



# Council Meeting Agenda

**SEPTEMBER 1, 2021**

**COUNCIL CHAMBERS**

**4:00 P.M. Closed Session; 5:00 P.M. Regular Session**

**201 N. Broadway, Escondido, CA 92025**

MAYOR	<b>Paul McNamara</b>
DEPUTY MAYOR	<b>Michael Morasco</b>
COUNCIL MEMBERS	<b>Consuelo Martinez</b> <b>Tina Inscoe</b> <b>Joe Garcia</b>
CITY MANAGER	<b>Sean McGlynn</b>
CITY CLERK	<b>Zack Beck</b>
CITY ATTORNEY	<b>Michael McGuinness</b>
DIRECTOR OF COMMUNITY DEVELOPMENT	<b>Adam Finestone (Interim)</b>
DIRECTOR OF ENGINEERING SERVICES	<b>Julie Procopio</b>

Public Comment: To submit comments in writing, please do so at the following link:  
<https://www.escondido.org/agenda-position.aspx>.

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>

In the event a quorum of the City Council loses electrical power or suffers an internet connection outage not corrected within 15 minutes, the meeting will be adjourned. Any items noticed as public hearings will be continued to the next regularly scheduled meeting of the City Council. Any other agenda items the Council has not taken action on will be placed on a future agenda.

**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

**September 1, 2021  
4:00 p.m. Meeting**

**Escondido City Council**

## **CALL TO ORDER**

**ROLL CALL:** Garcia, Inscoe, Martinez, Morasco, McNamara

## **ORAL COMMUNICATIONS**

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. 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.) Speakers are limited to only one opportunity to address the Council under Oral Communications.

## **CLOSED SESSION: (COUNCIL/RRB)**

- I. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code §54956.9(d)(1))**
- a. **Case Name:** Robert Bixel v. City of Escondido  
**WCAB No.:** ADJ982990; ADJ982991
  
  - b. **Case Name:** Zak v. City of Escondido  
**Case No.:** 37-2020-00000028-CU-PO-NC
  
  - c. **Case Name:** Naranjo v. City of Escondido  
**Case No.:** 37-2020-00019427-CU-PO-NC
  
  - d. **Case Name:** Sundquist v. City of Escondido  
**Case No.:** 37-2019-00022784-CU-PO-NC

## **ADJOURNMENT**



# Council Meeting Agenda

**September 1, 2021  
5:00 P.M. Meeting**

## **Escondido City Council**

### **CALL TO ORDER**

#### **MOMENT OF REFLECTION:**

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

#### **FLAG SALUTE**

**ROLL CALL:** Garcia, Inscoe, Martinez, Morasco, McNamara

**PROCLAMATIONS:** National Preparedness Month, September 2021

**PRESENTATIONS:** San Diego County Water Authority Member Agency Briefings

#### **CLOSED SESSION 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. (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:

- 355598 - 355845 dated August 18, 2021

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

3. **APPROVAL OF MINUTES: None Scheduled**

**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.)

**CURRENT BUSINESS**

4. **MIDDLE INCOME HOUSING -**

Request the City Council provide direction regarding what factors the City should be considering when reviewing and making recommendations on middle income housing proposals. Staff has received multiple inquiries from developers and financing authorities in recent months related to the purchase of existing multi-family projects for use as income-restricted housing for moderate income individuals (those making between 80% and 120% of the area median income).

Staff Recommendation: **Provide Direction (Community Development Department: Adam Finestone)**

**FUTURE AGENDA**

5. **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](http://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
September 8	-	-	No Meeting (Labor Day)	-
September 15	Wednesday	4:00 & 5:00 p.m.	Regular Meeting	Council Chambers
September 22	-	-	No Meeting (League of CA Cities)	-
September 29	Wednesday	4:00 & 5:00 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.

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](http://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 4:00 in Closed Session and 5:00 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.*



Consent Item No. 1

September 1, 2021

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**AFFIDAVITS**

**OF**

**ITEM**

**POSTING**





## CITY COUNCIL STAFF REPORT

**Consent Item No. 2**

**September 1, 2021**

**File No. 0400-40**

SUBJECT: Approval of Warrants

DEPARTMENT: Finance Department

RECOMMENDATION:

Request approval for City Council and Housing Successor Agency warrant numbers 355598 – 355845 dated August 18, 2021.

FISCAL ANALYSIS:

The total amount of the warrants for the period of August 12 – August 18, 2021, is \$1,801,512.06

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.



Consent Item No. 3

September 1, 2021

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**APPROVAL**

**OF**

**MINUTES**

## CITY COUNCIL STAFF REPORT

**Current Business Item No. 4**

**September 1, 2021**

**File No. 0875-55**

SUBJECT: Middle Income Housing

DEPARTMENT: Community Development Department, Housing Division

RECOMMENDATION:

Staff has received multiple inquiries from developers and financing authorities in recent months related to the purchase of existing multi-family projects for use as income-restricted housing for moderate income individuals (those making between 80% and 120% of the Area Median Income (“AMI”)) (“Middle Income Housing”). Staff is seeking direction from the City Council on what factors the City of Escondido (“City”) should be considering when reviewing and making recommendations on these proposals.

FISCAL ANALYSIS:

There are several models for creating Middle Income Housing. Two currently known models would need City participation. Both models would stabilize much needed middle-income housing but have potential risks and costs to the City. Additional models may be proposed as this is an expanding market with significant innovation.

The first model includes the issuance of middle-income bonds which would need City approval (“Bond Model”). While the City would be a party to the Joint Powers Authority (“JPA”) which issues the bonds, the City is not a direct party to the real estate or financial transaction. The bonds to be issued by the JPA for the project will be the sole responsibility of the JPA, and the City will have no financial or legal obligation, liability, or responsibility for the project or the repayment of the bonds. Rental rates would be income-restricted for moderate income individuals throughout the life of the bond. Once bonds are repaid in-full (by the JPA), ownership of the properties would be transferred to the City. Until the bonds are repaid, the City would have no responsibility for managing or maintaining the property. The City would have a purchase option agreement which could be exercised any time between year 15 and year 30 of the bond repayment period. The City and other taxing entities would forego annual property tax revenue received from the properties during the affordability period, which could be considerable. Should property acquired by the City through the Program generate income (either through surplus cash flow or a one-time sale), the City would receive that income.

The second model includes a loan from the City to a developer for the acquisition of a property (“Loan Model”). A developer would purchase an existing Class B or C property and request a small, below market rate loan from the City. Current City affordable housing funds could not be used for these loans as the funds are restricted for use for the benefit of low-income households, not moderate-income households. The loan model would allow the City to establish and enforce long term (up to 55- year) recorded affordability restrictions on a portion of the units in a project. The developer would apply for a

welfare exemption for restricted units only, which would reduce the amount of property tax foregone by the City and other taxing entities.

PREVIOUS ACTIONS:

On January 13, 2021, City Council adopted Resolution No. 2021-09, authorizing the City to become an Additional Member of the California Community Housing Agency (“CalCHA”); supporting CalCHA’s issuance of tax-exempt bonds for the production, preservation, and protection of essential middle-income rental housing; and authorizing the City Manager to enter into purchase option agreements with CalCHA for essential middle-income rental housing created within City limits. No specific project proposals have been made by CalCHA.

BACKGROUND:

Rental housing in San Diego County is out of reach for many Escondido residents. According the federal Department of Housing and Urban Development (“HUD”) Fair Market Rent (“FMR”) in the 92025 zip code is \$1,300 for a one-bedroom apartment, \$1,670 for a two-bedroom apartment and \$2,320 for a three bedroom apartment. The average rent in Escondido in June 2021 was \$1,851 (all unit sizes). While this number is lower than that throughout San Diego County as a whole, where the average rent for a two-bedroom apartment is \$2,124, incomes in Escondido (median income is \$64,038) are also below the County AMI (\$76,100 for a household of two, \$95,100 for a household of four). The City has been able to support the creation of affordable housing for low-income residents at 30% AMI (\$36,350 for a household of four), 50% AMI (\$60,600 for a household of four), and 60% AMI (\$72,720 for a household of four) using various affordable housing funds which leverage Low-Income Housing Tax Credit Programs (“LIHTC”).

Although the City does not receive state or federal funding which can be used to encourage and restrict middle income housing, recent developer interest in this type of housing has presented opportunities for the City to consider. Deed-restricted housing for moderate income individuals and families would create a balance between income and rent for an expanded portion of Escondido residents and would protect those renters from large rent increases throughout the affordability period.

Depending on the model, there would be little to no upfront costs to the City and minimal financial liability. There are higher on-going costs for the Bond Model (forgone property taxes) but also higher potential benefits to the City upon sale of the property in 15-30 years. Ongoing costs associated with the Loan Model would be lower (property taxes only forgone on a portion of the units), with full repayment of the loan anticipated during the first 10-20 years of the affordability period. The Loan Model would also typically have a longer affordability period (up to 55 years).

Staff is seeking direction from Council on what factors the City should consider when reviewing middle-income housing proposals. Staff will be utilizing information garnered from discussions with potential developers, financial analysts, and other jurisdictions, in order to facilitate a discussion with the goal of

Middle Income Housing  
September 1, 2021  
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bringing forward recommendations on future proposals that are consistent with the City Council's direction.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

*Adam Finestone*, Interim Director of Community Development  
08/25/21 1:20 p.m.

*Karen Youel*, Housing and Neighborhood Services Manager  
08/25/21 1:31 p.m.



## FUTURE CITY COUNCIL AGENDA ITEMS

Updated August 26, 2021

*AGENDA ITEMS AND CITY COUNCIL MEETING DATES ARE SUBJECT TO CHANGE.  
CHECK WITH THE CITY CLERK'S OFFICE AT (760) 839-4617*

**September 8, 2021 NO MEETING (Labor Day)**

**September 15, 2021  
5:00 p.m.**

<b>PROCLAMATION</b>	
	<b>2021 Pollution Prevention Week</b> (C. McKinney)
<b>PRESENTATION</b>	
	<b>Air Pollution Control District Overview &amp; Hot Spots Program</b> (APCD Team)
	<b>Tree Canopy Discussion</b> (J. Goulart)
<b>CONSENT CALENDAR</b>	
	<b>JEPA &amp; Budget Adjustment to Receive \$1,980,000 from San Diego County for Park Improvements</b> (J. Goulart)  <i>It is requested that the City Council adopt Resolution No. 2021-113 authorizing the Director of Public Works to execute a Joint Exercise of Powers Agreement (JEPA) and Budget Adjustment to receive \$1,980,000 in County funding for improvements at Escondido parks.</i>
	<b>Award of Contract for the Grand Avenue Vision Project Phase 1</b> (J. Procopio)  <i>It is requested that the City Council adopt Resolution No. 2021-126 authorizing the Mayor to execute a Public Improvement Agreement (PIA) for the Grand Avenue Vision Project Phase I (Project).</i>
	<b>Bid Award for the 2021 Street Rehabilitation and Maintenance Project – Phase 2</b> (J. Procopio)  <i>It is requested that the City Council adopt Resolution No. 2021-131 authorizing the Mayor and City Clerk to execute a Public Improvement Agreement with the lowest responsive and responsible bidder for the 2021 Street Rehabilitation and Maintenance Project – Phase 2 ("Project").</i>

**Resolution Annexing Territory to Community Facilities District (CFD)  
2020-1, Citywide Services CFD**

(J. Procopio)

*It is requested that the City Council adopt Resolution No. 2021-130 annexing seven projects containing 65-units into the Citywide Services CFD 2020-1. Each property owner has provided a signed form consenting to the annexation. Zone 2020-5 will be the fifth zone of the Citywide Services CFD.*

**PUBLIC HEARINGS**

**CURRENT BUSINESS**

**FUTURE AGENDA ITEMS**

**September 22, 2021 NO MEETING (League of CA Cities)**



September 1, 2021

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## CITY MANAGER'S WEEKLY ACTIVITY REPORT

- Please refer to the City's website at <https://www.escondido.org/latest-news-from-the-city-managers-office.aspx>