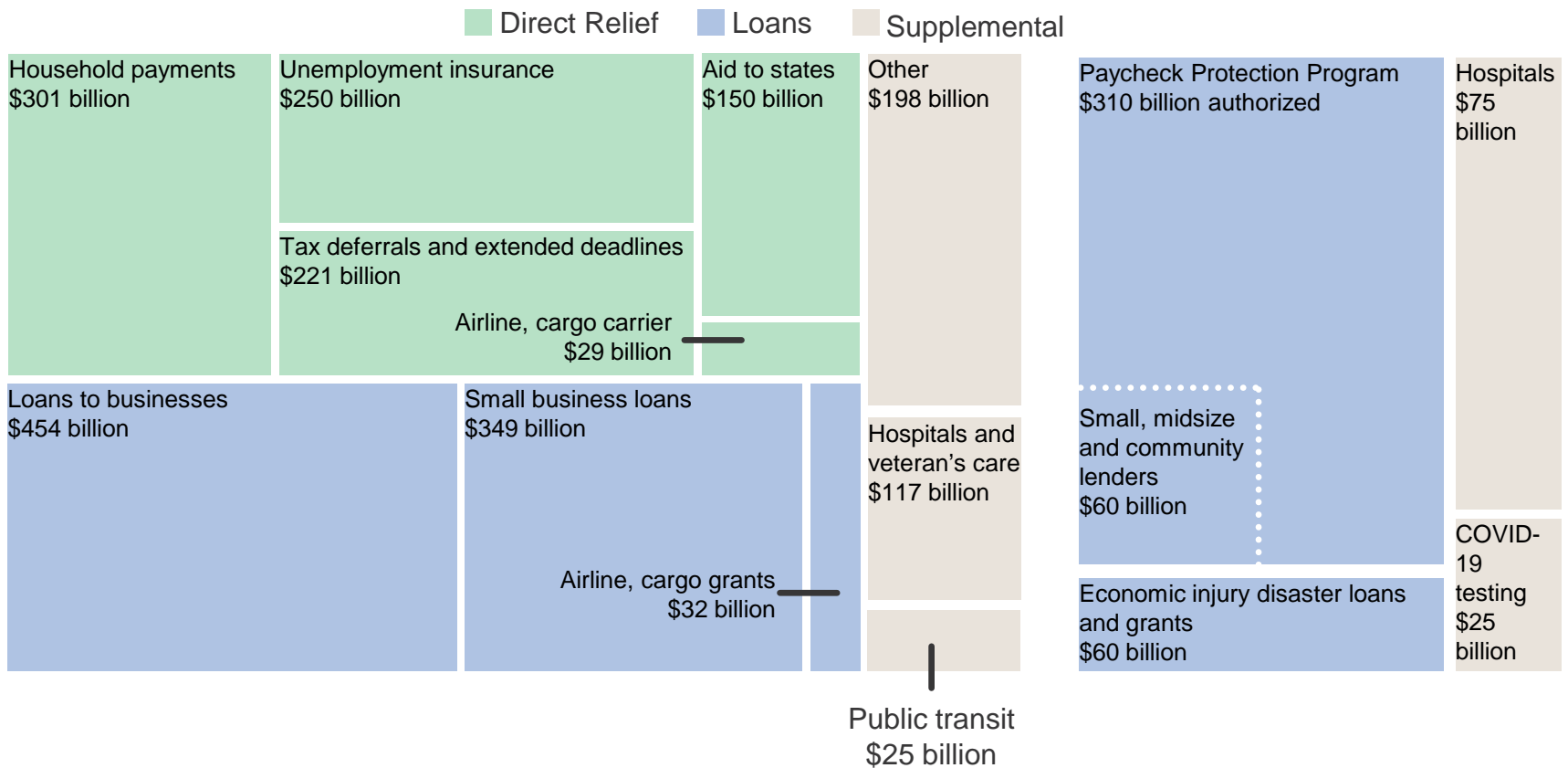
Amount Allocated to Fed's Liquidity Programs	
Facility	Holdings (billions)
Discount Window	\$31.8
PDCF	\$33.4
MMLF	\$46.3
CPFF	\$3.4
PPPLF	\$19.5
Swap Lines	\$439.0
Repurchase Agreements	\$158.2



Congress Providing Fiscal Stimulus to the Economy

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Paycheck Protection Program & Health Care Enhancement Act



Source: Wall Street Journal, as of April 23, 2020.



Treasury Yields Fall to New Lows

2-Year Treasury Yield



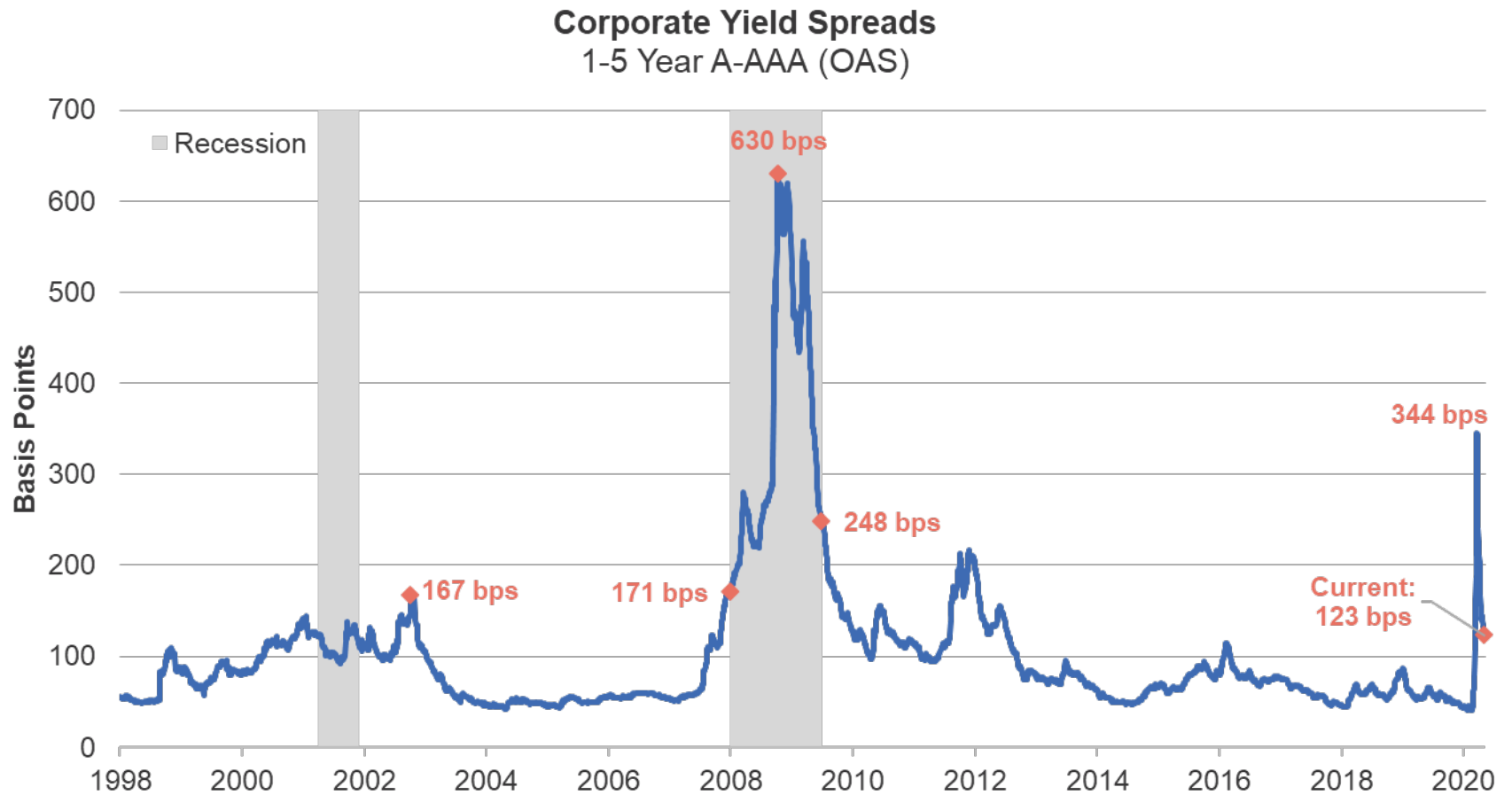
10-Year Treasury Yield



Source: Bloomberg, as of 5/11/2020.



Corporate Spreads Normalize Amid Fed Stimulus

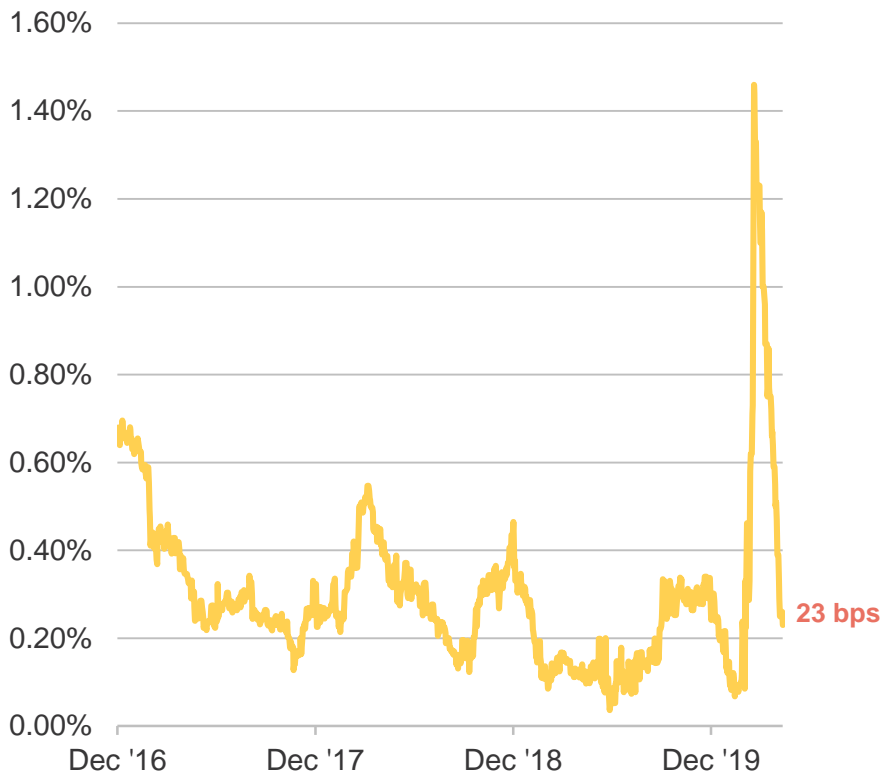


Source: Bloomberg, as of 5/11/20. Recession period derive from the National Bureau of Economic Research (NBER) based recession indicators.

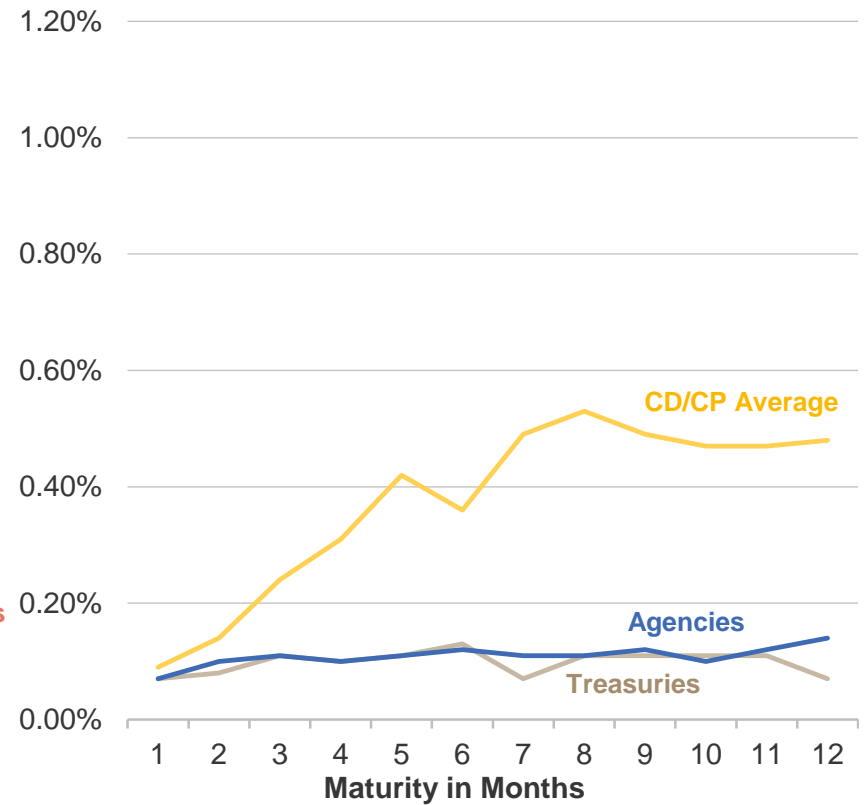


Short-Term Credit Spreads Narrow from Recent Peak

Yield Spread on 6-month Commercial Paper over T-Bill



Money Market Yield Curves

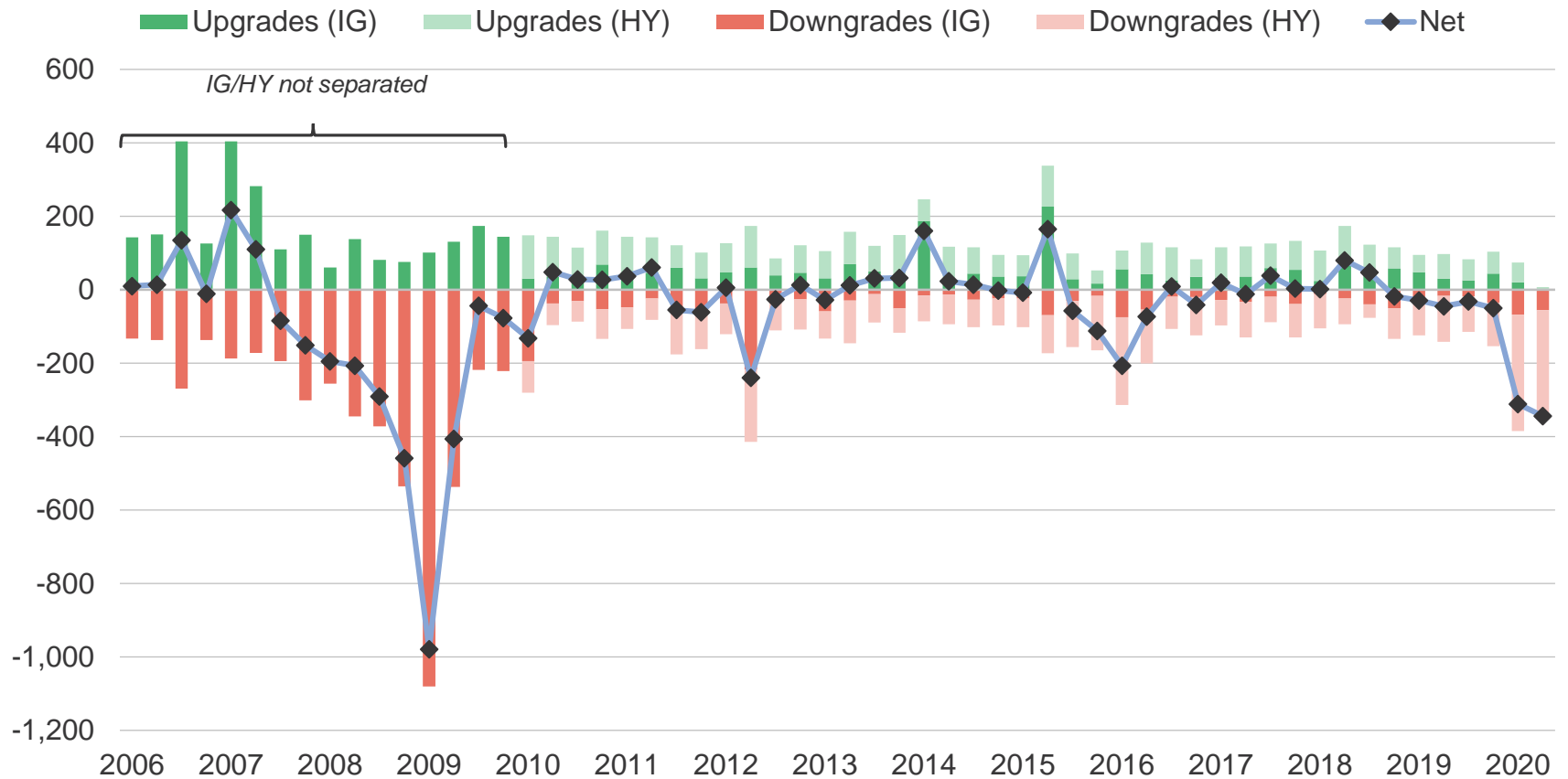


Sources: Bloomberg & PFM Trading Desk, as of 5/11/2020. 6-mo CP yield spread based on A1/P1 rated CP index (left). PFM Trading Desk, as of 5/11/2020 (right).



Rating Downgrades Likely to Accelerate, Focused in High Yield

Moody's Quarterly Ratings Changes

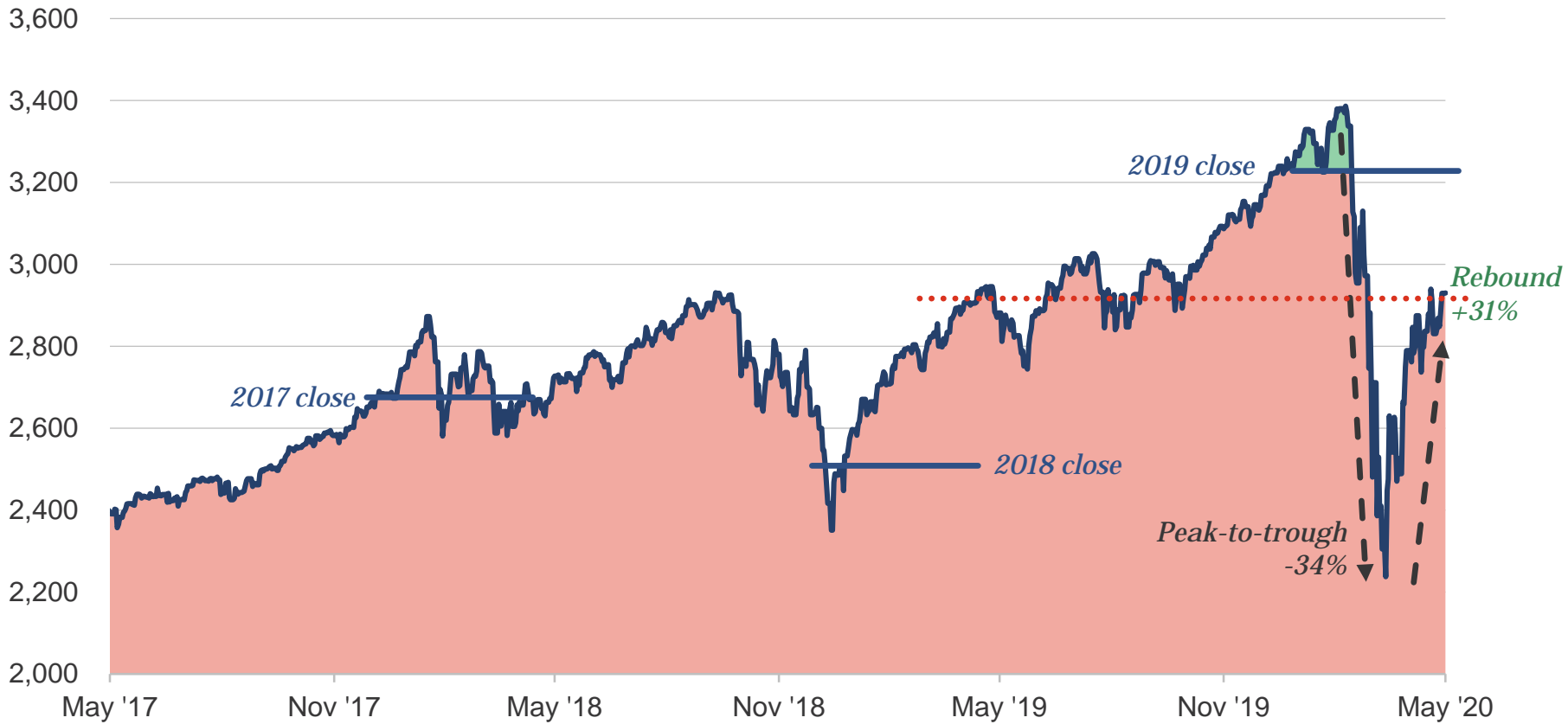


Source: Bloomberg, as of 5/11/20.



Stocks Rally But Remain Down from February Highs

S&P Price Change



Source: Bloomberg, as of 5/11/2020.



Disclosures

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CITY COUNCIL STAFF REPORT

Current Business Item No. 15

May 20, 2020

File No. 0610-55

SUBJECT: Appointment to the San Diego County Water Authority Board of Directors

DEPARTMENT: City Clerk's Office

RECOMMENDATION:

Approval

PREVIOUS ACTION:

On December 18, 2018, the City Council voted to appoint Councilmember John Masson (See Attachment 1) to serve on the San Diego County Water Authority Board of Supervisors. On November 20, 2019, the City Council approved Marty Miller to serve as proxy for Councilmember Masson (See Attachment 2).

BACKGROUND:

Councilmember Masson sadly passed away on March 10, 2020. At which time, Councilmember Masson's District 2 seat became vacant. The District 2 seat will remain vacant until after the November 3, 2020 election, when the newly elected representative is sworn-in on December 9, 2020.

The City of Escondido currently does not have a representative serving on the San Diego County Water Authority Board of Directors. Therefore, the City Council has the option of selecting a new representative for the San Diego County Water Authority Board of Directors, or leaving the seat vacant until the new District 2 representative is sworn-in.

Deputy Mayor Consuelo Martinez has expressed willingness to serve on the San Diego County Water Authority Board of Directors as representative for the City of Escondido.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Zack Beck, City Clerk
5/14/20 10:47 a.m.

ATTACHMENTS:

Attachment 1 – Escondido City Council Regional Appointments
Attachment 2 – Resolution No. 2019 -173

**CITY OF ESCONDIDO
SUBCOMMITTEE & AD HOC APPOINTMENTS
2018 - 2020**

The following information is maintained by the City Clerk's Office.

CITY COUNCIL APPOINTED (REGIONAL) SUBCOMMITTEES			
NAME OF AGENCY	COUNCIL REPRESENTATIVE	STAFF LIAISON	NOTES
NORTH COUNTY TRANSIT DISTRICT	Paul McNamara Mike Morasco (Alternate)	Julie Procopio	
SANDAG	Paul McNamara Olga Diaz (Alternate) Mike Morasco (2 nd Alternate)	Jay Petrek	
SAN DIEGUITO RIVER VALLEY Regional Open Space Park JPA Board	Olga Diaz Consuelo Martinez (Alternate)	Bill Martin	
MAYORAL APPOINTED (REGIONAL) SUBCOMMITTEES			
NAME OF AGENCY	COUNCIL REPRESENTATIVE	STAFF LIAISON	NOTES
ABAG	Paul McNamara		Voting delegate is the Mayor who may appoint alternates (Reso 98-262)
LEAGUE OF CALIFORNIA CITIES	Olga Diaz	City Manager	
REGIONAL SOLID WASTE ASSOCIATION BOARD	Mike Morasco	Laura Robinson	Initial appointment 9/17/03
ESCONDIDO CREEK WATERSHED ALLIANCE (ECWA)	Olga Diaz	Chris McKinney	Cities of Encinitas, Solana Beach; San Diego County; Escondido Creek Conservancy; San Elijo Lagoon Conservancy; state & federal agencies <i>(Meets Quarterly)</i>
SAN DIEGO COUNTY WATER AUTHORITY	John Masson	Chris McKinney	Initial appointment 4/10/13; Reappointed on 9/14/16.

CITY OF ESCONDIDO
SUBCOMMITTEE & AD HOC APPOINTMENTS
2018 - 2020

MAYORAL APPOINTED (LOCAL) SUBCOMMITTEES			
NAME OF COMMITTEE	COUNCIL REPRESENTATIVE	STAFF LIAISON	NOTES
ANNUAL AWARD SELECTIONS <i>Mayor's State of City Address</i>	John Masson Mike Morasco	Michelle Geller	Meets annually
CCAE	Consuelo Martinez Mike Morasco	Jay Petrek	<i>(Established 12-16-09 - former ad hoc committee)</i>
ECONOMIC DEVELOPMENT	Paul McNamara John Masson	Michelle Geller	
SCHOOL SUBCOMMITTEE	Mike Morasco Olga Diaz	City Manager	
UTILITIES SUBCOMMITTEE	Consuelo Martinez Mike Morasco	Chris McKinney	Originally established 9/19/07 as an ad hoc; became permanent 2/24/10
MAYORAL APPOINTED AD HOC COMMITTEES			
NAME OF COMMITTEE	COUNCIL REPRESENTATIVE	STAFF LIAISON	NOTES <i>Not subject to Brown Act</i>
DOWNTOWN PARKING <i>(Established. 4/6/05)</i>	Olga Diaz Mike Morasco	Julie Procopio	Temporary liaison to make recommendations on interim and long-term parking concerns.

RESOLUTION NO. 2019-173

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING THE DESIGNATION OF ANOTHER
MEMBER OF THE SAN DIEGO COUNTY
WATER AUTHORITY BOARD OF DIRECTORS
TO VOTE IN THE ABSENCE OF THE CITY OF
ESCONDIDO'S REPRESENTATIVE TO THE
BOARD

WHEREAS, pursuant to section 6, paragraph (g) of the County Water Authority Act, the City Council of the City of Escondido may designate a member of the San Diego County Water Authority Board of Directors to vote on behalf of the City of Escondido in the absence of the City of Escondido's regular representative to that Board; and

WHEREAS, the City Council of the City of Escondido desires to confirm the duly appointed member of the San Diego County Water Authority Board representing the Vista Irrigation District to this proxy designation.

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 City Council designates the member of the San Diego County Water Authority Board representing the Vista Irrigation District to vote as proxy for the City of Escondido in the event that the City of Escondido's regular representative to that Board is absent.
3. This proxy designation shall be effective only when the City of Escondido's regular representative to the San Diego County Water Authority Board notifies the Board Clerk in writing of the planned absence.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 20th day of November, 2019 by the following vote to wit:

AYES : Councilmembers: DIAZ, MARTINEZ, MASSON, MORASCO, MCNAMARA

NOES : Councilmembers: NONE

ABSENT : Councilmembers: NONE

APPROVED:

DocuSigned by:

Paul McNamara

CAACE20782954D3...
PAUL MCNAMARA, Mayor of the
City of Escondido, California

ATTEST:

DocuSigned by:

Zack Beck

A58535D0BDC1430...
ZACK BECK, City Clerk of the
City of Escondido, California

RESOLUTION NO. 2019-173

CITY COUNCIL STAFF REPORT

Current Business Item No. 16

May 20, 2020

File No. 0865-60

SUBJECT: Urgency Ordinance for the Coronavirus (COVID-19) Emergency Business Recovery Strategy

DEPARTMENT: Economic Development, Community Development, and City Attorney

RECOMMENDATION:

It is requested that the City Council consider and adopt Urgency Ordinance No. 2020-12 to formally approve the regulatory measures outlined in the COVID-19 Emergency Business Recovery Strategy that was considered by the City Council on May 13, 2020 (see Attachment 1), to support Escondido's economic recovery.

BACKGROUND / PREVIOUS ACTION:

On May 13, 2020, the City Council considered the COVID-19 Emergency Business Recovery Strategy and unanimously supported recommendations to:

- a) Approve a local Business Recovery Strategy implementing temporary regulatory and non-regulatory measures to assist business economic recovery efforts arising out of the Local Emergency related to the COVID-19 pandemic outbreak;
- b) Provide input and direction to staff on additional measures to support local business in their economic recovery efforts; and
- c) Direct staff to bring forth an Urgency Ordinance on May 20, 2020, adopting recommended regulatory relief measures.

The City Council directed staff to consider additional measures such as picnic tables, expanding the parklet concept for other areas of the City beyond Grand Avenue, and exploring the possibility of re-opening the local Drive-In located at the Swap Meet.

In addition, the City Council requested that staff review and consider the possibility of the City joining the newly established public-private partnership, "San Diego County COVID-19 Small Business and Nonprofit Relief Program," to provide financial relief to small businesses and nonprofits.

The City Council concurred with staff's recommendation to adopt the regulatory relief measures brought forth in the COVID-19 Emergency Business Recovery Strategy. Direction was given to ensure that business recovery materials and information be translated into Spanish, and that staff conduct outreach to the Hispanic and Latino community. Staff intends to accomplish this with bilingual Economic Development staff, outreach materials in Spanish, and via local business and non-profit organizations that serve these communities.

Urgency Ordinance.

Pursuant to the Government Code, the City Council may enact an urgency ordinance under unique circumstances. Typically, ordinances may not be passed within five days of their introduction. However, pursuant to Government Code Section 36934, an urgency ordinance may be passed immediately.

Furthermore, while a typical ordinance takes effect 30 days after final passage, an urgency ordinance for the immediate preservation of the public peace, health or safety containing a declaration of the facts constituting the urgency, and passed by a four-fifths vote of the city council, takes effect immediately upon adoption. See Government Code Section 36937(b).

RECOMMENDED IMPLEMENTATION:

Staff has prepared Urgency Ordinance No. 2020-12 for City Council adoption as a means of mitigating and preventing further public safety and health effects of the COVID-19 pandemic. With respect to the City's general authority to adopt the Urgency Ordinance, the health and safety effects of the pandemic emergency on the community is mitigated by the Business Recovery Strategy serving to protect the general public from those non-economic health and safety effects.

Urgency Ordinance No. 2020-12 includes the following regulatory measures as outlined within the COVID-19 Emergency Business Recovery Strategy, which would be effective immediately:

- a. Permit Time Limit Extension Program.
- b. Temporary Signage Relief.
- c. Alcohol Sales Relief.
- d. Outdoor Display and Sale Events Relief.
- e. Repurposing Off-Street Parking Provisions: Restaurant Carryout Zones and a program designating underutilized parking spaces for outdoor dining areas.
- f. Repurposing On-Street Parking.
 - a. "Parklets".
 - b. Allowing businesses exclusive use of adjacent on-street curbside parking spaces for expanding service delivery to patrons or Restaurant Carryout Zones.
 - c. Allowing businesses to provide additional outdoor display areas for selling goods and conducting more outdoor transactions.
- g. Permitted accessory uses in industrial zones.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The Business Recovery Strategy is exempt from CEQA under Public Resources Code section 21080(b)(4) and CEQA Guidelines section 15269(c), as a project undertaken to prevent or mitigate an emergency.

CONCLUSION:

The City Council, pursuant to its inherent police powers under the state constitution and state law, has the authority to enact laws for the safety and protection of its residents. The declaration of the Local Emergency as well as the existence of numerous similar declarations at all levels of national and state governments reflect that the current health and financial circumstances of the COVID-19 emergency require creative and effective measures to protect the residents and businesses in this jurisdiction.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jay Petrek, Assistant City Manager
5/14/20 3:00 p.m.

Mike Strong, Director of Community Development
5/14/20 2:58 p.m.

Amber Tarrac, Deputy Director of Economic Development
5/14/20 2:51 p.m.

ATTACHMENTS:

1. Attachment 1 - City Council Staff Report, May 13, 2020
2. Ordinance No. 2020-12

CITY COUNCIL STAFF REPORT

Current Business Item No. 8

May 13, 2020

File No. 0865-60

SUBJECT: A COVID-19 Emergency Business Recovery Strategy

DEPARTMENT: Economic Development and Community Development

RECOMMENDATION:

It is requested that the City Council:

1. Approve a local Business Recovery Strategy implementing temporary regulatory and non-regulatory measures to assist business economic recovery efforts arising out of the Local Emergency related to the COVID-19 pandemic outbreak;
2. Provide input and direction to staff on additional measures to support local business in their economic recovery efforts; and
3. Direct staff to bring forth an Urgency Ordinance on May 20, 2020, adopting recommended regulatory relief measures.

FISCAL ANALYSIS:

Staff time to develop and implement the Business Recovery Strategy is not anticipated to be significant, and falls within the parameters of current staffing capabilities. It is unknown at this time what, if any, fiscal impact the adoption of certain strategies will have on the City of Escondido ("City"). For example, Escondido may experience temporary revenue losses due to postponing utility disconnections when customers affected by COVID-19 delay submitting utility payments. In addition, Engineering and Public Works costs to implement recommendations allowing for expanded dining and retail areas in the public right-of-way will vary on a case-by-case basis subject to the number of requests.

It is not known how long it will take to recover financially from the impacts of COVID-19. The true economic effects of the pandemic and the shuttering of local businesses resulting in declining revenues are only beginning to unfold. Addressing these complex local challenges warrants a deep rethinking of municipal policies, financing mechanisms, and governance. Organizing a strategy that combines safety, flexibility, accommodation, growth, inclusion, and the City's various policies and regulations will help mobilize and rebuild our local economy.

PREVIOUS ACTIONS:

On March 16, 2020, pursuant to Chapter 7 of the Escondido Municipal Code, the City Manager, acting in his capacity as the Director of Emergency Services ("Director"), issued a Local Emergency Proclamation related to the COVID-19 pandemic.

COVID-19 Emergency Business Recovery Strategy
May 13, 2020
Page 2

On March 18, 2020, pursuant to Resolution No. 2020-01, the City Council ratified the Director's Proclamation and issued its own Local Emergency Proclamation (Attachment 1).

On April 8, 2020, the City Council considered and approved an Urgency Ordinance to grant temporary eviction protection for both commercial and residential tenants impacted by COVID-19.

BACKGROUND:

Local Emergency Related to COVID-19

COVID-19, a novel coronavirus that causes infectious disease, was detected in December 2019 and has spread throughout the world. The disease is spread through person-to-person contact between people who are in close proximity with others, and through respiratory droplets when a person coughs or sneezes, even when that person is asymptomatic.

There have been numerous deaths attributed to COVID-19 in the United States and around the world. Health agencies have recommended various protective measures to reduce the likelihood of transmission of the virus. The World Health Organization identified the present circumstances as a pandemic on March 11, 2020.

The President of the United States, the State of California, the County of San Diego, and all local cities in the County issued proclamations and declarations of emergency and adopted various measures to address the myriad of economic consequences of this event. On March 19, 2020, Governor Newsom issued Executive Order N-33-20 (Attachment 2) which effectively operated as a stay-at-home order for an undefined period prohibiting non-essential travel and the gathering of groups of persons. The Order closed bars, restaurants, and numerous places that provided employment to City residents and materially affected the ability of businesses to pay their commercial lease, utilities, payroll, and debt service obligations in a timely manner. These events, including the length of the state orders are circumstances beyond the control of local businesses.

In addition to the severe impact this pandemic has caused on Escondido's ability to perform and deliver necessary services to its residents, the City is currently experiencing a substantial financial impact from dramatically reduced sales tax and related revenue streams affecting the General Fund. Local and national unemployment claims have skyrocketed, and the City has received several notices pursuant to California Labor Code Sections 1401, *et. seq.* ("WARN Act") regarding mass layoffs at numerous Escondido businesses and food establishments.

Although the full economic impact of COVID-19 is yet to be calculated, these events provide evidence that there has been a substantial effect on the ability of City residents to remain employed and earn sufficient income to pay rent, buy food, cover normal monthly bills, which has significantly curtailed spending, events, and tourism. The scale of the challenge and uncertainties to small and large businesses during this crisis is daunting and warrants a City response.

COVID-19 Emergency Business Recovery Strategy
May 13, 2020
Page 3

Local Economic Recovery Efforts

Businesses are facing extreme economic challenges and uncertainty due to COVID-19. In response, financial relief and loan programs at the federal and state level aim to meet the needs of businesses. Beyond federal and state governments, local agencies are getting involved as well. On April 16, 2020, the City Manager launched an Economic Recovery Task Force consisting of multidisciplinary staff from various departments to work in partnership with the San Diego North Economic Development Council, Innovate78, and key industry stakeholders to develop a Business Recovery Strategy to serve as a roadmap for Escondido's economic recovery. The City opted to pursue this avenue for economic recovery in lieu of a Citizen's Advisory Committee in order to move quickly based upon updated Public Health Orders, City operational considerations, and in concert with industry and workforce feedback.

The following is a chronological summary of the City's economic recovery efforts thus far:

- The City's Economic Development Division created an Economic Recovery Matrix to identify and track efforts that the City has undertaken since March 12, 2020, to support businesses and residents. The matrix includes measures that have already been implemented, as well as measures that are in progress, under consideration, and those determined not feasible (Attachment 3). This matrix is intended to be a 'living document' with additional measures and strategies incorporated as they arise.
- The City ceased utility disconnections for non-payment and waived reconnection fees on March 12, 2020.
- The City launched an on-line resource "[Support Local Food and Drink](#)" on March 18, 2020, that provided the community with information on local farms, breweries, wineries, and restaurants offering food and beverages to-go, curbside pickup, and/or delivery. This included a list of the establishments as well as an interactive map.
- The San Diego North Economic Development Council, the North County Chambers of Commerce, and North County City Economic Developers began convening joint weekly meetings on March 19, 2020, to discuss updates and information on federal, state, and local economic recovery programs.
- The City ceased issuing tickets for street sweeping on March 20, 2020, after the Stay at Home Order was issued.
- The Escondido Chamber of Commerce invited City Economic Development staff and the U.S. Small Business Administration to discuss local, state, and federal programs, gather feedback, and share business best practices with their membership on April 3 and April 9, 2020.

COVID-19 Emergency Business Recovery Strategy
May 13, 2020
Page 4

- San Diego County Vice-Chairman Desmond and the San Diego North Economic Development Council convened a North County Economic Recovery Workgroup on April 15 and April 28, 2020, that included City Economic Development staff and key local industry stakeholders from Escondido to discuss stakeholder business perspectives, requests, and operational needs.
- The City Manager appointed a multidisciplinary City Re-Opening Workgroup on April 21, 2020, to develop recommendations for re-opening City facilities in a phased approach including operational practices that ensure the health and safety of employees and the public.
- Economic Development staff collaborated with the Chamber of Commerce and Downtown Business Association on April 27, 2020, to gather feedback from industry stakeholders regarding the proposed Business Recovery Strategy recommendations.
- The City partnered with the Chamber of Commerce to launch the on-line community resource “[Escondido Eats](#)” on May 1, 2020, available for all local food and drink establishments to share meal and beverage promotions, discounts and specials on a centralized calendar.
- Economic Development staff worked closely with staff in the City’s Engineering, Planning, Attorney, Police and Fire Departments, Innovate78, and the San Diego North Economic Development Council to develop a comprehensive Business Recovery Strategy that includes recommendations for regulatory relief allowing local businesses to meet the requirements set forth by the State and County Public Health Orders.

ANALYSIS AND DISCUSSION:

General City Police Powers

There is a legitimate basis for concluding that adverse economic consequences were caused by the COVID-19 related pandemic and instituted stay-at-home orders. Shuttering local schools and businesses has resulted in a higher unemployed workforce, a dramatic downturn in local spending, repercussions from the inability to meet financial obligations, social distancing and prohibitions on large gatherings, and a general fear of contracting the coronavirus. These circumstances constitute a legitimate rationale for exercising immediate local measures for ensuring public health, safety and general welfare by adopting a Business Recovery Strategy that is unique to Escondido.

The California Constitution Art XI, § 7 provides that “a county or city may make and enforce within its limits all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” Generally referred to as “police powers,” local and state governments may enact laws to protect the public safety, health, comfort and general welfare of its residents. The laws must be reasonably related to the legitimate protection and promotion of a public good such as the health and welfare of its residents.

COVID-19 Emergency Business Recovery Strategy
May 13, 2020
Page 5

In addition to the state constitutional authority for local health and safety laws, state law allows local agencies to enact regulations necessary for the protection of life and property. Government Code Section 8634 provides in relevant part that during a local emergency, the governing body may promulgate orders and regulations “necessary to provide for the protection of life and property” provided such orders and regulations are in writing and given widespread publicity and notice.

Conceptual Business Recovery Strategy Recommendations

Businesses are an important part of the fabric of our Escondido community. Recovery from the COVID-19 coronavirus crisis, stay-at-home orders, and continuing social distancing protocols will require the City to address multiple dimensions of development and business activity. At the City Council meeting on May 13, 2020, staff will provide an overview of the recommended conceptual business recovery measures. This presentation will allow the City Council an early opportunity to review the following measures, ask questions, provide comments and additional direction to staff prior to finalizing a local Business Recovery Strategy, tailored to Escondido’s needs, which is intended to complement, not supplant or contradict, the existing Public Health Orders.

Non-regulatory measures:

1. **Business Ombudsman Program.** It is important to have a liaison to connect constituents to local, state, and federal resources. Staff recommend adjusting operations as needed to prioritize this service and establishing a “*City Business Ombudsman Program*” wherein Economic Development staff would work with the Communications Department to advertise newly adopted temporary regulatory relief measures and collect new ideas for systematic implementation on an ad-hoc basis.
2. **“Jumpstart Small Businesses” Program.** As a resource to help the unemployed workforce who desire to pivot their skills by starting a small business, staff recommend leveraging the City’s partnership with the San Diego and Imperial Small Business Development Center, San Diego North Economic Development Council, and Innovate78 collaborative to launch “*Jumpstart Small Businesses.*” This effort would include offering online business classes, tools, and support for local residents who want to transform their business idea from a concept into a thriving small business.
3. **Permit Time Limit Extension Program.** Due to the COVID-19 coronavirus crisis, many projects have encountered an unforeseeable delay in the application and construction process. Staff recommend retroactively tolling all Municipal Code provisions and other time limits imposed regarding the City’s time to act on filed applications or existing entitlements for one year. This measure would extend approvals that would otherwise expire during the effective period of the Program, and extend the time limits that apply to projects that would otherwise expire after the March 18, 2020 proclamation. The Program would “freeze” the time limits for a period of one year to give property owners, applicants, and contractors additional time to complete their work due to various delay factors beyond their control.

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Regulatory measures:

1. **Temporary Signage Relief.** Temporary signs are permitted for display up to a maximum of sixty days per calendar year per business, not to exceed thirty consecutive days at any time. COVID-19 restrictions on businesses have necessitated additional signage regarding business hours or closures, and recovery efforts will involve signage outlining revised operating conditions. In consideration of this need, staff recommend temporary banner signs and suspending the current display time limits. Because additional signage may be compulsory for most business, this measure would include suspending any permitting requirement associated with temporary banner signs. The City Council could also consider allowing a temporary increase of allowable signage. However, it is recommended that other types of temporary signs (such as feather flags) that are not reasonably associated with the COVID-19 coronavirus crisis or social distancing practices would continue to be processed and regulated under the existing rules. This measure would be effective for one year, or until the emergency order and social distancing requirements are lifted.
2. **Alcohol Sales Relief.** In some cases, the City's permit restrictions for restaurants do not allow for off-sale or delivery of alcohol. The Department of Alcoholic Beverages ("ABC") has, through a series of Notices of Regulatory Relief (collectively "ABC Notices"), temporarily suspended enforcement of certain legal prohibitions relating to the off-site sale of alcohol by ABC licensed restaurants. The ABC Notices provide that bona fide eating places (i.e. restaurants) selling beer, wine and pre-mixed drinks or cocktails for consumption on the premises pursuant to an ABC license, may sell alcohol for off premise consumption in conjunction with meals prepared for pick-up or delivery. However, the ABC Notices do not exempt licensees from local ordinances, zoning restrictions or conditional use permits which the ABC has no jurisdiction or control. The City Council could support local restaurants by suspending the City's local permit restrictions that prevent off-site sale and delivery of alcohol during the state of emergency. This measure would be effective for the duration as specified by the ABC Notices.
3. **Outdoor Display and Sale Events Relief.** Outdoor display and sales of merchandise in parking lots are generally limited to three days during a three-month period, subject to the terms and limitations of the Zoning Code. The purpose of this article is to encourage the economic vitality of established commercial areas by affording increased merchandise visibility. To accommodate social distancing guidelines, staff recommend suspending these time limits temporarily to allow more and longer outdoor displays and sale events. Under this measure, staff still recommend a permitting process (i.e. temporary use permit) to ensure that parking lot sale events satisfy basic safety standards and do not compromise the integrity of on-site vehicle operations. This measure would be effective for one year, or until the emergency order and social distancing requirements are lifted.

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4. **Repurposing Off-Street Parking Provisions.** Restaurants in several states have begun offering on premise dining, or plan to do so in the near future. California will soon follow suit, with dining areas limited to between 25 percent to 50 percent capacity thresholds in order to maintain social distancing protocols. The on premise dining restrictions will adversely affect restaurants' profitability. With lower levels of restaurant capacity and patronage, customer-parking areas may be underutilized. Staff recommend the following business relief measures, which could be implemented as needed over the next year, or until the emergency order and social distancing requirements are lifted:
 - a. The City would establish a program designating underutilized parking spaces to facilitate Restaurant Carryout Zones. This would provide restaurants with dedicated parking spaces so they can continue advertising and selling meals for pick-up. The City could temporarily waive parking requirements and wayfinding signage requirements to help facilitate this objective. A similar approach for retail establishments who want to establish dedicated parking spaces for product pick-up would also be considered.
 - b. The City would establish a program designating underutilized parking spaces for outdoor dining areas. This would allow large shopping centers on private property to remove spaces and repurpose the spaces to accommodate temporary outdoor cafes. Under this measure, City staff recommends a permitting process (i.e. temporary use permit) to ensure that outdoor dining areas satisfy basic safety standards and do not compromise the integrity of on-site vehicle operations.
5. **Repurposing On-Street Parking.** Under existing regulations, the display of merchandise within the public right-of-way is permissible only within the Downtown Retail Core District subject to approval of an encroachment permit and compliance with City standards. Outdoor dining is also limited to 300 square feet in other areas of the City on private property, or in the public right-of-way with an encroachment permit. Staff recommend allowing businesses and restaurants to expand their outdoor operations beyond the City's current standards on a case-by-case basis through the following strategies:
 - a. "Parklets" would serve as expanded outdoor dining areas in on-street curbside parking spots adjacent to restaurants and/or businesses that have an approved food and/or beverage permit and subject to defined standards including adequate vehicle sight distancing and protective barriers. Ideally, Parklets would be permitted on streets where the speed limit is no higher than 30 MPH and less than 12,000 Average Daily Trips. For that reason, Parklets would likely be limited to the Downtown area.
 - b. The City would allow businesses exclusive use of adjacent on-street curbside parking spaces for expanding service delivery to patrons or Restaurant Carryout Zones utilizing appropriate signage for designation.
 - c. The City would allow businesses to provide additional outdoor display areas for selling goods and conducting more outdoor transactions than currently permitted.

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6. **Full or Partial Closure of Grand Avenue.** On a larger scale, the City could implement a partial or full closure of a segment of Grand Avenue to allow for expanded retail and dining options in the public right-of-way and adjacent traffic lane(s) in both directions. This is similar to the aforementioned measure to repurpose on street curbside parking. If a full closure of Grand Avenue were to occur, the local business community has expressed interest in establishing a secured area for a beer and wine garden.
7. **Permitted accessory uses in industrial zones.** Under existing Zoning regulations, sales and services in industrial zones are permitted to occupy no more than 15 percent of the gross building square footage. Staff recommend temporarily rescinding the City's current standard to accommodate compliance with social distancing protocols. This measure would be effective for one year, or until the emergency order and social distancing requirements are lifted.

Industry Feedback

During the course of developing the conceptual Business Recovery Strategy, ideas and input were gathered in multiple ways, including from partnerships with local stakeholders, and discussions with staff in neighboring communities who shared their local challenges and best practices. Economic Development staff collaborated with the Escondido Chamber of Commerce and the Downtown Business Association to conduct an online survey from April 27, 2020, through May 5, 2020 (Attachment 4). The survey provided industry feedback regarding the Business Recovery Strategy recommendations, and an understanding of business preferences on how the City may support operators in compliance with updated Public Health Order restrictions anticipated in the future.

Of the 31 respondents who provided feedback, those representing businesses on Grand Avenue strongly supported a partial and/or full temporary closure of Grand Avenue to allow for the adjacent curbside parking areas and traffic lanes to be used for the Parklet dining and retail concept.

The City requested feedback regarding designating portions of City public parking lots for temporary outdoor dining and retail spaces. The majority of responding businesses did not support this recommendation, therefore, it is not included in the Business Recovery Strategy. Further, there was low interest in offering dining options in Maple Street Plaza and/or the Juniper/Grand mini-park.

In addition, the City received a comment regarding Cruisin' Grand, a signature Escondido event. If a partial or full temporary closure of Grand Avenue were to occur, the City would work with the dining and retail operators on Grand Avenue and the Cruisin' Grand organizer to ensure this signature event is not adversely impacted.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The Business Recovery Strategy is exempt from CEQA under Public Resources Code section 21080(b)(4) and CEQA Guidelines section 15269(c), as a project undertaken to prevent or mitigate an emergency.

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CONCLUSION/NEXT STEPS:

The purpose of the May 13, 2020 meeting is for the City Council to review the conceptual business recovery measures, hear public comment, ask questions, and ultimately confirm next steps for implementing the Business Recovery Strategy. If one or more of the recommended measures are endorsed, staff will return to the City Council on May 20, 2020, with an Urgency Ordinance, which would allow the measures to be effective immediately.

The implementation of a Business Recovery Strategy coincides with the implementation of the new *Cityworks* software platform that will significantly improve the processing of development applications by creating efficiencies, and improving processes, to meet the needs of City staff and the community. The web portal will allow for faster turnaround times, more self-service options, remote document exchange, payments, status updates, cost savings, etc., while complying with social distancing guidelines. Although this new software program has been anticipated for some time, its administration and implementation will have an important role in the Business Recover Strategy and the City's response to the COVID-19 pandemic. The go-live date of *Cityworks* is scheduled for implementation on July 1, 2020.

Business recovery efforts could be lengthy and complex, as it must account for uncertainties about future conditions and potential impacts. Therefore, there might be adjustments, or different phases of business recovery implementation. The focus on outcomes also encourages monitoring and evidence-based assessments. Approval of the Business Recovery Strategy will include staff's monitoring of the adopted strategies, reporting on progress made, and identifying improvements and/or additional measures for implementation as needed.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jay Petrek, Assistant City Manager
 5/6/20 3:20 p.m.

Mike Strong, Director of Community Development
 5/7/20 10:45 a.m.

Amber Tarrac, Deputy Director of Economic Development
 5/6/20 3:21 p.m.

ATTACHMENTS:

1. Attachment 1 – City Council Resolution No. 2020-01
2. Attachment 2 – Governor's Executive Order N-33-20
3. Attachment 3 – Economic Recovery Matrix
4. Attachment 4 – Retail and Dining Business Survey Results

ORDINANCE NO. 2020-12

AN UNCODIFIED (URGENCY) ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ENACTING TEMPORARY BUSINESS RELIEF MEASURES AND PUBLIC HEALTH AND SAFETY PROTECTIONS RELATED TO STATEWIDE RECOVERY AND REOPENING EFFORTS DUE TO NOVEL CORONAVIRUS (“COVID-19”)

WHEREAS, in a short period of time, COVID-19, which is a new strain of coronavirus that is the cause of an outbreak of respiratory illness, has rapidly spread throughout California, necessitating stringent public health emergency orders as well as guidance and directives from federal, state, and local public officials; and

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 14, 2020, the San Diego County Public Health Officer declared a local health emergency due to the threat of COVID-19; and

WHEREAS, on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, various health organizations throughout the world, including the Centers for Disease Control and Prevention (“CDC”) and the World Health Organization (“WHO”), consider the COVID-19 virus to be a very serious health threat, a “public health

emergency of international concern,” and as of March 11, 2020, the WHO identified it as a pandemic; and

WHEREAS, on March 12, 2020, Governor Newsom issued Executive Order N-25-20 which, in part, took various actions pursuant to the Emergency Services Act (Government Code section 8550 *et. seq.*), including an order to ensure adequate facilities to address the impacts of COVID-19; and

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States, issued a Proclamation on Declaring a National Emergency concerning the COVID-19 Outbreak; and

WHEREAS, on March 16, 2020, the City Manager for the City of Escondido (“City”), acting in his capacity of Director of Emergency Services of the City (“Director”), proclaimed, through Proclamation No. 2020-01, the existence of a Local Emergency related to COVID-19 within the City, and activated the Escondido Emergency Operations Center on that date; and

WHEREAS, as of March 18, 2020, the Escondido City Council adopted Proclamation No. 2020-01, ratifying the declaration of the Director and declaring the existence of an ongoing local emergency pursuant to COVID-19; and

WHEREAS, on March 19, 2020, Governor Newsom issued Executive Order N-33-20, ordering all individuals living in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors (also called the “Stay-at-Home Order”); and

WHEREAS, many local businesses and employers in Escondido have experienced and anticipate continuing to experience sudden and unexpected revenue

or income loss from temporary business closures and/or reduced operations as a result of the public health emergency, statewide Stay-at-Home Order, public health orders, and the precautions recommended by health authorities; and

WHEREAS, an increase in closed businesses and/or modified business activity, either temporarily or permanently, will have an immediate and potentially long-lasting impact on several of the City's most significant revenue sources, including sales tax, transient occupancy tax, property tax, and commercial rent payments, which will have a debilitating effect on security, economic security, public health or safety, or any combination thereof; and

WHEREAS, on April 28, 2020, Governor Newsom announced four "Resilience Roadmap Stages" that California would use to guide its gradual reopening process. The four stages are: 1) Safety and Preparedness, 2) Lower Risk Workplaces, 3) Higher Risk Workplaces, and 4) End of Stay-at-Home Order. The State has been in Stage 1 of the Resilience Roadmap Stages since the statewide Stay-at-Home Order took effect; and

WHEREAS, on May 4, 2020, Governor Newsom released public health guidance for some commercial retail, industrial manufacturing, and logistics businesses and if they could meet the guidelines provided by the State, certain lower-risk workplace businesses and employers were able to reopen on May 8, 2020, under certain operational conditions to continue to protect the health and safety of employees and the general public. Governor Newsom also announced new framework to allow counties to move more quickly through Stage 2 of the Resilience Roadmap Stages if they attest that they meet the State's readiness criteria. Although the State and local authorities are evaluating the feasibility and scope of economic recovery and

“reopening” efforts, and such efforts are anticipated to be authorized in stages in the coming weeks and months, those authorizations will not serve to fully mitigate the pandemic’s adverse effects on businesses and employers, residents, and visitors; and

WHEREAS, given the extraordinary health threat caused by COVID-19 and the need to take extraordinary measures to limit its spread, many businesses and employers have indicated a need for local direction or additional guidance in response to the plan to gradually reopen commercial retail, industrial manufacturing, and logistics businesses, and to help protect public health and safety and prevent or lower the risk of COVID-19 transmission; and

WHEREAS, pursuant to California Health and Safety Code section 12175.5(b) and the Order of the Health Officer and Emergency Regulations issued by the Health Officer of the County of San Diego, as updated on May 8, 2020 (“County Order”), all governmental entities in San Diego County are required to take necessary measures within the government entity’s control to ensure compliance with the County Order and reduce the risks of community spread of COVID-19; and

WHEREAS, pursuant to Chapter 7 of the Escondido Municipal Code, the Director recommends that the City Council adopt the below Ordinance, as a local measure that provides guidance and advances temporary business relief measures that protect life and property, and the general health and safety, of the businesses and employers, residents, and visitors of Escondido who are affected by the declared Local Emergency. The Director makes this recommendation to help facilitate compliance of all stated precautions recommended by health authorities, to increase and improve patron and pedestrian mobility and access, to maximize the ability of free open public or semi-public

space to facilitate business engagement practices that are conducive to social distancing, to provide special accommodation for additional signage and notifications regarding business hours or closures and on-site risk reduction measures, and to promote stability among commercial retail, industrial manufacturing, and logistics businesses, thereby allowing businesses and employers to decide whether and how to remain open providing both income to employees and needed services to residents and not simply closing due to economic or health advisory pressures; and

WHEREAS, the City Council has the power under Government Code sections 36934 and 36937 to adopt an ordinance that takes effect immediately if it is an ordinance for the immediate preservation of the public peace, health, or safety, contains a declaration of the facts constituting the urgency, and is passed by a four-fifths vote of the City Council; and

WHEREAS, the City finds it is necessary for the City Council to adopt this Ordinance as an Urgency Ordinance, as set forth in the above recitals, which are incorporated herein by reference, and pursuant to the powers under Government Code sections 36934 and 36937, for the immediate preservation of the public health and safety, as affected by the emergency caused by the spread of COVID-19; to comply with continued specific federal, state, and local public health requirements associated with the ongoing pandemic, including social distancing; and to facilitate future compliance with guidance and directives from federal, state, and local public officials related to statewide recovery and reporting efforts due to COVID-19.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND FOUND that pursuant to the authority granted to the City of Escondido under Article XI, Section 7 of the California

Constitution, and as prescribed by law including the Escondido Municipal Code, the City Council hereby ordains as follows:

SECTION 1. The foregoing recitals are true and correct. City Council Proclamation No. 2020-01 ratifying the declaration of a Local Emergency and declaring the existence of an ongoing Local Emergency related to COVID-19, California Governor Gavin Newsom's Executive Orders N-25-20 and N-33-20, and the County Order are hereby incorporated into this Ordinance as if fully set forth herein.

SECTION 2. The existing conditions that prompted the Director's and City Council's Proclamation of Local Emergency continue to exist. The declaration of the Local Emergency as well as the existence of numerous similar declarations at all levels of national and state governments reflect the current and continuing health and financial circumstances of the COVID-19 emergency. In the interest of protecting the public health and safety, and minimizing and reducing the spread of the transmission of COVID-19 and loss of life, property, and essential public services, the City Council finds a compelling need to establish a series of temporary business relief measures and otherwise mitigate the adverse effects of COVID-19 and the gradual reopening process among all residents, businesses, and visitors of Escondido.

SECTION 3. California Environmental Quality Action ("CEQA"). Public Resources Code ("PRC") section 21080(b)(4) and CEQA Guidelines section 15269(c) (14 C.C.R. § 15269(c)) exempt from CEQA "specific actions necessary to prevent or mitigate an emergency." PRC Section 21060.3 defines emergency as "a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public

services.” The COVID-19 pandemic constitutes a “sudden, unexpected occurrence,” whereby the public health effects of the pandemic were felt in the City, County, and State suddenly and unexpectedly. Governmental efforts to mitigate the effects of the pandemic, such as closures and the Stay-at-Home order, also occurred suddenly, and these mitigation efforts, despite their necessity in light of the pandemic, have significantly and adversely impacted businesses, business owners, employees, and livelihoods, including having significant economic repercussions. Similarly, the pandemic and its mitigation efforts have affected the City’s delivery of its essential public services. Although the State and local authorities are evaluating the feasibility and scope of economic recovery and “reopening” efforts, and such efforts are anticipated to be authorized in stages in the coming weeks and months, those authorizations will not serve to fully mitigate the pandemic’s effects on businesses, the City, and the public, and it is likely that businesses and essential City services will not be able to survive, or public health to be negatively impacted, without the City’s imminent implementation of a near-term recovery plan. Further, the measures are necessary to comply with continued specific public health requirements associated with the pandemic, including social distancing. Thus, the COVID-19 pandemic is an emergency as defined in PRC Section 21060.3, and the recovery plan outlined herein is necessary to mitigate that emergency. For these reasons, the Urgency Ordinance is exempt from CEQA pursuant to PRC section 21080(b)(4) and CEQA Guidelines section 15269(c).

SECTION 4. During this state of Local Emergency, and throughout the State’s Resilience Roadmap Stages, the City Council hereby enacts the following temporary business relief measures:

- 1) **Building Permit Time Limits.** The building permit time limits within sections 6-15.4.1 and 6-15.4.2 of Chapter 6 of the Escondido Municipal Code, regulating the building or work authorized by building permits, are extended by one (1) year. All building permits issued by the City's Building Division that are unexpired as of the date of this Ordinance are hereby granted an automatic one (1) year time extension.
- 2) **Planning Permit Time Limits.** With respect to all Escondido Municipal Code provisions related to the time to act on approved applications and permits issued by the Planning Division, any such time provisions for applications and permits that are unexpired as of the date of this Ordinance are extended by one (1) year.
- 3) **Temporary Sign Limits.** Section 33-1396(a) of Article 66 of the Escondido Zoning regulates the time, place, and manner of temporary signs, and limits these special event signs for a total duration of not more than sixty (60) days in a calendar year. Section 33-1396(a) of Article 66 of the Escondido Zoning Code regulates temporary banner signs including an allowance for seventy-two (72) square feet and only one (1) special event banner is allowed for each street frontage, except for individual in-line shops in commercial centers where one (1) banner is allowed for each building face fronting on a parking lot or a street. The foregoing limitations of temporary banner signs are hereby provisionally modified to allow for the following:
 - a. One (1) banner sign of up to seventy-two (72) square feet and one (1) additional banner sign of up to thirty-two (32) square feet for each

street frontage or each building face fronting on a parking lot or a street.

The City Council also hereby adopts provisions to allow for the following temporary signs that are neither expressly allowed nor prohibited by the zoning ordinance, when they are on private property, project from private property over or into City property, or are located within the public right-of-way.

- a. A-frame sign(s) placed on private property adjacent to the primary entrance to the property, building, or tenant space for the purpose of identification, protection or directing persons to a use conducted therein, or identification of on-site protection or safety measures.
- b. Wayfinding or directory ground-mounted signs placed immediately adjacent to pick-up and carry-out zones, or parklets, designed or intended to be displayed for each service or delivery entrance.

Temporary signs specifically allowed by this Ordinance are exempt from and would not be counted towards the sixty (60) day calendar limit. An act to establish, erect, or maintain temporary banner, temporary A-frame signs, or wayfinding or directory ground mounted signs, as allowed by this Ordinance, shall be exempt from the application and sign permit requirements but must be in conformance with all other requirements of this section. Except as modified by this section, the provisions, terms, and limitations of Article 66 shall remain in full force and effect, including any

timeframe or permit requirements with respect to signs not otherwise described herein.

4) **Regulation of Alcohol Sales.** The City Council hereby suspends local permit restrictions on Alcohol Beverage Control (“ABC”) licensed restaurants that prevent off-site sale and delivery of alcohol, to the extent applicable, subject to the following conditions:

- a. No wine or beer shall be sold with an alcohol content of greater than fifteen (15) percent by volume.
- b. The sale of alcoholic beverages for off-site consumption shall only be made to patrons who purchase meals as defined in Business and Professions Code section 23038.
- c. All alcohol delivery persons shall be an employee of the restaurant who is twenty-one (21) years of age or older. Drivers delivering alcohol to said patrons shall document that the customer is twenty-one (21) years of age or older. No individual under twenty-one (21) years of age, or without proper identification, shall be served or sold alcohol.
- d. Restaurants shall comply with the conditions contained within the ABC’s Notice of Regulatory Relief.
- e. That the suspension of local permit restrictions on ABC licensed restaurants shall be effective during the Urgency Ordinance’s effective period and/or shall last until the withdrawal of ABC Notice of Regulatory Relief, whichever occurs first.

5) Outdoor Sale Events on Private Property (in Non-Parking Areas).

Authorization of temporary outdoor sale events in commercially zoned districts of the City, described in sections 33-1533(b) and 33-1534(c)(1) of Article 73 of the Escondido Zoning Code, are hereby provisionally modified and henceforth no permit or fees shall be required to establish an outdoor sale event on private property. Furthermore, outdoor sales events on private property shall be allowed to recur during normal business hours and for as many days as necessary within the time limits of the Ordinance's effective period. Temporary shade tents are permitted in display areas (not customer parking areas) for thirty (30) day periods, or the length of a promotion/event, whichever is less. All shade tents shall be reviewed by the building division and fire department for compliance with all building and fire codes. Except as modified by this section, the provisions, terms, and limitations of Article 73 shall remain in full force and effect.

6) Outdoor Sale Events on Private Property (Parking Areas).

Authorization of temporary outdoor display and sale events in commercial parking areas, described in sections 33-1533(b) and 33-1534(c)(1) of Article 73 of the Escondido Zoning Code, are hereby provisionally modified and henceforth so that no time limit shall be imposed (i.e. suspension of limit on the number of days) for outdoor sale events in commercial parking areas. Outdoor sale events in commercial parking areas shall be allowed to recur during normal business hours on commercially zoned properties for as many days necessary within the time limits of the Ordinance's effective

period, subject to a temporary use permit and fee. Except as modified by this section, the provisions, terms, and limitations of Article 73 shall remain in full force and effect.

- 7) **Carry-Out Zones Established.** The City Council desires to convert underutilized parking spaces into more functional spaces and to include use of parking space(s) or portion of the parking lane(s) as described herein. The City Council hereby authorizes the reservation of no more than four (4) existing, striped parking space on the same premises for curbside pick-up, restaurant carry-out zones, and/or other drop-off and pick-up related uses and activities. The City Council furthermore authorizes the temporary use of no more than two (2) existing, striped parking spaces in the public street immediately adjacent to a businesses or employer, if any, for curbside pick-up, restaurant carry-out zones, and/or other drop-off and pick-up related uses and activities to the fronting private property. Temporary use of on-street parking spaces shall be limited to streets with speed limits of thirty (30) mph or less and shall be coordinated with neighboring businesses and business associations.
- 8) **Parklets Established.** The City Council desires to convert underutilized on-street parking spaces into more functional spaces and hereby authorizes the conversion of on-street parking to parklets through the issuance of temporary use permits. The City Manager, or his designee, shall create and maintain a master permitting and/or tracking program to help implement this directive. Each application shall be reviewed for public safety issues unique

to the pedestrian and vehicular needs of the specific location. The following standards have been developed to ensure that the space used for such parklets, at all times, promote the public health, safety and welfare and allow for adequate vehicular and pedestrian circulation.

- a. Parklets are permitted on streets with less than 12,000 Average Daily Trips and speed limits of thirty (30) mph or less. Each parklet must be located within an existing, striped space and located immediately adjacent to a business or employer.
- b. In general, parklets must be located at least one (1) striped parking space away from an intersection or street corner.
- c. The parklet should have a continuous edge to buffer the street and restrict pedestrian access into the street. This can take the form of event fencing, concrete planter boxes, railing, cabling, or some other appropriate buffer that shall be equipped with retroreflective signage, markers, or lighting.
- d. Parklets are prohibited on street curves or hills where horizontal or vertical sight-distance is an issue. Parklets are also prohibited in bus lanes, in front of fire hydrants, at utility access points (like manholes), and in reserved take out or delivery service parking spaces).
- e. All parklets are required to include setbacks on either side to buffer the parklet from adjacent on-street parking spaces and driveways. Additionally, the outer edge of the parklet must have two (2) foot clear zone from the adjacent travel lane.

- f. Businesses or employers shall be granted temporary exclusive use of the parking space or portion of the parking lane for the placement or installation of temporary improvements, including but not limited to chairs and tables; pedestrian safety lights; heat lamps, fans, or other temperature control devices; canopies or other overhead shelter; posted signage; and other items that support table service or outdoor dining, subject to all applicable provisions of the California Building Code.
- g. A minimum thirty-six (36) inch ADA accessible entryway must be maintained for all parklets and along all sidewalks.
- h. The parklet area, including any adjacent landscaped areas, sidewalk, and parking areas, shall be kept free of trash and debris at all times. The business or employer shall ensure the cleanup and removal of any trash and debris at the conclusion of operation each day. All parklet areas shall be operated in compliance with storm water special event controls.
- i. The business or employer must agree to provide to the City a Certificate of Liability insurance naming the City as additional insured.
- j. Additional conditions may be included for the design and operation of a parklet prior to the issuance of the permit. The permit shall also require an indemnification of the City from liability.

9) **Accessory Retail Use in Industrial Areas.** Retail accessory uses and structures are permitted in the industrial zones, provided they are incidental to and do not substantially alter the character of the permitted principal use or structure. Said regulations, described in Section 33-565 of Article 26 of the Escondido Zoning Code, limit accessory retail use to fifteen (15) percent of the gross building square footage. The foregoing limitation is hereby provisionally modified from fifteen (15) percent to fifty (50) percent. Henceforth, no additional parking associated with this expanded accessory use authorization shall modify or change any on-site parking requirements. Except as modified by this section, the provisions, terms, and limitations of Article 26 shall remain in full force and effect.

SECTION 5. This Ordinance is effective on the date of its adoption and shall remain in effect for 90 days thereafter, unless extended by City Council. All ordinances or parts of ordinances in conflict herewith are hereby temporarily suspended, effective immediately and in effect through the time the Ordinance is in effect, unless stated otherwise. After the expiration of the Ordinance, the provisional business relief measures shall be deemed expired and of no further force or effect. All rights and obligations under this Ordinance shall be concluded, except that the additional building permit time limits and planning application and permit time limits enacted by Section 4 of this Ordinance shall survive expiration of this Ordinance.

SECTION 6. During the effective period of the Ordinance, businesses and employers have a right to undertake and complete the development and use of property or utilize any and all business relief measures, or portions thereof. These business relief

measures shall not be extended by any amendments or modifications unless expressly provided by the City Council. Upon the Ordinance's expiration, the City Council's policy shall revert to the zoning ordinance as written and all temporary displays and physical improvements authorized by this Ordinance shall be removed immediately, at the expense of the business or employer.

SECTION 7. The City of Escondido reserves the right to enforce this Ordinance pursuant to Escondido Municipal Code Section 1-13 and to pursue any other remedies legally available against individuals or entities who knowingly or intentionally violate the provisions of this Ordinance or falsifying information to qualify for the relief granted by this Ordinance.

SECTION 8. There are no assurances to residents, businesses, or visitors that the affected chapters and sections of this Ordinance will not be subject to future revisions. The establishment of this Ordinance shall not preclude, change, or impair the authority of the City to adopt and/or enforce Zoning Code provisions, Municipal Code ordinances, or other governing situations.

SECTION 9. The adoption of this Ordinance is not intended to affect or disrupt the continuity of the City's business or administration of its law, including but not limited to the following:

- Actions and proceedings that began before the effective date of this Ordinance;
- Prosecution for ordinance violations committed before the effective date of this Ordinance; and/or

- The amount, or collection, of license, fee, penalty debt, forfeiture, or obligations due and unpaid as of the effective date of this Ordinance.

SECTION 10. This Ordinance is intended to supplement, not to duplicate, supplant or contradict, applicable state and federal law, as well as the County Order, and shall be interpreted in light of that intent. If any section, subsection, paragraph, sentence, clause, or portion of this Ordinance is, for any reason, held invalid or unconstitutional, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance.

SECTION 11. The City Council does not request codification of this Ordinance because the Ordinance is temporary and, therefore, not a general ordinance in force.

CITY COUNCIL STAFF REPORT

Current Business Item No. 17

May 20, 2020

File No. 0220-65

SUBJECT: Consideration of Extension of Temporary Eviction Moratorium Arising Out of Impact of COVID-19 Emergency

DEPARTMENT: City Attorney's Office

RECOMMENDATION:

It is requested that the City consider the adoption of Ordinance No. 2020-13 which would extend the expiration of Urgency Ordinance No. 2020-09R, adopted April 8, 2020, enacting a temporary moratorium on residential and commercial evictions arising out of the Local Emergency related to the COVID-19 pandemic outbreak.

FISCAL ANALYSIS:

It is unknown at this time what, if any, fiscal impact the adoption of a local eviction moratorium will have on the City of Escondido. The City would not exempt itself from the operation of the Ordinance and, because it has existing leases which would be affected by this law, the City's receipt of such lease revenue receipts may be delayed.

The overall financial impacts on sales tax revenues and other unreimbursed costs associated with this pandemic emergency is still being examined and will likely be substantial for a considerable period of time. A mass failure of businesses caused by evictions will have a clear and long-term impact on the City's ability to recover from the current market conditions.

Multiple extensions of the moratorium may and likely will raise certain legal issues and claims with respect to landlord rights. Given the unprecedented nature of the COVID-19 pandemic it is difficult to accurately identify how courts and juries will react to local agency ordinances inhibiting landlords from retaking their properties for a failure to pay rent.

PREVIOUS ACTIONS:

On March 16, 2020, pursuant to Chapter 7 of the Escondido Municipal Code, the City Manager, acting in his capacity as the Director of Emergency Services ("Director"), issued a Local Emergency Proclamation related to the COVID-19 pandemic. See Attachment 1.

On March 18, 2020, pursuant to Resolution No. 2020-01, the City Council ratified the Director's Proclamation and issued its own Local Emergency Proclamation. See Attachment 2.

On April 8, 2020, the City Council adopted Urgency Ordinance 2020-09R which imposed a temporary moratorium on commercial and residential evictions due to nonpayment of rent due to specified

economic and health impacts arising out of the COVID-19 pandemic. The Ordinance is set to expire by its terms on May 31, 2020. See Attachment 3.

BACKGROUND:

Local Emergency Related to COVID-19.

A novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world. The disease has been the subject of daily and widespread media reports. The Staff Report supporting the adoption of Urgency Ordinance 2020-09R provides further details with respect to the COVID-19 pandemic, a city's general police powers, underlying State Executive Orders and it is incorporated herein as though fully set forth and set forth as Attachment 4.

Since the publication of the Staff Report, there continues to be deaths throughout the United States, in the County of San Diego, and the City of Escondido attributed to the disease. Government at all federal, state, county and local levels have issued proclamations and declarations of emergency and adopted various measures to address the myriad of economic consequences of this event.

The City of Escondido, through actions by both the City Manager and City Council, undertook efforts to properly declare a state of local emergency on March 16 and March 18, 2020, respectively.

On April 8, 2020, the City Council unanimously adopted Urgency Ordinance 2020-09R, effective immediately, which placed a temporary moratorium on both residential and commercial evictions provided the tenant met certain notice and documentation requirements. Further, Ordinance 2020-09R provided that a tenant who satisfied the notice and documentation requirements would have up to three (3) months to pay rent owed to the landlord before the landlord would be able to recover possession of the property due to late rent payments.

Since the adoption of the City Urgency Ordinance, the State of California and the County of San Diego have begun to ease certain restrictions on the ability of businesses to re-open to the public. The process has been slow, complicated and at times, criticized as inconsistent and a violation of certain civil and constitutional rights. Nevertheless, the City of Escondido being a general law city must abide by state law and follow the orders of those government agencies who have the authority to adopt restrictions arising out of health concerns. Residents and commercial tenants are equally required to comply with the stay at home and related health orders as a failure to do so may result in criminal enforcement actions.

There is no reasonable dispute that the potential spread of the COVID-19 virus continues to pose an extreme peril to the safety of persons and property within the City of Escondido and such conditions will continue to directly affect the safety of all persons within the City for the near future and are beyond the control of the services, personnel, equipment and facilities of the City.

Many cities and San Diego County itself (as to the unincorporated areas of the County) have enacted eviction moratoriums for residential and commercial tenancies. Some have extended those moratoriums for short durations, including the City of San Marcos.

Proposed Extension of Moratorium to June 30, 2020.

The City Council adopted its original Urgency Ordinance which by its terms is set to expire on May 31, 2020. The City Council meeting of May 20, 2020, will be the last regular meeting of the City Council before the Ordinance expires. As a result, the City Council is presented with an opportunity to reassess the underlying circumstances giving rise to the urgency ordinance adoption and determine whether the current status of the pandemic and anticipated next thirty (30) days supports an extension of the Ordinance until June 30, 2020.

A reasonable argument can be made that there continues to exist a state of economic crisis arising out of the COVID-19 pandemic which is directly affecting commercial and residential tenants alike. The recitals accompanying the original ordinance outlines the factual basis for this action and those recitals are still valid today. The unrestricted ability to evict tenants for nonpayment of rent caused by COVID-19 circumstances will cause significant impairment to ensuring that current health orders are complied with and, as a result, a sufficient basis exists for the City to continue the eviction moratorium an additional thirty (30) days.

Staff does not recommend an extension of the moratorium beyond June 30, 2020, at this time without a further analysis of the effect of the state and county health orders on residents and businesses.

Urgency Ordinance.

Pursuant to the Government Code, the City Council may enact an urgency ordinance which takes effect immediately. Typically, ordinances may not be passed within five days of their introduction. However, pursuant to Government Code Section 36934, an urgency ordinance may be passed immediately.

Furthermore, while a typical ordinance takes effect 30 days after final passage, an urgency ordinance for the immediate preservation of the public peace, health or safety containing a declaration of the facts constituting the urgency, and passed by a four-fifths vote of the city council, takes effect immediately. See Government Code Section 36937(b).

CONCLUSION:

The City Council, pursuant to its inherent police powers under the state constitution and state law, has the authority to enact laws for the safety and protection of its residents. The declaration of the Local Emergency as well as the existence of numerous similar declarations at all levels of national and state governments, reflect that the current health and financial circumstances of the COVID-19

emergency require creative and effective measures to protect the residents and businesses in this jurisdiction. An extension of the expiration for thirty (30) days, provided a sufficient factual basis is identified, would be consistent with the City Council's general police powers.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Michael R. McGuinness, City Attorney
5/14/20 10:34 a.m.

ATTACHMENTS:

1. Attachment 1 – Proclamation of Local Emergency, Director of Emergency Services
2. Attachment 2 – City Council Proclamation 2020-01 (Proclamation of Local Emergency)
3. Attachment 3 – Urgency Ordinance 2020-09R
4. Attachment 4 – Staff Report dated April 8, 2020
5. Attachment 5 – Ordinance No. 2020-13 – Redline Version
6. Ordinance No. 2020-13R (Urgency Ordinance)

PROCLAMATION NO. 2020-01

A PROCLAMATION OF THE DIRECTOR OF
EMERGENCY SERVICES DECLARING A
LOCAL EMERGENCY EXISTS
THROUGHOUT THE CITY

WHEREAS, pursuant to Chapter 7 of the Escondido Municipal Code, and specifically Section 7-6(a)(1), the City Manager, in his role as the Director of Emergency Services, is authorized to issue a proclamation of the existence or threatened existence of an emergency when the City Council is not in session; and

WHEREAS, at the time of this Proclamation, the City Council has adjourned to their next scheduled session noticed for Wednesday March 18, 2020; and

WHEREAS, a novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world; and

WHEREAS, the COVID-19 disease is believed to be spread through person-to-person contact between people who are in close proximity with others up to 6 feet and through respiratory droplets when a person coughs or sneezes, even when that person is asymptomatic; and

WHEREAS, according to the Centers for Disease Control and Prevention (CDC) there have been numerous deaths attributed to COVID-19 in the United States; and

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, various health organizations throughout the world, including the CDC and the World Health Organization (WHO), consider the COVID-19 virus to be a very serious health threat, a “public health emergency of international concern,” and as of March 11, 2020, the WHO identified it as a pandemic; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, on March 12, 2020, Governor Newsom issued Executive order N-25-20 which, in part, took various actions pursuant to the Emergency Services Act (Government Code Sections 8550, *et. seq.*) including an order to all residents “to heed any orders and guidance of state and local public health officials, including the imposition of social distancing measures, to control the spread of COVID-19;” and

WHEREAS, according to various current public health directives, guidelines, and recommendations, gatherings of more than 50 people should be cancelled or postponed and all smaller events should proceed only if a six foot separation of participants can be observed; and

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States, issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak; and

WHEREAS, on March 13, 2020, the County of San Diego Office of Education announced multiple school closures effective March 16, 2020, and school districts and colleges throughout the County of San Diego initiated school closing orders for their schools for durations of approximately one month; and

WHEREAS, the COVID-19 virus has the potential to severely impact the necessary services performed by the City of Escondido, including the response times for police and fire department personnel, the holding of public meetings, as well as the regular functioning of City business should city staff and employees be infected or additional orders of quarantine be implemented; and


WHEREAS, the potential spread of the COVID-19 virus poses an extreme peril to the safety of persons or property within the City of Escondido and such conditions will continue to directly affect the safety of all persons within the City for the near future and are beyond the control of the services, personnel, equipment and facilities of the City.

NOW, THEREFORE, BE IT PROCLAIMED by the Director of Emergency Services of the City of Escondido, California, as follows:

1. That the above recitations are true and correct.
2. That a local emergency currently exists, and has existed since on or about March 13, 2020, in the City of Escondido due to the continued spread of the COVID-19 virus and the collateral consequences of the virus on residents, businesses, health care providers, social service agencies, and City personnel.
3. That during the existence of this local emergency, the powers, functions and duties of the Disaster Council and Director of Emergency Services established

by Chapter 7 of the Escondido Municipal Code, those of the full City Council, and those of all City employees, including police and fire department personnel, shall be those as prescribed by state law and the ordinances and resolutions of the City of Escondido, and that said emergency proclamation shall expire seven (7) days after issuance unless confirmed and ratified by the City Council of the City of Escondido.

Dated: March 16, 2020

By: 

Jeffrey R. Epp
City Manager
Director of Emergency Services
City of Escondido

PROCLAMATION NO. 2020-01

A PROCLAMATION OF THE DIRECTOR OF
EMERGENCY SERVICES DECLARING A
LOCAL EMERGENCY EXISTS
THROUGHOUT THE CITY

WHEREAS, pursuant to Chapter 7 of the Escondido Municipal Code, and specifically Section 7-6(a)(1), the City Manager, in his role as the Director of Emergency Services, is authorized to issue a proclamation of the existence or threatened existence of an emergency when the City Council is not in session; and

WHEREAS, at the time of this Proclamation, the City Council has adjourned to their next scheduled session noticed for Wednesday March 18, 2020; and

WHEREAS, a novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world; and

WHEREAS, the COVID-19 disease is believed to be spread through person-to-person contact between people who are in close proximity with others up to 6 feet and through respiratory droplets when a person coughs or sneezes, even when that person is asymptomatic; and

WHEREAS, according to the Centers for Disease Control and Prevention (CDC) there have been numerous deaths attributed to COVID-19 in the United States; and

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, various health organizations throughout the world, including the CDC and the World Health Organization (WHO), consider the COVID-19 virus to be a very serious health threat, a "public health emergency of international concern," and as of March 11, 2020, the WHO identified it as a pandemic; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, on March 12, 2020, Governor Newsom issued Executive order N-25-20 which, in part, took various actions pursuant to the Emergency Services Act (Government Code Sections 8550, *et. seq.*) including an order to all residents "to heed any orders and guidance of state and local public health officials, including the imposition of social distancing measures, to control the spread of COVID-19;" and

WHEREAS, according to various current public health directives, guidelines, and recommendations, gatherings of more than 50 people should be cancelled or postponed and all smaller events should proceed only if a six foot separation of participants can be observed; and

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States, issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak; and

WHEREAS, on March 13, 2020, the County of San Diego Office of Education announced multiple school closures effective March 16, 2020, and school districts and colleges throughout the County of San Diego initiated school closing orders for their schools for durations of approximately one month; and

WHEREAS, the COVID-19 virus has the potential to severely impact the necessary services performed by the City of Escondido, including the response times for police and fire department personnel, the holding of public meetings, as well as the regular functioning of City business should city staff and employees be infected or additional orders of quarantine be implemented; and


WHEREAS, the potential spread of the COVID-19 virus poses an extreme peril to the safety of persons or property within the City of Escondido and such conditions will continue to directly affect the safety of all persons within the City for the near future and are beyond the control of the services, personnel, equipment and facilities of the City.

NOW, THEREFORE, BE IT PROCLAIMED by the Director of Emergency Services of the City of Escondido, California, as follows:

1. That the above recitations are true and correct.
2. That a local emergency currently exists, and has existed since on or about March 13, 2020, in the City of Escondido due to the continued spread of the COVID-19 virus and the collateral consequences of the virus on residents, businesses, health care providers, social service agencies, and City personnel.
3. That during the existence of this local emergency, the powers, functions and duties of the Disaster Council and Director of Emergency Services established

by Chapter 7 of the Escondido Municipal Code, those of the full City Council, and those of all City employees, including police and fire department personnel, shall be those as prescribed by state law and the ordinances and resolutions of the City of Escondido, and that said emergency proclamation shall expire seven (7) days after issuance unless confirmed and ratified by the City Council of the City of Escondido.

Dated: March 16, 2020

By: 

Jeffrey R. Epp
City Manager
Director of Emergency Services
City of Escondido

COUNCIL PROCLAMATION NO. 2020-01

A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF ESCONDIDO DECLARING A
LOCAL EMERGENCY EXISTS
THROUGHOUT THE CITY

WHEREAS, on March 16, 2020, pursuant to Chapter 7 of the Escondido Municipal Code, and specifically Section 7-6(a)(1), the City Manager, in his role as the Director of Emergency Services ("Director"), was authorized to and did in fact issue a proclamation, Proclamation No. 2020-01, of the existence or threatened existence of an emergency when the City Council was not in session; and

WHEREAS, at the time of the Director's Proclamation No. 2020-01, the City Council had adjourned to their next scheduled session noticed for Wednesday, March 18, 2020; and

WHEREAS, a novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world; and

WHEREAS, the COVID-19 disease is believed to be spread through person-to-person contact between people who are in close proximity with others up to 6 feet and through respiratory droplets when a person coughs or sneezes, even when that person is asymptomatic; and

WHEREAS, according to the Centers for Disease Control and Prevention (CDC) there have been numerous deaths attributed to COVID-19 in the United States; and

ATTACHMENT 2

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, various health organizations throughout the world, including the CDC and the World Health Organization (WHO), consider the COVID-19 virus to be a very serious health threat, a "public health emergency of international concern," and as of March 11, 2020, the WHO identified it as a pandemic; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, on March 12, 2020, Governor Newsom issued Executive order N-25-20 which, in part, took various actions pursuant to the Emergency Services Act (Government Code Sections 8550, *et. seq.*) including an order to all residents "to heed any orders and guidance of state and local public health officials, including the imposition of social distancing measures, to control the spread of COVID-19;" and

WHEREAS, according to various current public health directives, guidelines, and recommendations, gatherings of more than 50 people should be cancelled or postponed and all smaller events should proceed only if a six foot separation of participants can be observed; and

ATTACHMENT 2

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States, issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak; and

WHEREAS, on March 13, 2020, the County of San Diego Office of Education announced multiple school closures effective March 16, 2020, and school districts and colleges throughout the County of San Diego initiated school closing orders for their schools for durations of approximately one month; and

WHEREAS, the COVID-19 virus has the potential to severely impact the necessary services performed by the City of Escondido, including the response times for police and fire department personnel, the holding of public meetings, as well as the regular functioning of City business should city staff and employees be infected or additional orders of quarantine be implemented; and

WHEREAS, the potential spread of the COVID-19 virus poses an extreme peril to the safety of persons and property within the City of Escondido and such conditions will continue to directly affect the safety of all persons within the City for the near future and are beyond the control of the services, personnel, equipment and facilities of the City.

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

1. That the above recitations are true and correct.
2. That the Director of Emergency Services had authority to, and did in fact properly, issue Proclamation No. 2020-01 on March 16, 2020, declaring a local

emergency in the City of Escondido pursuant to Chapter 7 of the Escondido Municipal Code, which such action is hereby ratified.

3. That the City Council hereby finds, declares and proclaims that a local emergency currently exists, has existed since on or about March 13, 2020, and will continue to exist for an unknown period in the City of Escondido due to the continued spread of the COVID-19 virus and the collateral consequences of the virus on residents, businesses, health care providers, social service agencies, and City personnel.
4. That during the existence of this local emergency, the powers, functions and duties of the Disaster Council and Director of Emergency Services established by Chapter 7 of the Escondido Municipal Code, those of the full City Council, and those of all City employees, including police and fire department personnel, shall be those as prescribed by state law and the ordinances and resolutions of the City of Escondido.
5. That this emergency Council Proclamation shall expire upon a Resolution by the City Council of the City of Escondido, or as otherwise required by law.

Dated: 3/18/2020

By: Paul M. McNamara
Paul McNamara, Mayor
City of Escondido

ORDINANCE NO. 2020-09R

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ENACTING A TEMPORARY MORATORIUM ON EVICTIONS DUE TO NONPAYMENT OF RENT FOR RESIDENTIAL AND COMMERCIAL TENANTS IMPACTED BY THE NOVEL CORONAVIRUS (COVID-19)

WHEREAS, a novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world; and

WHEREAS, the COVID-19 disease is believed to be spread through person-to-person contact between people who are in close proximity with others up to 6 feet and through respiratory droplets when a person coughs or sneezes, even when that person is asymptomatic; and

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 14, 2020, the San Diego County Public Health Officer declared a local health emergency due to the threat of COVID-19; and

WHEREAS, on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, various health organizations throughout the world, including the CDC and the World Health Organization (WHO), consider the COVID-19 virus to be a very serious health threat, a “public health emergency of international concern,” and as of March 11, 2020, the WHO identified it as a pandemic; and

WHEREAS, on March 12, 2020, Governor Newsom issued Executive Order N-25-20 which, in part, took various actions pursuant to the Emergency Services Act (Government Code Sections 8550, *et. seq.*) including an order to ensure adequate facilities to address the impacts of COVID-19; and

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States, issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak; and

WHEREAS, on March 13, 2020, the County of San Diego Office of Education announced multiple school closures effective March 16, 2020, and school districts and colleges throughout the County of San Diego initiated school closing orders for their schools for durations of approximately one month; and

WHEREAS, on March 16, 2020, the City Manager, acting in his capacity of Director of Emergency Services of the City, proclaimed, through Proclamation No. 2020-01, the existence of a Local Emergency related to COVID-19 within the City, and activated the Escondido Emergency Operations Center on that date; and

WHEREAS, on March 16, 2020, Governor Newsom issued Executive Order N-28-20, which delegated to local jurisdictions the authority to enact temporary moratoria on commercial and residential evictions based on impacts related to COVID-19 and

extended the time limitation set forth in Penal Code section 396, subdivision (f) concerning protections against residential eviction until May 31, 2020; and

WHEREAS, on March 17, 2020, the Health Officer of the County of San Diego issued an Amended Order and Emergency Regulations, which provided that all public or private schools, colleges and universities shall not hold classes or other activities where students gather on campus; and

WHEREAS, as of March 18, 2020 the Escondido City Council adopted Proclamation No. 2020-01, ratifying the declaration of the Director of Emergency Services and declaring the existence of an ongoing local emergency pursuant to COVID-19; and

WHEREAS, according to the Centers for Disease Control and Prevention (CDC) and public health officials in the County of San Diego there have been numerous deaths attributed to COVID-19 in the United States and throughout San Diego County and the infection cases and death toll are likely to increase over time; and

WHEREAS, as of March 29, 2020, the County of San Diego reports five hundred and nineteen (519) San Diego County resident cases which have tested positive or are presumptive positive for COVID-19, and seven (7) deaths, and the number is expected to increase; and

WHEREAS, pursuant to Health and Safety Code § 12175.5(b) and the Order of the Health Officer and Emergency Regulations ("County Order") issued by the Health Officer of the County of San Diego, all government entities in San Diego County are required to take necessary measures within the government entity's control to ensure compliance with the County Order; and

WHEREAS, the Governor of the State of California has stated that individuals exposed to COVID-19 may be temporarily unable to report to work due to illness caused by COVID-19 or quarantines related to COVID-19 and individuals directly affected by COVID-19 may experience potential loss of income, health care and medical coverage, and ability to pay for housing and basic needs, thereby placing increased demands on already strained regional and local health and safety resources, including shelters and food banks; and

WHEREAS, on March 27, 2020, Governor Newsom made substantive factual findings regarding the need for individuals to stay at home and businesses and courts to stay closed and thereupon issued Executive Order N-37-20 which effectively placed a statewide moratorium on residential evictions resulting from certain COVID-related conditions; and

WHEREAS, as a result of the public health emergency and the precautions recommended and required by health authorities to address the COVID-19 virus, many residential and commercial tenants in the City of Escondido have experienced and are expected to experience sudden and unexpected income loss which is out of their control; and

WHEREAS, the City has received written notifications required under the California Labor Code of layoffs of a substantial number of employees at local businesses caused by business loss directly related to COVID-19; and

WHEREAS, during this Local Emergency, and in the interest of protecting the public health and preventing the transmission of COVID-19, it is essential to avoid unnecessary housing and business displacement, to avoid the violation of local and

state health stay-at-home orders with moving residents and businesses caused by evictions, to protect the City's available housing stock, and to prevent housed individuals from falling into homelessness; and

WHEREAS, further substantial and long-term economic impacts caused by COVID-19 are anticipated, leaving both residential and commercial tenants vulnerable to eviction; and

WHEREAS, pursuant to Chapter 7 of the Escondido Municipal Code, the Director recommends that the City Council adopt the below Ordinance as a local measure in order to protect life and property of the residents and businesses of Escondido affected by the declared emergency; and

WHEREAS, as a result of the public health emergency, the closures or reduced operations of many local businesses, and the precautions recommended by health authorities, many tenants in Escondido have experienced or expect soon to experience sudden and unexpected income loss; and

WHEREAS, promoting stability amongst commercial tenancies is also conducive to public health and safety, thereby allowing commercial establishments to decide whether and how to remain open providing both income to employees and needed services to residents and not simply closing due to economic pressures; and

WHEREAS, current state law, including Penal Code Section 396, subsections (e) and (f), does not provide sufficient protections to residential and commercial tenants experiencing the unprecedented economic consequences of shuttered businesses, mass layoffs and the inability to find replacement work and housing caused by the COVID-19 pandemic; and

WHEREAS, the City Council has the power under Government Code Sections 36934 and 36937 to adopt an ordinance that takes effect immediately if it is an ordinance for the immediate preservation of the public peace, health or safety, contains a declaration of the facts constituting the urgency, and is passed by a four-fifths vote of the City Council; and

WHEREAS, the City finds it is necessary for the City Council to adopt this Ordinance as an Urgency Ordinance, as set forth in the above recitals, which are incorporated herein by reference, and pursuant to the powers under Government Code Sections 36934 and 36937, for the immediate preservation of the public health and safety, as affected by the emergency caused by the spread of COVID-19.

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

SECTION 1. City Council Proclamation No. 2020-01 ratifying the local emergency declaration of the Emergency Services Director and declaring the existence of an ongoing Local Emergency related to COVID-19, and California Governor Gavin Newsom's Executive Orders N-28-20 and N-37-20, are hereby incorporated into this Ordinance as if fully set forth herein.

SECTION 2. The recitations in City Council Proclamation No. 2020-01 and Governor Newsom's Executive Orders N-28-20 and N-37-20 are true and correct.

SECTION 3. Pursuant to the authority granted to the City of Escondido under Art. XI, §7 of the California Constitution, and as prescribed by state law including, but not limited to, Executive Orders N-28-20 and N-37-20, the Escondido Municipal Code and the ongoing federal, state and Local Emergency, the City Council hereby enacts a

temporary moratorium on evictions of residential and commercial tenants (collectively “tenant”) impacted by the COVID-19 pandemic for non-payment of rent as follows:

- a. It shall be unlawful and prohibited for a landlord to evict a tenant or otherwise recover possession of a tenancy for nonpayment of rent due on or after March 16, 2020, if the tenant has provided notice to the landlord within seven (7) days after the rent is due, or within seven (7) days after the effective date of this Ordinance, whichever is later, that the tenant is unable to pay rent due to financial impacts related to COVID-19.
- b. For purposes of this Ordinance, “financial impacts related to COVID-19” is defined as follows:
 1. A substantial decrease in household or business income (including but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand), or substantial out-of-pocket medical expenses; and
 2. The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (1) was caused by the COVID-19 pandemic; or by any local, county, state, or federal government response to COVID-19; and
 3. The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (1) and causation by

COVID-19 described in subparagraph (2) must be documented in writing.

4. As otherwise provided for in state law, including but not limited to Executive Order N-37-20.
 - c. For purposes of this Ordinance, "notice" must be given in writing and delivered either (1) pursuant to the notice required under the terms of a lease or other rental agreement or (2) delivered personally, or by U.S. mail, email or text messaging to the landlord, the landlord's representative or agent, and/or at the address where rent is customarily paid.
 - d. Upon receipt of the required notice from the tenant pursuant to this Ordinance, a landlord who has already commenced eviction proceedings or other efforts to recover possession of the rented or leased premises must immediately cease all such efforts.
 - e. Within fourteen (14) days of providing notice described in this Ordinance, or within such time as possible due to events outside of the tenant's reasonable control but in no event more than twenty (21) days, the tenant shall provide the landlord documentation or other objectively verifiable information that due to financial impacts related to COVID-19, the tenant is unable to pay rent. Documentation may include, but is not limited to, paystubs, letters from employers, financial or bank statements, business records, physician's letters, and/or other monthly bills or evidence of financial responsibilities. Any medical or financial information provided to

the landlord for purposes related to this Ordinance, shall be held in confidence and only used for evaluating the tenant's claim.

- f. If the tenant does not provide evidence of financial impacts related to COVID-19 within the time frame described in subparagraph (e), the landlord may pursue any enforcement action permissible under state law and as provided for in the underlying rental or lease agreement.
- g. On June 1, 2020, a tenant who provided the notice and documentation required in this Ordinance shall have up to three (3) months to pay the rent owed to the landlord before the landlord may recover possession due to missed rent payments covered by this Ordinance.
- h. A landlord may not charge or collect a late fee or penalty for rent covered by this Ordinance that is delayed for the reasons provided for herein.

SECTION 4. This Ordinance applies to nonpayment eviction notices and unlawful detainer actions for commercial and residential tenants based on such notices, served or filed on or after March 16, 2020, the date on which a Local Emergency was proclaimed.

SECTION 5. Nothing in this Ordinance shall relieve a tenant of the obligation to pay rent, nor restrict a landlord's ability to recover past rent due, imposed by an underlying rental or lease agreement.

SECTION 6. The City of Escondido reserves the right to enforce this Ordinance pursuant to Escondido Municipal Code section 1-13 and to pursue any other remedies legally available against individuals or entities who knowingly or intentionally violate the

provisions of this Ordinance or falsifying information to qualify for the relief granted in this Ordinance.

SECTION 7. This Ordinance is intended to supplement, not to duplicate or contradict, applicable state and federal law and shall be interpreted in light of that intent.

SECTION 8. Unless extended by City Council, this Ordinance shall remain in effect until close of business on May 31, 2020.

SECTION 9. The City Manager may, but is not required to, adopt rules and regulations reasonably necessary to implement this Ordinance. If the State of California issues law or guidance on implementing an eviction moratorium or defining terms contained herein, that law or guidance shall control over the City Manager's adopted rules and regulations.

SECTION 10. 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.

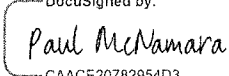
SECTION 11. Pursuant to Government Code Section 36936, this Ordinance shall be effective immediately upon its adoption.

SECTION 12. 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 for the City of Escondido.

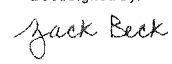
URGENCY ORDINANCE PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 8th day of April 2020, by the following vote to wit:

- AYES : Councilmembers: DIAZ, MARTINEZ, MORASCO, MCNAMARA
- NOES : Councilmembers: NONE
- VACANT : Councilmembers: DISTRICT 2

APPROVED:

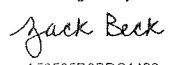
DocuSigned by:

CAACE20782954D3
 PAUL MCNAMARA, Mayor of the
 City of Escondido, California

ATTEST:

DocuSigned by:

A58535D0BDC1430
 ZACK BECK, City Clerk of the
 City of Escondido, California

STATE OF CALIFORNIA)
 COUNTY OF SAN DIEGO : ss.)
 CITY OF ESCONDIDO)

I, ZACK BECK, City Clerk of the City of Escondido, hereby certify that the foregoing URGENCY ORDINANCE NO. 2020-09R was passed at a regular meeting of the City Council of the City of Escondido held on the 8th day of April, 2020 after having been read at the regular meeting of said City Council.

DocuSigned by:

A58535D0BDC1430
 ZACK BACK, City Clerk of the
 City of Escondido, California



CITY COUNCIL STAFF REPORT

Current Business Item No. 17

April 8, 2020

File No. 0220-65

SUBJECT: Consideration of Adoption of Temporary Eviction Moratorium and/or Other Measures to Address Economic Impact of COVID-19 Emergency; Review of Local Emergency Proclamation

DEPARTMENT: City Attorney's Office

RECOMMENDATION:

It is requested that the City Council take public input, discuss and consider the adoption of Urgency Ordinance No. 2020-09 enacting a temporary moratorium on residential and commercial evictions, and/or take other measures to address housing issues, arising out of the Local Emergency related to the COVID-19 pandemic outbreak. The City Council should further consider the existing Local Emergency Proclamation as required by state law.

FISCAL ANALYSIS:

It is unknown at this time what, if any, fiscal impact the adoption of a local eviction moratorium will have on the City of Escondido. The City would not exempt itself from the operation of the Ordinance and because it has existing leases which would be affected by this law, the City's receipt of such lease revenue receipts may be delayed.

The overall financial impacts on sales tax revenues and other unreimbursed costs associated with this emergency will likely be substantial and a mass failure of businesses caused by evictions will have a clear and long-term impact on the City's ability to recover from the current market conditions.

PREVIOUS ACTION:

On March 16, 2020, pursuant to Chapter 7 of the Escondido Municipal Code, the City Manager, acting in his capacity as the Director of Emergency Services ("Director"), issued a Local Emergency Proclamation related to the COVID-19 pandemic. On March 18, 2020, pursuant to Resolution No. 2020-01, the City Council ratified the Director's Proclamation and issued its own Local Emergency Proclamation (See Attachment 3).

BACKGROUND:

Local Emergency Related to COVID-19.

A novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world. The COVID-19 disease is believed to be spread through person-to-person contact between people who are in close proximity with others up to

Consideration of Adoption of Eviction Moratorium

April 8, 2020

Page 2

6 feet and through respiratory droplets when a person coughs or sneezes, even when that person is asymptomatic.

There have been numerous deaths attributed to COVID-19 in the United States and around the world. Health agencies have recommended various protective measures to reduce the likelihood of transmission of the virus. The World Health Organization, as of March 11, 2020, identified the present circumstances as a pandemic.

The President of the United States, the State of California, the County of San Diego, all local cities in the County issued proclamations and declarations of emergency and adopted various measures to address the myriad of economic consequences of this event. On March 16, 2020, pursuant to Chapter 7 of the Escondido Municipal Code, the City Manager, in his role as the Director of Emergency Services ("Director"), was authorized to and did in fact issue a proclamation, Proclamation No. 2020-01, of the existence or threatened existence of an emergency given that the City Council was not then in session. On March 18, 2020, the City Council ratified the Director's Proclamation and issued its own Proclamation of Local Emergency arising out of the COVID-19 pandemic.

On March 19, 2020, Governor Newsom issued Executive Order N-33-20 (see Attachment 2) which effectively operated as a stay-at-home order prohibiting non-essential travel and the gathering of groups of persons. The Order closed bars, restaurants, and numerous places which provided employment to City residents. Additionally, the closure of businesses caused by the stay at home Order will materially affect the ability of businesses to timely pay their commercial lease obligations. These events were clearly out of the control of the businesses and the length of the state orders are equally something that local businesses cannot control or effectively work around.

In addition to the severe impact this emergency has caused on the City's ability to perform and deliver necessary services to its residents, and the long-term substantial financial impact on City revenues from sales tax and related revenue streams, unemployment claims nationwide have skyrocketed and the City has received several notices pursuant to California Labor Code Sections 1401, *et. seq.* (WARN Act) regarding mass layoffs at numerous Escondido businesses and food establishments. These events evidence that there has in fact been a substantial impact on the ability City residents to remain employed and earn sufficient income to pay rent, buy food, and cover normal monthly bills.

There is no reasonable dispute that the potential spread of the COVID-19 virus poses an extreme peril to the safety of persons and property within the City of Escondido and such conditions will continue to directly affect the safety of all persons within the City for the near future and are beyond the control of the services, personnel, equipment and facilities of the City.

Many cities and San Diego County itself (as to the unincorporated areas of the County) have enacted eviction moratoriums for residential and commercial tenancies. The legal support for these ordinances are premised on the general police powers of local public entities under the California Constitution and Governor Newsom's Executive Order N-28-20 (see Attachment 1).

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General City Police Powers.

The California Constitution at Art XI, § 7 provides that “a county or city may make and enforce within its limits all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” Generally referred to as the “police powers,” it is a well-recognized tenant of state and constitutional law that local and state governments may enact laws to provide for the protection of public safety, health, comfort and general welfare of its residents. The laws must be reasonably related to the legitimate protection and promotion of a public good such as the health and welfare of its residents.

There is a legitimate basis for the City Council to conclude that there are clear and present economic consequences of the unprecedented stay-at-home orders, including the closing of bars and restaurants for dine-in service, and allowance for essential travel only; the social distancing orders prohibiting the gathering of people, including workers at local businesses; the closing of all schools and the courts; the general and pervasive public fear of contracting a deadly virus for which no known cure has been identified; the consequences of mass residential evictions increasing the homelessness population; and the anticipated economic disaster that will occur to both the City and the business owners if a significant number of businesses are being shuttered, and their employees terminated. A temporary moratorium of residential and commercial tenants, based on these COVID-related circumstances, is a reasonable exercise of a local agency’s police powers.

In addition to the state constitutional authority for local health and safety laws, state law allows for local agencies to enact orders and regulations necessary to provide for the protection of life and property. Government Code Section 8634 provides in relevant part that during a local emergency, the governing body may promulgate orders and regulations “necessary to provide for the protection of life and property” provided such orders and regulations are in writing and given widespread publicity and notice.

Executive Orders Related to Residential Eviction Moratoria.

On March 16, 2020, Governor Newsome issued Executive Order N-28-20. The Order provides in relevant part that:

1. Penal Code Section 396, which prohibits the eviction and re-rental of a housing unit during the 30 day period after the declaration of a national, state or local emergency, would be extended to the date certain of May 31, 2020.
2. To the extent state law restricts or prohibits local agencies from exercising their police powers to impose limitations on residential or commercial evictions, such laws are “hereby suspended to the extent that it would preempt or otherwise restrict such exercise.”

Consideration of Adoption of Eviction Moratorium
April 8, 2020
Page 4

Thereafter, on March 27, 2020, Governor Newsom issued Executive Order N-37-20 which placed a statewide moratorium on residential evictions caused by the COVID-19 pandemic. Pursuant to Order N-37-20, residential tenants may not be evicted through May 31, 2020, provided they can document that their inability to pay all or a portion of their rent is caused by (1) their unavailability to work because the tenant was sick with a suspected or confirmed case of COVID-19 or caring for a household or family member with COVID-19; (2) the tenant experienced a lay-off, loss of hours, or other income reduction resulting from COVID-19, the state of emergency or related government response; or (3) the tenant needed to miss work to care for a child whose school was closed in response to COVID-19.

Proposed Ordinance.

The City Council has before it an ordinance which is intended to compliment, not supplant or contradict, the existing state Executive Orders. Executive Orders N-28-20 by its terms was intended to remove barriers preventing local agencies from enacting temporary moratorium for both commercial and residential evictions based on impacts related to COVID-19. Executive Order N-37-20 specifically provided on a statewide basis protection for residential tenants only relief from the potential for an eviction due to the economic impacts of COVID-19.

The instant ordinance includes temporary eviction protection for both commercial and residential tenants. The essential components of the ordinance include:

1. It will be unlawful for a landlord to evict a tenant for nonpayment of rent due on or after March 16, 2020, if the tenant has provided notice to the landlord that the tenant is unable to pay rent due to financial impacts related to COVID-19 within 7 days after the rent is due, or within 7 days after the effective date of the ordinance, whichever is later.
2. "Financial impacts related to COVID-19" is defined as follows:
 - a. A substantial decrease in household or business income (including decreases caused by layoffs or a reduction in the number of compensable hours of work, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand), or substantial out-of-pocket medical expenses; and
 - b. The decrease in household or business income or the out-of-pocket medical expenses was caused by the COVID-19 pandemic; or by any local, county, state, or federal government response to COVID-19; and
 - c. The decrease in household or business income or the out-of-pocket medical expenses and causation by COVID-19 is documented in writing; and
 - d. As otherwise provided for in state law, including Executive Order N-37-20.
3. The notice required under the ordinance must be given in writing and delivered pursuant to the notice required under the terms of a lease or other rental agreement. If no written lease or rental agreement exists, the notice must be delivered personally, or by U.S. mail,

Consideration of Adoption of Eviction Moratorium
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email or text messaging to the landlord, the landlord's representative or agent, and/or at the address where rent is customarily paid.

4. Once the landlord receives the required notice, eviction proceedings or other efforts to recover possession of the rented or leased premises must immediately cease.
5. Within 14 days of providing notice described in this Ordinance, or within such time as possible due to events outside of the tenant's reasonable control but in no event more than 21 days, the tenant shall provide the landlord documentation or other objectively verifiable information that due to financial impacts related to COVID-19, the tenant is unable to pay rent.
6. The tenant's documentation may include such items as paystubs, letters from employers, financial or bank statements, business records, physician's letters, and/or other monthly bills or evidence of financial responsibilities.
7. Any medical or financial information provided to the landlord related to the ordinance must be held in confidence and only used for evaluating the residential or commercial tenant's claim.
8. If the tenant does not provide evidence of financial impacts related to COVID-19 within the time frame in the ordinance, the landlord may pursue any enforcement action permissible under state law and as provided for in the underlying rental or lease agreement.
9. The Ordinance does not relieve a tenant of the obligation to pay rent, or restrict a landlord's ability to recover past rent due, imposed by an underlying rental or lease agreement.
10. The City can enforce this law against individuals or entities who knowingly or intentionally violate it or by falsifying information to qualify for the relief granted under it pursuant to the Escondido Municipal Code as a criminal matter or pursuant to any other remedies legally available to it, such as administrative violations.
11. The ordinance expires on May 31, 2020, unless extended by the City Council.

Urgency Ordinance.

Pursuant to the Government Code, the City Council may enact an urgency ordinance which takes effect immediately. Typically, ordinances may not be passed within five days of their introduction. However, pursuant to Government Code Section 36934, an urgency ordinance may be passed immediately.

Furthermore, while a typical ordinance takes effect 30 days after final passage, an urgency ordinance for the immediate preservation of the public peace, health or safety containing a declaration of the

Consideration of Adoption of Eviction Moratorium
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facts constituting the urgency, and passed by a four-fifths vote of the city council, takes effect immediately. See Government Code Section 36937(b).

Review of Local Emergency Proclamation.

Pursuant to the Government Code, the Council must review the Local Emergency Proclamation periodically until the emergency is resolved. Given that the health conditions, including the rapid increase in confirmed COVID-19 cases and deaths related to the disease are on the rise, and substantial health preservation orders as well as economic stabilization measures are still being enacted at the federal, state and county levels, there are reasonable grounds to continue the Local Emergency.

CONCLUSION:

The City Council, pursuant to its inherent police powers under the state constitution and state law, has the authority to enact laws for the safety and protection of its residents. The declaration of the Local Emergency as well as the existence of numerous similar declarations at all levels of national and state governments reflect that the current health and financial circumstances of the COVID-19 emergency require creative and effective measures to protect the residents and businesses in this jurisdiction.

The existing conditions which prompted the Director's and City Council's Proclamation of Local Emergency continue to exist and the Proclamation and its directives should remain in place at this time.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Michael R. McGuinness, City Attorney
4/2/20 7:12 a.m.

ATTACHMENTS:

1. Attachment 1 – Executive Order N-28-20
2. Attachment 2 – Executive Order N-37-20
3. Attachment 3 – Proclamation No. 2020-01 (Proclamation of Local Emergency)
4. Ordinance No. 2020-09 (Urgency Ordinance)

ATTACHMENT 4
EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-28-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus remains a threat, and further efforts to control the spread of the virus to reduce and minimize the risk of infection and otherwise mitigate the effects of COVID-19 are needed; and

WHEREAS the economic impacts of COVID-19 have been significant, and could threaten to undermine Californians' housing security and the stability of California businesses; and

WHEREAS many Californians are experiencing substantial losses of income as a result of business closures, the loss of hours or wages, or layoffs related to COVID-19, hindering their ability to keep up with their rents, mortgages, and utility bills; and

WHEREAS Californians who are most vulnerable to COVID-19, those 65 years and older, and those with underlying health issues, are advised to self-quarantine, self-isolate, or otherwise remain in their homes to reduce the transmission of COVID-19; and

WHEREAS because homelessness can exacerbate vulnerability to COVID-19, California must take measures to preserve and increase housing security for Californians to protect public health; and

WHEREAS local jurisdictions, based on their particular needs, may therefore determine that additional measures to promote housing security and stability are necessary to protect public health or to mitigate the economic impacts of COVID-19; and

WHEREAS local jurisdictions may also determine, based on their particular needs, that promoting stability amongst commercial tenancies is also conducive to public health, such as by allowing commercial establishments to decide whether and how to remain open based on public health concerns rather than economic pressures, or to mitigate the economic impacts of COVID-19; and

WHEREAS in addition to these public health benefits, state and local policies to promote social distancing, self-quarantine, and self-isolation require that people be able to access basic utilities—including water, gas, electricity, and telecommunications—at their homes, so that Californians can work from home, receive public health information, and otherwise adhere to policies of social distancing, self-quarantine, and self-isolation, if needed; and

ATTACHMENT 4

WHEREAS many utility providers, public and private, covering electricity, gas, water, and sewer, have voluntarily announced moratoriums on service disconnections and late fees for non-payment in response to COVID-19; and

WHEREAS many telecommunication companies, including internet and cell phone providers, have voluntarily announced moratoriums on service disconnections and late fees for non-payment in response to COVID-19;

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

- 1) The time limitation set forth in Penal Code section 396, subdivision (f), concerning protections against residential eviction, is hereby waived. Those protections shall be in effect through May 31, 2020.
- 2) Any provision of state law that would preempt or otherwise restrict a local government's exercise of its police power to impose substantive limitations on residential or commercial evictions as described in subparagraphs (i) and (ii) below—including, but not limited to, any such provision of Civil Code sections 1940 et seq. or 1954.25 et seq.—is hereby suspended to the extent that it would preempt or otherwise restrict such exercise. This paragraph 2 shall only apply to the imposition of limitations on evictions when:
 - (i) The basis for the eviction is nonpayment of rent, or a foreclosure, arising out of a substantial decrease in household or business income (including, but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand), or substantial out-of-pocket medical expenses; and
 - (ii) The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (i) was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented.

The statutory cause of action for judicial foreclosure, Code of Civil Procedure section 725a et seq.; the statutory cause of action for unlawful detainer, Code of Civil Procedure section 1161 et seq., and any other statutory cause of action that could be used to evict or otherwise eject a residential or commercial tenant or occupant of residential real property after foreclosure is suspended only as applied to any tenancy, or residential real property and any

ATTACHMENT 4

occupation thereof, to which a local government has imposed a limitation on eviction pursuant to this paragraph 2, and only to the extent of the limitation imposed by the local government.

Nothing in this Order shall relieve a tenant of the obligation to pay rent, nor restrict a landlord's ability to recover rent due.

The protections in this paragraph 2 shall be in effect through May 31, 2020, unless extended.

- 3) All public housing authorities are requested to extend deadlines for housing assistance recipients or applicants to deliver records or documents related to their eligibility for programs, to the extent that those deadlines are within the discretion of the housing authority.
- 4) The Department of Business Oversight, in consultation with the Business, Consumer Services, and Housing Agency, shall engage with financial institutions to identify tools to be used to afford Californians relief from the threat of residential foreclosure and displacement, and to otherwise promote housing security and stability during this state of emergency, in furtherance of the objectives of this Order.
- 5) Financial institutions holding home or commercial mortgages, including banks, credit unions, government-sponsored enterprises, and institutional investors, are requested to implement an immediate moratorium on foreclosures and related evictions when the foreclosure or foreclosure-related eviction arises out of a substantial decrease in household or business income, or substantial out-of-pocket medical expenses, which were caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19.
- 6) The California Public Utilities Commission is requested to monitor measures undertaken by public and private utility providers to implement customer service protections for critical utilities, including but not limited to electric, gas, water, internet, landline telephone, and cell phone service, in response to COVID-19, and on a weekly basis publicly report these measures.

Nothing in this Order shall be construed to invalidate any limitation on eviction enacted by a local jurisdiction between March 4, 2020 and this date.

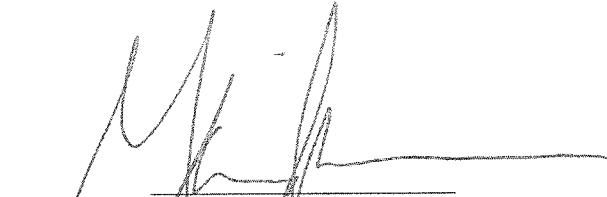
Nothing in this Order shall in any way restrict state or local authority to order any quarantine, isolation, or other public health measure that may compel an individual to remain physically present in a particular residential real property.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

ATTACHMENT 4

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 16th day of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

EXECUTIVE ORDER N-37-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS in a short period of time, COVID-19 has rapidly spread throughout California, necessitating stringent public health emergency orders as well as guidance from federal, state, and local public health officials; and

WHEREAS on March 16, 2020, I issued Executive Order N-28-20, suspending state law limitations on local jurisdictions that impose restrictions on evictions; and

WHEREAS on March 19, 2020, I issued Executive Order N-33-20, ordering all residents to immediately heed the Order of the State Public Health Officer for all residents, unless exempted, to stay home or at their place of residence; and

WHEREAS many Californians are experiencing or will experience substantial losses of income as a result of business closures, the loss of hours or wages, or layoffs related to COVID-19, hindering their ability to keep up with their rent, and leaving them vulnerable to eviction; and

WHEREAS minimizing evictions during this period is critical to reducing the spread of COVID-19 in vulnerable populations by allowing all residents to stay home or at their place of residence in compliance with Executive Order N-33-20; and

WHEREAS Chief Justice Tani Cantil-Sakauye issued advisory guidance on March 20, 2020 for superior courts to suspend most civil trials and hearings for at least 60 days, and on March 23, 2020, suspended all jury trials for a period of 60 days, and extended by 60 days the time period for the holding of a civil trial; and

WHEREAS on March 25, 2020 the Department of Business Oversight secured support from national banks, state banks and credit unions for temporary delays in mortgage payments and foreclosure sales and evictions for homeowners who have economic impacts from COVID-19 with the objective of maximizing consistency and minimizing hurdles potentially faced by borrowers.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

- 1) The deadline specified in Code of Civil Procedure section 1167 shall be extended for a period of 60 days for any tenant who is served, while

ATTACHMENT 4

this Order is in effect, with a complaint that seeks to evict the tenant from a residence or dwelling unit for nonpayment of rent and who satisfies all of the following requirements:

- a. Prior to the date of this Order, the tenant paid rent due to the landlord pursuant to an agreement.
 - b. The tenant notifies the landlord in writing before the rent is due, or within a reasonable period of time afterwards not to exceed 7 days, that the tenant needs to delay all or some payment of rent because of an inability to pay the full amount due to reasons related to COVID-19, including but not limited to the following:
 - (i) The tenant was unavailable to work because the tenant was sick with a suspected or confirmed case of COVID-19 or caring for a household or family member who was sick with a suspected or confirmed case of COVID-19;
 - (ii) The tenant experienced a lay-off, loss of hours, or other income reduction resulting from COVID-19, the state of emergency, or related government response; or
 - (iii) The tenant needed to miss work to care for a child whose school was closed in response to COVID-19.
 - c. The tenant retains verifiable documentation, such as termination notices, payroll checks, pay stubs, bank statements, medical bills, or signed letters or statements from an employer or supervisor explaining the tenant's changed financial circumstances, to support the tenant's assertion of an inability to pay. This documentation may be provided to the landlord no later than the time upon payment of back-due rent.
- 2) No writ may be enforced while this Order is in effect to evict a tenant from a residence or dwelling unit for nonpayment of rent who satisfies the requirements of subparagraphs (a)-(c) of paragraph 1.
 - 3) The protections in paragraphs 1 and 2 shall be in effect through May 31, 2020.

Nothing in this Order shall prevent a tenant who is able to pay all or some of the rent due from paying that rent in a timely manner or relieve a tenant of liability for unpaid rent.

Nothing in this Order shall in any way restrict state or local governmental authority to order any quarantine, isolation, or other public health measure that may compel an individual to remain physically present in a particular residential property.

IT IS FURTHER ORDERED that this Order supersedes Executive Order N-28-20 to the extent that there is any conflict with that Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

ATTACHMENT 4

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 27th day of March 2020.

GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

COUNCIL PROCLAMATION NO. 2020-01

A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF ESCONDIDO DECLARING A
LOCAL EMERGENCY EXISTS
THROUGHOUT THE CITY

WHEREAS, on March 16, 2020, pursuant to Chapter 7 of the Escondido Municipal Code, and specifically Section 7-6(a)(1), the City Manager, in his role as the Director of Emergency Services ("Director"), was authorized to and did in fact issue a proclamation, Proclamation No. 2020-01, of the existence or threatened existence of an emergency when the City Council was not in session; and

WHEREAS, at the time of the Director's Proclamation No. 2020-01, the City Council had adjourned to their next scheduled session noticed for Wednesday, March 18, 2020; and

WHEREAS, a novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world; and

WHEREAS, the COVID-19 disease is believed to be spread through person-to-person contact between people who are in close proximity with others up to 6 feet and through respiratory droplets when a person coughs or sneezes, even when that person is asymptomatic; and

WHEREAS, according to the Centers for Disease Control and Prevention (CDC) there have been numerous deaths attributed to COVID-19 in the United States; and

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, various health organizations throughout the world, including the CDC and the World Health Organization (WHO), consider the COVID-19 virus to be a very serious health threat, a "public health emergency of international concern," and as of March 11, 2020, the WHO identified it as a pandemic; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, on March 12, 2020, Governor Newsom issued Executive order N-25-20 which, in part, took various actions pursuant to the Emergency Services Act (Government Code Sections 8550, *et. seq.*) including an order to all residents "to heed any orders and guidance of state and local public health officials, including the imposition of social distancing measures, to control the spread of COVID-19;" and

WHEREAS, according to various current public health directives, guidelines, and recommendations, gatherings of more than 50 people should be cancelled or postponed and all smaller events should proceed only if a six foot separation of participants can be observed; and

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States, issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak; and

WHEREAS, on March 13, 2020, the County of San Diego Office of Education announced multiple school closures effective March 16, 2020, and school districts and colleges throughout the County of San Diego initiated school closing orders for their schools for durations of approximately one month; and

WHEREAS, the COVID-19 virus has the potential to severely impact the necessary services performed by the City of Escondido, including the response times for police and fire department personnel, the holding of public meetings, as well as the regular functioning of City business should city staff and employees be infected or additional orders of quarantine be implemented; and

WHEREAS, the potential spread of the COVID-19 virus poses an extreme peril to the safety of persons and property within the City of Escondido and such conditions will continue to directly affect the safety of all persons within the City for the near future and are beyond the control of the services, personnel, equipment and facilities of the City.

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

1. That the above recitations are true and correct.
2. That the Director of Emergency Services had authority to, and did in fact properly, issue Proclamation No. 2020-01 on March 16, 2020, declaring a local

emergency in the City of Escondido pursuant to Chapter 7 of the Escondido Municipal Code, which such action is hereby ratified.

3. That the City Council hereby finds, declares and proclaims that a local emergency currently exists, has existed since on or about March 13, 2020, and will continue to exist for an unknown period in the City of Escondido due to the continued spread of the COVID-19 virus and the collateral consequences of the virus on residents, businesses, health care providers, social service agencies, and City personnel.
4. That during the existence of this local emergency, the powers, functions and duties of the Disaster Council and Director of Emergency Services established by Chapter 7 of the Escondido Municipal Code, those of the full City Council, and those of all City employees, including police and fire department personnel, shall be those as prescribed by state law and the ordinances and resolutions of the City of Escondido.
5. That this emergency Council Proclamation shall expire upon a Resolution by the City Council of the City of Escondido, or as otherwise required by law.

Dated: 3/18/2020

By: Paul G. McNamara
Paul McNamara, Mayor
City of Escondido

ORDINANCE NO. 2020-09

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ENACTING A TEMPORARY MORATORIUM ON EVICTIONS DUE TO NONPAYMENT OF RENT FOR RESIDENTIAL AND COMMERCIAL TENANTS IMPACTED BY THE NOVEL CORONAVIRUS (COVID-19)

WHEREAS, a novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world; and

WHEREAS, the COVID-19 disease is believed to be spread through person-to-person contact between people who are in close proximity with others up to 6 feet and through respiratory droplets when a person coughs or sneezes, even when that person is asymptomatic; and

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 14, 2020, the San Diego County Public Health Officer declared a local health emergency due to the threat of COVID-19; and

WHEREAS, on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, various health organizations throughout the world, including the CDC and the World Health Organization (WHO), consider the COVID-19 virus to be a very serious health threat, a “public health emergency of international concern,” and as of March 11, 2020, the WHO identified it as a pandemic; and

WHEREAS, on March 12, 2020, Governor Newsom issued Executive Order N-25-20 which, in part, took various actions pursuant to the Emergency Services Act (Government Code Sections 8550, *et. seq.*) including an order to ensure adequate facilities to address the impacts of COVID-19; and

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States, issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak; and

WHEREAS, on March 13, 2020, the County of San Diego Office of Education announced multiple school closures effective March 16, 2020, and school districts and colleges throughout the County of San Diego initiated school closing orders for their schools for durations of approximately one month; and

WHEREAS, on March 16, 2020, the City Manager, acting in his capacity of Director of Emergency Services of the City, proclaimed, through Proclamation No. 2020-01, the existence of a Local Emergency related to COVID-19 within the City, and activated the Escondido Emergency Operations Center on that date; and

WHEREAS, on March 16, 2020, Governor Newsom issued Executive Order N-28-20, which delegated to local jurisdictions the authority to enact temporary moratoria on commercial and residential evictions based on impacts related to COVID-19 and

extended the time limitation set forth in Penal Code section 396, subdivision (f) concerning protections against residential eviction until May 31, 2020; and

WHEREAS, on March 17, 2020, the Health Officer of the County of San Diego issued an Amended Order and Emergency Regulations, which provided that all public or private schools, colleges and universities shall not hold classes or other activities where students gather on campus; and

WHEREAS, as of March 18, 2020 the Escondido City Council adopted Proclamation No. 2020-01, ratifying the declaration of the Director of Emergency Services and declaring the existence of an ongoing local emergency pursuant to COVID-19; and

WHEREAS, according to the Centers for Disease Control and Prevention (CDC) and public health officials in the County of San Diego there have been numerous deaths attributed to COVID-19 in the United States and throughout San Diego County and the infection cases and death toll are likely to increase over time; and

WHEREAS, as of March 29, 2020, the County of San Diego reports five hundred and nineteen (519) San Diego County resident cases which have tested positive or are presumptive positive for COVID-19, and seven (7) deaths, and the number is expected to increase; and

WHEREAS, pursuant to Health and Safety Code § 12175.5(b) and the Order of the Health Officer and Emergency Regulations ("County Order") issued by the Health Officer of the County of San Diego, all government entities in San Diego County are required to take necessary measures within the government entity's control to ensure compliance with the County Order; and

WHEREAS, the Governor of the State of California has stated that individuals exposed to COVID-19 may be temporarily unable to report to work due to illness caused by COVID-19 or quarantines related to COVID-19 and individuals directly affected by COVID-19 may experience potential loss of income, health care and medical coverage, and ability to pay for housing and basic needs, thereby placing increased demands on already strained regional and local health and safety resources, including shelters and food banks; and

WHEREAS, on March 27, 2020, Governor Newsom made substantive factual findings regarding the need for individuals to stay at home and businesses and courts to stay closed and thereupon issued Executive Order N-37-20 which effectively placed a statewide moratorium on residential evictions resulting from certain COVID-related conditions; and

WHEREAS, as a result of the public health emergency and the precautions recommended and required by health authorities to address the COVID-19 virus, many residential and commercial tenants in the City of Escondido have experienced and are expected to experience sudden and unexpected income loss which is out of their control; and

WHEREAS, the City has received written notifications required under the California Labor Code of layoffs of a substantial number of employees at local businesses caused by business loss directly related to COVID-19; and

WHEREAS, during this Local Emergency, and in the interest of protecting the public health and preventing the transmission of COVID-19, it is essential to avoid unnecessary housing and business displacement, to avoid the violation of local and

state health stay-at-home orders with moving residents and businesses caused by evictions, to protect the City's available housing stock, and to prevent housed individuals from falling into homelessness; and

WHEREAS, further substantial and long-term economic impacts caused by COVID-19 are anticipated, leaving both residential and commercial tenants vulnerable to eviction; and

WHEREAS, pursuant to Chapter 7 of the Escondido Municipal Code, the Director recommends that the City Council adopt the below Ordinance as a local measure in order to protect life and property of the residents and businesses of Escondido affected by the declared emergency; and

WHEREAS, as a result of the public health emergency, the closures or reduced operations of many local businesses, and the precautions recommended by health authorities, many tenants in Escondido have experienced or expect soon to experience sudden and unexpected income loss; and

WHEREAS, promoting stability amongst commercial tenancies is also conducive to public health and safety, thereby allowing commercial establishments to decide whether and how to remain open providing both income to employees and needed services to residents and not simply closing due to economic pressures; and

WHEREAS, current state law, including Penal Code Section 396, subsections (e) and (f), does not provide sufficient protections to residential and commercial tenants experiencing the unprecedented economic consequences of shuttered businesses, mass layoffs and the inability to find replacement work and housing caused by the COVID-19 pandemic; and

WHEREAS, the City Council has the power under Government Code Sections 36934 and 36937 to adopt an ordinance that takes effect immediately if it is an ordinance for the immediate preservation of the public peace, health or safety, contains a declaration of the facts constituting the urgency, and is passed by a four-fifths vote of the City Council; and

WHEREAS, the City finds it is necessary for the City Council to adopt this Ordinance as an Urgency Ordinance, as set forth in the above recitals, which are incorporated herein by reference, and pursuant to the powers under Government Code Sections 36934 and 36937, for the immediate preservation of the public health and safety, as affected by the emergency caused by the spread of COVID-19.

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

SECTION 1. City Council Proclamation No. 2020-01 ratifying the local emergency declaration of the Emergency Services Director and declaring the existence of an ongoing Local Emergency related to COVID-19, and California Governor Gavin Newsom's Executive Orders N-28-20 and N-37-20, are hereby incorporated into this Ordinance as if fully set forth herein.

SECTION 2. The recitations in City Council Proclamation No. 2020-01 and Governor Newsom's Executive Orders N-28-20 and N-37-20 are true and correct.

SECTION 3. Pursuant to the authority granted to the City of Escondido under Art. XI, §7 of the California Constitution, and as prescribed by state law including, but not limited to, Executive Orders N-28-20 and N-37-20, the Escondido Municipal Code and the ongoing federal, state and Local Emergency, the City Council hereby enacts a

temporary moratorium on evictions of residential and commercial tenants (collectively “tenant”) impacted by the COVID-19 pandemic for non-payment of rent as follows:

- a. It shall be unlawful and prohibited for a landlord to evict a tenant or otherwise recover possession of a tenancy for nonpayment of rent due on or after March 16, 2020, if the tenant has provided notice to the landlord within seven (7) days after the rent is due, or within seven (7) days after the effective date of this Ordinance, whichever is later, that the tenant is unable to pay rent due to financial impacts related to COVID-19.
- b. For purposes of this Ordinance, “financial impacts related to COVID-19” is defined as follows:
 1. A substantial decrease in household or business income (including but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand), or substantial out-of-pocket medical expenses; and
 2. The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (1) was caused by the COVID-19 pandemic; or by any local, county, state, or federal government response to COVID-19; and
 3. The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (1) and causation by

COVID-19 described in subparagraph (2) must be documented in writing.

4. As otherwise provided for in state law, including but not limited to Executive Order N-37-20.
- c. For purposes of this Ordinance, “notice” must be given in writing and delivered pursuant to the notice required under the terms of a lease or other rental agreement. If no written lease or rental agreement exists, the notice must be delivered personally, or by U.S. mail, email or text messaging to the landlord, the landlord’s representative or agent, and/or at the address where rent is customarily paid.
- d. Upon receipt of the required notice from the tenant pursuant to this Ordinance, a landlord who has already commenced eviction proceedings or other efforts to recover possession of the rented or leased premises must immediately cease all such efforts.
- e. Within fourteen (14) days of providing notice described in this Ordinance, or within such time as possible due to events outside of the tenant’s reasonable control but in no event more than twenty (21) days, the tenant shall provide the landlord documentation or other objectively verifiable information that due to financial impacts related to COVID-19, the tenant is unable to pay rent. Documentation may include, but is not limited to, paystubs, letters from employers, financial or bank statements, business records, physician’s letters, and/or other monthly bills or evidence of financial responsibilities. Any medical or financial information provided to

the landlord for purposes related to this Ordinance, shall be held in confidence and only used for evaluating the tenant's claim.

- f. If the tenant does not provide evidence of financial impacts related to COVID-19 within the time frame described in subparagraph (e), the landlord may pursue any enforcement action permissible under state law and as provided for in the underlying rental or lease agreement.

SECTION 4. This Ordinance applies to nonpayment eviction notices and unlawful detainer actions for commercial and residential tenants based on such notices, served or filed on or after March 16, 2020, the date on which a Local Emergency was proclaimed.

SECTION 5. Nothing in this Ordinance shall relieve a tenant of the obligation to pay rent, nor restrict a landlord's ability to recover past rent due, imposed by an underlying rental or lease agreement.

SECTION 6. The City of Escondido reserves the right to enforce this Ordinance pursuant to Escondido Municipal Code section 1-13 and to pursue any other remedies legally available against individuals or entities who knowingly or intentionally violate the provisions of this Ordinance or falsifying information to qualify for the relief granted in this Ordinance.

SECTION 7. This Ordinance is intended to supplement, not to duplicate or contradict, applicable state and federal law and shall be interpreted in light of that intent.

SECTION 8. Unless extended by City Council, this Ordinance shall remain in effect until close of business on May 31, 2020.

SECTION 9. The City Manager may, but is not required to, adopt rules and regulations reasonably necessary to implement this Ordinance. If the State of California issues law or guidance on implementing an eviction moratorium or defining terms contained herein, that law or guidance shall control over the City Manager's adopted rules and regulations.

SECTION 10. 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 11. Pursuant to Government Code Section 36936, this Ordinance shall be effective immediately upon its adoption.

SECTION 12. 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 for the City of Escondido.

ORDINANCE NO. 2020-13

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, EXTENDING THE TEMPORARY MORATORIUM ON EVICTIONS DUE TO NONPAYMENT OF RENT FOR RESIDENTIAL AND COMMERCIAL TENANTS IMPACTED BY THE NOVEL CORONAVIRUS (COVID-19)

WHEREAS, a novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world; and

WHEREAS, the COVID-19 disease is believed to be spread through person-to-person contact between people who are in close proximity with others up to 6 feet and through respiratory droplets when a person coughs or sneezes, even when that person is asymptomatic; and

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 14, 2020, the San Diego County Public Health Officer declared a local health emergency due to the threat of COVID-19; and

WHEREAS, on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, various health organizations throughout the world, including the CDC and the World Health Organization (WHO), consider the COVID-19 virus to be a very serious health threat, a “public health emergency of international concern,” and as of March 11, 2020, the WHO identified it as a pandemic; and

WHEREAS, on March 12, 2020, Governor Newsom issued Executive Order N-25-20 which, in part, took various actions pursuant to the Emergency Services Act (Government Code Sections 8550, *et. seq.*) including an order to ensure adequate facilities to address the impacts of COVID-19; and

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States, issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak; and

WHEREAS, on March 13, 2020, the County of San Diego Office of Education announced multiple school closures effective March 16, 2020, and school districts and colleges throughout the County of San Diego initiated school closing orders for their schools for durations of approximately one month; and

WHEREAS, on March 16, 2020, the City Manager, acting in his capacity of Director of Emergency Services of the City, proclaimed, through Proclamation No. 2020-01, the existence of a Local Emergency related to COVID-19 within the City, and activated the Escondido Emergency Operations Center on that date; and

WHEREAS, on March 16, 2020, Governor Newsom issued Executive Order N-28-20, which delegated to local jurisdictions the authority to enact temporary moratoria on commercial and residential evictions based on impacts related to COVID-19 and

extended the time limitation set forth in Penal Code section 396, subdivision (f) concerning protections against residential eviction until May 31, 2020; and

WHEREAS, on March 17, 2020, the Health Officer of the County of San Diego issued an Amended Order and Emergency Regulations, which provided that all public or private schools, colleges and universities shall not hold classes or other activities where students gather on campus; and

WHEREAS, as of March 18, 2020 the Escondido City Council adopted Proclamation No. 2020-01, ratifying the declaration of the Director of Emergency Services and declaring the existence of an ongoing local emergency pursuant to COVID-19; and

WHEREAS, according to the Centers for Disease Control and Prevention (CDC) and public health officials in the County of San Diego there have been numerous deaths attributed to COVID-19 in the United States and throughout San Diego County and the infection cases and death toll are likely to increase over time; and

WHEREAS, pursuant to Health and Safety Code § 12175.5(b) and the Order of the Health Officer and Emergency Regulations (“County Order”) issued by the Health Officer of the County of San Diego, all government entities in San Diego County are required to take necessary measures within the government entity’s control to ensure compliance with the County Order; and

WHEREAS, the Governor of the State of California has stated that individuals exposed to COVID-19 may be temporarily unable to report to work due to illness caused by COVID-19 or quarantines related to COVID-19 and individuals directly affected by COVID-19 may experience potential loss of income, health care and

medical coverage, and ability to pay for housing and basic needs, thereby placing increased demands on already strained regional and local health and safety resources, including shelters and food banks; and

WHEREAS, on March 27, 2020, Governor Newsom made substantive factual findings regarding the need for individuals to stay at home and businesses and courts to stay closed and thereupon issued Executive Order N-37-20 which effectively placed a statewide moratorium on residential evictions resulting from certain COVID-related conditions; and

WHEREAS, as a result of the public health emergency and the precautions recommended and required by health authorities to address the COVID-19 virus, many residential and commercial tenants in the City of Escondido have experienced and are expected to experience sudden and unexpected income loss which is out of their control; and

WHEREAS, the City has received written notifications required under the California Labor Code of layoffs of a substantial number of employees at local businesses caused by business loss directly related to COVID-19; and

WHEREAS, during this Local Emergency, and in the interest of protecting the public health and preventing the transmission of COVID-19, it is essential to avoid unnecessary housing and business displacement, to avoid the violation of local and state health stay-at-home orders with moving residents and businesses caused by evictions, to protect the City's available housing stock, and to prevent housed individuals from falling into homelessness; and

WHEREAS, further substantial and long-term economic impacts caused by COVID-19 are anticipated, leaving both residential and commercial tenants vulnerable to eviction; and

WHEREAS, pursuant to Chapter 7 of the Escondido Municipal Code, the Director recommends that the City Council adopt the below Ordinance as a local measure in order to protect life and property of the residents and businesses of Escondido affected by the declared emergency; and

WHEREAS, as a result of the public health emergency, the closures or reduced operations of many local businesses, and the precautions recommended by health authorities, many tenants in Escondido have experienced or expect soon to experience sudden and unexpected income loss; and

WHEREAS, promoting stability amongst commercial tenancies is also conducive to public health and safety, thereby allowing commercial establishments to decide whether and how to remain open providing both income to employees and needed services to residents and not simply closing due to economic pressures; and

WHEREAS, current state law, including Penal Code Section 396, subsections (e) and (f), does not provide sufficient protections to residential and commercial tenants experiencing the unprecedented economic consequences of shuttered businesses, mass layoffs and the inability to find replacement work and housing caused by the COVID-19 pandemic; and

WHEREAS, the City Council has the power under Government Code Sections 36934 and 36937 to adopt an ordinance that takes effect immediately if it is an ordinance for the immediate preservation of the public peace, health or safety,

contains a declaration of the facts constituting the urgency, and is passed by a four-fifths vote of the City Council; and

WHEREAS, on April 8, 2020, the City Council made requisite findings that an Urgency Ordinance was immediately required to protect the health and safety of the citizens of the City of Escondido and adopted Ordinance 2020-09R which placed a temporary eviction moratorium on the evictions of residential and commercial tenants who satisfy certain notice and documentation requirements; and

WHEREAS, the City finds it is necessary for the City Council to extend Urgency Ordinance 2020-09R an additional thirty (30) days to now expire on June 30, 2020, as the underlying economic and health circumstances supporting the original ordinance are equally true as of this date and as set forth in the above recitals, which are incorporated herein by reference, and pursuant to the powers under Government Code Sections 36934 and 36937, for the immediate preservation of the public health and safety, as affected by the emergency caused by the spread of COVID-19.

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

SECTION 1. City Council Proclamation No. 2020-01 ratifying the local emergency declaration of the Emergency Services Director and declaring the existence of an ongoing Local Emergency related to COVID-19, and California Governor Gavin Newsom's Executive Orders N-28-20 and N-37-20, are hereby incorporated into this Ordinance as if fully set forth herein.

SECTION 2. The recitations in City Council Proclamation No. 2020-01, Ordinance No. 2020-09R and Governor Newsom's Executive Orders N-28-20 and N-37-20 are true and correct.

SECTION 3. Pursuant to the authority granted to the City of Escondido under Art. XI, §7 of the California Constitution, and as prescribed by state law including, but not limited to, Executive Orders N-28-20 and N-37-20, the Escondido Municipal Code and the ongoing federal, state and Local Emergency, the City Council hereby restates and extends the temporary moratorium imposed by Ordinance 2020-09R on evictions of residential and commercial tenants (collectively "tenant") impacted by the COVID-19 pandemic for non-payment of rent as follows:

- a. It shall be unlawful and prohibited for a landlord to evict a tenant or otherwise recover possession of a tenancy for nonpayment of rent due on or after March 16, 2020, if the tenant has provided notice to the landlord within seven (7) days after the rent is due, or as otherwise required in Ordinance 2020-09R, that the tenant is unable to pay rent due to financial impacts related to COVID-19.
- b. For purposes of this Ordinance, "financial impacts related to COVID-19" is defined as follows:
 1. A substantial decrease in household or business income (including but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or a substantial decrease in business income caused by a reduction

in opening hours or consumer demand), or substantial out-of-pocket medical expenses; and

2. The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (1) was caused by the COVID-19 pandemic; or by any local, county, state, or federal government response to COVID-19; and
 3. The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (1) and causation by COVID-19 described in subparagraph (2) must be documented in writing.
 4. As otherwise provided for in state law, including but not limited to Executive Order N-37-20.
- c. For purposes of this Ordinance, “notice” must be given in writing and delivered pursuant to the notice required under the terms of a lease or other rental agreement. If no written lease or rental agreement exists, the notice must be delivered personally, or by U.S. mail, email or text messaging to the landlord, the landlord’s representative or agent, and/or at the address where rent is customarily paid.
- d. Upon receipt of the required notice from the tenant pursuant to this Ordinance, a landlord who has already commenced eviction proceedings or other efforts to recover possession of the rented or leased premises must immediately cease all such efforts.

- e. Within these times required under Ordinance No. 2020-09R, the tenant shall provide the landlord documentation or other objectively verifiable information that due to financial impacts related to COVID-19, the tenant is unable to pay rent. Documentation may include, but is not limited to, paystubs, letters from employers, financial or bank statements, business records, physician's letters, and/or other monthly bills or evidence of financial responsibilities. Any medical or financial information provided to the landlord for purposes related to this Ordinance, shall be held in confidence and only used for evaluating the tenant's claim.
- f. If the tenant does not provide evidence of financial impacts related to COVID-19 within the time frame described in subparagraph (e), the landlord may pursue any enforcement action permissible under state law and as provided for in the underlying rental or lease agreement.
- g. On July 1, 2020, a tenant who provided the notice and documentation required by Ordinance No. 2020-09R, or as provided for herein, shall have up to three (3) months to pay the rent owed to the landlord before the landlord may recover possession due to missed rent payments covered by Ordinance No. 2020-09R or this Ordinance.
- f.h. A landlord may not charge or collect a late fee or penalty for rent covered by Ordinance No. 2020-09R or this Ordinance that is delayed for the reasons provided for herein.

SECTION 4. This Ordinance applies to nonpayment eviction notices and unlawful detainer actions for commercial and residential tenants based on such notices,

served or filed on or after March 16, 2020, the date on which a Local Emergency was proclaimed.

SECTION 5. Nothing in this Ordinance shall relieve a tenant of the obligation to pay rent, nor restrict a landlord's ability to recover past rent due, imposed by an underlying rental or lease agreement.

SECTION 6. The City of Escondido reserves the right to enforce this Ordinance pursuant to Escondido Municipal Code section 1-13 and to pursue any other remedies legally available against individuals or entities who knowingly or intentionally violate the provisions of this Ordinance or falsifying information to qualify for the relief granted in this Ordinance.

SECTION 7. This Ordinance is intended to supplement, not to duplicate or contradict, applicable state and federal law and shall be interpreted in light of that intent.

SECTION 8. Unless extended by City Council, this Ordinance shall remain in effect until close of business on June 30, 2020.

SECTION 9. The City Manager may, but is not required to, adopt rules and regulations reasonably necessary to implement this Ordinance. If the State of California issues law or guidance on implementing an eviction moratorium or defining terms contained herein, that law or guidance shall control over the City Manager's adopted rules and regulations.

SECTION 10. 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 11. Pursuant to Government Code Section 36936, this Ordinance shall be effective immediately upon its adoption.

SECTION 12. 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 for the City of Escondido.

ORDINANCE NO. 2020-13R

AN URGENCY ORDINANCE OF THE CITY
COUNCIL OF THE CITY OF ESCONDIDO,
CALIFORNIA, EXTENDING THE TEMPORARY
MORATORIUM ON EVICTIONS DUE TO
NONPAYMENT OF RENT FOR RESIDENTIAL
AND COMMERCIAL TENANTS IMPACTED BY
THE NOVEL CORONAVIRUS (COVID-19)

WHEREAS, a novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and has now spread throughout the world; and

WHEREAS, the COVID-19 disease is believed to be spread through person-to-person contact between people who are in close proximity with others up to 6 feet and through respiratory droplets when a person coughs or sneezes, even when that person is asymptomatic; and

WHEREAS, on January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency related to the COVID-19 outbreak pursuant to Section 319 of the Public Health Service Act; and

WHEREAS, on February 14, 2020, the San Diego County Public Health Officer declared a local health emergency due to the threat of COVID-19; and

WHEREAS, on February 19, 2020, the San Diego County Board of Supervisors ratified the Declaration of Local Health Emergency and Proclamation of Local Emergency arising out of the COVID-19 outbreak; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in the State of California as a result of the threat of COVID-19; and

WHEREAS, various health organizations throughout the world, including the CDC and the World Health Organization (WHO), consider the COVID-19 virus to be a very serious health threat, a “public health emergency of international concern,” and as of March 11, 2020, the WHO identified it as a pandemic; and

WHEREAS, on March 12, 2020, Governor Newsom issued Executive Order N-25-20 which, in part, took various actions pursuant to the Emergency Services Act (Government Code Sections 8550, *et. seq.*) including an order to ensure adequate facilities to address the impacts of COVID-19; and

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States, issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak; and

WHEREAS, on March 13, 2020, the County of San Diego Office of Education announced multiple school closures effective March 16, 2020, and school districts and colleges throughout the County of San Diego initiated school closing orders for their schools for durations of approximately one month; and

WHEREAS, on March 16, 2020, the City Manager, acting in his capacity of Director of Emergency Services of the City, proclaimed, through Proclamation No. 2020-01, the existence of a Local Emergency related to COVID-19 within the City, and activated the Escondido Emergency Operations Center on that date; and

WHEREAS, on March 16, 2020, Governor Newsom issued Executive Order N-28-20, which delegated to local jurisdictions the authority to enact temporary moratoria on commercial and residential evictions based on impacts related to COVID-19 and

extended the time limitation set forth in Penal Code section 396, subdivision (f) concerning protections against residential eviction until May 31, 2020; and

WHEREAS, on March 17, 2020, the Health Officer of the County of San Diego issued an Amended Order and Emergency Regulations, which provided that all public or private schools, colleges and universities shall not hold classes or other activities where students gather on campus; and

WHEREAS, as of March 18, 2020 the Escondido City Council adopted Proclamation No. 2020-01, ratifying the declaration of the Director of Emergency Services and declaring the existence of an ongoing local emergency pursuant to COVID-19; and

WHEREAS, according to the Centers for Disease Control and Prevention (CDC) and public health officials in the County of San Diego there have been numerous deaths attributed to COVID-19 in the United States and throughout San Diego County and the infection cases and death toll are likely to increase over time; and

WHEREAS, pursuant to Health and Safety Code § 12175.5(b) and the Order of the Health Officer and Emergency Regulations (“County Order”) issued by the Health Officer of the County of San Diego, all government entities in San Diego County are required to take necessary measures within the government entity’s control to ensure compliance with the County Order; and

WHEREAS, the Governor of the State of California has stated that individuals exposed to COVID-19 may be temporarily unable to report to work due to illness caused by COVID-19 or quarantines related to COVID-19 and individuals directly affected by COVID-19 may experience potential loss of income, health care and

medical coverage, and ability to pay for housing and basic needs, thereby placing increased demands on already strained regional and local health and safety resources, including shelters and food banks; and

WHEREAS, on March 27, 2020, Governor Newsom made substantive factual findings regarding the need for individuals to stay at home and businesses and courts to stay closed and thereupon issued Executive Order N-37-20 which effectively placed a statewide moratorium on residential evictions resulting from certain COVID-related conditions; and

WHEREAS, as a result of the public health emergency and the precautions recommended and required by health authorities to address the COVID-19 virus, many residential and commercial tenants in the City of Escondido have experienced and are expected to experience sudden and unexpected income loss which is out of their control; and

WHEREAS, the City has received written notifications required under the California Labor Code of layoffs of a substantial number of employees at local businesses caused by business loss directly related to COVID-19; and

WHEREAS, during this Local Emergency, and in the interest of protecting the public health and preventing the transmission of COVID-19, it is essential to avoid unnecessary housing and business displacement, to avoid the violation of local and state health stay-at-home orders with moving residents and businesses caused by evictions, to protect the City's available housing stock, and to prevent housed individuals from falling into homelessness; and

WHEREAS, further substantial and long-term economic impacts caused by COVID-19 are anticipated, leaving both residential and commercial tenants vulnerable to eviction; and

WHEREAS, pursuant to Chapter 7 of the Escondido Municipal Code, the Director recommends that the City Council adopt the below Ordinance as a local measure in order to protect life and property of the residents and businesses of Escondido affected by the declared emergency; and

WHEREAS, as a result of the public health emergency, the closures or reduced operations of many local businesses, and the precautions recommended by health authorities, many tenants in Escondido have experienced or expect soon to experience sudden and unexpected income loss; and

WHEREAS, promoting stability amongst commercial tenancies is also conducive to public health and safety, thereby allowing commercial establishments to decide whether and how to remain open providing both income to employees and needed services to residents and not simply closing due to economic pressures; and

WHEREAS, current state law, including Penal Code Section 396, subsections (e) and (f), does not provide sufficient protections to residential and commercial tenants experiencing the unprecedented economic consequences of shuttered businesses, mass layoffs and the inability to find replacement work and housing caused by the COVID-19 pandemic; and

WHEREAS, the City Council has the power under Government Code Sections 36934 and 36937 to adopt an ordinance that takes effect immediately if it is an ordinance for the immediate preservation of the public peace, health or safety,

contains a declaration of the facts constituting the urgency, and is passed by a four-fifths vote of the City Council; and

WHEREAS, on April 8, 2020, the City Council made requisite findings that an Urgency Ordinance was immediately required to protect the health and safety of the citizens of the City of Escondido and adopted Ordinance 2020-09R which placed a temporary eviction moratorium on the evictions of residential and commercial tenants who satisfy certain notice and documentation requirements; and

WHEREAS, the City finds it is necessary for the City Council to extend Urgency Ordinance 2020-09R an additional thirty (30) days to now expire on June 30, 2020, as the underlying economic and health circumstances supporting the original ordinance are equally true as of this date and as set forth in the above recitals, which are incorporated herein by reference, and pursuant to the powers under Government Code Sections 36934 and 36937, for the immediate preservation of the public health and safety, as affected by the emergency caused by the spread of COVID-19.

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

SECTION 1. City Council Proclamation No. 2020-01 ratifying the local emergency declaration of the Emergency Services Director and declaring the existence of an ongoing Local Emergency related to COVID-19, and California Governor Gavin Newsom's Executive Orders N-28-20 and N-37-20, are hereby incorporated into this Ordinance as if fully set forth herein.

SECTION 2. The recitations in City Council Proclamation No. 2020-01, Ordinance No. 2020-09R and Governor Newsom's Executive Orders N-28-20 and N-37-20 are true and correct.

SECTION 3. Pursuant to the authority granted to the City of Escondido under Art. XI, §7 of the California Constitution, and as prescribed by state law including, but not limited to, Executive Orders N-28-20 and N-37-20, the Escondido Municipal Code and the ongoing federal, state and Local Emergency, the City Council hereby restates and extends the temporary moratorium imposed by Ordinance 2020-09R on evictions of residential and commercial tenants (collectively "tenant") impacted by the COVID-19 pandemic for non-payment of rent as follows:

- a. It shall be unlawful and prohibited for a landlord to evict a tenant or otherwise recover possession of a tenancy for nonpayment of rent due on or after March 16, 2020, if the tenant has provided notice to the landlord within seven (7) days after the rent is due, or as otherwise required in Ordinance 2020-09R, that the tenant is unable to pay rent due to financial impacts related to COVID-19.
- b. For purposes of this Ordinance, "financial impacts related to COVID-19" is defined as follows:
 1. A substantial decrease in household or business income (including but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or a substantial decrease in business income caused by a reduction

in opening hours or consumer demand), or substantial out-of-pocket medical expenses; and

2. The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (1) was caused by the COVID-19 pandemic; or by any local, county, state, or federal government response to COVID-19; and
 3. The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (1) and causation by COVID-19 described in subparagraph (2) must be documented in writing.
 4. As otherwise provided for in state law, including but not limited to Executive Order N-37-20.
- c. For purposes of this Ordinance, “notice” must be given in writing and delivered pursuant to the notice required under the terms of a lease or other rental agreement. If no written lease or rental agreement exists, the notice must be delivered personally, or by U.S. mail, email or text messaging to the landlord, the landlord’s representative or agent, and/or at the address where rent is customarily paid.
- d. Upon receipt of the required notice from the tenant pursuant to this Ordinance, a landlord who has already commenced eviction proceedings or other efforts to recover possession of the rented or leased premises must immediately cease all such efforts.

- e. Within these times required under Ordinance No. 2020-09R, the tenant shall provide the landlord documentation or other objectively verifiable information that due to financial impacts related to COVID-19, the tenant is unable to pay rent. Documentation may include, but is not limited to, paystubs, letters from employers, financial or bank statements, business records, physician's letters, and/or other monthly bills or evidence of financial responsibilities. Any medical or financial information provided to the landlord for purposes related to this Ordinance, shall be held in confidence and only used for evaluating the tenant's claim.
- f. If the tenant does not provide evidence of financial impacts related to COVID-19 within the time frame described in subparagraph (e), the landlord may pursue any enforcement action permissible under state law and as provided for in the underlying rental or lease agreement.
- g. On July 1, 2020, a tenant who provided the notice and documentation required by Ordinance No. 2020-09R, or as provided for herein, shall have up to three (3) months to pay the rent owed to the landlord before the landlord may recover possession due to missed rent payments covered by Ordinance No. 2020-09R or this Ordinance.
- h. A landlord may not charge or collect a late fee or penalty for rent covered by Ordinance No. 2020-09R or this Ordinance that is delayed for the reasons provided for herein.

SECTION 4. This Ordinance applies to nonpayment eviction notices and unlawful detainer actions for commercial and residential tenants based on such notices,

served or filed on or after March 16, 2020, the date on which a Local Emergency was proclaimed.

SECTION 5. Nothing in this Ordinance shall relieve a tenant of the obligation to pay rent, nor restrict a landlord's ability to recover past rent due, imposed by an underlying rental or lease agreement.

SECTION 6. The City of Escondido reserves the right to enforce this Ordinance pursuant to Escondido Municipal Code section 1-13 and to pursue any other remedies legally available against individuals or entities who knowingly or intentionally violate the provisions of this Ordinance or falsifying information to qualify for the relief granted in this Ordinance.

SECTION 7. This Ordinance is intended to supplement, not to duplicate or contradict, applicable state and federal law and shall be interpreted in light of that intent.

SECTION 8. Unless extended by City Council, this Ordinance shall remain in effect until close of business on June 30, 2020.

SECTION 9. The City Manager may, but is not required to, adopt rules and regulations reasonably necessary to implement this Ordinance. If the State of California issues law or guidance on implementing an eviction moratorium or defining terms contained herein, that law or guidance shall control over the City Manager's adopted rules and regulations.

SECTION 10. 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



FUTURE CITY COUNCIL AGENDA ITEMS

Updated May 14, 2020

*AGENDA ITEMS AND CITY COUNCIL MEETING DATES ARE SUBJECT TO CHANGE.
CHECK WITH THE CITY CLERK'S OFFICE AT (760) 839-4617*

May 27, 2020
NO MEETING (Memorial Day)

June 3, 2020
6:00 p.m.

CONSENT CALENDAR	
	<p>Award of Bid for Legal Advertising – Fiscal Year 2020/21 (Z. Beck)</p> <p><i>The California Public Contract Code requires when there is more than one newspaper of general circulation in a community that the public bidding process occur annually for the purpose of publishing legal notices. The award of bid will complete the process for the upcoming fiscal year.</i></p>
	<p>Review and Approve FY 2020-2024 San Diego Regional Analysis of Impediments to Fair Housing Choice (M. Strong)</p> <p><i>Pursuant to federal Community Development Block Grant (CDBG) regulations [24 CFR Subtitle A, § 91.225(a)(1)], in order to receive CDBG funds, each jurisdiction must complete an Analysis of Impediments to Fair Housing Choice (AI). The City of Escondido participates in creating a San Diego County-wide analysis, presenting a demographic profile of San Diego County, assessment the extent of housing needs among specific income groups, and evaluates the availability of a range of housing choices for residents.</i></p>
	<p>Local Resource Program Agreement for the Membrane Filtration Reverse Osmosis Facility Project (C. McKinney)</p> <p><i>The Local Resource Program (LRP) provides a financial incentive to encourage and assist local water agencies to develop and expand water recycling programs to reduce the need to import potable water. The City's MFRO Project is eligible to receive an LRP rebate incentive.</i></p>
	<p>Authorizing Application for LEAP Grant (M. Strong)</p> <p><i>Increasing the availability of affordable homes statewide is critical to bettering the quality of life of all Californians and to ending homelessness. The LEAP grant program provides one-time grant funding to cities and counties to update their planning documents and implement process improvements that will facilitate the acceleration of housing production and help local governments prepare for their 6th cycle RHNA much like the SB2 Planning Grants.</i></p>

June 3, 2020
Continued

Request to Initiate an Annexation and a General Plan Amendment for 7.7 Acres on North Iris Lane

(M. Strong)

City Council authorization is a precursor to application intake and review of the land development proposal. The proposed General Plan Amendment would allow a residential density of 12 units/acre (for U2) or 12.6 to 18 units/acre (for U3). The final number of units may vary from the figure quoted above, but will fall within the allowed range of the applicable land use designation.

PUBLIC HEARINGS

CURRENT BUSINESS

Lindley Reservoir Replacement Project: Bid Award, Consulting Agreements, and Budget Adjustment

(C. McKinney)

The Lindley Reservoir Replacement Project will replace a deteriorating 2 MG aboveground steel reservoir that was originally constructed in the early 1950's. This project will construct two new partially buried 1.5 MG pre-stressed concrete reservoirs, new valve vault structure, and associated site piping. The Consulting Agreements provide for Construction Management Services and Engineering Services during construction.

FUTURE AGENDA ITEMS

June 10, 2020
6:00 p.m.

CONSENT CALENDAR

PUBLIC HEARINGS

Adoption of the Fiscal Year 2020/21 Operating Budget

(J. Ryan)

This action will adopt an operating budget for certain city funds effective July 1, 2020 through June 30, 2021.

Five-Year Capital Improvement Program and Project Budgets for FY 2020/21

(J. Ryan)

This action will adopt the City's Five-Year Capital Improvement Program and Transnet Program of projects for FYs 2020/21-2024/25.

CURRENT BUSINESS

FUTURE AGENDA ITEMS

Weekly Activity Report



May 14, 2020

COVID-19 UPDATES



Hand Sanitizer Donated to the City:

Thank you to Firmenich Inc., a fragrance company based in Switzerland, for the incredibly generous donation of 110 gallons of hand sanitizer. It is gestures like these that remind us that we are all stronger together.

As we slowly start to re-open the City, this will go a long way to ensuring our staff, first responders and community are safe and healthy.

For more information about the City's response to COVID-19 visit: www.escondido.org/covid-19.aspx



Escondido COVID-19 Emergency Business Recovery Strategy:

On Wednesday, May 13, Economic Development and Community Development presented Escondido's COVID-19 Emergency Business Recovery Strategy to the City Council. The City Council unanimously approved the strategy which may be viewed as Item 8 [here](#).

Toyota Escondido is Open and Ready to Serve the Community:



Escondido Resource Recovery Facility Progress:

Escondido Disposal is in the construction phase of the first fully permitted state of the art advanced technology Anaerobic Digestion Facility in San Diego County. This facility will be capable of powering their fleet of trucks with Renewable Natural Gas. Anaerobic digestion is an efficient and environmentally sustainable technology that can make a significant contribution to the management of organic waste in California.

Visit <https://www.escondidodisposal.com/> to watch EDCO's live video of the construction site.



Business Reopening Plumbing Safety:

The Utilities Department worked with the Communications Department and Economic Development to develop business outreach to commercial, industrial, dining, and retail operators that have been completely closed due to the COVID-19 pandemic. Escondido's Utilities Department has provided clean and safe drinking water throughout the pandemic, but water sitting in the internal plumbing of a closed building could be unsafe for drinking. Businesses that have not been occupied are being advised to flush internal plumbing systems to clear the potentially stagnant water prior to building occupancy. Buildings that have been occupied, even partially, during the pandemic do not need to take these steps because the plumbing in these buildings is routinely refreshed with water from the City's water distribution system. You can view more information [here](#).

Online Services:

With City facilities closed to the public there are many ways to do business online with the City by using our [Online Services Portal](#).

You can get preparedness tips, the latest details and a host of resources (videos, fact sheets, etc.) on the County's website at [coronavirus-sd.com](https://www.coronavirus-sd.com).

POLICE DEPARTMENT UPDATES:

Effective May 8, the following procedures at the police department went into effect:

- The use of facial coverings inside police facilities is required when social distancing of six feet cannot be maintained.
- Police employees will wear facial coverings inside residences or businesses when in contact with the public, unless not practical for officer safety reasons.
- Personal Protective Equipment shall be worn when interacting with known or suspected COVID-19 persons when feasible.

Incidents:

Tragic Vehicle Accident Involves Four Fatalities

On May 5, police and fire responded to the area of San Pasqual Valley Rd and Oak Hill Dr. regarding a traffic collision. Responding units discovered that a vehicle had struck four pedestrians. Tragically all four died from their injuries. The pedestrians included a 50-year-old female, a 33-year-old male, and two children ages 11 and 10. It does not appear that alcohol and/or drugs played a factor in the collision. Our thoughts and prayers go out to the families.

This collision is under investigation and anyone with information is encouraged to contact the police department.

Neighbors Fighting Over Plants Leaves One Subject Stabbed

On May 5, officers responded to a fight in the 800 block of W. 3rd Ave. During the fight, one subject was stabbed. His injuries were not life threatening. Officers discovered that the fight started after an argument about the placement of some plants. The stabbing suspect was arrested.

Community Policing:

Officers Help Celebrate Dottie's 100th Birthday

Twenty years ago, Dorothy Zenovic moved to Escondido, a city she has grown to love. She'll wag her finger at you if you call her Dorothy though because she is known as Dottie to family, friends, and acquaintances alike. When Dottie's 100th birthday was approaching, her son Tom, who lives in New Jersey, was unable to arrange travel to visit his mom due to COVID-19 restrictions. Tom reached out to the police department with an unusual request. Sgt. Mike Graesser fielded the phone call and jumped at the opportunity. With Chief Varso in tow, the two set out for a surprise drive by to wish Dottie a happy 100th birthday...with proper social distancing of course. Congratulations Dottie on reaching a fantastic milestone!



Focused Enforcement Efforts in High Call Volume Areas:

- 3 Arrests
- 19 Citations
- 113 Extra Patrols / Calls for Service

Events:

Escondido Faith Leaders Visit EPD to Pray for Safety

On May 9, several pastors from Escondido's Faith Based community traveled around the city praying for safety and wisdom for essential workers that are battling the front lines during the COVID-19 pandemic. One of their stops was at Police & Fire Headquarters where they blessed our first responders and prayed for continued safety. One



of the things that makes Escondido truly special is how all sectors of our community come together to support and uplift one another. We are all truly blessed to have the support and appreciation of our faith institutions.

Escondido Officers Honor San Diego County's Fallen Hero's

Each year in May, peace officers killed in the line of duty are honored at various memorials throughout the country. The San Diego County Law Enforcement Memorial is located in front of the main County Administration Building near downtown San Diego. Usually this event is widely attended by law enforcement agencies throughout the county. Unfortunately, this year the event was canceled because of COVID-19. Officers from the Escondido Police Color Guard team made it a point to honor those fallen officers, while still abiding by the public health orders. Each officer took turns standing watch in front of the memorial for 15 minutes. Despite the challenges of a global pandemic, the gratitude and appreciation for those who have made the ultimate sacrifice will never be forgotten.



Tip of the Week:

COVID-19 may have limited the number of cars on the roadway, but traffic safety remains a high priority. If you have to be out on the road, then please drive the speed limit, keep your eyes on the road at all times, and be courteous to other motorists.

FIRE DEPARTMENT UPDATES:

The Fire Department is continuing normal operations and fully staffed. We continue to monitor our personnel daily and continue heightened sanitation practices for our equipment, vehicles and facilities.

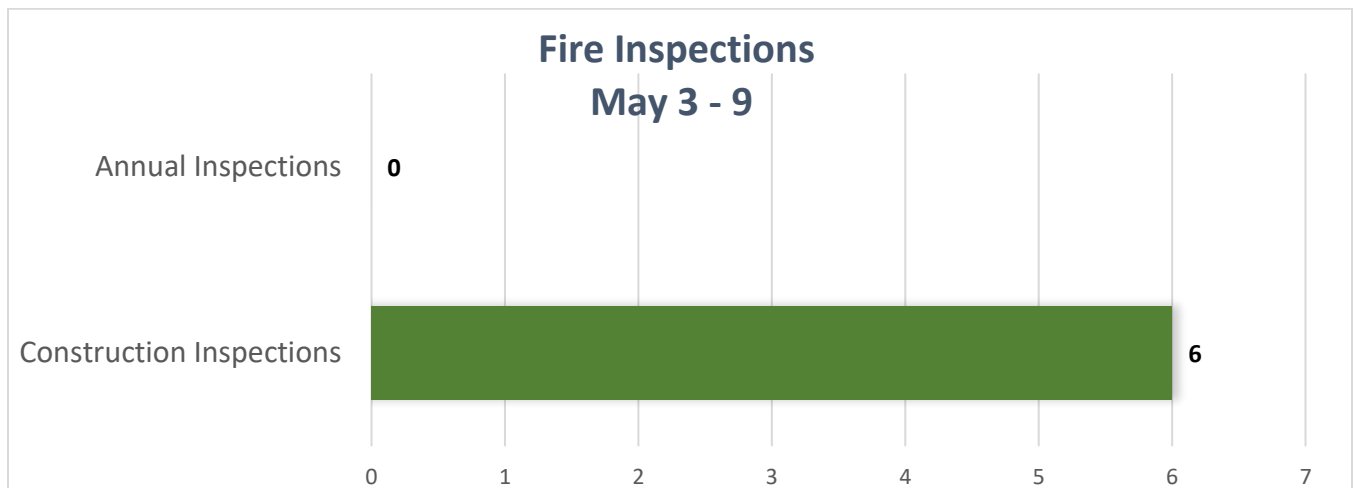
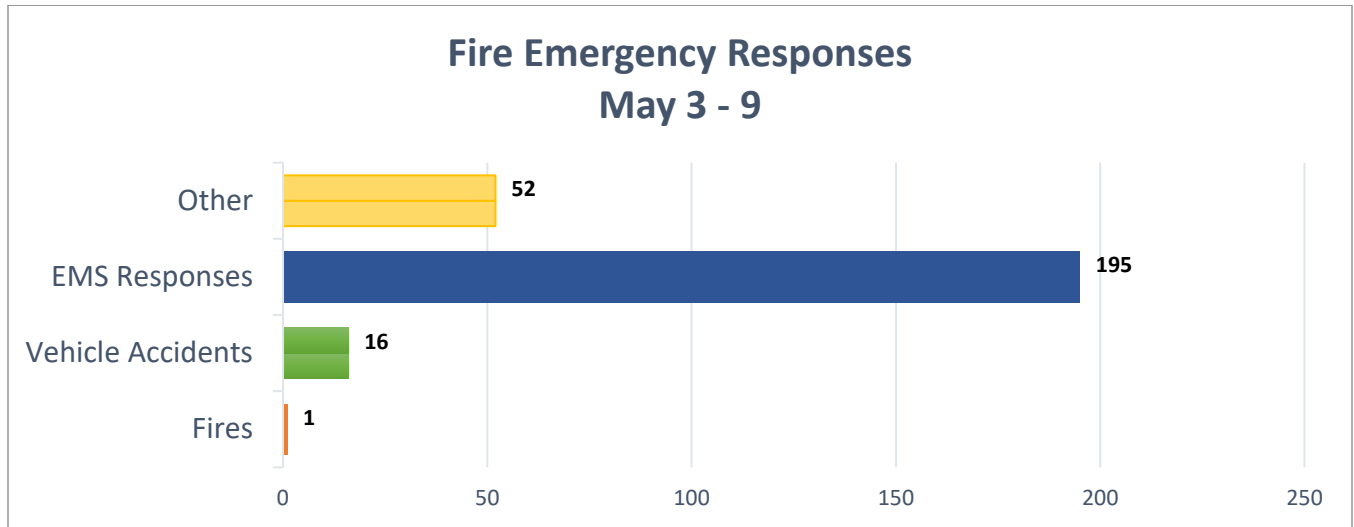
Thank You Nurses!

May 6 was National Nurses Day and while all nurses do an amazing job helping people, Escondido Fire particularly appreciates the nurses we work with every day at Palomar Medical Center Emergency Department. Thank you nurses for taking care of everyone in our community.



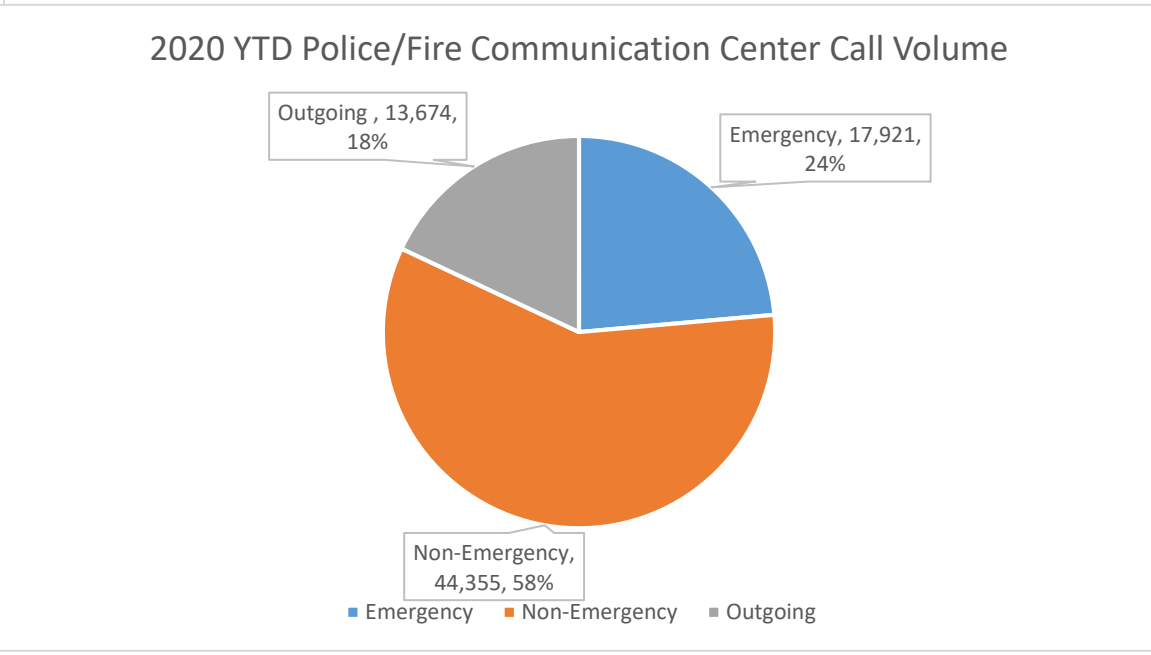
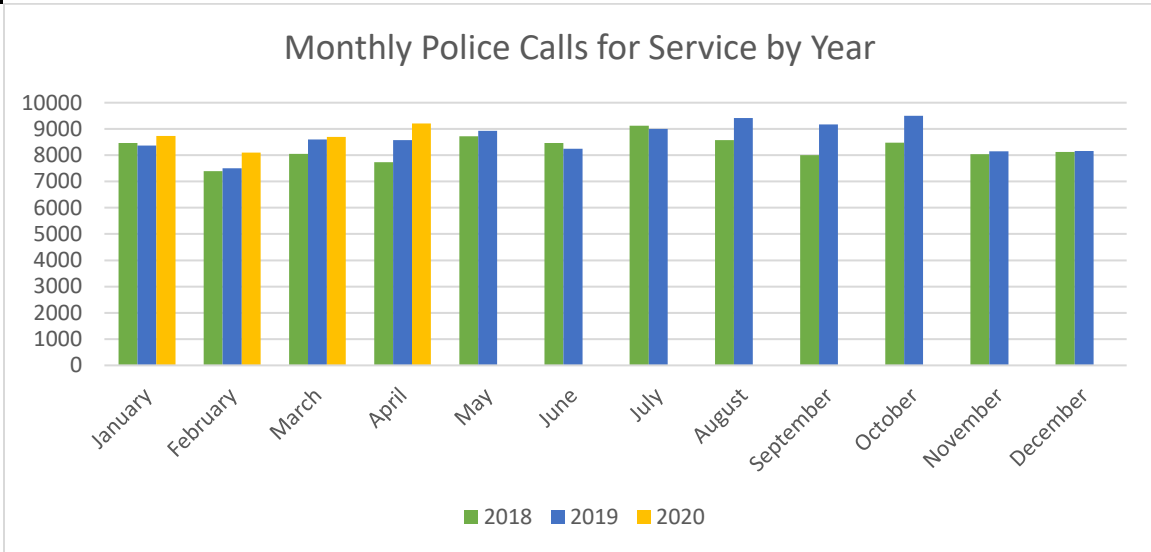
BY THE NUMBERS

Fire:



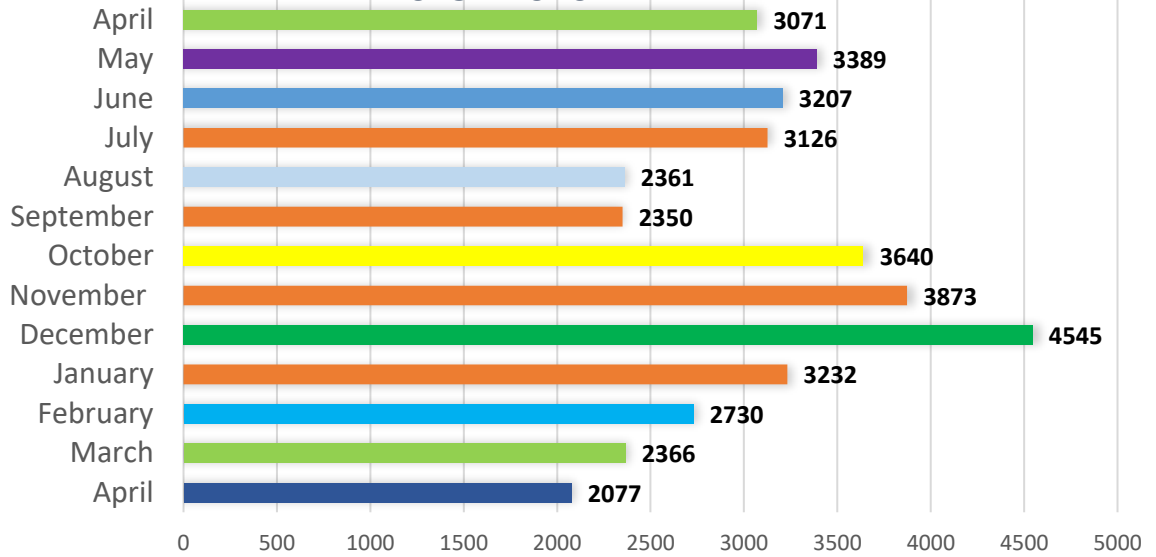
Total Emergency Responses (Year To Date)	5,260
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Police:

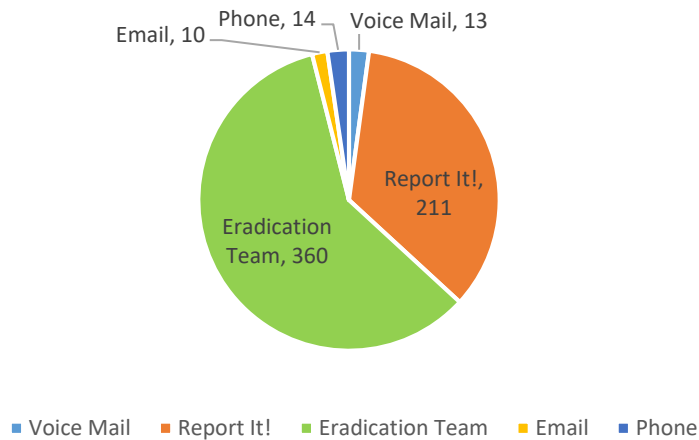


Public Works:

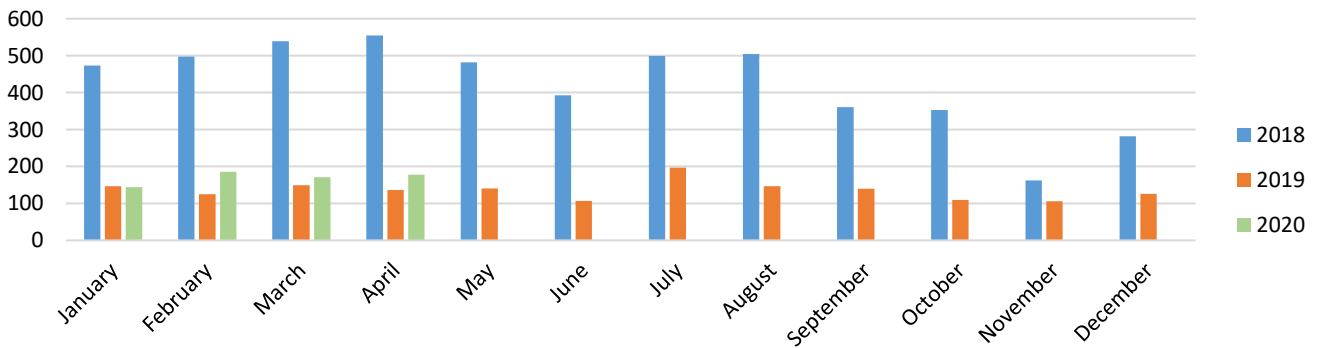
**Number of Graffiti Tags Removed
2019 - 2020**



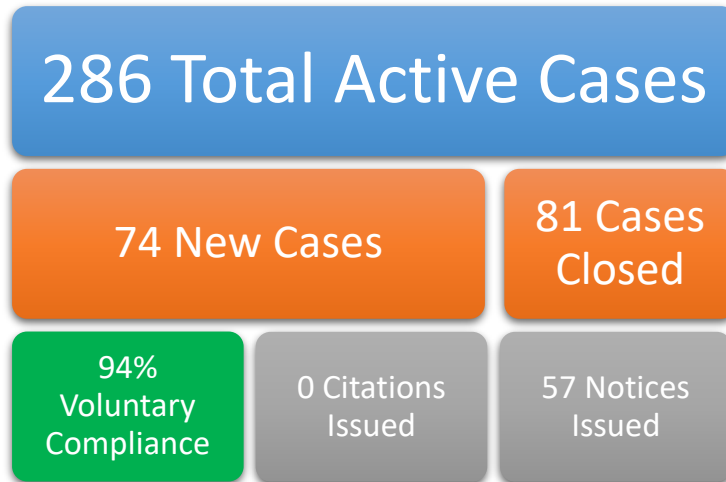
How Graffiti Was Reported - April 2020



Number of Shopping Carts Removed

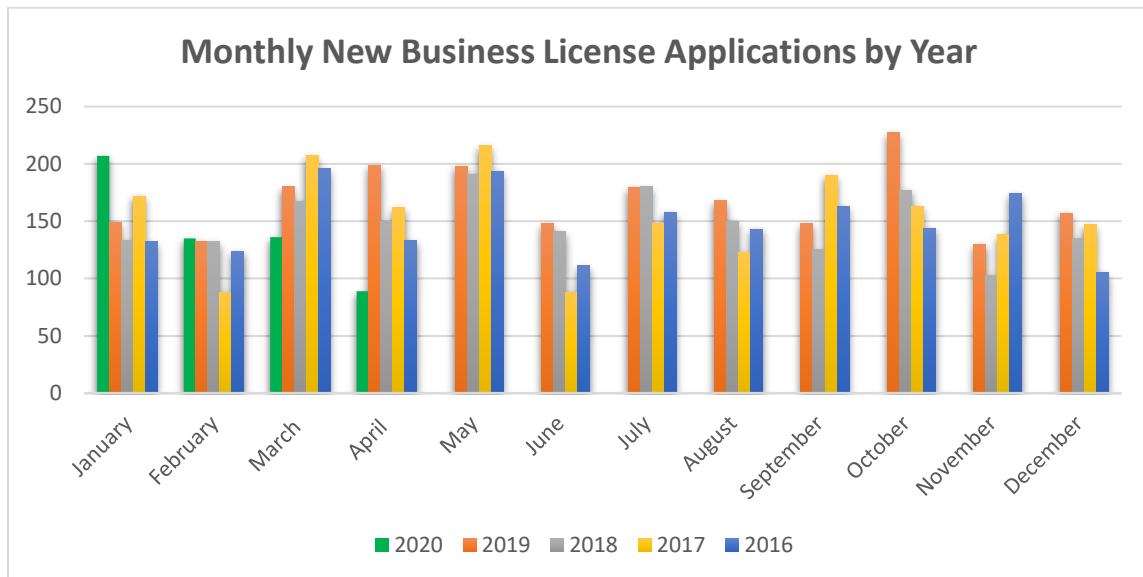


Code Enforcement:



Total Code Cases (Year To Date)	1,083
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Business Licenses



Graffiti Restitution

Collected Past Week	Collected Year to Date
\$0	\$4,717.14

COMMUNITY DEVELOPMENT:

Governor Newsom has determined that construction is an essential service that is not subject to the current shutdown. The Community Development Department remains committed to serving our customer's needs during these difficult times to keep entitlement projects and construction moving forward.

Planning Division:

Although City Hall is temporarily closed to the public, the Planning Division is accepting project entitlement and permit submittals by appointment. Please call the Planning Division at 760-839-4671 to be directed to the appropriate planner for your project. All plan review services are continuing as before and public hearings have been shifted to an electronic format to maintain critical project timeframes.

Major Projects Update:

The following major projects are being reviewed and coordinated by Planning, Engineering, Fire, Building and Utilities. The list of projects below encompasses recent project updates and/or milestones from last week.

Commercial / Office / Industrial:

1. Raising Cane's Restaurant – (Developer: Ada Fermin, PM Design Group) 1280 W. Valley Parkway – Demolition of vacant, former Coco's restaurant building and construction of new 3,744 SF drive-through restaurant for Raising Cane's. A CUP application was filed on October 30, 2019. Department comments on the traffic study were provided on January 10, 2020, and revised traffic info was received from the applicant on February 21, 2020. Most of the traffic issues have been resolved. The applicant is currently trying to coordinate early design feedback on proposed improvements within the CALTRANS right-of-way.
2. Mercedes Benz Expansion – (Developer: Jody Stout, Integrity Design and Construction) 1101 W. 9th Avenue – A Master and Precise Plan modification to demo the existing dealership showroom and construct a new showroom, office, parts storage and service building. The application was submitted on November 20, 2019. The applicant informed Planning during the week of January 27, 2020 that they are pursuing a redesign to meet the most recent generation of Mercedes design specifications for dealerships. Staff is awaiting resubmittal of the plans.
3. 7-Eleven Gas and Convenience Store – (Developer: Golcheh Group) 900 W. Mission Ave. – A proposal to relocate a 7-Eleven from the northeastern corner of Mission/Rock Springs to the northwestern corner and add a gas station. The applicant submitted a traffic study on December 17, 2019, and the latest staff comments were returned on February 11, 2020. The comments identify anticipated traffic impacts as well as suggested mitigation. The applicant met with Engineering on February 19, 2020 to discuss traffic issues.

City Projects:

4. Membrane-Filtration Reverse Osmosis/MFRO (Developer: City of Escondido Utilities Department) 901 W. Washington – A Plot Plan application was submitted for review on October 14, 2019. The second draft of the proposed Mitigated Negative Declaration (MND) is expected to be submitted this week. A 60% design meeting occurred on December 9, 2019, and a follow-up meeting to discuss architecture occurred on January 30, 2020. The MND was adopted by the Zoning Administrator on April 30, 2020.
5. Lake Wohlford Replacement Dam (Developer: City of Escondido Utilities Department) – Utilities and Planning staff met with the environmental consultant on February 24, 2020, to discuss biological mitigation and recirculation of the Draft EIR. A teleconference meeting with the wildlife agencies occurred in April to confirm the path forward. Revisions to the draft EIR are in development and a recirculation of the document for public comment is expected to occur in June.

Residential:

6. Harvest Hills (aka Safari Highlands Ranch) (Developer: Jeb Hall, Concordia Homes) 550 lots east of Rancho San Pasqual – The Draft EIR and appendices have been posted on the City's website at the following link:

<https://www.escondido.org/safari-highlands-ranch-specific-plan.aspx>

A revised tentative map addressing previous staff comments was submitted on November 6, 2019. A second revision to the Draft Specific Plan was received on January 14, 2020. The most recent revised tentative map was received on February 24, 2020. The revised tentative map and exhibits will be posted on-line at the link above.

7. The Villages at Escondido Country Club (Builder: Lennar Homes) 380 residences – Building permit applications for the model homes have been approved and a surety bond has been received. The Final Subdivision Map is scheduled for City Council approval on May 13, 2020. Most of the final engineering permit review for Village 1 is complete. A comment letter on a Plot Plan application for the neighborhood park was provided in April and the City is wrapping up its review of the commercial center. Comments on final engineering for Villages 2 and 3 were sent to the project applicant in January and April 2020. Country Club Drive improvement plans are nearing approval. It is expected that additional earth work and vertical construction will commence immediately.

The approved tentative subdivision map, Final EIR and appendices, Specific Plan and other related information can be accessed on the City's website at the following link:

<https://www.escondido.org/ecc.aspx>

8. North Avenue Estates (Developer: Casey Johnson) 34 lots at North Ave./Conway Dr. – The applicant is working on storm water comments and a resubmittal of plans is expected this week. Engineering has provided comments on a proposed joint-use agreement with the County Water Authority.

9. Sager Ranch/Daley Ranch Resort Specific Plan (Developer: J. Whalen Associates, Inc., Sager Ranch Partners) 203 housing units and 225-room resort hotel on 1,783-acres, just north and east of Daley Ranch – Fire, Planning, and Engineering staff met with the applicant team on May 29, 2019 to discuss the fire-related information. A financial feasibility study for the proposed resort was submitted on July 8, 2019. The project has not had any activity since then.

A project webpage containing draft documents and plans has been added to the Planning Division's website at the following link:

<https://www.escondido.org/daley-ranch-resort-specific-plan.aspx>

10. Nutmeg Condo General Plan Amendment (Developer: Jim Simmons, CCI) 137 townhome condo units on both sides of Nutmeg between I-15 and Centre City Parkway – The City Council approved the portion of the project on the northern side of Nutmeg on November 20, 2019. Staff is now awaiting resubmittal of the southern portion of the project.
11. Oak Creek (Builder: KB Homes) 65 single-family residential lots on approximately 44 acres at Felicita Road and Hamilton Lane – KB Homes has constructed model homes and is interested in filing the final map as soon as possible to continue construction. However, several items remain incomplete including revisions to improvement plans, final map and drainage study. In June 2019, the County of San Diego provided KB Homes a checklist of items that should be submitted with a watercourse permit application required to construct a storm drain under Felicita extending onto County land. To date, KB Homes has not provided the application materials to the County. The City is working with the developer to allow the project to continue to move forward while the developer obtains the County watercourse permit and constructs all necessary drainage improvements.
12. Villa Portofino (Developer: Chris Post, ATC Design Group) 15 apartment units in a three-story building with parking garage at 2690 S. Escondido Blvd. – Revised elevations for staff design review were received on February 21, 2020. Staff has returned comments and is now awaiting resubmittal of the project.
13. Palomar Heights (Developer: Ninia Hammond, Integral Communities) Demolition and redevelopment of the old Palomar Hospital site with 510 multi-family units with 10,000 SF of commercial – Utilities met with the applicant on February 20 to discuss sewer and water issues. Public review of the Draft EIR was scheduled to conclude on May 4, 2020, but the City extended the deadline by two weeks. The new deadline date is May 19, 2020. The public is encouraged to review this environmental and provide comments as provided on the project page.

The development proposal and other related information can be accessed on the City's website at the following link:

<https://www.escondido.org/palomarheights.aspx>

14. Henry Ranch (Builder: Joe Martin, Trumark Homes) An approved development of 97 single-family residential homes on 74.35 acres at the eastern terminus of Lincoln Avenue – The project site is currently being graded. Model home permits have been issued. CC&Rs for the entire project and a road maintenance agreement for the upper agricultural lots are in for review. Improvement plans are ready for approval.

15. Del Prado (Developer: Kerry Garza, Touchstone Communities) – An approved 113-unit townhome-style Planned Development located at the southwestern corner of Brotherton Road and the Centre City Parkway frontage road - Staff comments on the grading and improvement plans were provided the week of February 3, 2020. Staff is aware of easement issues regarding the SDG&E access easement and are still working with the applicant on that driveway design.
16. Hacienda De Vega Redevelopment – (Developer: Tony Cassolato) A proposed residential condominium development consisting of 42 three-story attached townhomes on 1.75 acres – The project would demolish the vacant restaurant building and redevelop the entire site with residential townhomes. Fire is working with the applicant on fire flow and circulation issues through the site. A proposed Mitigated Negative Declaration (MND) was prepared and the review and comment period began on March 16, 2020 and ended on April 6, 2020. City staff is working with the applicant and coordinating a response to comments.
17. Casa Mercado Apartments - (Developer: Paul Mayer, Pemcor) A four-story, 120-unit apartment complex on 2.31 acres – Project design was submitted on January 21, 2020. Staff comments were provided back to the applicant on February 21, 2020. Intake of a resubmittal occurred April 14, 2020. City staff is wrapping up comments from referral departments.
18. Iwashita Apartments (Developer: Iwashita Development) A seven-story, mixed-use project at 322 S. Escondido Boulevard for 172 units. An application for a Plot Plan was submitted on April 22, 2020 for new development on the north side of 4th Avenue between Escondido Boulevard and Maple Street. The project would provide approximately 7,000 SF of retail space on a portion of the ground floor, as well as 172 apartment units across all seven floors. Apartments will range in size from efficiency units (approximately 328 SF) to two-bedroom units (approximately 832 SF). A parking garage containing 317 spaces would also be provided. The proposal includes a density bonus in exchange for reserving 20 percent of the proposed units for low-income households. Waivers from some development standards (such as building height) will likely be requested as part of the density bonus request. The project is currently under review.
19. East Valley Parkway Apartments - Developer: John Wurster) A 50-unit mixed use affordable apartment complex consisting of four stories situated on a 21,000 SF vacant parcel in the historic District of the Downtown. The site is on the corner of Ivy and East Valley Parkway. The ground floor of the building will include office space, as well and common areas and uses appurtenant to the apartment complex, which are located on levels two through four. The site is located on the corner of Valley parkway and Ivy, and will provide 16 total parking spaces accessed from the rear alley. The proposed building will front on valley and Ivy and provide naturally interior courtyard for its residents. The project is currently under review.
20. Accessory Dwelling Units – Planning staff is currently working on thirteen (13) applications for accessory dwelling units. Seventeen (17) accessory dwelling units have been approved so far this year. Thirty-even (37) accessory dwelling units were approved

in 2019. Twenty-four (24) accessory dwelling units were approved in 2018. Three (3) accessory dwelling units were approved in 2017.

Building Division:

The Building Department received a record number of online applications this week. Seventy (70) applications were received. The counter staff work diligently to issue the first set of four groups of model homes for the Villages. Three model homes with a valuation of \$618,782.00. The counter staff was able to process 41 applications and issue 37 permits and responded to 237 contacts from the public. The inspection staff completed 147 inspections.

ENGINEERING DEPARTMENT:

The City is accepting permit applications by appointment. Some staff are working remotely to continue processing plans for proposed development projects. To make a submittal appointment please contact engineering@escondido.org

Capital Improvement:

1. El Norte Parkway Improvements – Bridge work has been completed and the lane realignment has taken place. Median concrete infill is scheduled for this week. The project includes widening of El Norte Parkway at the flood control channel by the installation of a new bridge, construction of new median islands from Valley Parkway to Washington Avenue, landscaping and a drip irrigation system, a bike/pedestrian signal at the flood control channel, along with roadway resurfacing. More information can be found at <https://www.escondido.org/el-norte-parkway-bridge-and-median-improvements-1.aspx>.
2. Spruce Street/Transit Center Pedestrian Bridge Project –The contractor has placed concrete for the foundations of the ramp access wall at the Valley location, and will begin forming for the walls next week. The contractor is forming the new wing walls at the Spruce Street box culvert. Grading of the channel slopes between Valley and Grand is scheduled to begin.
3. 2019 Street Rehabilitation and Maintenance Project Rebid – All concrete work has been completed. Asphalt replacement is 75% completed. ARAM and Slurry surface treatments are scheduled to start the last week of May. This year's project will resurface approximately 71-lane miles of pavement, replace 0.59- miles of sidewalk, and restripe 2.5- miles of bike lanes, install 51 pedestrian ramps, and replace 90 street trees that damaging concrete improvements. This year's project is Maintenance Zone W. More information can be found at <https://www.escondido.org/city-of-escondido-street-maintenance-program.aspx>

Private Development:

1. Tract 932 - Canyon Grove Shea Homes Community –*No changes from that reported last week.* The Project is currently in the punch list phase. The roadway connection between Vista Avenue and Vista Verde Way is scheduled to be opened to all traffic. This opening will connect El Norte Parkway to the South and Ash Street to the West.
2. Henry Ranch Tract 920 –The contractor is continuing the installation of the in-track utilities. The project is located at the intersection of El Norte Parkway/Lincoln Avenue.

3. The Villages – The contractor is working on the in-tract water main infrastructure. Water quality testing has started this week. Village 1 is between Country Club Drive to the south, David Drive to the east and Golden Circle Drive to the north. A total of 111 homes are to be constructed in Village 1.
4. SDG&E 16” Gas Main Replacement – Work is continuing with installation of the new 16” gas main along the Midway corridor. Construction activity has passed Valley Parkway and is working south to Grand Avenue.
5. 700 Grand-Rowan-The contractor has completed the road resurfacing of Valley Parkway. The traffic signal poles and new pedestrian ramps for the Valley pedestrian crossing have been installed. Final striping of the cross walk will take place later this week. Activation of the new crossing is scheduled for next week.
6. Pradera by Lennar –*No changes from that reported last week.* The contractor has started the Conway street restoration work. The water main work included the construction and installation of 779’ of a 12” water main along Conway Drive, between Lehner Drive and Rincon Avenue. The installation is now complete. The contractor is tying the new line to the City’s potable water system.

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