

CITY MANAGER – Marlene D. Best
CITY ATTORNEY – Shawn D. Hagerty
CITY CLERK – Annette Fagan Ortiz

STAFF:
ASSISTANT TO THE CITY MANAGER
Kathy Valverde
COMMUNITY SERVICES DIRECTOR
Bill Maertz
DEVELOPMENT SERVICES DIRECTOR
Melanie Kush
FINANCE DIRECTOR/TREASURER
Tim McDermott
FIRE & LIFE SAFETY DIRECTOR/FIRE CHIEF
John Garlow
HUMAN RESOURCES DIRECTOR
Erica Hardy
LAW ENFORCEMENT
Captain Christina Bavencoff



**City of Santee
Regular Meeting Agenda
Santee City Council**

CITY COUNCIL

Mayor John W. Minto
Vice Mayor Laura Koval
Council Member Ronn Hall
Council Member Stephen Houlahan
Council Member Rob McNelis

******GOVERNOR'S EXECUTIVE ORDER N-29-20****
RE CORONAVIRUS COVID-19**

This meeting will be conducted pursuant to the provisions of the Governor's Executive Order which suspends certain requirements of the Ralph M. Brown Act.

In an effort to protect public health and prevent the spread of COVID-19, the City Council meeting on Wednesday, October 28, 2020, will be conducted via webinar and telephonically.

To watch the meeting via webinar please click on this link:
<https://attendee.gotowebinar.com/register/408378820213498638>

To listen to the City Council meeting telephonically please call:
(619) 678-0714
NOTE: A pin number will be required, please enter 690-558-400#.

LIVE PUBLIC COMMENT:

Members of the public who wish to comment on matters on the City Council agenda or during Non-Agenda Public Comment may register for the webinar with the link above and email the City Clerk at CITYCLERK@CITYOFSANTEECA.GOV with the name that you registered with and the item(s) you wish to speak on. The City Clerk will call the name when it is time to speak.

****Public Comment will be limited to 3 minutes and will continue to be accepted until the item is voted on. The timer will begin when the participant begins speaking.**

Please review the
COVID-19 webpage (<http://Cityofsanteeca.Gov/Our-City/Public-Notice>)
for updates both before and during the Council meeting.

**Wednesday, October 28, 2020
6:30 PM**

**Council Chambers – Building 2
10601 Magnolia Avenue, Santee, CA 92071**

Regular City Council Meeting – 6:30 p.m.

ROLL CALL: Mayor John W. Minto
Vice Mayor Laura Koval
Council Members Ronn Hall, Stephen Houlahan and Rob McNelis

LEGISLATIVE INVOCATION: Pastor Jaime Pangman – Santee United Methodist Church

PLEDGE OF ALLEGIANCE

PRESENTATION: City of Santee's Trucks and Treats Event – Bill Maertz

CONSENT CALENDAR:

PLEASE NOTE: Consent Calendar items are considered routine and will be approved by one motion, with no separate discussion prior to voting. The public, staff or Council Members may request specific items be removed from the Consent Calendar for separate discussion or action. Speaker slips for this category must be presented to the City Clerk at the start of the meeting. Speakers are limited to 3 minutes.

- (1) Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances and Resolutions on the Agenda. (City Clerk – Ortiz)
- (2) Approval of Meeting Minutes of the Santee City Council for the October 14, 2020, Regular Meeting. (City Clerk – Ortiz)
- (3) Approval of Payment of Demands as Presented. (Finance – McDermott)
- (4) Approval of the Expenditure of \$143,112.72 for September 2020 Legal Services and Reimbursable Costs. (Finance – McDermott)
- (5) Second Reading and Adoption of an Ordinance Establishing an Automatic One-Year Extension for Active Development Approvals, Due to the Economic Impacts of the Novel Coronavirus (COVID-19). (City Clerk – Ortiz)
- (6) Adoption of a Resolution Accepting the Bus Stop Trash Diversion Project (CIP 2019-20) as Complete. (Development Services – Kush)
- (7) Adoption of a Resolution Accepting the Citywide Slurry Seal and Roadway Maintenance Program 2020 Project (CIP 2020-04) as Complete. (Development Services – Kush)
- (8) Adoption of a Resolution Accepting the Citywide Pavement Repair and Rehabilitation Program 2020 Project (CIP 2020-03) as Complete. (Development Services – Kush)

NON-AGENDA PUBLIC COMMENT (15 minutes):

Persons wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the Agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda. This first Non-Agenda Public Comment period is limited to a total of 15 minutes. Additional Non-Agenda Public Comment is received prior to Council Reports.

CONTINUED BUSINESS:

- (9) Second Workshop on the Use of CARES Act Community Development Block Grant Coronavirus (CDBG-CV) Funding. (Development Services – Kush)**

Recommendation:

Consider funding options and provide direction to staff in order to prepare the Annual Action Plan Amendments for Program Years 2019 and 2020.

NEW BUSINESS:

- (10) Resolution Accepting the Public Improvements for Weston Park (CIP 2018-47) as Complete. Location: 9050 Trailmark Way, Santee, CA 92071. (Development Services – Kush)**

Recommendation:

Adopt the Resolution:

1. Accepting the Weston Park public improvements as complete and accepting Weston Park into the City Park Inventory; and
2. Directing the City Clerk to release 90 percent of the faithful performance bond, retain 10 percent for 12 months as a warranty bond, and retain the labor and material bond for six months.

- (11) Resolution Accepting the Award of State Grant Funds from the Department of Housing and Community Development (HCD) 2020 Local Early Action Planning Grants Program (LEAP) for Santee's Sixth Cycle Housing Element, Authorizing the Execution of a Professional Services Agreement with RECON Environmental, Inc. for Environmental Consulting Services Related to Housing Element General Plan Amendments and Zone Changes, and Appropriating Funds. (Development Services – Kush)**

Recommendation:

Adopt the Resolution:

1. Accepting and appropriating the LEAP Grant from HCD; and
2. Authorizing the City Manager to execute a Professional Services Agreement with RECON Environmental, Inc. in a contract amount not to exceed \$172,805.00; and
3. Appropriating \$72,805.00 from the General Fund reserve balance to cover the Professional Services Agreement funding gap (\$22,805.00) and anticipated legal review and incidental processing costs associated with the Housing Element Update (\$50,000.00).

(12) Housing Element Update Workshop III – Assessment of Inclusionary Housing Program as an Affordable Housing Strategy Based on Stakeholder Input. (Development Services – Kush)

Recommendation:

Provide direction to staff as to whether an inclusionary housing program should be included in the Sixth Cycle Housing Element.

NON-AGENDA PUBLIC COMMENT (Continued):

All public comment not presented within the first Non-Agenda Public Comment period above will be heard at this time.

CITY COUNCIL REPORTS:

CITY MANAGER REPORTS:

CITY ATTORNEY REPORTS:

CLOSED SESSION:

(13) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Government Code section 54956.9(d)(1))

Name of case: Santee Trolley Square 991, LLP v. City of Santee et al.

Case Number: 37-2020-00007895-CU-WM-CTL

(14) CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Government Code section 54956.8)

Property: Parcel 4 of Parcel Map 18857 located in Trolley Square (Library site)

City Negotiator: City Manager

Negotiating Parties: Excel Hotel Group and Vestar Kimco Santee, LP

Under Negotiation: Price and terms of payment

(15) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Government Code Section 54956.9(d)(1))

Name of case: Preserve Wild Santee, Center for Biological Diversity, et al. v. City of Santee et al

Case Number: 37-2020-00038168-CU-WM-CTL

ADJOURNMENT:

**BOARDS, COMMISSIONS AND COMMITTEES
OCTOBER AND NOVEMBER
MEETINGS**

Oct	01	SPARC	Virtual/Telephonic
Oct	12	Community Oriented Policing Committee	Virtual/Telephonic
Oct	14	Council Meeting	Virtual/Telephonic
Oct	28	Council Meeting	Virtual/Telephonic
Nov	05	SPARC	Virtual/Telephonic
Nov	09	Community Oriented Policing Committee	Virtual/Telephonic
Nov	11	Council Meeting	Virtual/Telephonic
Nov	18	Council Meeting	Virtual/Telephonic

The Santee City Council welcomes you and encourages your continued interest and involvement in the City's decision-making process.

For your convenience, a complete Agenda Packet is available for public review at City Hall and on the City's website at www.CityofSanteeCA.gov.

The City of Santee complies with the Americans with Disabilities Act. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 12132 of the American with Disabilities Act of 1990 (42 USC § 12132). Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's Office at (619) 258-4100, ext. 112 at least 48 hours before the meeting, if possible.

City of Santee
COUNCIL AGENDA STATEMENT

Presentation

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE CITY OF SANTEE TRUCKS & TREATS PRESENTATION

DIRECTOR/DEPARTMENT Bill Maertz, Community Services

SUMMARY

The Community Services Director will provide Council and the public a brief video presentation regarding the Trucks & Treats event to take place on Halloween at Town Center Community Park East.

FINANCIAL STATEMENT

N/A

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

Present presentation.

ATTACHMENTS

None.

City of Santee
COUNCIL AGENDA STATEMENT

Item 1

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE **APPROVAL OF READING BY TITLE ONLY AND WAIVER OF READING
IN FULL OF ORDINANCES AND RESOLUTIONS ON THE AGENDA.**

DIRECTOR/DEPARTMENT Annette Ortiz, CMC, City Clerk

SUMMARY

This Item asks the City Council to waive the reading in full of all Ordinances on the Agenda (if any) and approve their reading by title only. The purpose of this Item is to help streamline the City Council meeting process, to avoid unnecessary delay and to allow more time for substantive discussion of Items on the Agenda.

State law requires that all Ordinances be read in full either at the time of introduction or at the time of passage, unless a motion waiving further reading is adopted by a majority of the City Council. (Gov. Code, § 36934). This means that each word in each Ordinance would have to be read aloud unless such reading is waived. Such reading could substantially delay the meeting and limit the time available for discussion of substantive Items. Adoption of this waiver streamlines the procedure for adopting the Ordinances on tonight's Agenda (if any), because it allows the City Council to approve Ordinances by reading aloud only the title of the Ordinance instead of reading aloud every word of the Ordinance.

The procedures for adopting Resolutions are not as strict as the procedures for adopting Ordinances. For example, Resolutions do not require two readings for passage, need not be read in full or even by title, are effective immediately unless otherwise specified, do not need to be in any particular format unless expressly required, and, with the exception of fixing tax rates or revenue amounts, do not require publication. However, like Ordinances, all Resolutions require a recorded majority vote of the total membership of the City Council. (Gov. Code § 36936).

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

It is recommended that the Council waive the reading of all Ordinances and Resolutions in their entirety and read by title only.

ATTACHMENTS

None

City of Santee
COUNCIL AGENDA STATEMENT

Item 2

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE APPROVAL OF MEETING MINUTES OF THE SANTEE CITY COUNCIL
FOR THE OCTOBER 14, 2020, REGULAR MEETING.

DIRECTOR/DEPARTMENT Annette Ortiz, CMC, City Clerk

SUMMARY

Submitted for your consideration and approval are the minutes of the above meeting.

FINANCIAL STATEMENT N/A

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

Approve Minutes as presented.

ATTACHMENT

Regular Meeting Minutes

- October 14, 2020

DRAFT

**Minutes
Santee City Council
Council Chamber – Building 2
10601 Magnolia Avenue
Santee, California
October 14, 2020**

This Regular Meeting of the Santee City Council was called to order by Mayor John W. Minto at 6:37 p.m.

ROLL CALL: Present: Mayor John W. Minto, Vice Mayor Laura Koval and Council Members Ronn Hall, Stephen Houlahan and Rob McNelis – 5.

Officers present: City Manager Marlene Best, City Attorney Shawn Hagerty, and City Clerk Annette Ortiz

INVOCATION was given by Gary Lawton – Calvary Chapel of Santee

PLEDGE OF ALLEGIANCE was led by Mayor Minto

PROCLAMATION: Fire Prevention Week

Chief Garlow presented a short video related to Fire Prevention Week and was awarded the Proclamation by Mayor Minto.

CONSENT CALENDAR:

The City Manager requested Items 8 and 9 be heard concurrently. The City Clerk announced a speaker for Item 4.

- (1) **Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances and Resolutions on the Agenda. (City Clerk – Ortiz)**
- (2) **Approval of Meeting Minutes of the Santee City Council for the September 23, 2020, Regular Meeting. (City Clerk – Ortiz)**
- (3) **Approval of Payment of Demands as Presented. (Finance – McDermott)**
- (4) **Item pulled for discussion.**
- (5) **Adoption of a Resolution Approving the Final Map for 10 Residential Condominium Units (TM2014-2) and Authorizing the Director of Development Services to Execute the Associated Subdivision Improvement Agreement. Location: Northeast Corner of E. Heaney Circle and Carlton Oaks Drive. Applicant: Responsible Residential, LLC. (Development Services – Kush) (Reso 112-2020)**

- (6) **Claim Against the City by Cynthia Avery. (Human Resources – Hardy)**
- (7) **Second Reading and Adoption of an Ordinance Approving Rezone R2018-1 to Amend the Zone District Map from Hillside/Limited (HL) and Low Density Residential to Medium High Density Residential for Property at 11000 Sunset Trail Further Identified by Assessor's Parcel Number 384-142-04. (Development Services – Kush) (Ord 582)**

ACTION: Council Member McNelis moved approval of the Consent Calendar and Agenda as amended.

Council Member Hall seconded the motion, which carried by the following roll call vote: Mayor Minto: Aye; Vice Mayor Koval: Aye; and Council Members Hall: Aye; Houlahan: Aye; and McNelis: Aye. Ayes: 5. Noes: 0.

Item Pulled from Consent Calendar:

- (4) **Approval of the Expenditure of \$109,205.98 for August 2020 Legal Services and Reimbursable Costs – HomeFed Fanita Rancho LLC (Fanita Ranch). (Finance – McDermott)**

PUBLIC SPEAKER:

- Mary Hyder

The City Attorney provided clarification on the materials provided in the staff report.

ACTION: Council Member Hall moved approval of staff recommendation.

Vice Mayor Koval seconded the motion, which carried by the following roll call vote: Mayor Minto: Aye; Vice Mayor Koval: Aye; and Council Members Hall: Aye; Houlahan: Aye; and McNelis: Aye. Ayes: 5. Noes: 0.

NON-AGENDA PUBLIC COMMENT (15 minutes):

- (A) Mary Hyder inquired about law enforcement procedures with the San Diego Sheriff's Department.
- (B) Karen Schroeder spoke regarding the referendum.
- (C) Janet Garvin spoke regarding the referendum.
- (D) Nichole Weinman spoke in favor of the Fanita Ranch project.
- (E) Loretta Cole spoke regarding the signature gathering pertaining to the referendum.

CONTINUED BUSINESS:

Items 8 and 9 were heard concurrently.

- (8) **Second Reading and Adoption of an Ordinance Adding Chapter 13.20 “Specific Plan District” to Title 13 and Amending Chapter 13.04 “Administration” of the Santee Municipal Code, and Approving the Fanita Ranch Specific Plan (Case Files R2017-1 and SP2017-1). (Development Services – Kush) (Ord 580)**
- (9) **Second Reading and Adoption of an Ordinance Approving and Authorizing Execution of a Development Agreement by and Among the City of Santee and HomeFed Fanita Rancho, LLC. (Development Services – Kush) (Ord 581)**

The Director of Development Services provided a PowerPoint presentation and responded to Council questions.

PUBLIC SPEAKERS:

- Mary Hyder
- Daniel Bickford
- Lynda Marrokal
- Alan Jones
- John Olsen
- Justin Schlaefli

Council Member Hall inquired whether the current General Plan allows for housing to still be built despite any referendums or initiatives that are circulating, to which the City Attorney responded in the affirmative.

Council Member Houlahan expressed concerns with the fire mitigation plan with Fanita Ranch and urged Council to let the people vote.

FAILED MOTION: Council Member Houlahan moved to delay the vote of staff recommendation until after the November 3, 2020 election.

The motion failed for lack of a second.

Council Member McNelis stated homes will not be sold until the prerequisite infrastructure improvements for development are completed.

Vice Mayor Koval requested staff bring back a traffic mitigation plan and expressed support for the water purification program.

Mayor Minto stated he is in support of the motion.

ACTION: Council Member McNelis moved approval of staff recommendation.

Council Member Hall seconded the motion, which carried by the following roll call vote: Mayor Minto: Aye; Vice Mayor Koval: Aye; and Council Members Hall: Aye; Houlahan:

No; and McNelis: Aye. Ayes: 4. Noes: 1.

NEW BUSINESS:

- (10) **Resolution Proclaiming an Emergency, Authorizing the Construction of a Firebreak Along the South Property Boundary of Mast Park West Abutting the Residential Structures on Willowgrove Avenue (West of Carlton Hills Boulevard), Waiving the Requirement for Competitive Bidding, Appropriating Funds, and Authorizing the City Manager to Enter Into a Contract to Construct a Firebreak. (City Manager – Best) (Reso 113-2020)**

Vice Mayor Koval registered an abstention, muted her microphone and turned off her camera.

The City Manager introduced the item and the Fire Chief provided a PowerPoint presentation and responded to Council questions.

Council Member Houlahan stated a long-term plan is needed to ensure this problem does not occur again.

PUBLIC SPEAKER:

- Karen Gibson

Written comment was also received by:

- Ashley Mains

ACTION: Council Member Hall moved approval of staff recommendation.

Mayor Minto seconded the motion, which carried by the following roll call vote: Mayor Minto: Aye; Vice Mayor Koval: Abstain; and Council Members Hall: Aye; Houlahan: Aye; and McNelis: Aye. Ayes: 4. Noes: 0. Abstain: 1.

Vice Mayor Koval rejoined the meeting.

- (11) **Adoption of Urgency Ordinance and Introduction of Non-Urgency Ordinance Establishing an Automatic One-Year Extension for Active Development Approvals, Due to the Economic Impacts of the Novel Coronavirus (COVID-19), and Setting Forth the Facts Constituting Such Urgency. (City Manager – Best) (Ord 583)**

The City Manager introduced the item and responded to Council questions.

PUBLIC SPEAKERS:

- Mary Hyder
- Michael Ranson

Written Non-Agenda Public Comment was also received by:

- Michael McSweeney
- Michael Ranson

ACTION: Council Member McNelis moved approval of staff recommendation.

Vice Mayor Koval seconded the motion, which carried by the following roll call vote: Mayor Minto: Aye; Vice Mayor Koval: Aye; and Council Members Hall: Aye; Houlahan: Aye; and McNelis: Aye. Ayes: 5. Noes: 0.

(12) Update on the Use of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund (CRF) Allocations from the County of San Diego and State of California. (City Manager/Finance – Best/McDermott).

The City Manager introduced the item and the Marketing Coordinator provided a PowerPoint presentation and responded to Council questions.

(13) First Workshop on the Use of Cares Act Community Development Block Grant Coronavirus (CDBG-CV) FUNDING. (Development Services – Kush)

The Director of Development Services introduced the item and the Senior Management Analyst provided a PowerPoint presentation and responded to Council Questions.

Vice Mayor Koval requested more money be allocated on housing needs and the East County Homeless Task Force.

Council Member McNelis concurred with Vice Mayor Koval.

Council Member Houlahan stated he supports the rental assistance and the money being allocated to the East County Homeless Task Force.

(14) Resolution Accepting the Award of Federal Grant Funds from the Cooperative Endangered Species Conservation Fund (Section 6 of the Endangered Species Act) Nontraditional Habitat Conservation Planning Assistance Program for Santee's Multiple Species Conservation Program (MSCP), Appropriating Said Funds and Authorizing the Director of Development Services to Execute an Agreement with the California Department of Fish and Wildlife. (Development Services – Kush) (Reso 114-2020)

The Director of Development Services presented the item.

ACTION: Council Member McNelis moved approval of staff recommendation.

Council Member Hall seconded the motion, which carried by the following roll call vote: Mayor Minto: Aye; Vice Mayor Koval: Aye; and Council Members Hall: Aye; Houlahan: Aye; and McNelis: Aye. Ayes: 5. Noes: 0.

NON-AGENDA PUBLIC COMMENT: (Continued)

- (A) Daniel Bickford expressed concerns with the political climate and the referendum signature gatherers.
- (B) Lynda Marrokal expressed concerns with the referendum signature gatherers and the measures on the ballot.
- (C) Justin Schlaefli spoke regarding the referendum signature gatherers.
- (D) Jeff O'Connor addressed the concerns brought up by members of the public.

Written Non-Agenda Public Comment was also received by:

- Scott Macek
- Erin D.

CITY COUNCIL REPORTS:

None.

CITY MANAGER REPORTS:

The City Manager provided a brief update regarding the Council Chamber upgrade.

CITY ATTORNEY REPORTS:

None.

CLOSED SESSION:

Council Members recessed at 9:04 p.m. and convened in Closed Session at 9:07 p.m.

(15) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Government Code section 54956.9(d)(1))

Name of case: Santee Trolley Square 991, LLP v. City of Santee et al.

Case Number: 37-2020-00007895-CU-WM-CTL

(16) CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Government Code section 54956.8)

Property: Parcel 4 of Parcel Map 18857 located in Trolley Square (Library site)

City Negotiator: City Manager

Negotiating Parties: Excel Hotel Group and Vestar Kimco Santee, LP

Under Negotiation: Price and terms of payment

(17) CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Gov. Code section 54956.8)

Property: Parcel 3 of Parcel Map 20177 located north of Town Center Parkway between Cuyamaca Street and Riverview Parkway ("Theater Parcel"). City Negotiator: City Manager.

Negotiating Party: Eneract, LLC.

Under negotiation: Price and terms of payment.

Council Members reconvened in Open Session at 9:55 p.m. with all members presents. Mayor Minto reported for direction was given to staff on Items 15 and 16; and for Item 17, action was taken by unanimous vote, to direct the Finance Director to return \$90,000.00 to Studio Movie Grill and maintain at least \$10,000.00 and if it falls to \$5,000.00 they have to reestablish a \$10,000.00 level.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:57 p.m.

Date Approved:

Annette Ortiz, CMC, City Clerk

City of Santee
COUNCIL AGENDA STATEMENT

Item 3

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE PAYMENT OF DEMANDS

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *TM*

SUMMARY

A listing of checks that have been disbursed since the last Council meeting is submitted herewith for approval by the City Council.

FINANCIAL STATEMENT *TM*

Adequate budgeted funds are available for the payment of demands per the attached listing.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Approve the payment of demands as presented.

ATTACHMENTS (Listed Below)

- 1) Summary of Payments Issued
- 2) Voucher Lists

Payment of Demands
Summary of Payments Issued

<u>Date</u>	<u>Description</u>	<u>Amount</u>
10/07/2020	Accounts Payable	\$1,553,648.46
10/07/2020	Accounts Payable	242,620.46
10/07/2020	Accounts Payable	107,438.34
10/07/2020	Accounts Payable	36,916.41
10/08/2020	Payroll	431,253.03
10/08/2020	Accounts Payable	122,065.20
10/14/2020	Accounts Payable	186,355.90
10/15/2020	Accounts Payable	17,319.08
10/15/2020	Accounts Payable	<u>22,774.64</u>
	TOTAL	<u>\$2,720,391.52</u>

I hereby certify to the best of my knowledge and belief that the foregoing demands listing is correct, just, conforms to the approved budget, and funds are available to pay said demands.



Tim K. McDermott, Director of Finance

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125790	10/7/2020	13456 AGRICULTURAL PEST CONTROL	554819	53045	PEST CONTROL SERVICES	195.00
					Total :	195.00
125791	10/7/2020	10299 CARQUEST AUTO PARTS	11102-512310	53083	VEHICLE REPAIR PART	10.62
			11102-512357	53083	VEHICLE REPAIR PART	571.73
					Total :	582.35
125792	10/7/2020	12349 CHOICE LOCKSMITHING	091620WST	53114	LOCKSMITH SERVICES	1,039.61
					Total :	1,039.61
125793	10/7/2020	10032 CINTAS CORPORATION #694	4061188152	53084	STATION SUPPLIES	43.85
			4061670044	53084	UNIFORM/PARTS CLEANER RNTL	67.97
					Total :	111.82
125794	10/7/2020	10405 CLEANTECH SAN DIEGO	1474		MEMBERSHIP RENEWAL	5,000.00
					Total :	5,000.00
125795	10/7/2020	10035 COMPETITIVE METALS INC	380138	53048	METAL SUPPLIES	227.48
					Total :	227.48
125796	10/7/2020	10040 COUNTYWIDE MECHANICAL SYSTEMS	31243	53042	HVAC MAINT & REPAIRS	2,711.00
					Total :	2,711.00
125797	10/7/2020	10333 COX COMMUNICATIONS	038997401		10601 N MAGNOLIA AVE	106.05
					Total :	106.05
125798	10/7/2020	10142 CSA SAN DIEGO COUNTY	648	53215	CDBG SUBRECIPIENT	954.62
					Total :	954.62
125799	10/7/2020	11295 DOKKEN ENGINEERING	37408	52440	CUYAMACA RIGHT TURN POCKET	9,137.50
			37409	52440	PROSPECT/MESA INTERSECTION	16,350.00
			37425	52440	ALTERNATE COMPLIANCE PROJEC	2,300.00
					Total :	27,787.50
125800	10/7/2020	10057 ESGIL CORPORATION	08/2020		SHARE OF FEES	65,290.54
					Total :	65,290.54

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125801	10/7/2020	10065 GLOBAL POWER GROUP INC	70530	53071	GENERATOR MAINT	100.00
			70531	53071	GENERATOR MAINT	100.00
			70532	53071	GENERATOR MAINT & REPAIRS	100.00
			70533	53071	GENERATOR MAINT & REPAIRS	100.00
			70606	53071	GENERATOR REPAIRS	341.05
			70607	53071	GENERATOR REPAIRS	431.65
Total :						1,172.70
125802	10/7/2020	12009 HARDIN, DAVID	10052020		AUGUST COMPLEX FIRE	178.48
Total :						178.48
125803	10/7/2020	10490 HARRIS & ASSOCIATES INC	46060	51326	FANITA RANCH EIR	66,319.25
Total :						66,319.25
125804	10/7/2020	11512 HERNANDEZ, JEFF	09292020		EMPLOYEE REIMBURSEMENT	370.00
Total :						370.00
125805	10/7/2020	10256 HOME DEPOT CREDIT SERVICES	9160322	53088	STATION SUPPLIES	100.07
Total :						100.07
125806	10/7/2020	11724 ICF JONES & STOKES INC	0149739	50991	MSCP SUBAREA PLAN	9,513.75
Total :						9,513.75
125807	10/7/2020	11807 IMPERIAL SPRINKLER SUPPLY	4337713	53185	IRRIGATION SUPPLIES	54.01
			4339493	53185	IRRIGATION SUPPLIES	1,053.96
			4340994	53185	IRRIGATION SUPPLIES	23.73
			4345305	53185	IRRIGATION SUPPLIES	820.18
			4356844	53185	IRRIGATION SUPPLIES	1,392.81
Total :						3,344.69
125808	10/7/2020	10997 LAKESIDE FIRE PREVENTION	165	53134	SOFTWARE SUBSCRIPTION	548.00
Total :						548.00
125809	10/7/2020	10079 MEDICO PROFESSIONAL	20275641	53090	MEDICAL LINEN SERVICE	20.62
Total :						20.62
125810	10/7/2020	10507 MITEL LEASING	902871625		MONTHLY RENTAL 122670	1,878.80
			902871663		MONTHLY RENTAL 124690	312.66

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125810	10/7/2020	10507 MITEL LEASING	(Continued) 902871735 902871750		MONTHLY RENTAL 130737 MONTHLY RENTAL 131413	276.33 266.16 Total : 2,733.95
125811	10/7/2020	12991 NATIONAL LIGHTING SUPPLY LLC	117066	53186	LIGHTING/ELECTRICAL SUPPLIES	420.87 Total : 420.87
125812	10/7/2020	10092 PHOENIX GROUP INFO SYSTEMS	082020031	53158	FY 20/21 PARKING CITE PROCESS	223.38 Total : 223.38
125813	10/7/2020	10095 RASA	5428	53221	MAP CHECK	605.00 Total : 605.00
125814	10/7/2020	10606 S.D. COUNTY SHERIFF'S DEPT.	SHERIFF- JULY 2020		LAW ENFORCEMENT JULY 2020	1,334,123.83 Total : 1,334,123.83
125815	10/7/2020	11594 SAN DIEGO METROPOLITAN TRANSIT	CIP2014-02		CUYAMACA STREET RIGHT TURN F	750.00 Total : 750.00
125816	10/7/2020	13171 SC COMMERCIAL, LLC	1712450-IN 1713995-IN	53077 53077	DELIVERED FUEL DELIVERED FUEL	374.08 665.70 Total : 1,039.78
125817	10/7/2020	13554 SC FUELS	0288154	53078	FLEET CARD FUELING	1,118.10 Total : 1,118.10
125818	10/7/2020	14075 SD ROOFING INC	Ref000067128		LI Refund Cst #24308	41.00 Total : 41.00
125819	10/7/2020	10217 STAPLES ADVANTAGE	3456244727 3456309423 3456526342 3456656021	53124 53097 53097 53097	OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES	69.19 328.67 130.65 107.74 Total : 636.25
125820	10/7/2020	10250 THE EAST COUNTY	00099324		NOTICE OF PUBLIC HEARING	854.00

Bank code : ubgen

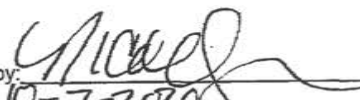
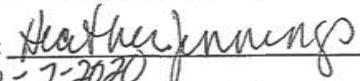
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125820	10/7/2020	10250 THE EAST COUNTY	(Continued)			Total : 854.00
125821	10/7/2020	12480 UNITED SITE SERVICES	114-10964970	53173	PORTABLE TOILETS, TEMP FENCE	159.80
						Total : 159.80
125822	10/7/2020	13861 ATLAS AMERICAN LLC	1815	53141	WESTON PARK SUPPLIES	1,904.77
						Total : 1,904.77
125823	10/7/2020	10136 WEST COAST ARBORISTS INC	160432	53070	URBAN FORESTRY MANAGEMENT	2,069.20
			164033	53070	URBAN FORESTRY MANAGEMENT	1,500.00
			164034	53070	URBAN FORESTRY MANAGEMENT	5,290.00
			164035	53070	URBAN FORESTRY MANAGEMENT	14,605.00
						Total : 23,464.20

34 Vouchers for bank code : ubgen

Bank total : 1,553,648.46

34 Vouchers in this report

Total vouchers : 1,553,648.46

Prepared by: 
Date: 10-7-2020
Approved by: 
Date: 10-7-2020

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125824	10/7/2020	12903 AMERICAN FIDELITY ASSURANCE CO	20181029		FLEXIBLE SPENDING ACCOUNT	2,572.56
					Total :	2,572.56
125825	10/7/2020	10208 ANTHEM EAP	79383		EMPLOYEE ASSISTANCE PROGRAI	284.16
					Total :	284.16
125826	10/7/2020	10334 CHLIC	2716359		HEALTH/DENTAL INSURANCE	200,503.71
					Total :	200,503.71
125827	10/7/2020	10785 RELIANCE STANDARD LIFE	October 2020		VOLUNTARY LIFE INSURANCE	648.58
					Total :	648.58
125828	10/7/2020	10424 SANTEE FIREFIGHTERS	PPE 09/30/20		DUES/PEC/BENEVOLENT/BC EXP	2,925.30
					Total :	2,925.30
125829	10/7/2020	10776 STATE OF CALIFORNIA	PPE 09/30/20		WITHHOLDING ORDER	308.30
					Total :	308.30
125830	10/7/2020	10001 US BANK	PPE 09/30/20		PARS RETIREMENT	559.00
					Total :	559.00
125831	10/7/2020	10959 VANTAGE TRANSFER AGENT/457	PPE 09/30/20		ICMA - 457	30,129.94
					Total :	30,129.94
125832	10/7/2020	10782 VANTAGEPOINT TRNSFR AGT/801801	PPE 09/30/20		RETIREE HSA	4,688.91
					Total :	4,688.91


9 Vouchers for bank code : ubgen

Bank total : 242,620.46

9 Vouchers in this report

Total vouchers : 242,620.46

Prepared by: 
Date: 10-7-2020

Approved by: 
Date: 10-7-2020

vchlist
10/07/2020 4:58:39PM

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
71412	10/8/2020	10955 DEPARTMENT OF THE TREASURY	October Retirees PPE 09/30/20		FEDERAL WITHHOLDING TAX FED WITHHOLD & MEDICARE	75.00 107,363.34	
						Total :	107,438.34
1 Vouchers for bank code : ubgen						Bank total :	107,438.34
1 Vouchers in this report						Total vouchers :	107,438.34

Prepared by: Michelle S.
Date: 10-7-2020
Approved by: Michelle S.
Date: 10-12-2020


Bank code : ubgen


Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
71428	10/12/2020	10956 FRANCHISE TAX BOARD	PPE 09/30/20		CA STATE TAX WITHHELD	36,916.41
Total :						36,916.41
1 Vouchers for bank code : ubgen						Bank total : 36,916.41
1 Vouchers in this report						Total vouchers : 36,916.41

Prepared by: Michael J
Date: 10-7-2020
Approved by: Heather Jennings
Date: 10-12-2020

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
90520	10/13/2020	10353 PERS	09 5 20		RETIREMENT PAYMENT	122,065.20	
						Total :	122,065.20
1 Vouchers for bank code : ubgen						Bank total :	122,065.20
1 Vouchers in this report						Total vouchers :	122,065.20

Prepared by: 
Date: 10-8-2020

Approved by: 
Date: 10-12-2020

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125833	10/14/2020	10128 AAIR PURIFICATION SYSTEMS	16875	53210	MAGNETIC ADAPTORS - FIRE 4	2,616.34
					Total :	2,616.34
125834	10/14/2020	11859 AIRGAS USA LLC	9105273590	52981	EQUIPMENT REPAIR PARTS	566.86
					Total :	566.86
125835	10/14/2020	13993 ALLETT INC	INV04155	53180	FACE MASKS	951.67
					Total :	951.67
125836	10/14/2020	12701 AMERICAN RADIO INC	ST109028	52984	RADIO EQUIPMENT SERVICE	475.00
			ST109029	52984	RADIO EQUIPMENT SERVICE	190.00
					Total :	665.00
125837	10/14/2020	10412 AT&T	000015359293		TELEPHONE	783.38
					Total :	783.38
125838	10/14/2020	10020 BEST BEST & KRIEGER LLP	LEGAL SVCS8/20 HMFED		LEGAL SVCS AUG 2020 HOMEFED	109,205.98
					Total :	109,205.98
125839	10/14/2020	13292 BORDER TIRE	8015341	53081	TIRES	1,455.11
					Total :	1,455.11
125840	10/14/2020	10021 BOUND TREE MEDICAL LLC	83777172	53076	EMS SUPPLIES	56.37
			83780537	53076	EMS SUPPLIES	1,266.16
					Total :	1,322.53
125841	10/14/2020	13511 CAL UNIFORMS	6285	53082	CLASS A UNIFORMS	69.96
			6408	53082	CLASS A UNIFORM	181.97
			6564	53082	CLASS A UNIFORM	52.46
					Total :	304.39
125842	10/14/2020	10668 CALIFORNIA BUILDING STANDARDS	JUL-SEPT2020		SB1473 JULY - SEPT 2020	465.30
					Total :	465.30
125843	10/14/2020	10299 CARQUEST AUTO PARTS	11102-512490	53083	VEHICLE SUPPLIES	21.94
					Total :	21.94

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125844	10/14/2020	10031 CDW GOVERNMENT LLC	1704290	53212	ARUBA SWTICH	1,763.93
					Total :	1,763.93
125845	10/14/2020	10032 CINTAS CORPORATION #694	4062308189	53084	UNIFORM/PARTS CLEANER RNTL	67.97
					Total :	67.97
125846	10/14/2020	14069 CIVIL, PATRICK	2004223.001		RESERVATION CANCELLATION	100.00
					Total :	100.00
125847	10/14/2020	13829 CONE, LINDA	2004195.001		PARK RESERVATION CANCELLATIC	64.00
					Total :	64.00
125848	10/14/2020	10039 COUNTY MOTOR PARTS COMPANY INC	496089 496185	52994 52994	VEHICLE SUPPLIES VEHICLE REPAIR PARTS	49.86 378.58
					Total :	428.44
125849	10/14/2020	10171 COUNTY OF SAN DIEGO AUDITOR &	09/2020 AGENCY REV 09/2020 DMV REVENUE 09/2020 PHOENIX REV		09/20 AGENCY PARK CITE REPT 09/20 DMV PARK CITE REPT 09/20 PHOENIX CITE REV REPT	137.50 343.50 593.75
					Total :	1,074.75
125850	10/14/2020	10486 COUNTY OF SAN DIEGO	10/14/20		COUNTY RECORDER FEE	50.00
					Total :	50.00
125851	10/14/2020	10333 COX COMMUNICATIONS	094486701		CITY HALL GROUP BILL	2,749.84
					Total :	2,749.84
125852	10/14/2020	10608 CRISIS HOUSE	518	53079	CDBG-CV SUBRECIPIENT - EMERG	8,953.23
					Total :	8,953.23
125853	10/14/2020	10841 DANIELS, ADAM	080920 72520		RED SALMON COMPLEX FIRE JULY COMPLEX FIRE	44.59 22.35
					Total :	66.94
125854	10/14/2020	13129 DAVID TURCH AND ASSOCIATES	9222020	53130	HIGHWAY 52 COALITION SUPPORT	5,000.00
					Total :	5,000.00
125855	10/14/2020	10433 DEPARTMENT OF CONSERVATION	JUL-SEPT 2020		SMIP JULY-SEPT 2020	1,254.53

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125855	10/14/2020	10433	10433 DEPARTMENT OF CONSERVATION	(Continued)		Total : 1,254.53
125856	10/14/2020	13776	DESTINY SOFTWARE, INC	4417	AGENDA MANAGEMENT SOFTWARE	2,000.00
						Total : 2,000.00
125857	10/14/2020	12483	DISCOUNT SIGNS AND BANNERS	5419	53000 IDENTIFICATION DECALS	53.88
						Total : 53.88
125858	10/14/2020	13442	EBBIN MOSER + SKAGGS LLP	4833	52777 MSCP SUBAREA PLAN	13,380.00
						Total : 13,380.00
125859	10/14/2020	10251	FEDERAL EXPRESS	7-133-38191	SHIPPING CHARGES	35.28
						Total : 35.28
125860	10/14/2020	10009	FIRE ETC	146864	53051 FIRE EXTINGUISHER SERVICE	527.73
						Total : 527.73
125861	10/14/2020	12638	GEORGE HILLS COMPANY, INC.	INV1018597	LIABILITY CLAIMS MEDICARE REPR	250.00
						Total : 250.00
125862	10/14/2020	10066	GLOBALSTAR USA LLC	000000005821015	SATELLITE PHONE SERVICE	92.78
						Total : 92.78
125863	10/14/2020	12677	LIONHEART FENCING ACADEMY INC	9525	INSTRUCTOR PAYMENT	160.00
						Total : 160.00
125864	10/14/2020	10174	LN CURTIS AND SONS	INV424853	53055 SAFETY APPAREL	711.15
						Total : 711.15
125865	10/14/2020	10079	MEDICO PROFESSIONAL	20279312	53090 MEDICAL LINEN SERVICE	20.62
				20279315	53090 MEDICAL LINEN SERVICE	13.01
						Total : 33.63
125866	10/14/2020	10306	MOTOROLA SOLUTIONS INC	16120789	53191 (3) PORTABLE RADIOS	467.90
				16120818	53191 (3) PORTABLE RADIOS	1,048.24
						Total : 1,516.14
125867	10/14/2020	10083	MUNICIPAL EMERGENCY SERVICES	IN1499516	53056 FIREFIGHTING SUPPLIES	495.65

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
125867	10/14/2020	10083	10083 MUNICIPAL EMERGENCY SERVICES (Continued)			Total : 495.65	
125868	10/14/2020	10308	O'REILLY AUTO PARTS	2968-365872	53013	VEHICLE REPAIR PART	107.21
						Total : 107.21	
125869	10/14/2020	10344	PADRE DAM MUNICIPAL WATER DIST	29700016		CONSTRUCTION METER	277.15
						Total : 277.15	
125870	10/14/2020	11888	PENSKE FORD	145847	53092	VEHICLE REPAIR	100.00
						Total : 100.00	
125871	10/14/2020	10095	RASA	5429	53221	MAP CHECK	895.00
				5433	53221	MAP CHECK	1,185.00
						Total : 2,080.00	
125872	10/14/2020	12994	RINCON CONSULTANTS, INC	24850	53171	FANITA RANCH PHASE II	1,653.75
						Total : 1,653.75	
125873	10/14/2020	10097	ROMAINE ELECTRIC CORPORATION	12-050867	53095	VEHICLE SUPPLIES	707.69
						Total : 707.69	
125874	10/14/2020	10768	SANTEE SCHOOL DISTRICT	8801	53137	JOINT USE FIELDS - RIO SECO	716.25
						Total : 716.25	
125875	10/14/2020	13171	SC COMMERCIAL, LLC	1716359-IN	53077	DELIVERED FUEL	382.72
				1719126-IN	53077	DELIVERED FUEL	516.49
						Total : 899.21	
125876	10/14/2020	13554	SC FUELS	0293091	53078	FLEET CARD FUELING	1,054.43
						Total : 1,054.43	
125877	10/14/2020	10314	SOUTH COAST EMERGENCY VEHICLE	500645	53096	VEHICLE REPAIR	250.25
				500656	53096	VEHICLE REPAIR	1,024.14
						Total : 1,274.39	
125878	10/14/2020	13738	SOUZA, BRIAN	2004131.001		SPRING CLASS CANCELLATION RE	98.00
						Total : 98.00	

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125879	10/14/2020	10217 STAPLES ADVANTAGE	3457149267	53100	OFFICE SUPPLIES	171.39
Total :						171.39
125880	10/14/2020	10482 TRISTAR RISK MANAGEMENT	101159	53227	FY 20/21 CLAIMS SERVICES	7,197.25
			101176	53227	FY 20/21 CLAIMS SERVICES	7,197.25
Total :						14,394.50
125881	10/14/2020	13590 VALADEZ, BRANDY	2003899.001		PARK RESERVATION CANCELLATIC	20.00
Total :						20.00
125882	10/14/2020	11305 VELOCITY TRUCK CENTERS	XA290072220:01	53028	TRUCK PARTS & REPAIRS	2,055.53
			XA290072436:01	53028	VEHICLE REPAIR PARTS	56.12
			XA290072437:01	53028	CR-VEHICLE REPAIR PART	-141.41
Total :						1,970.24
125883	10/14/2020	10148 WESTAIR GASES & EQUIPMENT INC	11118643	53063	WELDING SUPPLIES	73.93
Total :						73.93
125884	10/14/2020	12641 WITTORFF, VICKY DENISE	October 1, 2020		RETIREE HEALTH PAYMENT	31.00
Total :						31.00
125885	10/14/2020	10318 ZOLL MEDICAL CORPORATION	3142288	53149	EMS SUPPLIES	791.96
			3144224	53149	EMS SUPPLIES	695.74
			3145941	53149	EMS SUPPLIES	50.69
Total :						1,538.39
53 Vouchers for bank code : ubgen						Bank total : 186,355.90
53 Vouchers in this report						Total vouchers : 186,355.90

Prepared by: Micoe


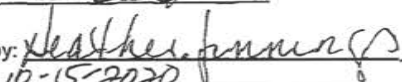
Date: 10-14-2020

Approved by: [Signature]

Date: 10-14-2020

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
845	10/13/2020	10482 TRISTAR RISK MANAGEMENT	111092		WORKERS' COMPENSATION	17,319.08
					Total :	17,319.08
		1 Vouchers for bank code : ubgen				Bank total : 17,319.08
		1 Vouchers in this report				Total vouchers : 17,319.08

Prepared by: 
Date: 10-15-2020
Approved by: 
Date: 10-15-2020

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125887	10/15/2020	10001 US BANK	000459		CARLTON HILLS FIRE	13.03
			000464476		CODE SUPPLIES	11.87
			000761760		INERGEN INSPECTION	325.00
			0074597		COVID-19	2,495.00
			01006276		SIGNS	563.01
			0172586021		BUILDING FORMS	204.73
			0210165-IN		EQUIPMENT SUPPLIES	10.78
			02326		YARD SUPPLIES	33.96
			0262711		MATERIALS & SUPPLIES	37.50
			08825		MAST PARK	33.88
			089679		DISTILLED WATER	3.40
			09082020		VIDEO	19.99
			091520A		CREEK FIRE	9.78
			091520B		CREEK FIRE	40.00
			09157		GRAFFITI REMOVAL	13.22
			09285		SHOP/YARD SUPPLIES	186.98
			0976251		OFFICE SUPPLIES	66.79
			1001		TEEN CENTER SUPPLIES	5.95
			1004354		ISA MEMBERSHIP	185.00
			1053		COVID SUPPLIES	32.31
			111-0300125-3242643		COVID EOC SUPPLIES	161.55
			111-39218043633025		OFFICE SUPPLIES	24.64
			111-7263242-5393813		PUBLIC EDUCATION MATERIALS	366.18
			111-8239788-1509065		STATION SUPPLIES	14.43
			112-5113465-77122		TRAFFIC SUPPLIES	379.24
			112-5113465-77122B		TRAFFIC SUPPLIES	220.25
			112-7693589-6981041		EOC THERMOMETER PURCHASE	161.55
			112-9904113-5777827		EOC THERMOMETER PURCHASE	161.55
			113-1702530-9424251		WILDLAND SUPPLIES	32.31
			1133		COVID EOC SUPPLIES	1,744.45
			113-6917689-5645059		THERMOMETERS	161.55
			113-7315328-0580241A		WILDLAND SUPPLIES	10.76
			113-7315328-0580241B		WILDLAND SUPPLIES	273.47
			113-8943118-0785846		WILDLAND SUPPLIES	161.61
			114-2257875-2329803		EQUIPMENT ORGANIZER	49.84
			1208138468		ONLINE MEETING SOFTWARE	129.35

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125887	10/15/2020	10001 US BANK	(Continued)			
			1208143860		ONLINE MEETING SOFTWARE	129.35
			1208149916		ONLINE MEETING SERVICES	37.95
			123		STATION SUPPLIES	22.92
			123128157		OFFICE SUPPLIES	97.65
			12617289009		CREEK FIRE	40.87
			137564		CREDIT -RETURNED EQUIPMENT	-539.23
			14088		CARES ACT - PROMO	143.00
			143647413662626917		STATION SUPPLIES	43.09
			1744072796		DOMAIN NAME RENEWAL	36.34
			1788		SIGNS	197.18
			1789		SIGNS	21.55
			1815		CARES PROGRAM SUPPLIES	198.55
			182476770		DOMAIN RENEWAL	157.36
			1889376002		ONLINE MEETING SERVICE	86.78
			20016304B		STAFF UNIFORMS	1,312.71
			20029		MOSQUITO TREATMENT	19.33
			200916-08-1		CARLTON FIRE	982.00
			20432510		EQUIPMENT RENTAL	646.23
			20458		SHOP SUPPLIES	73.74
			21061		FOUNTAIN SUPPLIES	32.76
			25097251		DISC GOLF MONTHLY PASSES	475.91
			25331		TRAILER SUPPLIES	27.97
			28717		PROFESSIONAL DEVELOPMENT	40.00
			29083		SHOP/YARD SUPPLIES	26.87
			2975		MAST PARK	26.72
			300003715		MEMBERSHIP RENEWAL	130.00
			3008		CREEK FIRE	10.28
			30556486		PASSPORT PHOTO BACKDROP AN	69.81
			345033		CARLTON FIRE	28.05
			35		MEETING SUPPLIES	17.00
			3613814		SCREEN WIPES	24.76
			36158		MAST PARK	49.67
			3782-9		PAINT	111.61
			3870632A		TEEN CENTER FURNITURE	232.74
			3870632B		TEEN CENTER FURNITURE	232.74
			403 9 18 338		STATION SUPPLIES	660.82

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125887	10/15/2020	10001 US BANK	(Continued)			
			4167405		TRUCKS & TREATS	300.41
			4394		VALLEY FIRE	168.04
			4641		TEEN CENTER SUPPLIES	29.50
			473789953		VALLEY FIRE	79.80
			473790557		VALLEY FIRE	66.90
			48855		EMS SUPPLIES	344.32
			535363975		VALLEY FIRE	57.20
			58727		LIGHTNING COMPLEX FIRE	23.40
			5893828		MAST PARK	185.16
			61977		CHAINSAW FUEL	12.80
			6212		OPS YARD SUPPLIES	64.84
			62554781915		STORM DRAIN MARKERS	227.44
			62634		SIDEWALK REPAIRS	47.68
			627698		CREDIT-EXTRA SHIPMENT	-432.52
			636148349		LIGHTNING COMPLEX FIRE	38.01
			6446636		PAINT SUPPLIES	77.40
			6465044		COVID-19	161.55
			66304		CRACK SEALER	209.62
			670443		KNOX BOX	493.50
			6961042		WEB CAMERAS	1,453.95
			704817577-01		TRUCKS & TREATS	692.14
			7279		CARES PROGRAM SUPPLIES	13.70
			74729		PROFESSIONAL DEVELOPMENT	200.00
			7593043		BATTERIES	96.85
			765		CARES PROGRAM SUPPLIES	54.37
			79713		FOUNTAIN REPAIRS	19.35
			798		CARES PROGRAM SUPPLIES	87.79
			809		CARES PROGRAM SUPPLIES	52.46
			81347		FOUNTAIN REPAIRS	80.75
			81624		SIDEWALK REPAIRS	113.95
			8248		GENERAL SPECIAL EVENTS	45.00
			8258		COVID SUPPLIES	129.24
			836966		MAST PARK	34.11
			836966		MAST PARK	71.82
			8433808		PROFESSIONAL DEVELOPMENT	84.06
			8552		EDUCATION WORKSHOP	35.00

Bank code : ubgen


Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
125887	10/15/2020	10001 US BANK	(Continued)			
			861		CARES PROGRAM SUPPLIES	13.36
			9034652		CIP SUPPLIES	81.55
			9043445		BATTERIES	35.55
			9051412		PLANS EXAMINER TRAINING	14.02
			9073		CARES PROGRAM SUPPLIES	27.60
			9094671		VALLEY FIRE	38.25
			9094751		VALLEY FIRE	25.63
			9094837		VALLEY FIRE	31.82
			9115668		LIGHTNING COMPLEX FIRE	19.66
			96300		CREEK FIRE	31.71
			98263059		CIP DOCUMENTS	75.00
			99295		MATERIALS & SUPPLIES	153.18
			A000000003101001		VEHICLE MAINTENANCE	320.00
			BBB7102141426		STATION SUPPLIES	107.64
			CUIPARTSUS-00313938		STATION SUPPLIES	13.47
			DM4229091		COVID-19	1,168.87
			E/0609756		CREEK FIRE	85.27
			E/2583938		CREEK FIRE	100.36
			N8805107		FOUNTAIN REPAIRS	11.24
			PJ0046135053		CR-HEALTH SFTY OFFICER REG	-495.00
			RA290018151:01		VEHICLE REPAIR	558.84
			T-3874 A-0496809		WILDLAND SUPPLIES	162.34
			WEB1736521481		EQUIPMENT SUPPLIES	73.04
			XA290071540:01		VEHICLE REPAIR PART	61.41
			XA290071774:01		VEHCILE REPAIR PARTS	390.25
					Total :	22,774.64
					Bank total :	22,774.64
					Total vouchers :	22,774.64
1		Vouchers for bank code : ubgen				
1		Vouchers in this report				

Bank code : ubgen

<u>Voucher</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>PO #</u>	<u>Description/Account</u>	<u>Amount</u>
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Prepared by: 

Date: 10-15-2020

Approved by: 

Date: 10-15-2020

City of Santee
COUNCIL AGENDA STATEMENT

Item 4

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE APPROVAL OF THE EXPENDITURE OF \$143,112.72 FOR SEPTEMBER 2020 LEGAL SERVICES AND REIMBURSABLE COSTS

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *tm*

SUMMARY

Legal services invoices proposed for payment for the month of September 2020 total \$143,112.72 as follows.

1) General Retainer Services	\$ 15,558.73
2) Labor & Employment	2,820.20
3) Litigation & Claims	3,310.00
4) Special Projects - General Fund	9,126.47
5) Special Projects – Other Funds	286.80
6) Third-Party Reimbursable Projects	<u>112,010.52</u>
Total	<u>\$ 143,112.72</u>

FINANCIAL STATEMENT *tm*

	<u>AMOUNT</u>	<u>BALANCE</u>
General Fund:		
Adopted Budget	\$ 717,120.00	
Revised Budget	\$ 717,120.00	
Prior Expenditures	(89,879.89)	
Current Request	(30,815.40)	\$ 596,424.71
Other Funds (excluding applicant initiated items):		
Adopted Budget	\$ 1,000.00	
Revised Budget	\$ 85,000.00	
Prior Expenditures	(1,362.30)	
Current Request	(286.80)	\$ 83,350.90

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Approve the expenditure of \$143,112.72 for September 2020 legal services and reimbursable costs.

ATTACHMENTS (Listed Below)

1. Legal Services Billing Summary September 2020
2. Legal Services Billing Recap FY 2020-21

LEGAL SERVICES BILLING SUMMARY
September 2020

Attachment 1

DESCRIPTION	CURRENT AMOUNT	INVOICE NUMBER	NOTES
Retainer 1001.00.1201.51020	\$ 15,558.73 <u>15,558.73</u>	887467	
Labor & Employment: Labor & Employment Employee Benefits 1001.00.1201.51020	 1,935.90 884.30 <u>2,820.20</u>	 887444 887464	
Litigation & Claims: Litigation & Claims Affordable Housing Coalition of San Diego County Zulauf Receivership Parcel 4 Litigation 1001.00.1201.51020	 1,959.80 321.70 192.00 836.50 <u>3,310.00</u>	 887445 887460 887461 887466	
Special Projects (General Fund): Community Oriented Policing CEQA Special Advice Water Quality General Elections 1001.00.1201.51020	 1,218.90 1,218.90 310.70 2,294.40 <u>5,042.90</u>	 887452 887454 887462 887463	
Special Projects - COVID-19 (General Fund) COVID-19 Emergency Response 1001.99.9001.51020	 <u>4,083.57</u>	 887469	
Special Projects (Other Funds): Cuyamaca Street Right-of-Way Acquisition	 <u>286.80</u> <u>286.80</u>	 887446	 cip71402.30.05
Third-Party Reimbursable: Sky Ranch Lantern Crest Lantern Crest Parcel 4 Hotel Castlerock (Weston) MSCP Subarea Plan HomeFed Project Karl Strauss Verizon Wireless Facility (Santana HS) AT&T Wireless Facility (Santana Village) Redevelopment of Carlton Oaks Hillside Meadows Mitigation All Right Storage	 1,519.40 2,930.80 307.00 1,386.20 185.50 556.50 97,621.22 556.50 214.90 982.40 1,185.90 482.30 4,081.90 <u>112,010.52</u>	 887447 887448 887448 887465 887449 887451 887450 887453 887455 887455 887457 887456 887458	 grd0928a.40.05 cup1704a.10.05 grd1281a.20.05 excelena.10.05 spp0801a.10.05 spp1704a.10.05 spp1704a.10.05 dr15010a.10.05 var2001a.10.05 cup1903a.10.05 tm19001a.10.05 cup1802a.10.05 cup1905a.10.05
Total	 <u>\$ 143,112.72</u>		

**LEGAL SERVICES BILLING RECAP
FY 2020-21**

Attachment 2

<u>Category</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Previously Spent Year to Date</u>	<u>Available Balance</u>	<u>Current Request</u>	
					<u>Mo/Yr</u>	<u>Amount</u>
General Fund:						
General / Retainer	\$ 186,120.00	\$ 186,120.00	\$ 31,217.30	\$ 154,902.70	Sep-20	\$ 15,558.73
Labor & Employment	60,000.00	60,000.00	2,509.50	57,490.50	Sep-20	2,820.20
Litigation & Claims	210,000.00	210,000.00	10,683.10	199,316.90	Sep-20	3,310.00
Special Projects	261,000.00	261,000.00	45,469.99	215,530.01	Sep-20	9,126.47
Total	\$ 717,120.00	\$ 717,120.00	\$ 89,879.89	\$ 627,240.11		\$ 30,815.40
Other City Funds:						
Highway 52 Coalition	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 5,000.00		\$ -
MHFP Commission	5,000.00	5,000.00	23.90	4,976.10		-
Capital Projects	-	75,000.00	1,338.40	73,661.60	Sep-20	286.80
Total	\$ 10,000.00	\$ 85,000.00	\$ 1,362.30	\$ 83,637.70		\$ 286.80
Third-Party Reimbursable:						
Total			\$ 227,330.58		Sep-20	\$ 112,010.52

**Total Previously Spent to Date
FY 2020-21**

General Fund	\$ 89,879.89
Other City Funds	1,362.30
Applicant Deposits	227,330.58
Total	\$ 318,572.77

Total Proposed for Payment

General Fund	\$ 30,815.40
Other City Funds	286.80
Applicant Deposits	112,010.52
Total	\$ 143,112.72

**City of Santee
COUNCIL AGENDA STATEMENT**

Item 5

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE SECOND READING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, ESTABLISHING AN AUTOMATIC ONE-YEAR EXTENSION FOR ACTIVE DEVELOPMENT APPROVALS, DUE TO THE ECONOMIC IMPACTS OF THE NOVEL CORONAVIRUS (COVID-19)

DIRECTOR/DEPARTMENT Annette Ortiz, City Clerk

SUMMARY

The Introduction and First Reading of the above-entitled Ordinance was approved at a Regular Council Meeting on Wednesday, October 14, 2020. The Ordinance is now presented for Second Reading by title only, and adoption.

Vote at First Reading: AYES: HALL, HOULAHAN, KOVAL, MCNELIS, MINTO
 NOES: NONE
 ABSENT: NONE

m

FINANCIAL STATEMENT None

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*
Adopt the Ordinance.

ATTACHMENTS
Ordinance

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
ESTABLISHING AN AUTOMATIC ONE-YEAR EXTENSION FOR ACTIVE
DEVELOPMENT APPROVALS, DUE TO THE ECONOMIC IMPACTS OF
THE NOVEL CORONAVIRUS (COVID-19)**

WHEREAS, on March 4 2020, the Governor of the State of California proclaimed a state of an emergency to exist in California due to spread of the Novel Coronavirus (“COVID-19”); and

WHEREAS, on March 11, 2020, the World Health Organization (WHO) publicly characterized COVID-19 as a pandemic; and

WHEREAS, on March 13, 2020, the President of the United States declared a National Emergency due to the continued spread and the effects of COVID-19 and announced that the federal government would make emergency funding available to assist state and local governments in preventing the spread of and addressing the effects of COVID-19; and

WHEREAS, on March 16, 2020, the Governor of the State of California issued Executive Order N-28-20, wherein he found that the economic impacts of COVID-19 have been significant, and could threaten to undermine the stability of California businesses; and

WHEREAS, on March 25, 2020, the Santee City Council adopted Emergency Resolution 023-2020, declaring the existence of a local emergency due to COVID-19; and

WHEREAS, on March 27, 2020, the County Public Health Officer issued a new order, effective March 29, 2020 and continuing until further notice, limiting gatherings of a certain number, closing certain business establishments, limiting the operations of other business establishments, and requiring social distancing, increased sanitation standards, and the use of telecommuting; and

WHEREAS, as of the date of this Ordinance, business closures and reduced business hours, in addition to public health orders to limit public gatherings and socially distance, continue to have a financial impact on local business; and

WHEREAS, the Governor has labeled California’s economic crisis a “pandemic-induced recession;” and

WHEREAS, California Government Code section 8634 allows the Council, as the governing body, to make orders and regulations necessary during a local emergency to provide for the protection of life and property; and

WHEREAS, many businesses are experiencing restrictions on operations related to COVID-19, which delay their ability to proceed with approved development in the City; and

ORDINANCE NO. _____

WHEREAS, Santee Municipal Code section 13.04.090(A) provides that approvals for development review, conditional use permits, minor conditional use permits, variances, minor/major revisions and deviations shall lapse three years from the approval date, unless certain actions occur; and

WHEREAS, Santee Municipal Code section 13.04.090(B) provides that extensions of the approvals may be granted for up to two years and shall not exceed a total of five years from the original date of approval; and

WHEREAS, to help relieve the pressure on businesses resulting from the limitations on financing and construction due to the pandemic-induced recession, the City desires to automatically extend by one year all development approvals described in Santee Municipal Code section 13.04.090(A) that are in effect and not lapsed on October 14, 2020; and

WHEREAS, this automatic one-year extension will have no effect on an applicant's eligibility for other extensions otherwise allowed under the Santee Municipal Code.

NOW, THEREFORE, the City Council of the City of Santee does ordain as follows:

SECTION 1. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. An automatic one-year extension is granted to all City development approvals described in Santee Municipal Code section 13.04.090(A) that are in effect and have not lapsed as of October 14, 2020. This automatic one-year extension has no effect on an applicant's eligibility for other extensions otherwise allowed under the Santee Municipal Code.

SECTION 3. In accordance with the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.) ("CEQA") and the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), the City Council finds that adoption and implementation of this Ordinance is not subject to CEQA pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378), because this Ordinance has no potential for resulting in physical change to the environment, directly or indirectly. This Ordinance is also statutorily exempt under Title 14 of the California Code of Regulations, section 15269(c), as a specific action necessary to prevent or mitigate an emergency.

SECTION 4. The City Clerk shall either: (a) have this ordinance published in a newspaper of general circulation within 15 days after its adoption or (b) have a summary of this ordinance published twice in a newspaper of general circulation, once five days before its adoption and again within 15 days after its adoption.

ORDINANCE NO. _____

SECTION 5. If any provision of this ordinance or its application to any person or circumstance is held to be invalid, such invalidity has no effect on the other provisions or applications of the ordinance that can be given effect without the invalid provision or application, and to this extent, the provisions of this resolution are severable. The City Council declares that it would have adopted this resolution irrespective of the invalidity of any portion thereof.

INTRODUCED AND FIRST READ at a Regular Meeting of the City Council of the City of Santee, California on the 14th day of October, 2020, and thereafter **ADOPTED** at a Regular Meeting of the City Council held on the 28th day of October, 2020, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK


City of Santee
COUNCIL AGENDA STATEMENT

Item 6

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA ACCEPTING THE BUS STOP TRASH DIVERSION PROJECT (CIP 2019-20) AS COMPLETE**

DIRECTOR/DEPARTMENT Melanie Kush, Development Services 

SUMMARY

This item requests City Council accept the Bus Stop Trash Diversion Project (CIP 2019-20) as complete. This project installed trash capture devices inside existing storm drain inlets downstream from bus stops at 14 locations across the City (refer to Exhibit).

City Council awarded the construction contract for the Bus Stop Trash Diversion, CIP 2019-20 project to Downstream Services, Inc. on February 26, 2020 in the amount of \$19,612.71 and authorized the Director of Development Services to approve change orders in a total amount not to exceed \$4,903.00. A Notice to Proceed was issued on June 26, 2020. One construction change order was issued allowing a non-compensable contract time extension due to unforeseen shipping delays.

Staff requests City Council accept the project as complete and direct the City Clerk to file a Notice of Completion.

FINANCIAL STATEMENT 

Funding for this project was provided by Transit Development Act (TDA) funds, and is included in the adopted Capital Improvement Program (FY 2020-2024) budget as part of the Storm Drain Trash Diversion Program. The project was completed below the \$52,760.00 budget.

Design & Bidding	\$ 24,638.52
Original Construction Contract	19,612.71
Construction Engineering/Management	5,381.41
Estimated Project Closeout	<u>1,500.00</u>
Total Project Cost	<u>\$ 51,132.64</u>

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION 

Adopt the attached Resolution accepting the Bus Stop Trash Diversion Project (CIP 2019-20) as complete.

ATTACHMENTS

- Resolution
- Exhibit – Location Map

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
ACCEPTING THE BUS STOP TRASH DIVERSION PROJECT (CIP 2019-20) AS
COMPLETE**

WHEREAS, the City Council awarded the construction contract for the Bus Stop Trash Diversion Project (CIP 2019-20) to Downstream Services, Inc. on February 26, 2020 for \$19,612.71; and

WHEREAS, City Council authorized staff to approve construction change orders in a total amount not to exceed \$4,903.00; and

WHEREAS, one non-compensable change order was approved for a contract time extension; and

WHEREAS, the project was completed for a total contract amount of \$19,612.71; and

WHEREAS, Downstream Services, Inc. has completed the project in accordance with the contract documents.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, that the work for the construction of the Bus Stop Trash Diversion Project (CIP 2019-20) is accepted as complete on this date and the City Clerk is directed to record a Notice of Completion.

ADOPTED by the City Council of the City of Santee, California, at a Regular meeting thereof held this 28th day of October, 2020, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK



Bus Stop Trash Diversion CIP 2019-20

● Trash Capture Device Locations

City of Santee
COUNCIL AGENDA STATEMENT

Item 7

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA ACCEPTING THE CITYWIDE SLURRY SEAL AND ROADWAY MAINTENANCE PROGRAM 2020 PROJECT (CIP 2020-04) AS COMPLETE

DIRECTOR/DEPARTMENT Melanie Kush, Development Services



SUMMARY

This item requests City Council accept the Citywide Slurry Seal and Roadway Maintenance Program 2020 Project (CIP 2020-04) as complete. This project resurfaced a total of 31 streets as identified in the Pavement Management Report. The streets are identified on the attached street list.

On July 22, 2020, City Council awarded the construction contract to American Asphalt South, Inc. for a total contract amount of \$627,832.20 and authorized change orders not to exceed \$94,174.83 for unforeseen items and additional work. On September 9, 2020, the City Council increased the change order authorization to \$125,192.63

A Notice to Proceed was issued on August 24, 2020 and the work was completed on October 5, 2020. A total of two change orders were approved in the amount of \$111,826.11 for a final contract amount of \$739,658.31.

FINANCIAL STATEMENT

Funding for this project was included in the adopted Capital Improvement Program budget as part of the Pavement Roadway Maintenance Citywide project. Funding for this project was provided by TransNet Local Street Improvements funds, SB1 funds, Padre Dam Municipal Water District and the General Fund.

Design and Bidding	\$ 19,655.87
Construction Contract	627,832.20
Construction Change Orders	111,826.11
Construction Engineering/Management	15,614.76
Project Closeout	2,500.00
Total Project Cost	<u>\$ 777,428.94</u>

CITY ATTORNEY REVIEW

N/A

Completed

RECOMMENDATION



Adopt the attached Resolution accepting the Citywide Slurry Seal and Roadway Maintenance Program 2020 Project (CIP 2020-04) as complete.

ATTACHMENTS

Resolution

Street List

Street Map

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
ACCEPTING THE CITYWIDE SLURRY SEAL AND ROADWAY MAINTENANCE
PROGRAM 2020 PROJECT (CIP 2020-04) AS COMPLETE**

WHEREAS, on July 22, 2020, the City Council awarded the construction contract for the Citywide Slurry Seal and Roadway Maintenance Program 2020 Project (CIP 2020-04) to American Asphalt South, Inc. for \$627,832.20, and authorized staff to approve construction change orders in a total amount not to exceed \$94,174.83; and

WHEREAS, on September 9, 2020 the City Council increased the change order authorization to a total amount not to exceed \$125,192.63; and

WHEREAS, two change orders were approved for the project in the amount of \$111,826.11; and

WHEREAS, the project was completed for a total contract amount of \$739,658.31; and

WHEREAS, American Asphalt South, Inc. has completed the project in accordance with the contract plans and specifications.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, that the work for the construction of the Citywide Slurry Seal and Roadway Maintenance Program 2020 Project (CIP 2020-04) is accepted as complete on this date and the City Clerk is directed to record a Notice of Completion.

ADOPTED by the City Council of the City of Santee, California, at a Regular meeting thereof held this 28th day of October 2020 by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

Citywide Slurry Seal and Roadway Maintenance Program 2020, CIP 2020-04

Street List

Zone AA

Dalehurst Rd
Holmby Wy
Settle Rd
Strathmore Dr
Swanton Dr

Zone BD

Casa Ct
Clivia St
Healy Ct
Healy Wy
Julio Pl
Santana St
Susie Ln

Zone EB

Aubrey Glen Dr
Azure View
Big Rock Rd
Cherub Ct
Linen Dr
Little Rock Rd
Matterhorn Dr
Mesa Rd
Organdy Ln
Poplin Dr
Rancho Fanita Dr
Sandstone Dr
Shantung Dr
Smokewood Dr
Sunridge Dr

Zone EE

Atlas View Dr
Pryor Dr
Rhone Rd
Shanes Wy

ZONE AA

ZONE BD

ZONE EB

ZONE EE

FANITA PKWY

CARLTON HILLS BLVD

MAST BLVD

CUYAMACA STREET

MISSION GORGE RD

**Citywide Slurry Seal and Roadway Maintenance Program 2020
(CIP 2020-04)**



City of Santee
COUNCIL AGENDA STATEMENT

Item 8

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA ACCEPTING THE CITYWIDE PAVEMENT REPAIR AND REHABILITATION PROGRAM 2020 PROJECT (CIP 2020-03) AS COMPLETE

DIRECTOR/DEPARTMENT Melanie Kush, Development Services



SUMMARY

This item requests City Council accept the Citywide Pavement Repair and Rehabilitation Program 2020 Project (CIP 2020-03) as complete. This project resurfaced a total of 5 streets as identified in the Pavement Management Report.

On July 22, 2020, City Council awarded the construction contract to A.M. Ortega Construction, Inc. for a total contract amount of \$332,177.20 and authorized change orders not to exceed \$33,217.00 for unforeseen items and additional work.

A Notice to Proceed was issued on August 24, 2020 and the work was completed on October 8, 2020. A total of four change orders were approved in the deductive amount of (\$27,621.03) for a final contract amount of \$304,556.17.

FINANCIAL STATEMENT

Funding for this project was included in the adopted Capital Improvement Program budget as part of the Pavement Roadway Maintenance Citywide projects. Funding for this project was provided by TransNet Local Street Improvements funds and SB1 funds.

Design and Bidding	\$ 17,965.09
Construction Contract	332,177.20
Construction Change Orders	(27,621.03)
Construction Engineering/Management	12,486.89
Project Closeout	2,500.00
Total Project Cost	<u>\$ 337,508.15</u>

CITY ATTORNEY REVIEW

N/A Completed

RECOMMENDATION

Adopt the attached Resolution accepting the Citywide Pavement Repair and Rehabilitation Program 2020 Project (CIP 2020-03) as complete.

ATTACHMENTS

Resolution Street List Street Map

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
ACCEPTING THE CITYWIDE PAVEMENT REPAIR AND REHABILITATION
PROGRAM 2020 PROJECT (CIP 2020-03) AS COMPLETE**

WHEREAS, the City Council awarded the construction contract for the Citywide Pavement Repair and Rehabilitation Program 2020 Project (CIP 2020-03) to A.M. Ortega Construction, Inc. on July 22, 2020 for \$332,177.20; and

WHEREAS, City Council authorized staff to approve construction change orders in a total amount not to exceed \$33,217.00; and

WHEREAS, four change orders were approved for the project in the deductive amount of (\$27,621.03); and

WHEREAS, the project was completed for a total contract amount of \$304,556.17; and

WHEREAS, A.M. Ortega Construction, Inc. has completed the project in accordance with the contract plans and specifications.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, that the work for the construction of the Citywide Pavement Repair and Rehabilitation Program 2020 Project (CIP 2020-03) is accepted as complete on this date and the City Clerk is directed to record a Notice of Completion.

ADOPTED by the City Council of the City of Santee, California, at a Regular meeting thereof held this 28th day of October, 2020 by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

Citywide Pavement Repair and Rehabilitation Program 2020, CIP 2020-03

Street List

Zone AA

Settle Rd (Lake Canyon Rd to Las Lomas Rd)

Zone EB

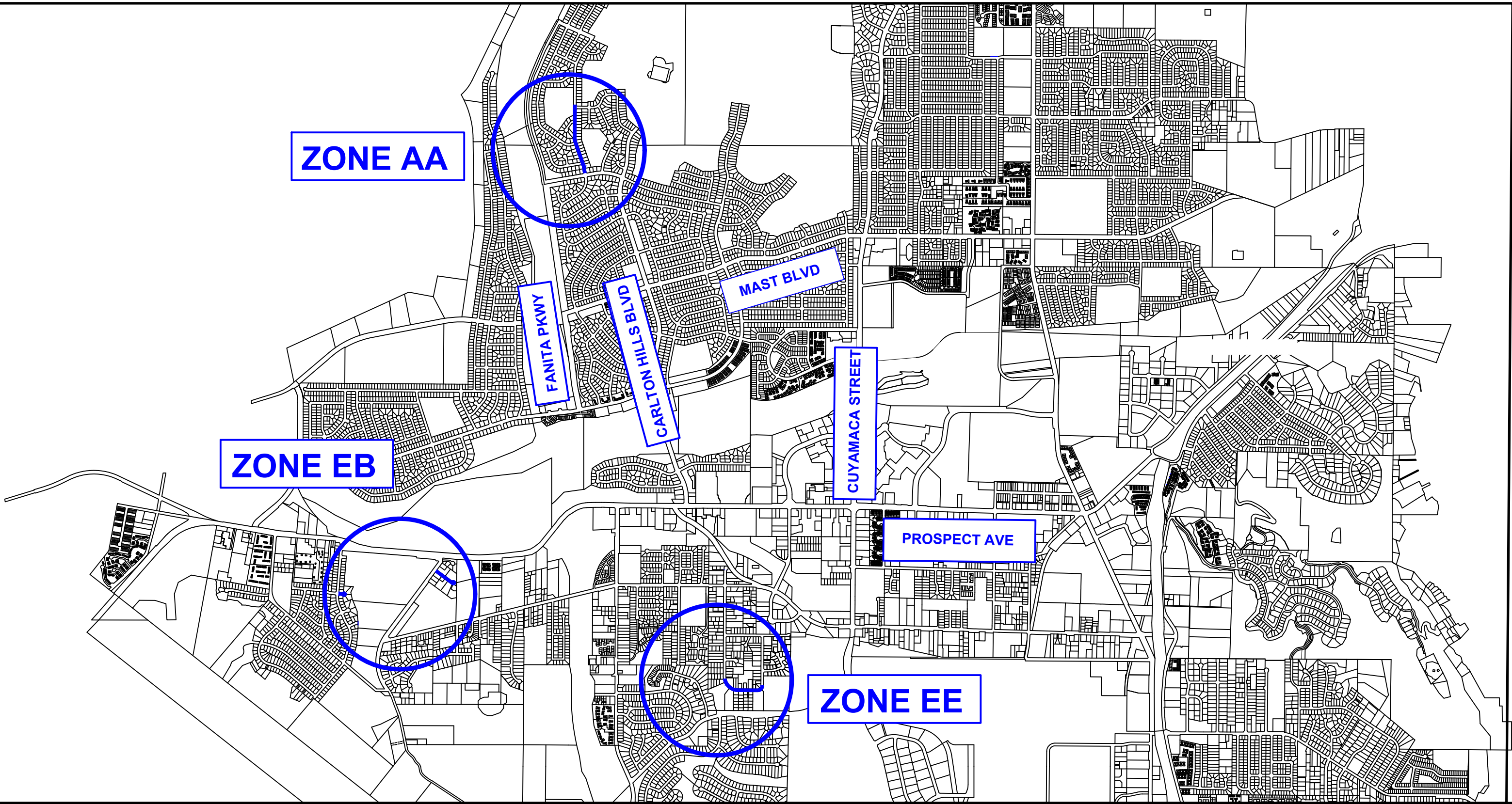
Graham Terrace

Woodpecker Wy (Big Rock Rd to East Cul de sac)

Zone EE

Atlas View Dr (North of Atlas View Ct to Slope St)

Slope St (Atlas View Dr to Rhone Rd)



**Citywide Pavement Repair and Rehabilitation Program 2020
(CIP 2020-03)**



City of Santee
COUNCIL AGENDA STATEMENT

Item 9

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE SECOND WORKSHOP ON THE USE OF CARES ACT COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS (CDBG-CV) FUNDING

DIRECTOR/DEPARTMENT Melanie Kush, Development Services 

SUMMARY On March 27, 2020, the President signed H.R. 748, known as the Coronavirus, Relief, and Economic Security (CARES) Act. The CARES Act provides an additional \$5 billion of Community Development Block Grant – Coronavirus (CDBG-CV) funds to rapidly prepare, prevent and respond to the Coronavirus Pandemic. On September 11, 2020, HUD announced that the City of Santee will be receiving an additional ("Round 3") and final CDBG-CV allocation in the amount of \$381,002.

At the October 14, 2020 City Council meeting the City Council received a staff presentation on CDBG-CV funding options, provided input on the proposed funding options in support of the following activities:

	Amount
• Rental Assistance for Up to 6 Months	\$ 356,952
• Program Administration	19,050
• East County Homeless Task Force (Program Administration)	5,000
TOTAL	<u>\$ 381,002</u>

In addition to the "Round 3" CDBG-CV funds, a total of \$42,310 in Program Year (PY) 2020 CDBG funds are available to be allocated to other activities to respond to the coronavirus pandemic. This funding comes from \$38,810 in PY 2020 Debt Service Reserve, which is no longer needed, and \$3,500 from the Lutheran Social Services – Caring Neighbors program, which was suspended based on coronavirus related safety concerns.


The City has received requests for additional coronavirus response funding from the following subrecipients; Cameron Family YMCA, Boys & Girls Clubs of East County, Crisis House, Santee Santos Foundation, Meals on Wheels, and ElderHelp of San Diego. The available CDBG funding can be allocated amongst these recipients.

NEXT STEPS: Based on the City Council's direction on funding allocations for CDBG-CV and CDBG, staff will prepare Program Years 2019 and 2020 Annual Action Plan Amendments for consideration at the November 18, 2020 City Council Meeting.

ENVIRONMENTAL REVIEW This item is exempt from environmental review under the California Environmental Quality Act ("CEQA") by CEQA Guidelines section 15061(b)(3) because the action does not have the potential for causing a significant effect on the environment.

FINANCIAL STATEMENT The City has been allocated \$381,002 in CDBG-CV ("Round 3") funds and has \$42,310 in Program Year 2020 CDBG funding that can be reallocated to coronavirus response activities, bringing the total amount available to be allocated to \$423,312.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION  Consider funding options and provide direction to staff in order to prepare the Annual Action Plan Amendments for Program Years 2019 and 2020.

ATTACHMENT

Staff Report

Request Letter from East County Homeless Task Force

STAFF REPORT

SECOND WORKSHOP ON THE USE OF CARES ACT COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS (CDBG-CV) FUNDING

CITY COUNCIL MEETING
OCTOBER 28, 2020

A. CDBG-CV BACKGROUND

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law by President Trump on March 27, 2020, which included additional CDBG funds to assist communities across the United States in mitigating the impacts of COVID-19. The CARES Act provides flexibilities for CDBG grantees to make it easier to use CDBG-CV, Program Year 2019 and Program Year 2020 CDBG grants for coronavirus response. Notably, the flexibilities granted are the immediate availability of a five-day public comment period (reduced from 30 days) for amendments and new plan submissions, and removal of the 15 percent CDBG public services funding cap to *prevent, prepare for, and respond* to the coronavirus pandemic.

The CARES Act provided that CDBG-CV funds would be distributed over three “rounds” of allocations. The City received a letter from HUD dated April 2, 2020 indicating that it would be receiving \$162,104 in “Round 1” CDBG-CV funding. The funding allocations as determined through the two City Council Workshops in May 2020 for the “Round 1” allocation, as well as, the reallocation of \$85,389 in Program Year 2019 Entitlement CDBG funds, are listed in the chart below.

Category	Subrecipient\Grantee	Approved Allocation	Activity Description	Status
Public Services	Boys and Girls Clubs	\$ 5,000	Child Care Services	Complete
Public Services	Cameron Family YMCA	\$ 5,000	Child Care Services	Complete
Public Services	Crisis House	\$ 15,000	CDBG-CV - Emergency Shelter	Complete
Public Services	ElderHelp of San Diego	\$ 8,000	Home Delivered Food for Seniors	Underway
Public Services	Meals-On-Wheels	\$ 2,000	Meal Delivery for Seniors	Complete
Public Services	Santee Food Bank	\$ 15,000	Operational Expenses, PPEs	Underway
Public Services	Santee Santas	\$ 10,000	Home Delivered Food for Seniors	Complete
Public Services	Emergency Rental Assistance	\$ 25,073	CDBG-CV - Rental Assistance	Underway
Program Administration	City of Santee	\$ 32,420	CDBG-CV General Program Administration	Underway
Economic Development	East County Economic Development Council	\$ 130,000	CDBG-CV & CDBG - Microenterprise Assistance Program (MAP) Grants	Underway
TOTAL		\$ 247,493		

The City did not receive any funds from the “Round 2” funding allocation as these funds were directed entirely to States and Territories. On September 11, 2020 the United States Department of Housing and Urban Development (HUD) released all of the “Round 3” CDBG-CV funding

allocations and the City of Santee will be receiving \$381,002. The total amount of the City's CDBG-CV allocation is \$543,106 after this third and final round of funding. In addition, \$85,389 in Program Year 2019 Entitlement CDBG funds have previously been reallocated and \$42,310 in Program Year 2020 Entitlement CDBG funds have been identified as available for reallocation.

B. SUGGESTED “ROUND 3” FUNDING ALLOCATION

Considering the impact the coronavirus pandemic has had on employment, especially for low-income households with members in service occupations, many renters in Santee are likely in jeopardy of losing their housing after the pandemic-related renter eviction protections expire. There are more than 6,500 rental households in Santee and based on overall city demographics, approximately 1,235 (19%) are low income. The allocation of \$356,952 in “Round 3” CDBG-CV funding towards rental assistance would result in at least 30 households being able to maintain their current housing.

Based on the need to assist Santee residents in jeopardy of losing their housing, staff presented the option of using most of the “Round 3” funds for rental assistance at the October 14th City Council meeting. In addition to rental assistance, five percent of the “Round 3” funds are suggested to be used for Program Administration and \$5,000 is suggested to assist the East County Homeless Task Force (HTF) with their efforts to provide homeless services in response to the coronavirus pandemic in Santee (request letter attached). A chart showing the suggested “Round 3” CDBG-CV funding is below.

Category	Suggested Amount	Comments
Rental Assistance Up to 6 Months	\$ 356,952	Subrecipients be determined by targeted outreach.
Program Administration	\$ 19,050	5% of Total Amount. City staff time and administrative costs.
East County Homeless Task Force	\$ 5,000	To support the East County HTF's mission.
TOTAL	\$ 381,002	

C. PROGRAM YEAR 2020 CDBG FUND RE-ALLOCATION

A total of \$42,310 in Program Year (PY) 2020 CDBG funds are available to be reallocated to other programs to respond to the coronavirus pandemic. This funding comes from \$38,810 in PY 2020 Debt Service Reserve, which is no longer needed as the Section 108 Loan will be paid off in August 2021 and \$3,500 from the Lutheran Social Services – Caring Neighbors program, which was suspended based on coronavirus-related volunteer safety concerns.

Based on the availability of PY 2020 CDBG funds for re-allocation staff reached out to current subrecipients to determine their desire for additional funding to respond to the coronavirus pandemic. This chart below shows the subrecipients that have requested additional funding, the amounts they requested and the activities to be funded.

Current Subrecipient	Requested Amount	Additional\Enhanced Services
Cameron Family YMCA	\$ 10,000	Child Care - Includes Academic Enrichment half-day program, gymnastics, and swim lessons.
Boys & Girls Clubs of East County	\$ 5,000	Child Care - 20 Fall Camp Scholarships
Crisis House	\$ 15,000	Emergency Shelter for six at-risk households for up to 28 days of overnight stays, case management, food.
ElderHelp of San Diego	\$ 14,400	Home grocery delivery for 30 to 50 seniors per month. Six months of services.
Meals-On-Wheels	\$ 6,000	Additional meal deliveries for 45 new Senior Santee Meals on Wheels recipients.
Santee Santas Foundation	\$ 10,000	Holiday Food Program specific to Seniors.
TOTAL	\$ 60,400	

At the October 28, 2020 City Council meeting \$42,310 is available to be reallocated by the City Council. The City Council may also decide to fund one or more of the activities listed above out of the “Round 3” CDBG-CV funds.

D. NEXT STEPS

Following City Council’s direction, the following steps will occur to allocate these CDBG-CV and Program Year 2020 CDBG funds.

Amend Program Years 2019 and 2020 Annual Action Plans – HUD requires the preparation of an Annual Action Plan to describe how federal funds will benefit low income households. HUD had recently provided guidance that jurisdictions should amend their Annual Action Plans to allocate CDBG-CV and any available CDBG funds towards activities to prevent the spread of Coronavirus. These Amendments would focus on how the CDBG-CV and redirected CDBG funds would be used to respond to the coronavirus pandemic.

Based on direction provided at this and the October 14, 2020 City Council meetings, staff will prepare and notice amendments to the PY 2019 and PY 2020 Annual Action Plans for approval at the November 18, 2020 City Council Public Hearing.

E. RECOMMENDATION

Consider funding options and provide direction to staff in order to prepare the Annual Action Plan Amendments for Program Years 2019 and 2020.



October 19, 2020

Bill Crane
Senior Management Analyst, Development Services
City of Santee

Dear Mr. Crane,

Thank you for inviting the East County Homeless Task Force to submit this \$5000 funding request.

We all know that homelessness is a challenge that many U.S. regions are dealing with, including San Diego. Per the Annual Point-in-Time (PIT) count, San Diego County has the 4th highest homeless population in the nation, and now ***East County has the second-highest homeless population in the county.*** In 2016, businesses, governments, and residents alike were frustrated and wanted to do more. The San Diego East County Chamber Foundation reacted to the community's outcry to address this challenging problem, and the East County Homeless Task Force (ECHTF) was born. The ECHTF represents East County's four cities and unincorporated communities.

In early 2017, over 100 community members—including those with lived experience—stepped up to volunteer their time and expertise to learn how to address the needs of both specific situations and unique populations. Today, we continue to welcome and collaborate with community members from both the public and private sectors. Organizations, institutions, and municipalities with concerns about homelessness operate independently and enjoy input and support from the ECHTF. Taskforce support includes:

- increasing service provider programs' capacity
- creating opportunity for new partnerships
- facilitating collaboration to bring funding to the region
- providing information about access to resources
- advocating for housing policy
- acting as a conduit for inserting East County needs into County-wide discussions
- sponsoring monthly, East County coordinated homeless outreach meetings

Accomplishments include creating and distributing printed resource guides, the ECAssist.org website's launch, and leading meetings in Lakeside to address the impacts of homelessness in the San Diego Riverbed.

We know you are concerned about the health and well-being of all Santee residents, and especially the most vulnerable. Many of the CDC's recommendations to prevent the spread of COVID-19 are difficult for a person experiencing homelessness. The task force joins the local and county-wide efforts to magnify the resources and connections available for responding to the needs of this vulnerable population during this challenging time. To sustain our momentum, we seek Santee's ongoing contribution to the East County Homeless Task Force and invite the City of Santee to join El Cajon and La Mesa as municipal funding partners.

Thank you.

Bryan Shull

East County Homeless Task Force Steering Committee Chair
Board Member San Diego East County Chamber of Commerce

City of Santee
COUNCIL AGENDA STATEMENT

Item 10

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA ACCEPTING THE PUBLIC IMPROVEMENTS FOR WESTON PARK (CIP 2018-47) AS COMPLETE. LOCATION: 9050 TRAILMARK WAY, SANTEE, CA 92071**

DIRECTOR/DEPARTMENT Melanie Kush, Development Services *MK*

SUMMARY

This item requests City Council accept the public improvements constructed for Weston Park located at 9050 Trailmark Way, Santee, CA 92071 in the Weston subdivision (formerly Castlerock). The Weston Park improvements have been completed by Pardee Homes in accordance with a Park Development Agreement ("Agreement") between the City and Pardee Homes. Said Agreement stipulates the improvement of a gross 4-acre Neighborhood Park, with a minimum 3-acre net usable area. The Agreement further stipulates park improvements, to include a restroom building, parking lot (17 parking spaces), shade shelter, four picnic tables, three park benches, a bike repair station, a lit decomposed granite walking trail, turf (grass) multi-use area, and drought tolerant landscaping. The parking lot is pre-wired for two electric vehicle charging stations for future installation. These improvements are complete, ready for acceptance, and incorporation into the City Park Inventory. All required public improvements for Weston Park have been constructed in accordance with the Agreement, accepted plans, and to the satisfaction of the Director of Development Services.

ENVIRONMENTAL REVIEW An Environmental Impact Report was certified by the City of San Diego (SCH#2004061029) on September 13, 2013, which included the Neighborhood Park within the Weston development. No further environmental review is required for acceptance of the Neighborhood Park by the City.

for
FINANCIAL STATEMENT Costs for the maintenance and operation of Weston Park are included in the adopted Community Services Department operating budget which are offset by revenues generated by the Weston development and special taxes received from Community Facilities District No. 2017-2 (Weston Municipal Services).

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATIONS *MOB*

Adopt the attached Resolution:

1. Accepting the Weston Park public improvements as complete and accepting Weston Park into the City Park Inventory; and
2. Directing the City Clerk to release 90 percent of the faithful performance bond, retain 10 percent for 12 months as a warranty bond, and retain the labor and material bond for six months.

ATTACHMENTS

Resolution Vicinity Map

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
ACCEPTING THE PUBLIC IMPROVEMENTS FOR WESTON PARK (CIP 2018-47)
AS COMPLETE**

LOCATION: 9050 TRAILMARK WAY, SANTEE, CA 92071

WHEREAS, Pardee Homes, the developer for the Weston subdivision, entered into a Park Development Agreement with the City of Santee to construct certain public improvements associated with the development including Weston Park; and

WHEREAS, the public improvements for Weston Park are constructed according to the Park Development Agreement, accepted plans, and to the satisfaction of the Director of Development Services.

NOW, THEREFORE BE IT RESOLVED that City Council of the City of Santee, California, does hereby accept the Weston Park public improvements as complete and accept Weston Park into the City Park Inventory.

BE IT FURTHER RESOLVED that the City Council does hereby direct the City Clerk to release 90 percent of the faithful performance bond, retain 10 percent for 12 months as a warranty bond, and retain the labor and material bond for six months. The retained bonds shall be released upon approval of the Director of Development Services.

ADOPTED by the City Council of the City of Santee, California, at a Regular meeting thereof held this 28th day of October 2020, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

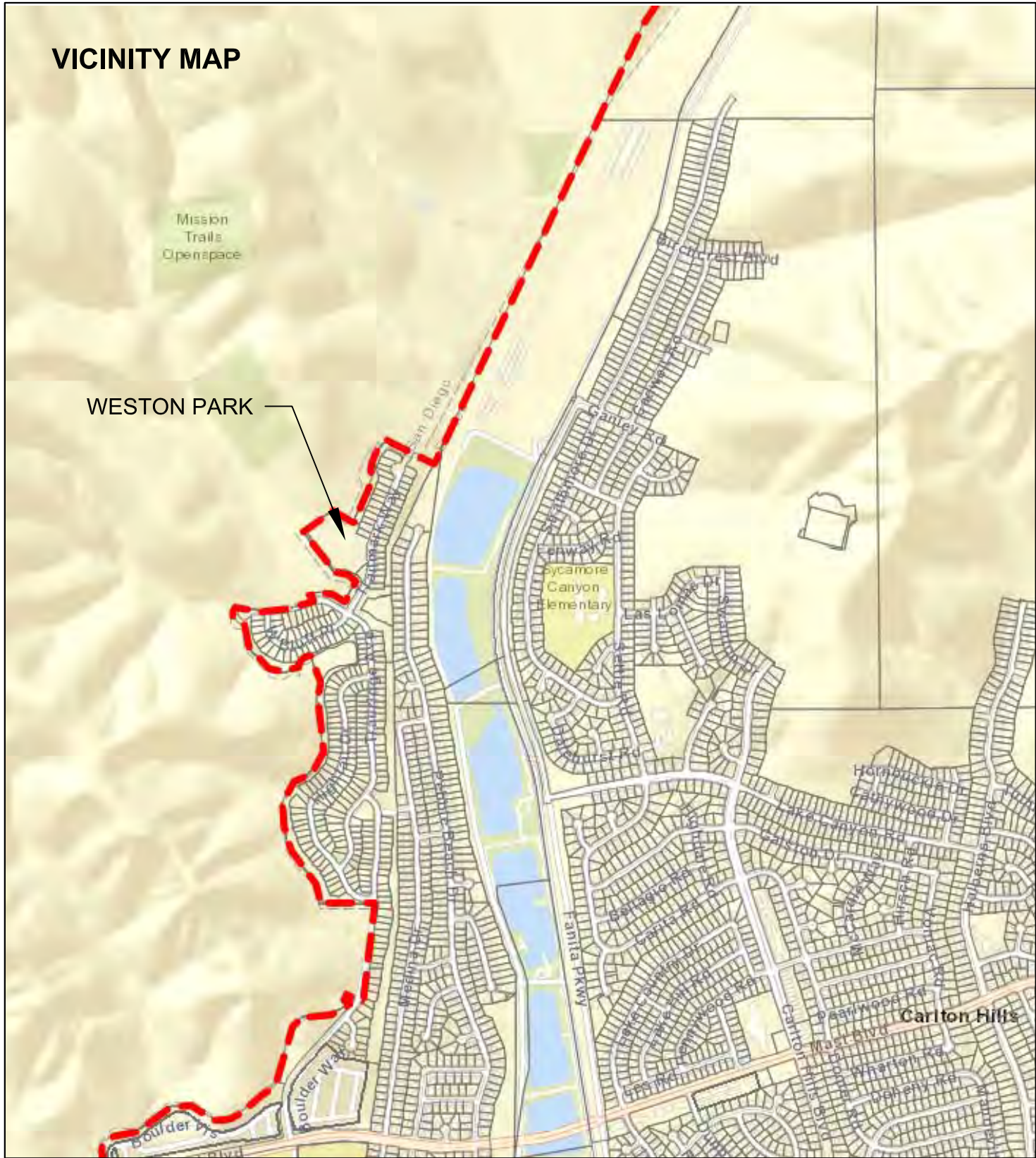
JOHN W. MINTO, MAYOR

ATTEST:

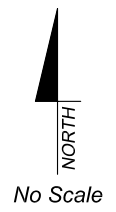
ANNETTE ORTIZ, CMC, CITY CLERK

VICINITY MAP

WESTON PARK



WESTON PARK



City of Santee
COUNCIL AGENDA STATEMENT

Item 11

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE RESOLUTION ACCEPTING THE AWARD OF STATE GRANT FUNDS FROM THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT 2020 LOCAL EARLY ACTION PLANNING GRANTS PROGRAM (LEAP) FOR SANTEE'S SIXTH CYCLE HOUSING ELEMENT, AUTHORIZING THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH RECON ENVIRONMENTAL, INC. FOR ENVIRONMENTAL CONSULTING SERVICES RELATED TO HOUSING ELEMENT GENERAL PLAN AMENDMENTS AND ZONE CHANGES, AND APPROPRIATING FUNDS

DIRECTOR/DEPARTMENT Melanie Kush, Development Services *MK*

SUMMARY The Department of Housing and Community Development (HCD) has awarded \$150,000 to the City to facilitate its update to the Housing Element, specifically, in the identification of sufficient land zoned to support housing affordable at various income levels. As part of the Housing Element Update, the City has tentatively identified 35 sites that would constitute its Residential Sites Inventory (attached). Twenty-six sites would need to be re-zoned. Three of these sites have been identified for down-zoning, seven have been identified for re-zoning from a non-residential to a residential zone, nine sites would retain their existing zoning classification, and 16 sites would require up-zoning to a higher residential density. In order for the City to adopt these zone changes, environmental clearance in the form of a Program Environmental Impact Report (Program EIR) would be processed. A Program EIR would evaluate the proposed general plan amendments/rezones at a higher "programmatic" level, where the environmental impacts would be assessed for the proposed changes as a whole, rather than at a site-specific level. A Request for Proposals to prepare the Program EIR was publicized on the City's website and in the East County Californian and mailed to qualified environmental consultants. The City received and evaluated four proposals, and RECON Environmental, Inc. was identified as the most qualified and cost effective.

ENVIRONMENTAL REVIEW Per California Environmental Quality Act (CEQA) Guidelines Section 15378 the subject agreement is not a project under CEQA and, therefore, is not subject to CEQA review.

FINANCIAL STATEMENT An appropriation from the General Fund reserve balance is requested in the amount of \$72,805 for a total project cost of \$222,805. This amount reflects a not-to-exceed consultant cost of \$172,805 and out-of-contract costs of \$50,000 for anticipated legal review and incidental processing associated with the Housing Element update. The total project cost would be offset with \$150,000 of Local Early Action Program (LEAP) Grant funds.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATIONS *MOB*

Adopt the Resolution:

- 1) Accepting and appropriating the LEAP Grant from HCD;
- 2) Authorizing the City Manager to execute a Professional Services Agreement with RECON Environmental, Inc. in a contract amount not to exceed \$172,805; and
- 3) Appropriating \$72,805 from the General Fund reserve balance to cover the Professional Services Agreement funding gap (\$22,805) and anticipated legal review and incidental processing costs associated with the Housing Element Update (\$50,000).

ATTACHMENTS

Resolution RECON Proposal Residential Sites Inventory HCD Award Letter

RESOLUTION NO. _____

RESOLUTION ACCEPTING THE AWARD OF STATE GRANT FUNDS FROM THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT 2020 LOCAL EARLY ACTION PLANNING GRANTS PROGRAM (LEAP) FOR SANTEE'S SIXTH CYCLE HOUSING ELEMENT, AUTHORIZING THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH RECON ENVIRONMENTAL, INC. FOR ENVIRONMENTAL CONSULTING SERVICES RELATED TO HOUSING ELEMENT GENERAL PLAN AMENDMENTS AND ZONE CHANGES, AND APPROPRIATING FUNDS

WHEREAS, the Housing Element is the City's main housing policy and planning document that identifies housing needs and constraints, sets forth goals and policies that address these needs and constraints, and plans for projected housing needs for all income levels over an eight-year planning period that coincides with a Regional Housing Needs Allocation; and

WHEREAS, the state mandates that all jurisdictions throughout the state maintain a Housing Element certified by the California Department of Housing and Community Development (HCD); and

WHEREAS, a Housing Element must include a Residential Sites Inventory that meets the City's assigned Regional Housing Needs Allocation (RHNA); and

WHEREAS, HCD has awarded a Local Early Action Planning Grant (LEAP) to the City in the amount of \$150,000 to facilitate compliance in implementing the Sixth Cycle of the RHNA; and

WHEREAS, the City Council considered a preliminary Residential Sites Inventory at a workshop on March 11, 2020; and

WHEREAS, the proposed Residential Sites Inventory includes sites that would be subject to General Plan and Town Center Specific Plan Amendments and a reclassification of base zone districts ("rezones"); and

WHEREAS, sites on the proposed Residential Sites Inventory must be assessed for environmental impacts prior to corresponding General Plan Amendments, Town Center Specific Plan Amendments and rezones; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA) Guidelines Section 15378 the subject Professional Services Agreement is not a project under CEQA and therefore, is not subject to CEQA review; and

WHEREAS, in May 2020 the City solicited a Request for Proposals for consultant services to assist in the environmental clearance for General Plan/Town Center Specific Plan Amendments and rezones related to the Housing Element with a legal advertisement in the East County Californian newspaper and on the City's website; and

WHEREAS, the City received four (4) proposals; and

RESOLUTION NO. _____

WHEREAS, City staff carefully evaluated the proposals received and determined that RECON Environmental, Inc. is highly qualified to perform the services needed to complete the environmental clearance; and

WHEREAS, the cost proposal received in the amount of \$172,805 for professional services was the least expensive of the proposals received; and

WHEREAS, the costs for professional services would be offset with \$150,000 of Local Early Action Program (LEAP) Grant funds from the California Department of Housing and Community Development (HCD) that were awarded to the City on September 2, 2020 resulting in a funding gap of \$22,805; and

WHEREAS, additional costs in the amount of \$50,000 are anticipated to be incurred for internal legal review associated with the update to the Housing Element and incidental processing costs, such as environmental postings, public notices, and legal newspaper advertisements.

NOW, THEREFORE, BE IT RESOLVED that the City of Santee City Council, accepts and appropriates the LEAP Grant from HCD in the amount of \$150,000, authorizes the City Manager to execute a Professional Services Agreement with RECON Environmental, Inc. in an amount not to exceed \$172,805, authorizes the Director of Development Services to execute the HCD Grant Agreement and associated documents on behalf of the City, and appropriates \$72,805 from the General Fund reserve balance for additional costs identified herein.

ADOPTED by the City Council of the City of Santee, California, at a Regular meeting thereof held this 28th day of October, 2020 by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK



PROPOSAL

**ENVIRONMENTAL CONSULTING SERVICES
for General Plan Amendments and Zone Changes
for the Sixth Cycle Housing Element**

RFP NO. 20-21 40020

Prepared for
City of Santee
City Clerk - Building 3
Attention: Michael Coyne
10601 Magnolia Avenue
Santee, CA 92071

RECQN

May 26, 2020



An Employee-Owned Company

May 26, 2020

Michael Coyne
City of Santee
Department of Development Services
10601 Magnolia Avenue
Santee, CA 92071

Reference: Proposal to Provide Environmental Consulting Services for General Plan Amendments and Zone Changes for the Sixth Cycle Housing Element, RFP No. 20-21 40020 (RECON No. P9705)

Dear Mr. Coyne:

RECON Environmental, Inc. (RECON) is excited for the opportunity partner with the City of Santee (City) and Victoria Tam and Associates (VTA) to prepare and process the Program Environmental Impact Report (PEIR) for the General Plan Amendments and Zoning Reclassifications for the Sixth Cycle Housing Element Update. RECON provides the City with extraordinary experience in preparing PEIRs for General Plan Amendments for Housing Elements and Zone Changes. Joining our team for this effort is Chen Ryan Associates to prepare the traffic impact analysis for the PEIR. RECON often works with Chen Ryan on General Plan Amendment projects requiring a programmatic analysis and together we offer the City an unmatched team that is well positioned to assist the City throughout the environmental review process.

As you know, we are working with Victoria Tam on the City's Housing Element under a separate contract and have teamed with VTA on other Housing Element Program EIRs (e.g., cities of San Clemente, El Cajon, and El Centro) requiring zone changes to accommodate the update.

I will be the Project Director for the City and Nick Larkin, Senior Environmental Analyst, will serve as the Project Manager for this effort. Nick has extensive experience preparing programmatic environmental documents on long-range planning initiatives as well as recent experience working with City staff. The entire RECON team stands committed to providing the City with a successful CEQA process that fulfills the project requirements, timeline and budget as outlined in the RFP. I am authorized representative of RECON and can contractually negotiate and bind the firm. Please contact me if you have questions or would like additional information. I can be reached as follows:

Jennifer Campos, Environmental Project Director
RECON Environmental, Inc.
3111 Camino del Rio North, Suite 600
San Diego, California 92108
jcampos@reconenvironmental.com; (619) 308-9333 x123

Sincerely,

A handwritten signature in black ink that reads "Jennifer Campos".

Jennifer Campos
Environmental Project Director

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ATTACHMENT

A: Resumes

C. Executive Summary

RECON Environmental, Inc. (RECON) is a San Diego-based employee owned company who has provided professional consulting services to public agencies in southern California for more than 48 years. RECON's team includes certified environmental planners, permitted biologists, registered archaeologists, air quality and greenhouse gas (GHG) specialists, acoustical experts, and certified GIS specialists. As evidenced below by our experience, our staff has a long established working familiarity in the City of Santee and is proficient in preparing programmatic and project level analyses for a wide variety of Housing Element Updates that include General Plan Amendments and Zoning Changes (e.g., El Cajon, Encinitas, Del Mar, and San Clemente).

Ms. Jennifer (Jen) Campos would provide oversight for the project in her role as Project Director, in addition to providing quality control reviews for all deliverables. Ms. Campos is authorized to negotiate contract conditions. Ms. Campos is a highly regarded environmental planner whose experience has emphasized the management of environmental review for policy planning documents (general plans, community plans, and specific plans) as well as a full range of large-scale development projects. She brings an in-depth knowledge of the regulations, policies, and procedures of federal, state, and local resource agencies to ensure the efficient and accurate preparation of legal defensible environmental documents. Mr. Nick Larkin would serve as the RECON Project Manager for the Program Environmental Impact Report (PEIR). Mr. Larkin has strong expertise in the CEQA process for similar long-range planning projects in the San Diego region. Both have notable experience with PEIRs and recent experience working with the City of Santee on environmental review documents. They are highly committed to a successful and collaborative process with the City's team through completion of the Final EIR. Their resumes are included as Attachment A, along with resumes of other essential team members dedicated to this project.

We have established strong partnerships with both Veronica Tam and Associates (VTA) and Chen Ryan Associates, Inc. (Chen Ryan) on many similar planning projects over the past ten years. For this project, Chen Ryan will be a subconsultant to RECON and will prepare the Traffic Impact Analysis (TIA) for the project. Both RECON and Chen Ryan have recent experience in the City of Santee and provide an in-depth knowledge of the regulations, policies, and procedures to ensure the efficient and accurate preparation of a legally defensible environmental document for the City's proposed General Plan Amendments and Zoning Changes for the Housing Element Update.

D. Experience

RECON Environmental, Inc.

RECON is exceptionally qualified to prepare the environmental documentation for the proposed housing element update. Recognizing the need for increased housing production and provision for housing at all income levels, RECON has experience preparing environmental documents that maximize streamlining of future housing proposals. RECON has prepared several PEIRs supporting General Plan Amendments, housing element updates, and community plan updates throughout San Diego County and is currently preparing an EIR to support implementation of ordinance changes to support increased housing production for all affordability levels for the City of San Diego. Our relevant experience with representative projects is summarized below, followed by the relevant experience Chen Ryan brings to the team.

City of Santee 2021 – 2029 Sixth Cycle Housing Element Negative Declaration

Client: Veronica Tam and Associates/City of Santee

VTA has been selected by the City to prepare the Housing Element Update for the 2021–2029 Sixth Cycle. As part of the VTA team, RECON will prepare the CEQA document to support the Housing Element, which is anticipated to be a Negative Declaration.

City of San Clemente 2021-2029 Housing Element and Rezoning & Safety Element Update Program EIR

Client: City of San Clemente

RECON was recently selected by the City of San Clemente to prepare the PEIR for the City's Housing Element Update 2021–2029 Planning Period Sixth Cycle, with VTA preparing the Housing Element Update. The San Clemente Housing Element Update includes rezoning of parcels to accommodate the Regional Housing Needs Assessment (RHNA) in compliance with state statutes for certification by California Department of Housing and Community Development. The Housing Element will incorporate City policies, strategies, and actions to facilitate the construction of new housing and preservation of existing housing to meet the needs of the population during the planning period (2021–2029) for all economic segments. The PEIR for the Housing Element will address the potential impacts associated with proposed rezones and housing development within the identified housing sites.

City of El Cajon Housing Element Rezone PEIR

Client: City of El Cajon

In addition to preparing a Negative Declaration of the Housing Element Update with VTA, RECON also prepared a PEIR for the City of El Cajon's proposed rezoning of parcels throughout the city. In addition, RECON completed technical analyses in support of the EIR for four proposed rezone areas in and around central El Cajon. The PEIR analyzed

impacts associated with future buildout of the rezone opportunity areas and provided a mitigation framework to streamline the review and implementation of future projects. RECON responded to comments received during public review and prepared the Final EIR, which was certified by the El Cajon Planning Commission and City Council.

Santee Town Center Specific Plan Amendment Master EIR

Client: City of Santee

RECON prepared a Master EIR for the amendment to the Santee Town Center Specific Plan. This amendment established a physical and design framework for the development of 154 acres south of the San Diego River within the City's 706-acre Town Center Specific Plan Area. The Specific Plan Amendment provided for a mixed-use development of approximately 2.5 million square feet of residential and commercial/office uses, and a limited number of residential units (220–300 units surrounding the Santee Trolley Center). The Master Plan EIR addressed the environmental effects associated with the amendment. Issues addressed in the EIR include land use, traffic, noise, biological resources, hydrology/water quality, geology/soils, cultural resources, air quality, aesthetics, public services, and utilities.

At Home in Encinitas General Plan Housing Element Update PEIR

Client: City of Encinitas

RECON prepared the PEIR for the At Home in Encinitas General Plan Housing Element Update (2013-2021). Key topics included traffic, public services, and community character. The project was an update to the 1992 Housing Element, which was being prepared within the context of a requirement that all proposed General Plan land use changes be approved by the voters. The City of Encinitas concurrently prepared the implementation program for the Housing Element Update, which included the General Plan Amendment, Rezone, Design Guidelines, and revisions to discretionary standards. The PEIR analyzed three buildout land use scenarios, each balancing community input with the goal of accommodating the city's RHNA deficit. The PEIR included a detailed mitigation framework to facilitate the streamlining of future projects. The PEIR for this controversial project was completed on an aggressive schedule of 18 months for approval. RECON received an achievement award for this EIR from the Association of Environmental Professionals in 2016.

City of Del Mar Residential Zoning Code Amendment PEIR

Client: City of Del Mar

To accommodate additional housing units identified in the City of Del Mar's current Housing Element, a rezoning of two citywide zones was proposed: the North Commercial zone and Professional Commercial zone. Under our as-needed contract with the City of Del Mar, RECON prepared a PEIR for the proposed zoning changes and community plan amendment which can streamline and minimize the degree of future environmental review needed for specific projects future for the parcels under consideration for the rezoning.

City of El Centro General Plan Amendment Housing Element Update Initial Study/Negative Declaration

Client: Veronica Tam and Associates/City of El Centro

RECON worked with VTA to update the 2009 City of El Centro Housing Element of the General Plan. The housing element update was intended to provide guidance for the 2013 to 2021 planning period. RECON prepared the Initial Study Environmental Checklist and Negative Declaration in support of the CEQA certification for the updated plan.

City of Solana Beach General Plan Update PEIR

Client: City of Solana Beach

RECON prepared a PEIR to support the City of Solana Beach's General Plan Update to the Land Use and Circulation Elements. This update focused on the incorporation of policies related to sustainability, complete streets, and climate change and implementation of Senate Bill (SB) 743. RECON staff worked closely with City on the Circulation Element Update to introduce multi-modal boulevards rather than standard roadway classifications. The new policies include a non-Level of Service-based threshold, consistent with SB 743. RECON developed the EIR to maximize streamlining opportunities for future projects and incorporated a trip-based traffic impact fee for mitigation to facilitate implementation of the City of Solana Beach's capital improvement program for vehicular and non-motorized improvements. RECON attended multiple public meetings in support of the update and conducted the EIR public scoping meeting. In conjunction with the EIR, RECON also prepared a Negative Declaration for the City's 2013 Housing Element Update. This project involved presentations to the community, as well as in-depth meetings with City Council members.



City of Oceanside General Plan Update–Economic Development Element, Energy and Climate Action Element, and Climate Action Plan PEIR

Client: City of Oceanside

RECON prepared a PEIR for the City of Oceanside to address two new General Plan Elements (an Economic Development Element and Energy and Climate Action Element) in addition to a Climate Action Plan (CAP). This EIR is part of a first phase of the City's General Plan update. The CAP and CEQA documentation were developed with the intent to facilitate and streamline the review of future development proposals and included development of a CAP checklist to facilitate future discretionary project reviews.

Complete Communities: Housing Solutions and Mobility Choices PEIR

Client: City of San Diego

RECON recently prepared the PEIR for the City of San Diego's Complete Communities: Housing Solutions and Mobility Choices program, which provides amendments to the San Diego Municipal Code to incentivize multi-family housing construction, and increase affordability by allowing qualifying development to occur without further discretionary review. The Mobility Choices program included implementation of a fee program that would fund multi-modal infrastructure improvements. The project included adoption of a new threshold for evaluating transportation impacts using vehicle miles traveled to comply with SB 743. The PEIR covered a full range of environmental issues as well as an economic analysis, stakeholder engagement program, and urban design schematics.

Chen Ryan Associates, Inc.

Chen Ryan brings a fresh vision to transportation planning and engineering in Southern California. Established in 2011, they are a certified Disadvantaged Business Enterprise and Small Business Enterprise, with offices in San Diego and Los Angeles. The firm is committed to planning and designing transportation systems and mobility improvements that create and support vibrant and sustainable communities. Chen Ryan provides a complete, multimodal approach, building upon the multi-dimensional experiences of their staff, along with their dedication to serving the full range of client needs. They understand the quality-of-life and health benefits of integrated transportation/land use planning, smart growth and active transportation, and are committed to ensuring projects have the least impact and most benefit to communities.

In addition to their ability to plan and design for multimodal transportation projects, staff at Chen Ryan are also experts in preparing traffic impact analysis both programmatic and project site-specific. In recent years, Chen Ryan has provided traffic engineering services to several Housing Element Updates including the cities of Encinitas and El Cajon. They are very familiar with SB 743 related guidelines; in fact, they are currently assisting many local agencies for their SB 743 implementation, including the City and County of San Diego, the Port of San Diego, and the City of Chula Vista.

Chen Ryan, working closely with City staff, successfully developed Santee's Mobility Element in 2017. They are currently assisting the City on its Active Transportation Plan, which will be completed in a next few weeks. Through these project efforts, Chen Ryan developed unparalleled experience and familiarity with Santee's transportation network and its opportunities and constraints. Chen Ryan has successfully collaborated with RECON on many projects over the years, most recently on the City of Encinitas Housing Element Update, City of Solana Beach General Plan Update, Morena Corridor Specific Plan, Mission Valley Community Plan Update, Downtown San Diego Mobility Plan, and the San Clemente Housing Element Update.

City of Santee General Plan Mobility Element Update (Chen Ryan)

Client: City of Santee

The Santee Mobility Element provided a future vision and framework to guide development of the City's transportation network through the year 2035. The Mobility Element set goals, policies, and strategies that promoted efficient and safe use of existing and planned transportation facilities and plans for multimodal improvements while supporting the anticipated travel demands associated with buildout of the Land Use Element.

Future year analysis involved the validation and calibration of the San Diego Association of Governments (SANDAG) Series 12 Sub-Area Model land uses and mobility network, and completion of a Traffic Impact Study to identify and disclose impacted transportation facilities and mitigation measures. The accompanying technical report also evaluated multimodal transportation through Complete Streets Level of Service analyses for pedestrian, bicycle, transit, and vehicular modes, considering each user's perception of quality. The Mobility Element was adopted by City Council in 2017.

Civic San Diego, Downtown San Diego Mobility Plan (Chen Ryan)

Client: Civic San Diego

Chen Ryan served as the prime consultant preparing the Downtown San Diego Mobility Plan. The plan identifies a multimodal mobility network and establishes policies, programs, and projects to improve overall mobility throughout the Downtown San Diego area for all modes. The Complete Streets concept is predicated upon the idea that a majority of modes should be accommodated along all roadways; however, a more flexible approach to Complete Streets planning is to ensure every mode is accommodated by a complete network across the study area.

E. Understanding of Project

RECON understands that the project entails the General Plan Amendments and Zone Changes that correspond to the Sixth Cycle (2021-2029) Housing Element update and RHNA. The Housing Element Update must identify adequate residential sites with sufficient capacity to meet the RHNA. As described in the RFP, 36 sites have been identified which constitute the Residential Sites Inventory, and the majority of these sites would need to be rezoned. There are also two additional sites on Graves Street that are listed in Attachment 2 of the RFP. These sites will also be included in the environmental assessment. The rezoning of the sites would be adopted as part of the Housing Element. The following figure shows the sites under consideration on an aerial photograph base.



We also understand that the analyses of the sites in the PEIR would be presented at a programmatic level while predominantly focusing on the collective cumulative impacts of the development associated with the proposed zoning changes. It is recognized that there will need to be discretionary review for future development on the zoning change sites in the future at the time specific development proposals are brought forward.

However, the two sites in the Santee Town Center (Site 18 and Site 19) were included in the past two housing element cycles and are now being carried forward into a third cycle. As these sites would not be subject to a discretionary review prior to development, the PEIR will address potential impacts at these sites with more detail and ensure site specific impact conclusions for these sites are identified, if different from the programmatic analysis conclusions. This level of analysis is proposed to recognize that future development would be allowed with a ministerial action with adoption of the rezone. RECON has experience within the Town Center Specific Plan area, having prepared the EIR for the adjacent parcels south of the San Diego River that were part of an amendment to the Specific Plan. We will use this previous knowledge of the Town Center along with other Town Center CEQA documents to the extent feasible for the analysis for these two parcels.

F. Approach and Scope of Work

Our scope of work below addresses the impacts of the zone changes that are proposed to 36 parcels that are being evaluated to accompany the Sixth Cycle Housing Element Update along with the two additional parcels on Graves Avenue. The PEIR will address the parcels to be rezoned at the programmatic level. As noted above, the program analysis will be cumulative in nature with and future discretionary review would be anticipated.

Each section of the EIR will also provide more specific project level findings for the two parcels located in the Town Center (Parcels 18 and 19). The goal of the more specific project level review for these two Town Center parcels is to recognize that these sites will be developed with a ministerial approval and that there would be no future discretionary action that would require implementation of the programmatic mitigation framework identified for the other Housing Element sites.

The EIR would provide supporting technical information as necessary for the programmatic and more specific project level analyses. Specifically, as outlined below, Chen Ryan would prepare a transportation impact analysis for the program analysis of the zone change sites to evaluate potential impacts related to Vehicle Miles Traveled (VMT) and mobility. Their report would be an appendix to the PEIR. Any biological, cultural, noise, air quality, and GHG technical information needed for program and more specific project level analysis would be incorporated directly into each section of the EIR and standalone technical reports are not proposed. Modeling outputs, as applicable, would be provided as appendices to the EIR. RECON will utilize traffic data provided in the traffic analysis to inform the air quality, GHG, and noise analyses. This approach provides for a more cost efficient CEQA process for the City.

Throughout the process, RECON will proactively maintain communication with City staff, keeping staff informed with project status updates, and meeting deadlines. The detailed scope of work to prepare the TIA and PEIR is presented below.

Transportation Impact Analysis (Chen Ryan)

Chen Ryan would prepare the transportation impact analysis for the PEIR. It is Chen Ryan's understanding is that the City intends to adopt the San Diego Institute of Transportation Engineers Mobility Task Force Transportation Impact Study (TIS) Guidelines. As such, each individual project will need to conduct a Local Transportation Analysis (LTA) once a project moves forward for permitting. However, a LTA is not required at the programmatic level. It is noted that the CEQA Guidelines now require consideration of VMT analysis. While Chen Ryan will use as much data as possible from their recent mobility work with the City, current requirements for VMT analysis limit the applicability of those prior efforts. For this reason, additional SANDAG modeling is anticipated in order to provide VMT modeling for the proposed selected land use scenario. Chen Ryan's scope of work for the PEIR is included below:

1. Coordinate with the City and SANDAG to determine the appropriate model for the Santee Housing Element Update project. It is anticipated that the SANDAG Series 14 Regional Transportation Model will be available the time in which study begins. Therefore, the baseline VMT per Capita and VMT per Employee for the San Diego region will be revised. However, based on conversations with SANDAG staff, the Series 14 model may not be able to access land use edits once it is first published. If this is the case, the SANDAG Series 13 model will need to be utilized. Therefore, once the Housing Element land use alternatives are prepared, Chen Ryan staff will coordinate with City staff to determine the appropriate model to conduct the project VMT analysis.
2. Convert the land use assumptions for the preferred Housing Element alternative and the currently adopted land use into the proper format to be inputted into the SANDAG model. This includes the validation of the current mobility network coded within the SANDAG model (Regional Transportation Improvement Program). Up to two land use alternatives are assumed under this task, the currently adopted land uses, and the preferred land use.
3. Coordinate with SANDAG to conduct a VMT per Capita and VMT per Employee analysis for the currently adopted and preferred Housing Element alternative.
4. Coordinate with the project team and City Staff to develop programmatic VMT mitigation measures including VMT reducing infrastructure, Transportation Demand Management measures, and potential land use changes that are applicable at the programmatic level.
5. Determine the effectiveness of the feasible mitigation measures, identified in Task 4, by identifying amount of VMT that would be reduced with their implementation. The VMT reductions associated with the feasible mitigations measures will be determined based on either the California Association of Air Pollution Control Officer Quantification Report or the SANDAG Mobility Management Guidebook/VMT Reduction Calculator Tool.
6. Summarize the findings of the previous tasks into a TIS. It is assumed that an initial draft study will be provided to the City for initial review and comment. After the City's comments are addressed, a Public Draft Version of the TIS will be produced for inclusion of the Draft EIR.
7. Finally, after receiving public comments on the Draft EIR, assist City staff and the project team in responding to transportation related comments on the Draft EIR. Up to ten comments are assumed under this task.
8. Attend up to five (5) meetings with the project team and City staff.

Program Environmental Impact Report

RECON's scope of work to complete a programmatic- and more specific project-level analysis in the PEIR is presented below. RECON will serve as "extension of staff" throughout the EIR process. The RECON Project Manager will maintain close

communication with City staff throughout the process. RECON will coordinate the collection of relevant data in order to streamline the preparation of the environmental document.

In addition to specific tasks outlined in the RFP (Tasks 1–9), RECON would also anticipate the following meetings as requested in the RFP:

- Attend a project kick-off meeting
- Attend up to three additional meetings with City staff during the preparation and processing of the PEIR
- Host a virtual PEIR Scoping Meeting

Task 1 – Project Initiation

At project initiation, RECON will attend a kick-off meeting within two weeks of authorization to proceed. At the kick-off meeting, the EIR schedule will be finalized, communication protocols will be established, and EIR format will be agreed upon. We will also begin review of all existing data and reports, begin compiling existing condition information, and work with City staff to identify CEQA alternatives to satisfy the requirement of the PEIR. During this time, RECON will also conduct a visit of the sites identified in the Residential Sites Inventory. The collected information will serve as the basis for the PEIR’s environmental setting and existing conditions discussions.

Following the kick-off meeting, RECON will also prepare and distribute to the City a draft project description that will include thorough descriptions of the proposed project. A list of the discretionary zoning change approvals required by the City to implement the project will also be included. As part kick-off of this task, RECON will work closely with the City to ensure that the project description comprises the “whole of the project,” as defined in Section 21159.27 of the CEQA Guidelines, and to develop concise and accurate project objectives. The project description will be used for the Notice of Preparation (NOP) as described below.

Task 2 – Notice of Preparation

RECON will prepare an NOP that will include a detailed project description, a location map, and a list of probable environmental effects. Public comments received during the NOP period may further refine the PEIR scope. The NOP will solicit input from the public, as well as interested agencies and organizations, regarding the scope and content of the PEIR. If requested by the City, RECON is available to assist with preparation of necessary correspondence and coordination to ensure compliance with tribal consultation requirements.

Task 3 – Scoping Meeting

RECON will host a public PEIR Scoping meeting during the 30-day NOP period. As described in the RFP, the scoping meeting would be held via a virtual platform or other method as arranged by City staff. RECON will prepare a PowerPoint presentation for staff to review and will prepare revisions based on staff comments. RECON will also deliver the

presentation. The template for the presentation will be provided by the City and the City will be responsible for the noticing and distribution.

Deliverables: Digital copy of the PowerPoint presentation.

Task 4 – Administrative Draft PEIR

The PEIR will assemble all available data and assess the probable short- and long-term direct and cumulative impacts associated with both the proposed project. Impacts will be determined considering the existing conditions and the potential for physical changes caused by implementation of the proposed Housing Element zoning changes in relationship to the thresholds of significance. The PEIR will include a discussion of all issues required by the CEQA Guidelines either in the Issues Analysis section of the PEIR or within with the Issues Found Not to Be Significant section. If feasible, a mitigation framework, for future discretionary projects that would reduce or eliminate adverse impacts, will be included in the PEIR.

Based on the compressed project schedule and the lengthy processing time required for the VMT modeling by SANDAG, RECON anticipates submitting the Administrative Draft PEIR without the transportation findings and any other analysis that relies on the VMT outputs. This approach will allow the EIR processing timeline to achieve overall project schedule.

It is recognized that development of a mitigation framework for any project level impacts from the rezoning of the two Town Center parcels may not be feasible. As such, there may be the need for a Statement of Overriding Considerations for significant and unmitigated impacts associated with these two parcels. Where appropriate, the PEIR will identify specific conclusions for these two sites where they differ from the programmatic analysis conclusions. Finally, the PEIR will also analyze feasible alternatives to the proposed project.

Preparation of the PEIR will focus on the programmatic analysis of environmental issues identified as potentially significant during the scoping phase of the project described above. As noted above, the program analysis will focus on the cumulative evaluation of impacts from the proposed zoning changes for the parcels listed in the sites inventory. Each issue identified as potentially significant will be addressed in terms of existing conditions, thresholds of significance, impacts, level of significance prior to mitigation, mitigation, and level of significance after mitigation. It is anticipated that the following key issues would need to be addressed in the PEIR.

Aesthetics/Visual Quality. The aesthetics section of the PEIR will discuss at the program level the extent to which the proposed zone change sites in the residential inventory could represent a potentially significant change within the context of the visual setting of the areas surrounding the sites and the extent to which potential future development would be aesthetically compatible with neighboring uses. The level of analysis for the two Town Center sites is anticipated to be at the same level as the other rezoning sites since project specific design plans are not known. This section also will describe any existing key or protected views or view corridors that may be affected and will address buildout compatibility with the existing aesthetic environment relative to light and glare. The potential for visual changes

would rely on the allowable uses and densities that could occur under the proposed zone changes. A mitigation framework to be considered at the time specific development proposals are brought forward will be included in the program analysis.

Air Quality. The programmatic analysis of air quality impacts in the PEIR will describe the existing air quality conditions in the air basin based on California Air Resources Board data from nearby monitoring stations. A summary of existing federal, state, and local air quality standards and regulatory review requirements will be included. Emissions associated with buildout of the zone change sites inventory for carbon monoxide, nitrogen oxides, and other criteria pollutants will be estimated using standard emission factors and the California Emissions Estimator Model (CalEEMod) computer program. Specifically, we will include the CalEEMod operational calculations for existing on the ground development, buildout of existing zoning, and buildout of proposed zoning to provide an overall cumulative comparison. The significance of these air quality emissions will be assessed using quantitative thresholds established by the San Diego Air Pollution Control District. The PEIR will conclude whether the anticipated emissions from the zone changes proposed to accommodate the Housing Element Updates could violate any air quality standard or contribute to a projected air quality violation; result in a cumulatively considerable net increase of any criteria pollutant for which the project region is in non-attainment, or expose sensitive receptors to substantial pollution concentrations. The PEIR will also address the potential for conflict with the state air quality plan and Regional Air Quality Standards. In addition, for the two Town Center sites, we will provide project level construction and operational calculations.

Biological Resources. The programmatic assessment of biological resources will be based on reviews of existing GIS mapping and biological databases (the California Department of Fish and Wildlife California Natural Diversity Database, United States Fish and Wildlife Service All-species Occurrences database, and SANDAG SanBIOS database) along with other secondary source information. It will summarize biological resources occurring within the PEIR study area, including vegetation communities, sensitive species, and potential jurisdictional wetlands and waters. In addition, it will identify potential impacts to sensitive biological resources and provide a programmatic mitigation framework.

In addition, RECON will provide additional specific biological information to the extent it is available for the two vacant parcels on Cottonwood Avenue that total 33.85 acres. The potential impacts and any feasible mitigation (focusing on ordinance or regulatory compliance) will be identified, acknowledging that the sites would not require further discretionary review.

Paleontological Resources. The paleontological resources will be based on secondary source information. RECON will research available geotechnical investigations, geologic mapping, and consult with City staff in order to identify the underlying geological formation and determine paleontological sensitivity associated with the proposed zone change parcels.

Cultural Resources. The cultural resources analysis will be based on a records search of the 38 parcels. This data will be used to identify previously recorded archaeological and built-environmental structures that are over 50 years old. The PEIR will include an analysis of potential adverse impacts to archaeological and historic structures and provide an appropriate mitigation framework, as needed.

RECON will provide additional specific cultural information to the extent it is available for the two vacant parcels on Cottonwood Avenue that total 33.85 acres. The potential impacts and any feasible mitigation (focusing on ordinance or regulatory compliance) will be identified, acknowledging that the sites would not require further discretionary review. RECON will work with the City to identify mechanisms to address these impacts considering the anticipated ministerial approval process.

Tribal Cultural Resources. RECON will request a sacred lands search from the Native American Heritage Commission and coordinate with the City to identify if any potential tribal cultural resources were identified by tribes as a result of City-led tribal consultation. The PEIR will evaluate whether implementation of the zone changes proposed to accommodate the Housing Element Update could cause a substantial adverse change in the significance of a tribal cultural resource as defined in the CEQA Guidelines. A mitigation framework for potentially significant impacts to tribal cultural resources will be provided in the PEIR to ensure that future site-specific development proposal impacts are addressed.

Energy. For both the programmatic and project level evaluations for the proposed zone change sites, the anticipated energy consumption will be evaluated in this section of the PEIR using energy consumption data taken from existing secondary sources and the proposed air quality modeling.

Geology and Soils. The evaluation of geologic hazards and soil conditions will be addressed through information obtained through online GIS databases and other secondary source resources, such as seismic and geologic mapping, soils mapping, and other previously prepared reports. It is anticipated that potential impacts would be addressed through compliance with existing City municipal code requirements for geotechnical investigations prior to actual development.

Greenhouse Gas Emissions. The analysis of GHG in the PEIR will focus on two issues: (1) whether the proposed zone change sites for the Housing Element Update would generate GHG emissions, either directly or indirectly, that may have a significant impact on the environment and (2) whether the update would conflict with the Sustainable Santee Action Plan or an applicable plan, policy, or regulation adopted for the purpose of reducing GHG emissions. The existing GHG emissions baseline will first be established by modeling the existing land uses and vehicle trips through the CalEEMod and EMISSION FACTOR (EMFAC) programs. Then the future GHG emissions will be estimated based on any proposed land uses changes and vehicle trip generated. GHG-reducing aspects of current regulations and City requirements associated with future projects will be factored into the modeling.

In addition to this quantitative analysis, the project will also be qualitatively analyzed for consistency with City and state plans and strategies adopted for the purpose of reducing GHG emissions and adapting to climate change. The PEIR will also identify appropriate programmatic mitigation measures such as the completion of CAP Checklist for future projects to reduce emissions further if required.

Hazards and Hazardous Materials. The hazardous materials discussion of the PEIR will be based on RECON's knowledge of the regulatory environment surrounding hazardous materials handling and storage, secondary source information provided to RECON by the City (if applicable), and from database searches of public listings (Geotracker and Envirostor) of hazardous materials sites within the City. Given the numerous existing regulations surrounding hazardous materials handling and storage, subsequent projects' compliance with these regulatory mandates typically are adequate to ensure potential hazards impacts would be avoided or reduced to below a level of significance.

Hydrology and Water Quality. The hydrology and water quality section of the PEIR will provide a programmatic analysis of potential impacts and will be based on the secondary source information available from the San Diego Regional Water Quality Control Board and FEMA floodplain mapping database. Given the numerous current regulations governing water quality and hydrology that would be imposed on any new development, and through incorporation of mandated best management practices and low impact development practices, it is anticipated that subsequent projects' compliance with these regulatory mandates will ensure that hydrology and water quality impacts associated with the proposed zone changes would be avoided or reduced to below a level of significance.

Land Use and Planning. This section of the PEIR will evaluate the proposed zoning change sites and describe the potential for development compared to the existing under the proposed rezone. In addition, the relationship to the adopted plans and policies will be described, followed by an analysis of how the proposed zone changes may be compatible with or conflict with these plans. As part of this analysis, the potential for significant secondary impacts resulting from any land use plan inconsistencies will be assessed. A mitigation framework for potentially significant impacts will be provided in the PEIR to ensure that future site-specific development proposal impacts are addressed.

Noise. The noise section of the PEIR will describe the potential for future noise associated with vehicles and land uses resulting from the proposed zone changes in the Residential Sites Inventory. Noise measurements will be taken for the two Town Center sites as part of the project level review. The Federal Highway Administration (FHWA) Traffic Noise Model will be used to show noise contours for the two Town Center sites, and will be used to calculate noise contour distances and changes in vehicle traffic noise levels at the program level. Noise associated with construction and operation of the two Town Center sites will also be discussed. If potential impacts are identified for the sites at the program level, then a mitigation framework would be presented to ensure future development achieves the necessary noise reduction.

Population and Housing. RECON will provide a programmatic evaluation the proposed zoning changes in the Residential Sites Inventory in light of its potential to adversely affect population and housing. The PEIR will analyze what impact the collective zoning changes may have on population growth both directly or indirectly in the City.

Public Services. The public services section of the PEIR will identify at the programmatic level the capability of service providers to serve the maximum allowable development under the proposed zone changes in the Residential Sites Inventory and specify whether any additional facilities or expansion of existing facilities would be required and if significant environmental impacts would result. If necessary, a programmatic mitigation framework would be presented for when site-specific development proposals are brought forward.

Transportation. The transportation/traffic section of the PEIR will be based on a traffic impact analysis prepared by Chen Ryan. If necessary, the PEIR will identify a programmatic mitigation framework, which would focus on methods to reduce the VMT impacts of future development.

Utilities. The PEIR will discuss at the programmatic level the available capacity for water supply, the water service system, wastewater treatment system, storm water drainage, and solid waste disposal. If necessary, a programmatic mitigation framework would be presented for when site-specific development proposals are brought forward.

Cumulative Impacts. Section 15130(a) of the CEQA Guidelines requires a discussion of cumulative impacts of a project “when the project’s incremental effect is cumulatively considerable.” The evaluation of cumulative impacts will be based on a summary of projections contained in adopted local and regional plans that describe or evaluate conditions contributing to the cumulative effect. The discussion of cumulative impacts will be tailored to each environmental issue area to ensure an appropriate cumulative study area is considered; for example, the air basin for air quality and the watershed for water quality impacts.

Project Alternatives. CEQA requires consideration of a reasonable range of alternatives selected pursuant to CEQA Guidelines Section 15126.6. RECON will work closely with City staff to develop CEQA alternatives, including the No Project/Adopted Plan Alternative and other alternatives that could reduce potentially significant impacts identified during the environmental review process. RECON will work with City staff to develop and refine the PEIR alternatives and an environmentally superior alternative will ultimately be identified. A comparative analysis table will be included in the PEIR to facilitate the reader’s understanding of the project alternatives. All of the PEIR issues determined to be significant for the element updates will be evaluated for each alternative.

Other Sections. The Draft PEIR will include other mandated sections including an executive summary, introduction, project description, environmental setting, growth inducement, significant irreversible and unavoidable changes, effects found not to be significant, and a list of organizations and persons consulted.

Deliverables: Three bound copies and a digital copy in PDF and MS Word of the Administrative Draft PEIR.

Task 5 – Screencheck Draft Program EIR

Based on comments received from the City, RECON will revise the Draft PEIR, incorporating edits based on City comments. Preparation of the Screencheck Draft EIR will involve the following:

- Review staff comments on the Administrative Draft PEIR.
- Incorporate the findings from the transportation analysis and final modeling for air quality and GHG.
- Attend necessary meetings and conference calls with City staff to address issues associated with the Administrative Draft PEIR, if needed.
- Prepare revisions to the Administrative Draft PEIR based on staff comments.

The scope of work for revisions to the Screencheck Draft PEIR includes one full round of edits described above and one additional cycle of minor edits focused on the added transportation, air, and noise sections.

Deliverables: Digital copies in PDF and MS Word of the Screencheck Draft EIR.

Task 6 – Public Review Draft PEIR

The public review Draft PEIR includes the following tasks: (1) RECON will prepare the public review Draft PEIR to reflect any final staff comments on the Screencheck Draft, (2) provide the requested copies necessary for the State Clearinghouse for City distribution, and (3) RECON will complete the Notice of Completion, Notice of Availability, and State Clearinghouse Summary Form for staff to review and comment prior to the distribution.

Deliverables: Five bound copies and 30 digital copies (PDF version) on CDs for the public and State Clearinghouse, Office of Planning and Research. Also, three digital copies for City staff (PDF and MS Word formats).

Task 7 – Screencheck Final PEIR

After the close of the public review period, RECON will work with City staff to respond to comments on the Draft PEIR, which will involve the following tasks: (1) compile and review comment letters received on the Draft PEIR and bracket comment letters as appropriate, (2) submit to the City for preliminary review a copy of the draft responses to comments along with any edits made to the Public Review Draft EIR based on the comment letters. If non-CEQA issues are raised in the comment letters, RECON will coordinate with the City to determine appropriate responses to policy issues. RECON will revise the draft responses to comments and Final PEIR text based on City review; prepare a list of persons, organizations, and agencies commenting on the PEIR; and finalize responses in side-by-side formatting for final responses to comments.

The Screencheck Final PEIR will also include a Mitigation Monitoring and Reporting Program (MMRP). The MMRP will contain a list of the programmatic-level mitigation measures and monitoring programs required for each identified significant environmental impact. In addition, RECON will prepare Candidate CEQA Findings and if necessary, a Statement of Overriding Considerations (SOC). Information needed to support the Findings and SOC will be developed in coordination with City staff. If there are any programmatic mitigation measures or alternatives to the proposed project that can reduce the adverse consequences, but which are infeasible, RECON will cite in the candidate CEQA findings, the specific economic social or other conditions which render the mitigation measure or alternatives infeasible. The CEQA candidate findings will also address any feasible alternatives, which can reduce the adverse impacts but are not being proposed.

Deliverables: Digital copies in PDF and MS Word of the Screencheck Final PEIR.

Task 8 – Final PEIR

RECON will finalize the Final PEIR based on staff comments which would include the responses to comments, revisions made to the public review draft EIR, MMRP, and Findings and SOC. RECON would also prepare the Final EIR with technical appendices for distribution.

Deliverables: Five bound copies including the technical appendixes on CDs, 20 digital copies (PDF version) on CDs for the public, and three digital copies on CDs for City staff.

Task 9 – Public Hearing

RECON will prepare the PowerPoint presentation to address the CEQA issues and assist with the presentation at the public hearing to certify the PEIR. The presentation will be revised based on staff comments.

Deliverables: Digital copy of the PowerPoint presentation.

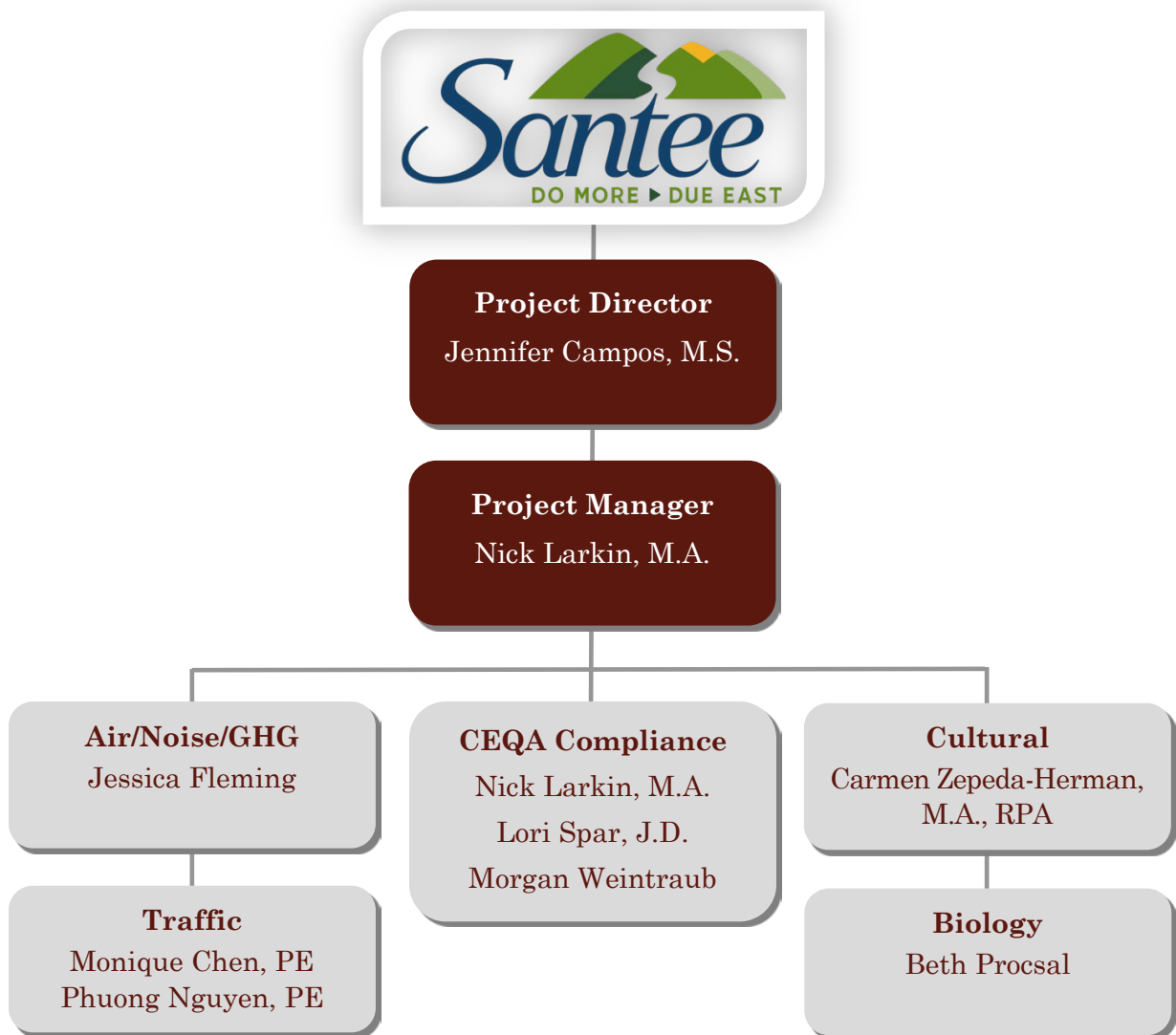
G. Work Schedule

RECON understands that compliance with the April 15, 2021 adoption deadline for the Sixth Cycle Housing Element is critical for the overall EIR project timeline. A critical path action item for the Draft PEIR timeline will be receiving the preferred land use alternative so that the quantitative VMT modeling can be completed. We have assumed a 45-day EIR public review period and that the draft traffic impact analysis could take up to 12 weeks to complete and be available for inclusion in the Draft EIR given that the SANDAG modeling process can take up to 6 weeks by itself.

Task	Completion Date	Duration
Project Initiation on PEIR	July 3, 2020	-
Kick-Off Meeting	July 7, 2020	-
Issue NOP	July 17, 2020	1 week
Scoping Meeting	July 22, 2020	1 day
Preferred Land Use Alternative to Consultant Team	August 1, 2020	-
Submit Administrative Draft PEIR to City (<i>with gaps in traffic, noise, and air</i>)	Sept. 4, 2020	6 weeks
City complete review of Administrative Draft PEIR	Sept. 18, 2020	2 weeks
SANDAG modeling (4-6 weeks from receipt of preferred Land Use Alternative)	September 15, 2020	4 – 6 weeks
Transportation data to RECON for Noise, Air/GHG inputs	October 12, 2020	3 weeks from SANDAG model results
RECON prepare revisions to Administrative Draft PEIR based on City comments and incorporate <i>traffic, noise, air, and GHG analysis</i>	October 26, 2020	2 weeks
City complete review of final revisions	November 9 2020	2 weeks
Incorporate final Draft PEIR edits (minor revisions) and prepare for public review	November 20, 2020	2 weeks
Public review of Draft PEIR (<i>45 days</i>)	November 23, 2020 – January 6 , 2021	45 days
Prepare Screencheck Final PEIR and Response to Comments	January 21, 2021	2 weeks
City complete review of Screencheck Final PEIR	January 28, 2021	1 week
Revise Final PEIR	February 11, 2021	2 weeks
Final City review	February 18, 2021	1 week
Print & Distribute Final EIR	February 25, 2021	1 week
Public Hearing/EIR Certification	by April 15, 2021	

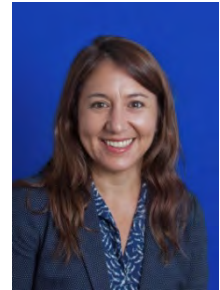
H. Key Personnel

The organization of the RECON project team is provided below followed by project summaries for the key staff. As Project Director, Ms. Campos will provide direct oversight of the PEIR including quality control review. Mr. Larkin will be the Project Manager and day-to-day point of contact for the City and responsible for all phases of the EIR preparation, subcontractor oversight, budget and schedule management, and attendance at meetings and hearings. They will be supported by RECON's in house technical specialists along with Monique Chen and Phuong Nguyen of Chen Ryan leading the preparation of the traffic analysis.



Jennifer Campos, Environmental Project Director

- 18 years of CEQA experience
- M.S. International Agricultural Development
- B.A. Geography
- County of San Diego Approved CEQA Consultants List-EIR Preparer



Jennifer (Jen) Campos is an Environmental Project Director with expertise in environmental review and project management for both private development and publicly initiated long range planning efforts. With 18 years of experience in the environmental field, she successfully guides clients and facilitates project processing through environmental review and permitting. Through experience gained as an environmental planner and planning manager at the County of San Diego, she provides valuable experience and insight into public agency processes and planning efforts. Ms. Campos works closely with applicants, planners, engineers, and architects throughout all stages of the planning process to ensure preparation of high-quality environmental documents. Her experience has emphasized the management of environmental review for policy planning documents (general plans, community plans, and specific plans) as well as a full range of large-scale development projects including mixed-use, commercial, residential, and urban redevelopments.

Ms. Campos currently serves as the lead environmental consultant to the City of Del Mar and the City of San Diego planning departments, where she provides as-needed CEQA consulting services for privately and agency-initiated projects. In her role working for the City of Del Mar, Ms. Campos regularly advises City staff on appropriate CEQA processing requirements and provides general CEQA expertise and direction for public and private development projects.

Ms. Campos was principal in charge or project manager on the following similar projects:

- City of San Clemente 2021-2029 Housing Element and Rezoning & Safety Element Update PEIR
- Complete Communities: Housing and Mobility Choices PEIR
- At Home in Encinitas (General Plan Housing Element Update - 2013-2021) PEIR
- Uptown and North Park/Golden Hill CPUs PEIR
- Mission Valley CPU PEIR
- Morena Corridor Specific Plan PEIR
- Mission Trails Regional Park Master Plan Update PEIR
- Solana Beach General Plan Update PEIR
- City of Oceanside General Plan Update – Economic Development Element, Energy and Climate Action Element, and Climate Action Plan PEIR
- City of Del Mar Zoning Code Amendment PEIR
- Santee Brewery Project Initial Study/Mitigated Negative Declaration (IS/MND)

Nick Larkin, Project Manager

- 18 years of CEQA/NEPA experience
- M.A. Urban Planning
- County of San Diego Approved CEQA Consultants List; EIR Preparer
- Experienced with planning and development projects



Nick Larkin is a Senior Project Manager who has led large, interdisciplinary consultant teams in the process of gaining entitlement and environmental compliance approvals, including CEQA/NEPA compliance, for a variety of land development projects, many in the coastal region of San Diego. Mr. Larkin has served as project manager on a number of major EIR documents, providing close coordination with clients and team members, participation in project scoping meetings and hearings, ensuring compliance with project budgets and schedules, and providing quality control. He is experienced with managing and preparing programmatic environmental documents supporting planning efforts for various jurisdictions.

Mr. Larkin has recent experience working with the City on the environmental review for private development projects including Prospect Estates II IS/MND, Lantern Crest Ridge II Project IS/MND, and Cottonwood Avenue Self Storage Project IS/MND.

Mr. Larkin served as project manager or lead analyst on the following similar projects:

- City of Moreno Valley General Plan Update PEIR
- City of San Clemente 2021-2029 Housing Element and Rezoning & Safety Element Update PEIR
- City of El Cajon Housing Element Rezone PEIR
- Uptown and North Park/Golden Hill CPUs PEIR
- City of Oceanside General Plan Update – Economic Development Element, Energy and Climate Action Element, and Climate Action Plan PEIR
- Morena Corridor Specific Plan EIR
- El Cajon Transit District Specific Plan PEIR

Lori Spar, Senior Environmental Analyst

- 19 years of experience preparing state and federal environmental documents
- LL.M. Environmental Law; J.D.; B.A. Political Science
- Expertise in high-profile, controversial projects



Lori Spar is a valuable member of the project team bringing a broad history of experience in project management, environmental planning and analysis, and environmental litigation. Her work in the legal community allows her to provide valuable insights on land use requirements and procedures. Ms. Spar previously worked for the County of San Diego as an environmental planner and EIR coordinator, co-authoring the County of San Diego EIR and General Content Guidelines. Her experience preparing environmental documents for long-range planning initiatives in the San Diego area has provided her with the local knowledge required to effectively prepare legally defensible and high quality environmental documents.

Ms. Spar served as project manager or senior analyst on the following similar projects:

- City of Oceanside General Plan Update PEIR
- At Home in Encinitas (General Plan Housing Element Update (2013-2021) PEIR
- Downtown El Cajon Specific Plan EIR
- Morena Corridor Specific Plan PEIR
- Lilac Hills Specific Plan EIR
- City of Chula Vista General Plan and Otay Ranch General Development Plan Amendments Supplemental EIR
- City of Del Mar Zoning Code Amendment PEIR

Morgan Weintraub, Environmental Analyst

- 6 years of CEQA/NEPA experience
- B.A. Environmental Studies
- Experience on multiple housing element projects



Morgan Weintraub brings experience preparing a range of environmental documents, in addition to public agency experience as adjunct staff. Environmental document experience includes evaluation of policy documents including General Plans, Specific Plans, and Zoning Code amendments. She currently serves as environmental analyst in the preparation of the City of Del Mar Zoning Code Amendment PEIR to implement several actions associated with the City's Housing Element, including rezoning of specific sites within the city to allow for multi-family and mixed-use development. Ms. Weintraub is also an environmental analyst for the preparation of the Complete Communities: Housing and Mobility Choices PEIR to address the potential impacts associated with adoption of the City's Transit Priority Area Housing and Infrastructure Incentive PEIR. She has previously served as adjunct staff to the cities of Wildomar and Eastvale planning departments.

Ms. Weintraub served as environmental analyst on the following similar projects:

- Complete Communities: Housing Solutions and Mobility Choices PEIR
- County of Riverside 2013-2021 Housing Element Update EIR
- City of Wasco Housing Element Initial Study
- City of Suisun City Housing Element Initial Study
- City of Los Altos Housing Element Initial Study
- Town of Yountville Housing Element Initial Study/Negative Declaration
- City of Palm Desert General Plan Update EIR

Jessica Fleming, Air Quality/Noise/Greenhouse Gas Specialist



- 15 years of experience
- B.S. Mathematics
- Training in FHWA Traffic Noise Model, SoundPLAN, URBEMIS, CalEEMod, EMFAC, AERMOD, ArcGIS
- County of San Diego Approved CEQA Consultants List: Noise and Air Quality

Jessica Fleming is the lead noise, air quality, and GHG specialist whose responsibilities include preparation of technical studies that require ambient conditions identification, dispersion and emission models, and preparation and processing of reports. She is proficient with various air quality and noise models including SoundPlan, FHWA Traffic Noise Model, CalEEMod, CALINE, EMFAC, URBEMIS, CalRoads, and URBEMIS. Ms. Fleming has conducted noise, air quality, and GHG studies for a number of residential, affordable housing, assisted living, commercial, and mixed-use projects in the San Diego region. She has recent experience with the City preparing technical reports in support of the Lantern Crest Ridge II Project IS/MND and the Cottonwood Avenue Self-Storage Project IS/MND.

Ms. Fleming served as technical specialist on the following similar projects:

- At Home in Encinitas General Plan Housing Element Update (2013-2021) PEIR
- City of Solana Beach General Plan Update PEIR
- Uptown, North Park, Golden Hill Community Plan Updates CPU EIRs
- City of Del Mar Zoning Code Amendment
- Morena Corridor Specific Plan EIR

Carmen Zepeda-Herman, RPA, Cultural Resources Project Director



- 20 years of experience
- M.A. Anthropology
- Certified by the Register of Professional Archaeologists (RPA)
- City of San Diego Qualified Archaeological Principal Investigator
- County of San Diego Approved CEQA Consultants List: Archaeology

Carmen Zepeda-Herman is a local expertise in local cultural resources and is responsible for leading and conducting field surveys, test excavations, data recovery excavations, and construction monitoring for cultural resource studies. She conducts background research, site records maintenance, and assembles crews for completion of projects. She regularly works with a range of regulatory and assessment frameworks, including the National Register of Historic Places, National Historic Preservation Act, California Register of Historic Resources, and CEQA. Ms. Zepeda-Herman completed a survey and report for the Prospect Estates II project in Santee and the South County Animal Shelter Project.

Ms. Zepeda-Herman served as lead archaeologist on the following similar projects:

- Meadowood Specific Plan Project Additional Studies
- Complete Communities: Housing and Mobility Choices PEIR
- Cottonwood Avenue Self Storage Project IS/MND

Beth Procsal, Associate Biologist

- 17 years of experience
- B.S. Biological Sciences
- CDFW Scientific Collecting Permit
- USFWS Permit TE-797665



Beth Procsal is a skilled biologist who specializes in southwestern U.S. bird identification, avian point counts, and focused surveys for endangered, threatened, and sensitive bird species. She also manages and conducts general biological and wetland assessments and constraints analyses, vegetation mapping, habitat revegetation and mitigation implementation and monitoring, and biological monitoring. Ms. Procsal regularly coordinates with agency staff and has a strong understanding of the guidelines and reporting requirements of federal, state, and local agencies. She has specific experience managing large-scale projects and has served as lead biologist in support of similar programmatic projects.

Ms. Procsal was the lead biologist for the following projects:

- Uptown, North Park, Golden Hill Community Plan Updates EIRs
- Meadowood Specific Plan Project Additional Studies
- Friars Road Residential Project
- Vidler Estates Residential Project
- Biological Resources Report for the South County Animal Shelter Project, Santee

Monique Chen, PE, Traffic Engineer

- 21 years of experience
- B.S. Civil Engineering
- Professional Engineer (Traffic), California

Monique Chen has 21 years of experience providing engineering and planning services to the transportation industry, including both public and private sector clients. As a registered traffic engineer, she has been responsible for project management on numerous projects ranging from general plans, master plans, specific plans, mobility studies, corridor studies, transportation impact analysis, operational and demand assessments to conceptual engineering. Specific areas of experience and expertise include traffic engineering and operations, local and regional transportation planning, smart growth planning, multimodal planning, development of specifications and cost estimates, and traffic impact studies. Ms. Chen has served as the project manager for several planning and engineering projects, such as the Downtown San Diego Mobility Plan, the National City General Plan Mobility Element Update, and the County of San Diego Mobility Element Update.

Ms. Chen served as traffic engineer on the following similar projects:

- City of Santee Mobility Element and TIS
- City of Solana Beach General Plan Update – Mobility Element and TIS
- Southeastern San Diego and Encanto Community Plan Update–Mobility Element and TIS
- Mission Valley Community Plan Update – Mobility Element and TIS

Phuong Nguyen, PE, Senior Traffic Engineer

- 13 years of experience
- B.S. Civil Engineering
- Professional Engineer (Civil), California

Phuong Nguyen has 13 years of experience providing engineering services to the transportation industry. He has been responsible for project and task management on a number of efforts ranging from parking plans, traffic operations, micro-simulation, peer review, and transportation impact analysis to conceptual engineering. Phuong is very experienced in the application of transportation planning and traffic engineering analysis software, such as VISSIM, Synchro/SimTraffic, Vistro, Traffix, Highway Capacity Software, Complete Street Level of Service, Rodel Roundabouts, and SANDAG MXD method and tool for Smart Growth Trip Generation. His relevant project experience includes serving as traffic engineer for preparation of the Mobility Elements and TIS for the City of Santee, Mission Valley Community Plan Update, Southeastern San Diego and Encanto Community Plan Update, and the City of Indio General Plan Update.

Mr. Nguyen served as traffic engineer on the following similar projects:

- City of Encinitas Housing Element Update
- City of Solana Beach General Plan Update
- Mission Valley Community Plan Update
- City of Santee Mobility Element & Traffic Impact Study
- Southeastern San Diego and Encanto Community Plan Update
- Kearny Mesa Community Plan Update

I. Fee Schedule and Cost Estimate

RECON's cost estimate and fee schedule to prepare the PEIR are provided below. The cost includes both direct labor costs as well as indirect costs (e.g., cultural resources records search) for both RECON and Chen Ryan. Please note that the SANDAG modeling costs are included in the Chen Ryan estimate and account for approximately 50 percent of their total cost. The cost estimate takes into account budget efficiencies associated with our anticipated completion of a Negative Declaration for the Housing Element Update. We are willing to work closely with the City to refine the scope of work as needed to achieve the objectives of the RFP while providing the most cost efficient work product.



An Employee-Owned Company

HOURLY RATE SCHEDULE

POSITION	RATE
EXPERT WITNESS.....	\$ 340.00
PRINCIPAL	\$ 218.00
ENVIRONMENTAL PROJECT DIRECTOR.....	\$ 198.00
SENIOR	\$ 177.00
ASSOCIATE	\$ 145.00
ANALYST	\$ 135.00
ASSISTANT.....	\$ 110.00
RESEARCH ASSISTANT	\$ 105.00
UNMANNED AERIAL VEHICLE (DRONE) OPERATOR.....	\$ 184.00
GIS SPECIALIST	\$ 120.00
PRODUCTION SUPERVISOR	\$ 100.00
PRODUCTION SPECIALIST III	\$ 90.00
PRODUCTION SPECIALIST II	\$ 80.00
PRODUCTION SPECIALIST I	\$ 75.00
RESOURCE MONITOR II	\$ 80.00
RESOURCE MONITOR I.....	\$ 70.00

Unless otherwise agreed upon, **RECON** shall charge, at cost, for reproduction, out-of-town transportation and expenses, delivery charges, and the use of GPS units and tablets, noise meters, and UAV/drone.

Personnel rates are in effect from July 1, 2019, through June 30, 2020. Increases occur annually on July 1.

Task Description	Env Project				Research	Production	GIS	Total	Total Cost
	Director	Senior	Associate	Analyst	Assistant	II	Specialist	Hours	
<i>Rate</i>	<i>\$198</i>	<i>\$177</i>	<i>\$145</i>	<i>\$135</i>	<i>\$105</i>	<i>\$80</i>	<i>\$120</i>		
Task 1 - Project Initiation	2	4	-	16	-	4	4	30	\$4,064
Task 2 - Notice of Preparation	-	1	-	8	-	1	-	10	\$1,337
Task 3 - Scoping Meeting	-	16	-	-	-	2	-	18	\$2,992
Task 4 - Administrative Draft PEIR	20	52	-	128	-	32	32	264	\$36,844
- Biology Support	-	-	13	4	-	-	8	25	\$3,385
- Archaeology Support	-	8	-	-	10	-	3	21	\$2,826
- Noise Support	1	-	25	-	-	-	-	26	\$3,823
- Air Quality Support	1	-	18	-	-	-	-	19	\$2,808
- GHG Support	1	-	18	-	-	-	-	19	\$2,808
Task 5 - Screencheck Draft PEIR	12	30	-	64	-	16	8	130	\$18,566
Task 6 - Draft PEIR and Technical App.	4	16	-	24	-	24	-	68	\$8,784
Task 7 - Screencheck Final PEIR	7	38	-	80	-	14	-	139	\$20,032
Task 8 - Final PEIR	5	16	-	36	-	12	-	69	\$9,642
Task 9 - Public Hearing	-	22	-	-	-	-	-	22	\$3,894
Expenses (record search, copying)	-	-	-	-	-	-	-	-	\$3,050
Subcontractor - Chen Ryan	-	-	-	-	-	-	-	-	\$47,950
Total	53	203	74	360	10	105	55	860	\$172,805

J. Additional Information

RECON's insurance coverage and policy limits are listed below. As part of our policy through Travelers Insurance, RECON carries \$10,000,000 umbrella liability coverage in compliance with the City's Commercial General Liability coverage requirements. Note that we do not carry pollution/asbestos liability insurance, as it is not applicable to the scope of our professional services.

	RECON Coverage
Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury (including death), personal injury and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury (including death) and property damage
Employer's Liability	\$1,000,000 per accident for bodily injury or disease
Professional Liability/ELL	\$1,000,000 per claim and aggregate (errors and omissions)
Pollution Liability	\$2 million per claim/\$4 million/aggregate
Cyber Liability Insurance	\$1,000,000 per occurrence /\$1,000,000 aggregate

Client References

Russ Cunningham, Principal Planner

City of Oceanside, Development Services Department, Planning Division

(760) 435- 3525; rcunningham@ci.oceanside.ca.us

Project: City of Oceanside General Plan Update – Economic Development Element, Energy and Climate Action Element, and Climate Action Plan PEIR

Alyssa Muto, Deputy Director

City of San Diego, Planning Department

(619) 533-3103; amuto@sandiego.gov

Project: Uptown, North Park, Golden Hill Community Plan Updates PEIRs

Michael Strong, Project Manager, City of Escondido

(760) 839-467, mstrong@escondido.org

Project At Home in Encinitas (General Plan Housing Element Update (2013-2021) PEIR

Client Testimonials

RECON stepped in to take over completion of EIRs for three City of San Diego community plan updates. In an extremely short timeframe and working closely with City staff, RECON completed two Draft EIRs and finalized the documents hearing within the timeline allotted and within budget.

City of San Diego Evaluation

Uptown, North Park, Golden Hill Community Plan Updates PEIRs

Ms. Campos has been effective in working closely with County staff in project planning and land development to navigate and assist in bringing resolution to numerous issues involved in the processing of the Meadowood Project.

City of San Diego Evaluation

Meadowood Specific Plan PEIR

ATTACHMENT A: RESUMES

RECON

Jennifer Campos

Environmental Project Director



Experience

16 years

Education/Registrations

B.A. Geography, University of California, Berkeley

M.S. International Agricultural Development, University of California, Davis

Certifications/Permits

County of San Diego
Approved CEQA
Consultants List;
Agricultural Resources and
EIR Preparer

Affiliations

Association of Environmental Professionals

American Planning Association

Ms. Campos serves as a RECON Environmental Project Director for CEQA compliance. She leads a team of environmental planners, archaeologists, biologists, noise, and air quality specialists to ensure successful completion of environmental processing requirements for both public agencies and private clients. With over 16 years of experience in the environmental field, she successfully guides clients and facilitates project processing through environmental review and permitting. Ms. Campos coordinates with local, state, and federal agencies to obtain project authorizations.

Ms. Campos has worked with both the public and private sectors and has an exceptionally wide range of expertise in areas including managing the preparation of environmental (CEQA and NEPA) and planning documents for projects in the southern and central coast regions of California. She works closely with applicants, planners, engineers, and architects throughout all stages of the planning process to ensure preparation of high-quality environmental documents. Ms. Campos' experience has emphasized the management of environmental review for policy planning documents (general plans, community plans, specific plans, and housing elements) as well as a full range of large-scale projects.

City of San Clemente 2021-2029 Housing Element & Safety Element Update Program EIR

Ms. Campos is the Environmental Project Director for the City of San Clemente Housing Element & Safety Element Update Program EIR. Ms. Campos worked closely with City staff to refine the scope of work for the PEIR to ensure an efficient schedule and environmental approach for their Housing Element and rezone program.

City of Santee 2021-2029 Sixth Cycle Housing Element ND, Santee, CA

Ms. Campos will serve as Environmental Project Director for the City of Santee Housing Element Update for the 2021 – 2029 Sixth Cycle, as a subcontractor to Veronica Tam & Associates. She will oversee the preparation of the CEQA document to support the Housing Element, which is anticipated to be a Negative Declaration.

At Home in Encinitas (General Plan Housing Element Update - 2013-2021) Program EIR, Encinitas, CA

Ms. Campos assisted with the EIR for City of Encinitas Housing Element Update project for the 2013 to 2021 planning period. The project includes an update to the 1992

Housing Element, including revised goals and policies, along with new and continuing implementation programs to ensure consistency with current state housing law. The update also integrates updated socioeconomic data, as well as other population and household characteristics to support the development of the Housing Element.

City of El Cajon Housing Element Rezone Program, El Cajon, CA

Ms. Campos prepared a Program EIR for the City of El Cajon Rezone Program that identified specific housing opportunity sites in order to accommodate the City's future housing demands. The EIR approach was to provide a comprehensive analysis and mitigation framework to allow for the streamlined review and tiering of subsequent housing and mixed-use projects.

City of Oceanside Phase I General Plan Update/ Climate Action Plan, Oceanside, CA

Ms. Campos was the project manager for the preparation of CEQA documentation for Phase I of the City of Oceanside's General Plan Update. The project included the preparation of new Economic Development and Energy elements, along with a Climate Action Plan (CAP), as part of a first phase of the City's General Plan update. The CAP and CEQA documentation are being developed with intent to facilitate and streamline the review of future development proposals.

City of Del Mar Zoning Code Amendment Program EIR, Del Mar, CA

Ms. Campos is overseeing preparation of a Program EIR to implement several actions associated with the City's Housing Element including rezoning of specific sites within the city to allow for multi-family and mixed use development. Working also includes developing an appropriate analysis approach to address citizen concerns.

City of Santee Village Run Homes Condominiums Project Initial Study, Santee, CA

Ms. Campos prepared the Initial Study and Mitigated Negative Declaration for the Village Run Condominium project that addresses construction of 40 multi-family dwelling units on a 2-acre parcel.

Complete Communities: Housing Solutions and Mobility Choices Program EIR, San Diego, CA

Ms. Campos prepared a Program EIR for the City's Complete Communities: Housing Solutions and Mobility Choices program which provides amendments to the San Diego Municipal Code to incentivize multi-family housing

construction, affordability by allowing qualifying development to occur without further discretionary review. The Mobility Choices program included implementation of a fee program that would fund multi-modal infrastructure improvements. The project included adoption of a new threshold for evaluating transportation impacts using vehicle miles traveled to comply with Senate Bill 743.

Prospect Estates IS/MND, Santee, CA

Ms. Campos prepared the Initial Study and Mitigated Negative Declaration for the Prospect Estates project which included a General Plan Amendment, Zone Reclassification, and Tentative Map for development of 75 single-family residential lots on a 12-acre project site. She worked closely with City staff to prepare the IS/MND and resolve project issues on a short schedule to meet goals of both the applicant and the City.

Rockville Street Self Storage MND, Santee, CA

Ms. Campos prepared the Initial Study and Mitigated Negative Declaration for the Rockville Street Self Storage project which included a Conditional Use Permit to allow development of 174,675 square feet of self-storage facility and administrative offices on a 5.16 acre site. She worked closely with City staff to resolve project issues and the project was approved by City Council.

Santee Brewery Project IS/MND, Santee, CA

Ms. Campos was the project manager for the Santee Brewery IS/MND project which included a request for a Development Review Permit, a Variance for reduced on-site parking, and an amendment to the Santee Town Center Specific Plan and RiverView Office Park Master Plan to allow construction of structures to support a brewery operation and restaurant on a 10-acre site. This project was approved by the Santee City Council.

El Cajon Transit District Specific Plan, El Cajon, CA

RECON prepared a PEIR for the El Cajon Transit District Specific Plan which supported transit-oriented development around the El Cajon Transit Center. Ms. Campos served as the project manager for this PEIR that was approved in May 2018.

Mission Valley Community Plan Update Program EIR, San Diego, CA

Ms. Campos is preparing a Program EIR for the Mission Valley Community Plan update. The plan area is located at the crossroads of San Diego's central freeway system, and serves as a regional center of offices, hotels, and retail sales. The updated community plan provides goals and supporting

policies for future development, consistent with the 2008 City of San Diego General Plan, as well as a long-range, comprehensive policy framework for growth and development in the community through 2035.

Uptown, North Park, and Golden Hill Community Plan Updates, San Diego, CA

Ms. Campos was the project manager and EIR preparer for two City Program EIRs addressing Community Plan Updates for the communities of North Park, Golden Hill, and Uptown. Ms. Campos worked closely with City staff to finalize two Draft Program EIRs for the three communities for public review on a compressed schedule. Following public review, Ms. Campos prepared Response to Comments, Findings, and a Mitigation Monitoring and Reporting. The Final Program EIRs for North Park/Golden Hill and Uptown were certified and the projects were approved by City Council.

Morena Corridor Specific Plan, San Diego, CA

Ms. Campos was the lead author for the Morena Corridor Specific Plan Program EIR which provides a policy framework to support transit-oriented development within a 280-acre Specific Plan area focused around the future Tecolote Drive trolley stop and the existing Morena Boulevard trolley stop within portions of the Clairemont and Linda Vista communities. The Specific Plan establishes planning districts and provides policies and design guidelines for future development and redevelopment consistent with the City of Villages Strategy and the City's CAP.

City of Del Mar Zoning Code Amendment Program EIR, Del Mar, CA

Ms. Campos is overseeing preparation of a Program EIR to implement several actions associated with the City's Housing Element including rezoning of specific sites within the city to allow for multi-family and mixed use development. Working closely with City staff, RECON is developing an appropriate analysis approach to address citizen concerns.

Friars Road Mixed-Use Project IS/MND, San Diego, CA

Ms. Campos prepared an Initial Study and Mitigated Negative Declaration for the Friars Road Mixed-Use Project for a Site Development Permit, Planned Development Permit, Mission Valley Development Permit, and Vesting Tentative Map for a 319-unit multi-family residential mixed-use project, consisting of 243 apartments, 6 shopkeeper units, and 70 condominiums on 5.43 acres in Linda Vista, just north of Fashion Valley Mall.

Nick Larkin

Project Manager



Experience

18 years

Education/Registrations

M.A. Urban Planning,
University of California
Los Angeles

B.A. Urban Studies and
Planning, University of
California San Diego

Certifications/Permits

County of San Diego
Approved CEQA
Consultants List; EIR
Preparer

Training

Caltrans Section 4(f)
training

Affiliations

Association of
Environmental
Professionals

Mr. Larkin's experience includes preparation of CEQA and NEPA compliance documents for a variety of project types, including private sector residential and commercial development, as well as public sector large- and small-scale infrastructure, public works, and energy projects.

Mr. Larkin's expertise includes management of complex projects, preparation of EIRs and Mitigated Negative Declarations for CEQA, and preparation of EISs and Environmental Assessments for NEPA. He has recent experience working with the City of Santee on the Prospect Estates II IS/MND, the Cottonwood Avenue Self-Storage IS/MND, and the Lantern Crest Ridge II IS/MND.

City of San Clemente 2021-2029 Housing Element and Safety Element Update Program EIR

Mr. Larkin is the Project Manager for the City of San Clemente Housing Element & Safety Element Update Program EIR. The Housing Element Update, which will be prepared under a separate agreement by Veronica Tam & Associates, also includes rezoning of parcels to accommodate the Regional Housing Needs Assessment.

City of El Cajon Housing Element Rezone Program EIR, El Cajon, CA

Mr. Larkin assisted with research and edits of an EIR for the City of El Cajon's Housing Element Rezone Program in order to accommodate the City's future housing demands. The EIR provides a comprehensive analysis and mitigation framework to allow for the streamlined review and tiering of subsequent housing and mixed-use projects. Furthermore, it included a detailed cumulative analysis including other long-range planning efforts in the City.

Uptown, North Park, Golden Hill Community Plan Updates Program EIRs, San Diego, CA

Mr. Larkin served as an environmental analyst and assisted with the preparation of Response to Comments and Final Programmatic EIRs for the Uptown, North Park, and Golden Hill Community Plan Updates.

City of Oceanside General Plan Update – Economic Development Element, Energy and Climate Action Element, and Climate Action Plan PEIR, Oceanside CA

Mr. Larkin served as an environmental analyst for the preparation of a Climate Action Plan (CAP) and CEQA documentation for the City of Oceanside. The project

included the preparation of new Economic Development and Energy Elements, along with a CAP, as part of a first phase of the City's General Plan update. The CAP and CEQA documentation were developed with intent to facilitate and streamline the review of future development proposals.

El Cajon Transit District Specific Plan Program EIR, El Cajon, CA

RECON was part of the interdisciplinary team selected to prepare a Specific Plan and CEQA documentation for an area surrounding the El Cajon Transit Center. Mr. Larkin served as an analyst for a transit-oriented specific plan PEIR.

Prospect Estates II IS/MND, Santee, CA

Mr. Larkin served as project manager the Initial Study/Mitigated Negative Declaration for the Prospect Estates II Project for development of 38 attached condominiums and 15 single-family residences on a 6.8-gross acre project site. Mr. Larkin finalized the Initial Study/Mitigated Negative Declaration for public circulation and is lead the effort to draft response to comments received during public circulation and prepare the Final IS/MND.

Morena Corridor Specific Plan, San Diego, CA

Mr. Larkin served as an environmental analyst and assisted with the preparation of EIR sections for the Morena Corridor Specific Plan, which would increase residential density in Linda Vista by redesignating and rezoning land to allow for transit-oriented development.

Pacific Highlands Ranch, San Diego, CA

Mr. Larkin served as project manager and primary author of Findings tiering off the Pacific Highlands Ranch Master EIR for the Coralina, Rancho Milagro, and Commercial Phase II projects. He oversaw preparation of technical studies and served as the primary point of contact with the City and project design team.

2017 Water and Wastewater Master Plan Update, Vallecitos Water District, San Marcos, CA

Mr. Larkin served as project manager and primary author for the Program EIR for the Vallecitos Water District's 2017 Master Plan Update, including program-level analysis for Capital Improvement Program projects throughout the service area, and project-level analysis for the Diamond Siphon Replacement project in San Marcos, including technical review of the project's biological resources report. Mr. Larkin prepared response to comments and the Final Program EIR.

Lori Spar

Senior Environmental Analyst



Experience

18 years

Education/Registrations

B.A. Political Science, State University of New York, Binghamton

J.D., Benjamin Cardozo School of Law

L.L.M. Environmental Law, University of San Diego

Ms. Spar is a senior environmental analyst with experience in environmental planning, project management and analysis, and environmental litigation. Her work in the legal community allowed her to become familiar with land use requirements and procedures. Ms. Spar worked for the County of San Diego as an environmental planner and EIR coordinator. She performed varying tasks, from processing and planning of complex projects and CEQA/NEPA document preparation and review.

At Home in Encinitas (General Plan Housing Element Update (2013-2021) Program EIR, Encinitas, CA

Ms. Spar served as environmental analyst on the City of Encinitas Housing Element Update (2013-2021) Program EIR. The project included an update to the 1992 Housing Element, including revised goals and policies, along with new and continuing implementation programs to ensure consistency with current state housing law. The update also integrated updated socioeconomic data, as well as other population and household characteristics.

City of Del Mar Zoning Code Amendment Program EIR, Del Mar, CA

Ms. Spar is project manager for the City of Del Mar Professional Commercial and North Commercial Zoning Code Amendment (ZA18-002) Project and the primary author of the Program EIR. The project would implement several actions associated with the City's Housing Element including rezoning of specific sites within the city to allow for multi-family and mixed-use development. Working closely with City staff, RECON is developing an appropriate analysis approach to address citizen concerns.

City of Chula Vista General Plan and Otay Ranch General Development Plan Supplemental EIR, Chula Vista, CA

Ms. Spar was project manager for the Supplemental EIR for the Amendments to the City of Chula Vista General Plan and Otay Ranch General Development Plan. The amendments would increase the intensity and alter development allowed by the General Development Plan and provide for an improved interface with regional infrastructure within two Villages and the University site of Otay Ranch. The amendments include a mix of land uses, primarily including a maximum of 6,050 residential units at varying densities; designations of Town Centers and creation of an 85-acre Regional Technology Park within a 1,200-acre site in the western portion of Otay Ranch.

Morena Corridor Specific Plan Program EIR, San Diego, CA

Ms. Spar is preparing the Program EIR for this controversial large-scale General Plan Update associated with increased density and intensity of uses through the Clairemont Mesa and Linda Vista community planning areas.

Downtown El Cajon Specific Plan EIR, El Cajon, CA

Ms. Spar served as an environmental associate for the EIR for the proposed El Cajon Downtown Specific Plan covering 527 acres within the City's redevelopment project area. The City's future vision for the area is a revitalized pedestrian-oriented, sustainable, mixed-use community.

Lilac Hills Ranch Specific Plan EIR, San Diego County, CA

Ms. Spar continues to serve as project manager and primary author and point of contact for the EIR for the Lilac Hills Ranch project. Lilac Hills Ranch is a proposed mixed-use development project located in the Valley Center and Bonsall communities in the County of San Diego. This project includes 1,746 residential units, including senior living units, three neighborhood centers, parks, school, senior housing and on-site recycling and wastewater facilities. The project includes a general plan amendment, specific plan, rezone, and multiple site plans. Complex issues associated with this project include navigating greenhouse gas regulations including recent litigation filed to stay the County's Climate Action Plan and allowance for emission offsets. Additional responsibilities include coordinating closely with the project team and County staff, managing subconsultants, maintaining timing and budget, and preparing and editing the CEQA documents.

Meadowood Specific Plan EIR, San Diego, CA

Ms. Spar assisted in the preparation of this EIR for the Meadowood project in the Fallbrook community of San Diego County. The project included a general plan amendment, specific plan, rezone, vesting tentative map, and site plans for the development of 867 single- and multi-family units, an elementary school, a neighborhood park, pocket parks, multi-use trails, and water and wastewater facilities on the 390-acre site. Key issues addressed in the EIR included visual, biological, agricultural and cultural resources, along with land use, noise and utilities. The EIR was certified and the project approved by the Board of Supervisors.

Morgan Weintraub

Environmental Analyst



Experience

6 years

Education/Registrations

B.A. Environmental Studies, University of California, Santa Cruz

Affiliations

Association of Environmental Professionals

Mentorship Committee Member, American Planning Association

Toastmasters, past Secretary

Ms. Weintraub's responsibilities include preparation of environmental documents, coordination with agency staff, and project management. She has prepared EIRs, MNDs, initial studies, and environmental assessments. Ms. Weintraub brings agency expertise through her experience serving as adjunct staff for the City of Wildomar and City of Eastvale.

Complete Communities: Housing and Mobility Choices Program EIR, San Diego, CA

Ms. Weintraub is serving as environmental analyst for the preparation of a program EIR to address the potential impacts associated with adoption of the City of San Diego's Multi-Family Affordable Housing Program. The City is pursuing ordinance amendments to further implement its Climate Action Plan and General Plan City of Villages Strategy by allowing for streamlined affordable housing developments within Transit Priority Areas. The EIR covers a full range of environmental issues as well as an economic analysis, stakeholder engagement program, and urban design schematics.

2013-2021 Housing Element Update EIR, County of Riverside, CA

Ms. Weintraub was an author of the EIR evaluating the countywide projections of growth, including population and employment projections. The projections developed for the current General Plan (also referred to as GPA 960) form the baseline projections for the impact analysis in the EIR.

Housing Element Initial Study, Wasco, CA

Ms. Weintraub was the primary author of the Initial Study for the City's 2015-2023 Housing Element designed to address the projected housing needs of current and future residents.

Housing Element Initial Study, Suisun City, CA

Ms. Weintraub was the primary author of the Initial Study. The 2015-2023 Housing Element is the City's policy document guiding the provision of housing to meet future needs for all economic segments in Suisun City, including housing affordable to lower-income households.

Housing Element Initial Study, Los Altos, CA

Ms. Weintraub was the primary author of the Initial Study for the 2015 Housing Element. The EIR addressed analysis of the policy document addressing housing to meet future needs for all economic segments in Los Altos, including housing affordable to lower-income households.

Housing Element IS/ND, Town of Yountville, CA

Ms. Weintraub was the primary author of the Initial Study. A Negative Declaration consistent with CEQA was also prepared. The purpose of the IS/ND was to evaluate the potential environmental impacts of the Town's 2015-2023 Housing Element.

General Plan Update EIR, Palm Desert, CA

Ms. Weintraub was an author of the EIR. The General Plan update focuses on key areas of the city, including the Highway 111 corridor/City Center and the areas around the CSU campus. The update also includes goals and policies that provide the City with the tools to seek pedestrian-oriented development patterns to diversify the city's existing primarily automobile-oriented development patterns and realize both a true City Center and a vibrant university campus area.

PLAN Hermosa (General Plan EIR), Hermosa Beach, CA

Ms. Weintraub was an author of an EIR that considered the environmental impacts likely to occur with adoption of Hermosa Beach's General Plan and Local Coastal Program. PLAN Hermosa serves as the City's blueprint and vision for future growth and development.

General Plan Safety Element Initial Study, Maricopa, CA

Ms. Weintraub was an author of the Initial Study and Negative Declaration for the City of Maricopa Safety Element update. The purpose of the Safety Element was to identify natural or human activity-related hazards that exist in Maricopa and to define policy objectives and implementation actions to address them. This update coincided with an update to the Kern County Multi-Jurisdictional Hazard Mitigation Plan (MJHMP). Revisions to the Safety Element integrated updates associated with recent changes to state law and new legislation pertaining to general plan safety elements.

Norwalk High School MND and EIR, Norwalk, CA

Ms. Weintraub was the primary author of the MND and an author of the EIR. The project consisted of replacing the existing grass field with synthetic turf and developing new athletic fields for football, soccer, baseball, softball, and track and field.

Jesse Fleming

Air Quality and Noise Specialist



Experience

14 years

Education/Registrations

B.S. Mathematics,
University of California,
Santa Barbara

Certifications/Permits

County of San Diego
Approved CEQA
Consultants List; Air
Quality and Noise

OSHA 10-Hour Training
Course in Construction
Safety and Health

Training

CalEEMod

AEDT

Affiliations

Association of
Environmental
Professionals

Ms. Fleming is an associate project manager and noise, air quality, and greenhouse gas specialist whose responsibilities include conducting acoustical, air quality, and greenhouse gas technical studies that require ambient conditions identification, dispersion and emission models, and preparation and processing of reports. Ms. Fleming is proficient with various air quality models (e.g. AERMOD, CalEEMod, EMFAC, CalRoads, AEDT, and AP42) and noise prediction models (e.g., SoundPLAN, FHWA TNM, FHWA RCNM, and CREATE railroad noise model). She has extensive knowledge of environmental regulations related to noise, air quality, and greenhouse gases.

At Home in Encinitas General Plan Housing Element Update (2013-2021) Program EIR, Encinitas, CA

Ms. Fleming prepared the noise, air quality, and greenhouse gas analyses for the Program EIR. The project included an update to the City's Housing Element, along with a comprehensive implementation program, including general plan amendments to the Land Use and Noise Elements; a rezone program; design guidelines and other associated discretionary actions. The reports fully analyzed 33 housing opportunity sites and four housing strategies developed through community input and included a detailed mitigation framework to streamline the CEQA review of future projects.

Solana Beach General Plan Update, Solana Beach, CA

Ms. Fleming served as an author of the City of Solana Beach General Plan Update Program EIR, and prepared the noise and air quality technical analyses. The General Plan Update includes the City's Housing, Land Use and Circulation Elements and focuses on the incorporation of policies related to sustainability, healthy communities, and climate change.

Uptown, North Park, Golden Hill Community Plan Updates CPU EIRs, San Diego, CA

Ms. Fleming prepared the noise, air quality, and greenhouse gas technical reports for the Uptown, North Park, and Golden Hill Community Plan Updates (CPUs). The analyses included the calculation of community-wide noise levels, air emissions, and GHG emissions, and the determination of impacts and measures required to be implemented at a community plan and future project level, and guide future development in the communities.

Morena Corridor Specific Plan, San Diego, CA

Ms. Fleming conducted the air quality, noise, and GHG analyses for the Morena Corridor Specific Plan. The Specific Plan included land use changes, mobility improvements, policy direction, and supplemental regulations intended to guide development in the project area. The analysis included the calculation of emissions of criteria pollutants and GHG associated with existing and future development within the Specific Plan area and the calculation of vehicle traffic noise contours distances. The analysis also included the determination of impacts and measures required to be implemented at a community plan and future project level.

City of Del Mar Zoning Code Amendment, Del Mar, CA

Ms. Fleming prepared the noise, air quality, and greenhouse gas analyses for the City's Zoning Code Amendment which proposes changes to the Zoning Code to allow for residential development within certain areas of the city. The noise analysis included measurements of the existing noise conditions and determined future compatibility of residential uses with the surrounding noise environment including vehicle traffic and rail noise, as well as stationary sources. The air quality and GHG analyses included calculation of existing and future emissions with and without implementation of the Zoning Code Amendment, and determined whether the project would conflict with regional air quality plans and GHG reduction goals. The analyses included a detailed mitigation framework to streamline future development.

941 Camino Del Mar Specific Plan, Del Mar, CA

Ms. Fleming conducted the air quality, noise, and greenhouse gas analyses. The project proposed to construct a mixed-use development consisting of residential hospitality, retail, office, and restaurant uses. The Specific Plan provides development standards as well as design guidelines for future project components. The analysis included the calculation of emissions of criteria pollutants and greenhouse gas as well as emission reduction features associated with the development. The analysis also included that calculation of future vehicle traffic noise levels and land use compatibility determination, as well as the calculation of property line noise levels associated with construction activities and future operational characteristics.

Lilac Hills Ranch Specific Plan, San Diego County, CA

Ms. Fleming conducted the noise, air quality, and greenhouse gas analyses for the proposed Lilac Hills Specific Plan encompassing 608 acres in the unincorporated community of Valley Center in the County of San Diego. The project is planned with a mix of residential, commercial, and institutional uses, along with parks and open space.

Carmen Zepeda-Herman, RPA

Archaeology Project Director



Experience

20 years

Education/Registrations

M.A. Anthropology, San Diego State University

B.A. Anthropology, University of California, Berkeley

Registered Professional Archaeologist, 15119

Certifications/Permits

City of San Diego Qualified Archaeological Principal Investigator

County of San Diego Approved CEQA Consultants List; Archaeology

California Department of Transportation, PQS Equivalent, Principal Investigator in Prehistoric Archaeology

California BLM Cultural Resource Use Permit CA-19-02

Affiliations

San Diego County Archaeological Society

Ms. Zepeda-Herman is certified by the Register of Professional Archaeologists (RPA) and is responsible for leading and conducting field surveys, test excavations, data recovery excavations, and construction monitoring for cultural resource studies. She conducts background research, site records maintenance, and assembles crews for completion of projects. Ms. Zepeda-Herman regularly works with a range of regulatory and assessment frameworks including National Historic Preservation Act, National Register of Historic Places, California Register of Historic Resources, and CEQA.

Prospect Estates II, Santee, CA

Ms. Zepeda-Herman surveyed the expanded portion of the project located in Santee and updated the survey report. One prehistoric site and two isolated artifacts were identified during the survey. Because of the degree of disturbance, the site was recommended not significant under CEQA guidelines.

South County Animal Shelter Project, Santee, CA

Ms. Zepeda-Herman served as the principal investigator for this project. The San Diego County Department of General Services proposes the construction of a new animal shelter. Ms. Zepeda-Herman completed a survey and report in the appropriate County format. Because research indicated that the project area had been graded for construction of a school building in the past with the presence of archaeological and Native American monitors, and that the cultural resource site identified had been destroyed, no mitigation measures were recommended for the current project.

Meadowood Specific Plan Project Additional Studies, San Diego, CA

Ms. Zepeda-Herman served as the principal investigator for the updated cultural resources survey for the Meadowood project, a proposed development of 389.5 acres. The project is subject to Section 106 of the National Historic Preservation Act. She authored the report and attended Section 106 Tribal Consultation meetings with the U.S. Army Corps of Engineers.

Complete Communities: Housing and Mobility Choices Program EIR, San Diego, CA

RECON prepared a Program EIR for the City's Complete Communities: Housing Solutions and Mobility Choices program which provides amendments to the San Diego Municipal Code to incentivize multi-family housing

construction, affordability by allowing qualifying development to occur without further discretionary review. Ms. Zepeda-Herman analyzed the records search data for approximately 200,557 acres within the City of San Diego to create an archaeological sensitivity map.

14th and Commercial Streets Project, San Diego, CA

Ms. Zepeda-Herman evaluated the potential for subsurface archaeological deposits to be present on the project parcel. Research included a review of the results of a records search at the California Historical Resources Information System South Coastal Information Center, a review of the 1876 Bird's Eye View drawing of San Diego, applicable Sanborn Fire Insurance Maps, and a review of the files at the San Diego Historical Society. Based on the presence of prior buildings, it was determined that the potential for subsurface historic archaeological deposits to be present does exist.

Cottonwood Avenue Self-Storage Project, Santee, CA

Ms. Zepeda-Herman coordinated with a Kumeyaay Native American monitor and completed an archaeological survey of the project area. Prior to the survey, a records search was performed at the South Coastal Information Center to identify any previously recorded cultural resources. As part of the analysis, historic aerial photographs were also examined to determine past disturbances. Based on the survey, records search, past disturbances, and topographic location, the results report recommended cultural resources monitoring during construction due to the likelihood of buried archaeological deposits.

Mission Trails Regional Park Natural Resources Management Plan and Master Plan Update, San Diego, CA

Ms. Zepeda-Herman completed the existing conditions and impact analysis section for the Master Plan Update. The overall goal of the Master Plan Update is to provide a structure for ongoing land and resource management actions, improve recreational connectivity, and to protect the Park's natural and cultural resources. The existing conditions were a summary of cultural resources and identified which areas have not been surveyed.

Santee Lakes Trails Phase 4 Record Search for Padre Dam Municipal Water District, San Diego, CA

Ms. Zepeda-Herman requested and compiled the record search from the South Coastal Information Center and the San Diego Museum of Man for this project. The results of the search were used for the three subsequent projects: Floating Trails and Island, Environmental Trail and Signage, and Santee Lakes Gazebo projects.

Beth Procsal

Associate Biologist



Experience

15 years

Education/Registrations

B.S. Biological Sciences,
San Diego State University

Certifications/Permits

CDFW Scientific Collecting
Permit for birds,
invertebrates,
rodents/small mammals,
and reptiles/amphibians

CDFW Flat-Tailed Horned
Lizard Training and
Certification

OSHA 10-Hour Training
Course in Construction
Safety and Health

USFWS Permit TE-797665
for coastal California
gnatcatcher and Quino
checkerspot butterfly, and
nest monitoring for least
Bell's vireo

Training

Southwestern Willow
Flycatcher Workshop,
Kern River Research
Center

Certified Wetland
Delineation Training,
Wetland Training Institute

SDG&E NCCP Training

Ms. Procsal is a knowledgeable biologist who specializes in southwestern U.S. bird identification and focused surveys for endangered, threatened, and sensitive bird species in a variety of habitats in southern California. Additionally, she manages and conducts general biological and wetland assessments and constraints analyses, vegetation mapping, habitat revegetation/mitigation implementation and monitoring, biological monitoring. Ms. Procsal prepares biological technical reports to document findings and uses GPS to map vegetation and sensitive species habitats.

Ms. Procsal regularly coordinates with agency staff and has a strong understanding of the guidelines and reporting requirements. Additionally, Ms. Procsal has experience managing large-scale projects and has served as lead biologist/manager on several projects. She provides effective coordination of biological staff on projects with complicated environmental constraints.

Uptown, North Park, Golden Hill Community Plan Updates EIRs, San Diego, CA

Ms. Procsal assisted in preparing a programmatic level general biological analysis, which included an evaluation of the biological resources within the Uptown, North Park, and Golden Hill communities that could potentially be affected by the respective community plan updates. Proposed revisions to the open space boundaries in each planning area based on updated open space mapping were also evaluated.

Meadowood Specific Plan Project Additional Studies, San Diego, CA

Ms. Procsal prepared the Resource Management Plan, Resource Preservation Plan, Revegetation Plan, and conducted the coastal California gnatcatcher and least Bell's vireo protocol surveys for the 389-acre Meadowood Specific Plan Project. The project site will consist of a mix of single-family and multi-family units (up to 886 dwelling units); an elementary school site; a neighborhood park; pocket parks; multi-use trails; and biological, agricultural, and cultural open spaces and supporting infrastructure. Ms. Procsal also worked with the project's civil engineer and landscape architect to meet timely submittals.

Friars Road Residential Project, San Diego, CA

Ms. Procsal conducted the biological survey, wrote the biological technical report, and coordinated with the client for a timely submittal for this proposed family residential and condominium development project in the community of Linda Vista. An open space easement was proposed to protect sensitive biological resources.

Vidler Estates Residential Project, San Marcos, CA

Ms. Procsal served as biological project manager for this 5 acre residential development project. She conducted the general biological survey and wrote the biological letter report. Responsibilities also included working with the client and RECON team to ensure the other technical reports, including archeology, noise, and thread-leaved brodiaea surveys and results letter, adequately assessed potential impacts from the proposed development.

Otay Ranch Preserve Habitat Management, Chula Vista, CA

Ms. Procsal conducted baseline surveys for wildlife species, coastal California gnatcatcher protocol surveys, and diurnal/nocturnal avian surveys within the Preserve. She also conducted Quino checkerspot butterfly surveys during the spring season and assisted in protocol surveys for yellow-billed cuckoo. The Otay Ranch Preserve is located in southwestern San Diego County and includes lands within the city of Chula Vista and the county of San Diego.

Southwest Village, San Diego, CA

Ms. Procsal prepared the jurisdictional waters delineation, and conducted the coastal California gnatcatcher and Quino Checkerspot butterfly protocol surveys for 76 acres of the 500-acre Southwest Village Specific Plan Project. The Southwest Village Specific Plan would allow up to approximately 4,000 residences, a central 140,000-square-foot commercial and retail use area, a 13-acre elementary school site, 43 acres of parks, and 170 acres of open space and undeveloped areas.

Southwind Multi-Family Development, San Diego, CA

Ms. Procsal conducted the biological survey, the western burrowing owl surveys in accordance with the guidelines prepared by the California Department Fish and Wildlife, assisted in the Quino checkerspot butterfly protocol surveys, wrote the biological technical report, and consulted with the client for a timely submittal. This multi-family condominium project is proposed in the Otay Mesa Planning Area in the City of San Diego.

Monique Chen, PE | CHEN+RYAN

Mobility Project Manager

Education

BS, Civil Engineering

Licenses/Registrations

Professional Engineer (Traffic), CA

Years of Experience

22

Monique Chen has 22 years of experience providing engineering and planning services to the transportation industry, including both public and private sector clients. As a registered traffic engineer, she has been responsible for project management on numerous projects ranging from general plans, master plans, specific plans, mobility studies, corridor studies, transportation impact analysis, operational and demand assessments to conceptual engineering. Specific areas of experience and expertise include traffic engineering and operations, local and regional transportation planning, smart growth planning, multimodal planning, development of specifications and cost estimates, and traffic impact studies. Monique has served as the Project Manager for several planning and engineering projects, such as the Downtown San Diego Mobility Plan, the National City General Plan Mobility Element Update, and the County of San Diego Mobility Element Update.

Relevant Experience

City of Solana Beach General Plan Update – Mobility Element & TIS, Solana Beach, CA. Project Manager. Working with City staff, elected officials, and community members, Chen Ryan Associates developed an innovative, multi-modal circulation network that serves the needs of all travelers. As part of this effort, Chen Ryan Associates developed a new roadway typology to express the City's balanced approach to roadway design, including Multi-Modal Boulevards, Community Connectors, Bicycle Boulevards, Pedestrian Corridors, and Class I Multi-Use Paths. The Mobility Element also considered first-last mile multimodal access to Coaster and Amtrak Surfliner regional rail. While the City greatly benefits from these services due to an advantageous, central station placement that interfaces with Solana Beach's compact, walkable city center, connectivity challenges were posed by neighborhoods located further from the central portion of the City.

Southeastern San Diego and Encanto Community Plan Update – Mobility Element & TIS, San Diego, CA. Project Manager. The Mobility Element update efforts required a fully multimodal approach with a strong emphasis on active transportation modes. Chen Ryan Associates completed pedestrian, bicycle, transit, and auto level of service analyses along the major urban streets within both communities. We worked extensively with the City's collision database to document locational trends in pedestrian, bicycle, and vehicular collisions. A detailed traffic engineering operational analysis was conducted along all Circulation Element roads, as well as over 70 key intersections. Synchro/SimTraffic, CompleteStreets LOS (CSLOS), and GIS software were employed for this project. The Community Plan Updates were adopted by City Council in November 2015 and won the Outstanding Large Planning Document award in 2015 by the American Planning Association.

Mission Valley Community Plan Update – Mobility Element & TIS, San Diego, CA. Project Manager. This report provided an analysis of the existing physical and operational conditions related to the mobility system within the Mission Valley community. The Mission Valley mobility system consists of pedestrian and bicycle facilities, transit routes and stops (bus and light-rail), and roadways, as well as innovate mobility features such as a potential aerial tramway, as well as demand-responsive community circulators. Each mode of transportation is addressed throughout the report, in addition to the methodologies used to analyze each mode.

Downtown San Diego Mobility Plan & TIS, San Diego, CA. Project Manager. The Plan identifies a multimodal mobility network and establishes policies, programs and projects to improve overall mobility throughout the Downtown area for all travel modes. The Plan is supported by a layered network approach, prioritizing specific corridors for specific modes, while allowing for travel by the non-prioritized modes. This approach results in well-connected "layered" networks across the community, providing multimodal mobility in a manner that minimizes conflicts and provides for comfortable and convenient travel choices community-wide. A supporting Traffic Impact Study and multimodal technical report provided documentation for the accompanying PEIR.

Monique Chen, PE Continued

City of Indio General Plan Update – Mobility Element & TIS, Indio, CA. Project Manager. The Mobility Element emphasizes multimodal mobility through protected bicycle facilities and multi-use paths, largely focused around schools, parks, and downtown area. The wide existing roadways will enable improvements to be implemented with minimal modifications, greatly reducing construction costs and limiting effects on vehicular operations. Chen Ryan coordinated Riverside County Traffic Analysis Model (RivTAM) calibration and validation for existing and future year analyses, documenting results in the Mobility Technical Report and EIR.

City of Vista Traffic Engineering On-Call, Vista, CA. Contract Manager. For the past ten plus years, Ms. Chen served as the City's On-Call consultant and prepared numerous Traffic Impact Studies to identify and document the near-term and longer-term traffic impacts related to the proposed development, as well as to recommend mitigation measures for identified roadway and intersection deficiencies associated with the project. She has participated in City Council/Planning Commission briefings and presentations. She has also coordinated with environmental consultants in preparation of EIR/MND consistent with CEQA requirements.

City of San Diego As-Needed Traffic Engineering for the Planning Department, San Diego, CA. Contract Manager. Chen Ryan Associates is currently providing as-needed traffic engineering services for the City of San Diego Planning Department. Our 20+ task orders to date are consisted of a variety of traffic engineering, multimodal planning, research, and policy development related projects. At the core of our approach to each task order is an emphasis on multimodal mobility – ensuring that each mode is considered, evaluated and planned for.

Working closely with City staff, Chen Ryan Associates has provided transportation planning services under this contract for communitywide efforts, corridor projects and site-specific assessments. We evaluated transportation operations for projects of varying sizes and environments, using both standard and advanced techniques. Our research resulted in the development of new multimodal analysis procedures intended for application to all future long-range planning efforts. We assisted the City in the development of a new policy intended to alleviate parking-related cost burdens encountered by multifamily residential developers within transit priority areas. Most recently, we are working on developing separate programmatic frameworks to update the City's development impact fee program and prepare the City to transition to a post-SB-743 world.

City of Santee Mobility Element & TIS, Santee, CA. Project Manager. The Mobility Element identifies a future vision and key direction for achieving a truly multimodal transportation system that serves all community members. This effort analyzed existing conditions and past accomplishments and refocused mobility direction to effectively plan a balanced transportation system. The Mobility Element includes planned mobility networks, supported by a series of goals, policies, and strategies intended to promote the safe and efficient use of existing and planned transportation facilities.

Morena Corridor Specific Plan, San Diego, CA. Principal-in-Charge. The project serves to transform the auto-oriented corridor into a multimodal village, supported by mixed-use development and a balanced transportation network. Chen Ryan Associates assisted with identifying alternatives that leverage planned and existing light rail trolley stations. A two-way cycle track proposed along the west side of the Morena Boulevard will take advantage of the existing rail corridor alignment to limit conflicts. Multimodal access to all three trolley stops will be supported by intersection curb bulb-outs, high visibility crosswalks, lead pedestrian and bicycle intervals, and new bicycle facilities. A realigned roadway network will strengthen the street grid and improve connections for all travel modes.

Euclid Avenue Systemic Safety Analysis Report Program, Ontario, CA. Project Manager. The Euclid Avenue SSARP project provides an analysis of over 400 records along the nearly 5-mile long corridor in the City of Ontario. The analysis findings are being used to develop site specific recommendations intended to improve multimodal safety, with a large focus on pedestrian and bicycle involved collisions and countermeasures. An extensive data collection process was undertaken to document roadway conditions at collision locations throughout the corridor to better understand factors contributing to different collision types. Multimodal counts were conducted to aid in the calculation of collision rates at intersections and segments and to better understand exposure. Safety improvements or countermeasures will be proposed to address high collision locations or features throughout the corridor found to contribute to collisions. The data collection effort, analysis approach and findings, and resulting recommendations will be compiled into a comprehensive Caltrans compliant report, that provides the City of Ontario with planned projects that will contribute to improved safety along the Euclid Avenue corridor.

Phuong Nguyen, PE | CHEN+RYAN

Lead Traffic Engineer

Education

B.S., Civil Engineering

Licenses/Registrations

Professional Engineer (Civil), CA

Years of Experience

12

Phuong Nguyen has 12 years of experience providing engineering services to the transportation industry. He has been responsible for project and task management on a number of efforts ranging from parking plans, traffic operations, micro-simulation, peer review, and transportation impact analysis to conceptual engineering. Phuong is very experienced in the application of transportation planning and traffic engineering analysis software, such as VISSIM, Synchro/SimTraffic, Vistro, Traffix, Highway Capacity Software (HCS), Complete Street Level of Service (CSLOS), Rodel Roundabouts, and SANDAG MXD method & tool for Smart Growth Trip Generation.

Relevant Experience

Mission Valley Community Plan Update – Mobility Element & TIS, San Diego, CA. Traffic Engineer. This report provided an analysis of the existing physical and operational conditions related to the mobility system within the Mission Valley community. The Mission Valley mobility system consists of pedestrian and bicycle facilities, transit routes and stops (bus and light-rail), and roadways, as well as innovate mobility features such as a potential aerial tramway, as well as demand-responsive community circulators. Each mode of transportation is addressed throughout the report, in addition to the methodologies used to analyze each mode. The TIS included a VMT analysis, evaluated using International Council for Local Environmental Initiatives (ICLEI) methodology. The SB-743 compliance analysis was evaluated using VMT per capita and VMT per employee metrics. These methods utilized the tour nature of the Activity Base Model (ABM) to replicate the population behavior of residents and employees.

Southeastern San Diego and Encanto Community Plan Update – Mobility Element & TIS, San Diego, CA. Traffic Engineer. An extensive multimodal existing conditions analysis was conducted to identify existing issues and opportunities. Multimodal network alternatives were developed that accommodated proposed land use changes while providing for improved mobility for all users. Aggressive yet feasible bicycle facility improvements were incorporated and supported by a two-phase implementation plan: 1) secure bicycle facility right-of-way through restriping; 2) installation of physical vertical buffers. Chen Ryan Associates also prepared the supporting TIS and transportation chapter of the EIR.

City of Santee Mobility Element & TIS, Santee, CA. Traffic Engineer. The Mobility Element identifies a future vision and key direction for achieving a truly multimodal transportation system that serves all community members. This effort analyzed existing conditions and past accomplishments and refocused mobility direction to effectively plan a balanced transportation system. The Mobility Element includes planned mobility networks, supported by a series of goals, policies, and strategies intended to promote the safe and efficient use of existing and planned transportation facilities.

City of Indio General Plan Update – Mobility Element & TIS, Indio, CA. Traffic Engineer. The Mobility Element emphasizes multimodal mobility through protected bicycle facilities and multi-use paths, largely focused around schools, parks, and downtown area. The wide existing roadways will enable improvements to be implemented with minimal modifications, greatly reducing construction costs and limiting effects on vehicular operations. Chen Ryan coordinated Riverside County Traffic Analysis Model (RivTAM) calibration and validation for existing and future year analyses, documenting results in the Mobility Technical Report and EIR.

City of Vista Traffic Engineering On-Call, Vista, CA. Project Engineer. Services performed under this contract primarily include preparation of Traffic Impact Studies to identify and document near- and long-term traffic impacts related to the proposed development, as well as to recommend mitigation measures for identified roadway and intersection associated project deficiencies. Additional services include parking studies and TIS peer reviews.

Attachment No. 2

PRELIMINARY RESIDENTIAL SITES INVENTORY

Site No.	APN	Address	Acreage	Existing Use	Percent Developable	Current Zoning	Proposed Zoning	Density Factor	Unit Yield
1	37819001	10939 SUMMIT AVE	4.65	SFH	90%	R-1A	R-7	7	29.3
2	37818010	11009 SUMMIT AVE	2.32	SFH	90%	R-1A	R-7	7	14.62
3	37818009	11025 SUMMIT AVE	2.32	SFH	90%	R-1A	R-7	7	14.62
4	37818008	11041 SUMMIT AVE	2.32	SFH	90%	R-1A	R-7	7	14.62
5	37818007	11059 SUMMIT AVE	2.32	SFH	70%	R-1A	R-7	7	11.37
6	37818029	10215 SUMMIT CREST DR	1.16	SFH	100%	R-1	R-7	7	8.12
7	37821021	11010 SUMMIT AVE	1.15	SFH	100%	R-1	R-7	7	8.05
8	37821020	11020 SUMMIT AVE	1.02	SFH	100%	R-1	R-7	7	7.14
9	37818028	11115 SUMMIT AVE	1.16	SFH	100%	R-1	R-7	7	8.12
10	37818020	11129 SUMMIT AVE	2.32	SFH	70%	R-1	R-7	7	11.37
11	38103107	9945 CONEJO RD	1.19	SFH	100%	R-2	R-7	7	8.33
12	38169028	9960 CONEJO RD	0.86	SFH	100%	R-2	R-7	7	6.02
13	38003118	LAKE CANYON RD	1.67	Vacant	100%	R-2	R-7	7	11.69
14	38003118	LAKE CANYON RD	0.89	Vacant	100%	R-2	R-7	7	6.23
15	38104036	WALMART	5.26	Vacant	100%	TC-C	TC-R-22	22	115.7
16	38105082	PARCEL 6 PORTION	11.39	Vacant	100%	TC-C	TC-R-30	30	341.7
17	38105118	COTTONWOOD AVE	22.15	Vacant	90%	TC-R-30	TC-R-14	14	279.1
18	38105117	COTTONWOOD AVE	11.71	Vacant	60%	TC-R-22	TC-R-14	14	98.36
19	38103208	PARK CENTER DR	2.35	Vacant	100%	TC-R-22	TC-R-14	14	32.9
20A	38105081	9200 MAGNOLIA AVE	10	Polo Barn	100%	TC-O/I	TC-R-22	22	220
20B	38105081	9200 MAGNOLIA AVE	10	Polo Barn	100%	TC-O/I	TC-R-30	30	300
21	38410616	8942 1ST ST	0.6	SFH	100%	TC-R-22	TC-R-22	22	13.2
22	38447009	ROCKVILL ST	1.96	Vacant	100%	GC/IL	R-30	30	58.8
23	38414211	10952 SUNSET TRL	1.24	2 SFH	100%	R-14	R-14	14	17.36
24	38416204	9953 BUENA VISTA AVE	4.8	SFH	100%	R-2	R-22	22	105.6
25	38402007	8801 OLIVE LN	2.93	Trucking	100%	IL	R-14	14	41.02
26	38349056	PROSPECT AVE	0.72	Vacant	90%	R-7	R-7	7	4.536
27	38619217	8572 FANITA DR	1.73	SFH	100%	R-7	R-7	7	12.11
28	38669038	8504 FANITA DR	0.68	Vacant	100%	R-7	R-7	7	4.76
29	38630031	7737 MISSION GORGE RD	3.25	Commercial	90%	GC	R-22	22	64.35
30	38630009	8714 STARPINE DR	1.3	SFH	100%	R-7/GC	R-22	22	28.6
31	38306103	7980 MISSION GORGE RD	5.23	SFH	70%	R-22	R-22	22	80.54
32	38306101	7950 MISSION GORGE RD	0.95	SFH	100%	R-22	R-22	22	20.9
33	38401115	8750 ATLAS VIEW DR	1.85	SFH	70%	R-7	R-7	7	9.065
34	38401255	8742 ATLAS VIEW DR	0.91	SFH	100%	R-7	R-7	7	6.37
35	37903031	MAST BLVD	47.45	Vacant	37%	POS/IL	POS/R-7	7	122.9

TOTAL

2137

The following two parcels are not part of the proposed Sixth Cycle Residential Sites Inventory, but are in the current Fifth Cycle Residential Sites Inventory and would be included as part of the environmental assessment to permanently remove them from the City's residential inventory due to their location near the flight approach to Gillespie Field Airport:

Site No.	APN	Address	Acreage	Existing Use	Percent Developable	Current Zoning	Proposed Zoning
A	38706111	8355 GRAVES AVE	3.69	Vacant	100%	R-14	CN
B	38706112	GRAVES AVE	2.26	Vacant	100%	R-14	CN

Attachment No. 3

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



September 2, 2020

Marlene Best
City Manager
City of Santee
10601 Magnolia Avenue
Santee, CA 92071

RE: 2020 Local Early Action Planning (LEAP) Grants Program Award

Dear Marlene Best:

The California Department of Housing and Community Development (Department) is pleased to announce that the City of Santee has been approved for funding under the Local Early Action Planning Grants Program (LEAP Program). The Department has determined that the application submitted in response to the Notice of Funding Availability released on January 27, 2020, meets LEAP Program requirements. This letter constitutes a conditional commitment of an award in the amount of \$150,000.

The LEAP Program reflects the state's commitment to work in partnership with local governments to address California's critical housing needs. Local governments are using the grant awards for the preparation and adoption of planning documents, process improvements that accelerate housing production, and to facilitate compliance in implementing the sixth cycle of the regional housing need assessment (RHNA).

Congratulations on your successful application. Staff will be contacting you shortly to initiate the process of the Standard Agreement for fund distribution. For further information, please contact Fidel Herrera, of our staff, at (916) 263-7441 or at fidel.herrera@hcd.ca.gov.

Sincerely,

Gustavo Velasquez
Director

City of Santee
COUNCIL AGENDA STATEMENT

Item 12

MEETING DATE October 28, 2020

AGENDA ITEM NO.

ITEM TITLE HOUSING ELEMENT UPDATE WORKSHOP III – ASSESSMENT OF INCLUSIONARY HOUSING PROGRAM AS AN AFFORDABLE HOUSING STRATEGY BASED ON STAKEHOLDER INPUT

DIRECTOR/DEPARTMENT Melanie Kush, Development Services 


SUMMARY

At the City Council meeting on June 24, 2020 inclusionary housing was discussed as a tool for developing affordable housing in the City. An inclusionary housing program is codified and requires new residential development to set aside a certain percentage of units to meet the housing needs of lower-income households, or to instead pay a pre-determined "in-lieu fee" to the City. A request was made by Council for staff to meet with housing stakeholders, including the Building Industry Association, to provide feedback on inclusionary housing and report the findings to the Council (see June 24, 2020 City Council Meeting Minutes, attached).

On October 15, 2020, staff convened an Inclusionary Housing Committee comprised of various housing stakeholders, including affordable and market-rate housing developers, to discuss the various aspects of inclusionary housing. There was consensus among the group that, should the City move forward with an inclusionary housing program, on-site construction should not be mandated and a reasonable in-lieu fee should be adopted. Other inclusionary housing policies were discussed, including the number and percentage of units to which an inclusionary policy should apply and how collected in-lieu fees may be expended.

ENVIRONMENTAL REVIEW

This is a workshop, not subject to CEQA pursuant to Section 15306, titled "Information Collection". Compliance with the Environmental Quality Act (CEQA) would be required for the adoption of the Housing Element.

FINANCIAL STATEMENT 

Should the Council decide to move forward with an inclusionary housing program, an inclusionary housing in-lieu fee study would need to be completed for which a Request for Proposals (RFP) would be required. Based on initial outreach to various fiscal analysis firms, it is estimated that such a fee study would cost roughly \$37,500, an amount that has been appropriated in the currently adopted budget.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION 

Provide direction to staff as to whether an inclusionary housing program should be included in the Sixth Cycle Housing Element.

ATTACHMENTS

Staff Report

Attachment No. 1: June 24, 2020 City Council Minutes – Extract, Item 13

Attachment No. 2: Inclusionary Housing Surveys

STAFF REPORT

HOUSING ELEMENT UPDATE WORKSHOP III – ASSESSMENT OF INCLUSIONARY HOUSING PROGRAM AS AN AFFORDABLE HOUSING STRATEGY BASED ON STAKEHOLDER INPUT

CITY COUNCIL MEETING
October 28, 2020

A. BACKGROUND

At the Housing Element workshop on June 24, 2020 the Council continued discussion on inclusionary housing from the May 27, 2020 Housing Element workshop. An inclusionary housing program was suggested as a tool for helping the City meet its low-income housing needs as set forth in the City's Regional Housing Needs Allocation (RHNA) for the upcoming Sixth Cycle housing planning period which runs from April 15, 2021 to April 15, 2029. The City's RHNA includes the goal of producing 1,209 units during this planning period, of which 606 are very-low and low-income units.

B. DISCUSSION

Stakeholders

After being provided a presentation of the various components of an inclusionary housing program, the Council directed staff to proactively reach out to housing groups, including the San Diego Chapter of the Building Industry Association (BIA) for their input on inclusionary housing. After the June 24, 2020 Council workshop, staff engaged with the BIA and on July 17, 2020, staff provided a PowerPoint presentation to their members on the City's exploration of a possible inclusionary housing ordinance. The BIA suggested not moving forward with an inclusionary program primarily because it would raise costs to potential homebuyers. After engaging the BIA, staff reached out to market-rate and affordable housing developers to participate in an Inclusionary Housing Committee. The Inclusionary Housing Committee held its first meeting on October 15, 2020 and consisted of representatives from the BIA, Bridge Housing, Cameron Brothers Company, City Ventures, Mirka Investments, the San Diego Housing Federation, Jamboree Housing Corporation, and Community Housing Works. As a precursor to the meeting, the Committee members were provided a survey with questions on the various aspects of inclusionary housing (see Attachment No. 1).

Inclusionary Housing Committee Findings

At the first Inclusionary Housing Committee meeting, staff provided the Committee with a presentation on the City's efforts to evaluate an inclusionary housing program as a tool for meeting some of its low-income housing production goals. The various components of an inclusionary housing program were discussed, including percentage requirements, applicability, on-site construction requirements, and in-lieu fees. There was consensus among the members that if the City were to move forward with an inclusionary housing

program, the program should not mandate the on-site construction of units within a residential development and should allow for the payment of in-lieu fees. Market-rate developers mentioned the difficulty of selling affordable units to qualified individuals or families and affordable housing developers mentioned that many low-income households require supportive services that would not be provided within a market-rate development. Based on the first Committee meeting and surveys received to date the majority of the members suggested a 10% inclusionary housing requirement and making only those developments over 10 units in size subject to the requirement.

A common concern for many of the Committee members is the in-lieu fee, which is paid by housing developers as an alternative to providing affordable units on-site within the development. City Ventures, a market-rate housing developer, cited an example of one city setting an in-lieu fee so high that it resulted in no housing production for a number of years until the fee was reduced. As a counterpoint, Community HousingWorks, an affordable housing developer, mentioned that setting an in-lieu fee too low would not be very beneficial as it would not provide sufficient funds to generate any affordable housing within the City.

In-lieu Fees

In-lieu fees are typically set by a fee study based on local housing goals and the real estate market. The fees can be calculated based on building square footage or on a per unit basis. These in-lieu fees are usually deposited in a local housing trust fund that can be used by a city to fund the development of new affordable housing or to assist qualified individuals or families through rental assistance programs. Many cities have partnered with affordable housing developers to provide “seed money” or “gap funding” from housing trust funds that can allow a proposed affordable housing development to qualify for additional federal and state funding and tax credits to make the development feasible.

In order to determine what a reasonable in-lieu fee would be for Santee, a fee study would be needed. Based on initial outreach to various fiscal analysis firms, it is estimated that such a fee study would cost approximately \$37,500, an amount that has been appropriated in the currently adopted Budget. Should the Council decide to move forward with an inclusionary housing program, Staff would return to Council for a request to award funds once a firm is selected through a formal request-for-proposals (RFP) process.

C. STAFF RECOMMENDATION

Provide direction to staff as to whether an inclusionary housing program should be included in the Sixth Cycle Housing Element.

Attachment No. 1
June 24, 2020 City Council Minutes - Extract, Item 13

Minutes
Santee City Council
Council Chamber – Building 2
10601 Magnolia Avenue
Santee, California
June 24, 2020

This Regular Meeting of the Santee City Council was called to order by Mayor John W. Minto at 6:30 p.m.

ROLL CALL: Present: Mayor John W. Minto, Vice Mayor Laura Koval and Council Members Ronn Hall, Stephen Houlahan and Rob McNelis – 5.

Officers present: City Manager Marlene Best, City Attorney Shawn Hagerty, and City Clerk Annette Ortiz.

PROCLAMATION: Proclaiming July as Parks Make Life Better Month

Mayor Minto presented the Proclamation to Ken Fox, Santee Park and Recreation Committee Chairperson.

INVOCATION was given by Phil Herrington – Pathways Community Church

PLEDGE OF ALLEGIANCE was led by Mayor Minto.

CONSENT CALENDAR:

Council Member Houlahan requested Item 18 be reordered to be heard after the Consent Calendar. The City Clerk announced that public comment was submitted for Item 6.

- (1) **Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances and Resolutions on the Agenda. (City Clerk – Ortiz)**
- (2) **Approval of Payment of Demands as Presented. (Finance – McDermott)**
- (3) **Approval of the Expenditure of \$36,179.05 for May 2020 Legal Services and Related Costs. (Finance – McDermott)**
- (4) **Approval of the Expenditure of \$128,815.80 for May 2020 Legal Services and Related Costs – HomeFed (Fanita Ranch). (Finance – McDermott)**
- (5) **Adoption of a Resolution Establishing the Appropriations Limit for Fiscal Year 2020-21. (Finance – McDermott)**
- (6) **Item Pulled for Discussion**

Paid by the Owner(s) of Record of Said Parcels. (Development Services – Kush)

The Public Hearing was opened at 7:34 p.m. The Director of Development Services provided a PowerPoint presentation.

ACTION: Council Member Hall moved approval of staff recommendation.

Council Member McNelis seconded the motion, which carried by the following roll call vote: Mayor Minto: Aye; Vice Mayor Koval: Aye, and Council Members Hall: Aye; Houlahan: Aye, and McNelis: Aye. Ayes: 5. Noes: 0.

The Public Hearing was closed at 7:39 p.m.

CONTINUED BUSINESS:

(13) Continued Housing Element Update Workshop II – Overview of Inclusionary Housing Program as an Affordable Housing Strategy. (Development Services – Kush)

The Director of Development Services introduced the Item and the Associate Planner provided a PowerPoint presentation and responded to Council questions.

Mayor Minto inquired how much the City would need to collect in housing in-lieu fees to construct affordable units; he stated due to the amount of money it takes for inclusionary housing, is a reason he is not in favor of it; he is not in favor of having a group of individuals have to pay for their neighbor's house; he expressed concerns with the City's ability to receive enough money to afford building based on the lack of housing being built; he added if the General Plan Protection Initiative passes it may be even harder; he suggested finding other ways to put funds aside to dedicate to affordable housing.

Council Member Houlahan urged the Council to seriously consider the need for affordable housing; he stated that being able to get any affordable housing is good and clarified that state mandated housing requirements are only for affordable housing; he mentioned that the General Plan Protection Initiative has nothing to do with affordable housing; he supports a 15 percent inclusionary housing requirement; he does not support all of the affordable housing in one place; he believes this is one step towards creating equity and equality for all citizens; he clarified that the City is not required to build thousands of houses, but is required to build affordable housing and that the City needs to mandate inclusionary housing; he stated there are good models already out there to follow and mentioned a lot of people cannot afford to buy a house; he expressed concerns with the current economic situation.

Vice Mayor Koval stated that she agrees that the City needs inclusionary housing and agrees that she does not want it all in one location; she suggested 10 percent if the developer builds the housing or 15 percent if the developer pays the in-lieu fee; she

considered the examples staff provided and took into account the customer who would be purchasing affordable housing; she stated she is in favor of vertical mixed use housing, near the trolley; she stated the City needs a study and requested developers be included during the study.

Council Member Hall inquired how much an in-lieu fee study would cost; he also questioned whether developers would still be willing to build if required to build inclusionary housing, to which the Director of Development Services responded; he expressed concerns related to the General Plan Protection Initiative and how it would affect inclusionary housing; he suggested the study review more than one option; he affirmed he supports Vice Mayor Koval's position and that the City should complete the study.

Council Member McNelis expressed concerns for the cost to build inclusionary housing compared to other units and how inclusionary housing would affect smaller developments, citing examples used in the presentation; he concurred with Mayor Minto that there should be other approaches to meeting the affording housing requirements; he expressed concerns that developers of small projects already have impediments to building; he suggested including the building industry in the process of the study to see what ideas they proposed to help the City meet affordable housing requirements; he requested more information by working with stakeholders in the industry.

Vice Mayor Koval concurred with Council Member McNelis on including the building industry in the discussion.

Mayor Minto request information regarding the cost to build homes in Santee, to compare the cost for developers.

Council Member Houlahan stated based on Exhibit D in the presentation, the minimum zoning requirements would be in R-7; he stated based on the exhibit's unit yield, he would support excluding very small developments if the requirement caused an undue burden.

Council Member Hall requested clarification on the Polo Barn site listed in Exhibit D and expressed concerns of the proposed re-zoning of the location if the General Plan Protection Initiative passes.

Vice Mayor Koval clarified that the building industry would be included in the process.

FAILED MOTION: Council Member Houlahan moved approval of the in-lieu study.

Council Member Hall seconded the motion, which carried by the following roll call vote: Mayor Minto: No; Vice Mayor Koval: No, and Council Members Hall: Aye; Houlahan: Aye, and McNelis: No. Ayes: 2. Noes: 3.

ACTION: Vice Mayor Koval moved to meet with stakeholders prior to hiring a consultant for the study and approve the funding for the study.

Council Member McNelis seconded the motion, which carried by the following roll call vote: Mayor Minto: Aye; Vice Mayor Koval: Aye, and Council Members Hall: Aye; Houlahan: No, and McNelis: Aye. Ayes: 4. Noes: 1

Attachment No. 2

Returned Inclusionary Housing Surveys

Inclusionary Housing Survey

City of Santee

10601 Magnolia Ave.
Santee, CA 92071



The City of Santee is evaluating the potential for adopting an inclusionary housing program as part of its current Housing Element update. Please complete the following Inclusionary Housing Survey based on your organization's experience with housing. Thank you for your time.

Definition: Inclusionary housing programs require developers to provide a certain number of deed-restricted affordable units in a new rental or for-sale residential project or pay a fee in-lieu of providing the units in the development. The funds collected from in-lieu fees can be used by the City to provide or subsidize new affordable housing or preserve existing affordable housing through rental assistance programs.

Organization Name:

Contact Person:

Date:

BIA SAN DIEGO MICHAEL M'SWENEY 10/12/20

1. *My understanding of inclusionary housing is:*

None Limited General Good

2. *Inclusionary housing is a good tool for developing affordable housing:*

Disagree Disagree somewhat Agree somewhat Agree

3. *An inclusionary housing program should include a requirement to build affordable units as part of a development:*

Disagree Disagree somewhat Agree somewhat Agree

4. *An inclusionary housing program should include the option to pay a fee in lieu of providing affordable units as part of a development:*

Disagree Disagree somewhat Agree somewhat Agree

5. An inclusionary housing program should include the following percentage of affordable units in a new housing development:

- 0% 5% 10% 15%

6. An inclusionary housing program should be applicable to developments over:

- 2 units 3 units 5 units 10 units

7. An inclusionary housing program should be targeted to those households earning the following percentages of the area median income (AMI):

- 40% or less 60% or less 80% or less 120% or less

8. Comments:

[Add your comments here.]

See Attached

Thank you very much for taking the time to complete this survey. Your feedback is valued and very much appreciated!

City of Santee Comments on Inclusionary Housing

2) Inclusionary Housing policies actually curtail housing activity and lead to increased cost for new homes and higher rents in market rate rental housing.

3) Mandating inclusionary housing “onsite” again limits a housing developer the flexibility to provide housing.

4) Yes, offering an “in-lieu” fee allows for the City to offer a monetary subsidy to deed restricted affordable housing developers who need funding to compete for tax credit financing. No in lieu fee = no tax credit financing.

5) Allowing a housing developer the flexibility to choose the percentage should be tied to the income level of housing produced. Since 30% AMI housing requires a massive public subsidy, the percentage of subsidized housing in that development should be less. On the flip side renters/buyers at 120% of AMI requires a smaller public subsidy so the percentage of subsidized housing can be increased.

6) Ten units of more and it should be on a sliding scale.

7) I would recommend 120% or less. As described above, the farther down the income scale you go, the public subsidy required grows exponentially. Since an inclusionary housing policy requires market rate housing construction as the only source of subsidy, the farther down the income scale you go, the more financial impact to the market rate development.

8) As touched on in answer #7, Housing is the only item in the marketplace which government requires the producer of the product to subsidize their product for low income users (customers).

Society finds ways to subsidize utilities, cell phones, food, by imposing a small fee on ALL users of the service or by direct public subsidization from tax revenues (farm subsidies). For a successful subsidized home (shelter) program your City should identify a broad-based funding source and not “tax the producer” as the funding solution.

We have attached some back up information to support these points.



The Use of Residential Nexus Analysis in Support of California's Inclusionary Housing Ordinances: A Critical Evaluation

November 2011

Prepared by

Adam F. Cray, JD, MPP
Goldman School of Public Policy
University of California, Berkeley
November 2011

Funded through a grant from



The Use of Residential Nexus Analysis in Support of California's Inclusionary Housing Ordinances: A Critical Evaluation

A Report to the California Homebuilding Foundation



Adam F. Cray, JD, MPP

Goldman School of Public Policy
University of California, Berkeley

November 2011

The author conducted the study described in this report as part of a program of professional education at the Goldman School of Public Policy, University of California, Berkeley. An earlier version of this report was submitted in partial fulfillment of the requirements for the Master of Public Policy degree. The judgments and conclusions contained herein are solely those of the author and are not necessarily endorsed by the Goldman School of Public Policy, the University of California, the California Homebuilding Foundation, or any other organization.

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Note: This document includes two **Electronic Addenda**: **(A)** a compressed folder containing PDFs of all nexus reports reviewed and **(B)** a Microsoft Excel file containing models for testing inter-firm and intra-firm variation.

Executive Summary

Real estate consulting firms have drafted reports for several California municipal governments containing so-called “residential nexus analyses” (“RNAs”). These analyses purport to demonstrate the effect of market-rate residential development on the demand for affordable housing and thus justify inclusionary housing percentage requirements (“IHRs” or “inclusionary percentages”) and “in-lieu” fees.

This report details the methodology and findings of a study evaluating the use of residential nexus analysis in California today and includes: (1) a literature review, (2) a review of available nexus reports, (3) a description of the general RNA model, (4) a step-by-step comparison of different firms’ methods, and (5) an analysis of several RNA outputs.

Overall, this effort has uncovered (1) a set of universal issues common among all (or nearly all) of the RNAs studied that call into question the accuracy of the methodology as a whole and (2) a set of issues arising out of an abundance of inter-firm variation—in assumptions and data sources, but also in vital calculations—the prevalence of which challenge the existence of an industry standard, or even generally accepted principles, for residential nexus analysis.

For a summary of all such issues, with citations to the report sections discussing each issue, see **Figures ES-1** and **ES-2** below. For the full discussion of these issues, see **Section 4**.

Figure ES-1. Summary of Universal RNA Issues

Issues	Implications	Examples
4.1(A) - Overly Broad Jurisdictional Scope. All RNAs studied set IHRs and in-lieu fees based on estimates of affordable housing demand generated at the countywide level or greater.	Cities relying on these estimates to set local IHRs and fees are likely charging developers for affordable housing demand generated in other cities and, in some cases, other counties.	Simply accounting for commuting rates in Berkeley (i.e., the percentage of jobs in the city filled by people living outside the city) would reduce RNA-estimated fees by 22%.
4.1(B) - Unreliable Affordability Gap Estimates. The RNAs studied used various methods to calculate affordability gaps (the difference between the cost of developing an “affordable” unit and the amount a lower-income tenant could afford to pay for the unit), all of which are questionable.	The affordability gap estimates in the RNAs studied are likely inflated, and thus the maximum in-lieu fee estimates generated using these figures are likely inflated as well.	Using fair market rent figures generated by the US Department of Housing and Urban Development, instead of the figures consultants generated via an informal survey of local rents, would reduce the RNA-estimated fees in Fremont by 30%.
4.1(C) - Statistically Improbable Lower-Income Household Percentages. All but one of the RNAs studied estimated that 60% to 78% of jobs created by market-rate development would fall in the bottom 40% of the area’s income distribution. This is improbable since these RNAs purport to account for all jobs created across the income distribution, not just low-wage jobs.	The percentages of lower-income households (i.e., those earning 80% or less of area median income) estimated by most RNAs are likely inflated, and thus the IHR and in-lieu fee estimates generated using these percentages are likely significantly inflated.	Reducing the percentage of lower-income households generated in Mountain View from 78% to 40% (since 80% of values below a median represent the bottom 40% of the distribution) would reduce the RNA-estimated in-lieu fees by 96%. Similarly, reducing the same value in Fremont from 60% to 40% would lower the RNA-estimated in-lieu fees by 32%.

Figure ES-1 (Continued)		
<p>4.1(D) - Use of Total Economic Impacts. Rather than considering only the spending of the households occupying newly created housing (direct impacts), all but one of the RNAs studied estimate IHRs and fees based on all spending resulting from development (total impacts), no matter how remotely linked to the development itself.</p>	<p>The inclusionary percentages and in-lieu fees estimated by these RNAs are significantly higher than they would be if it was assumed that cities should only charge developers for their direct impacts on the local economy.</p>	<p>In Napa County, one firm estimated 26.9 jobs directly created but 46.6 total jobs created. Using only the direct impacts would have cut the RNA-estimated in-lieu fee by nearly 50%.</p>

Figure ES-2. Summary of Variation-Related RNA Issues

Issues	Implications	Examples
<p>4.2(A) - Wide Range of Jurisdictional Scopes. The range of jurisdictional scopes used by the different firms studied varies from a county-level scope, to a regional scope, to an all-inclusive scope.</p>	<p>As discussed in <i>Figure ES-1</i> above, changing RNAs' jurisdictional scope could significantly affect their job creation estimates and, in turn, their IHR and in-lieu fee estimates.</p>	<p>Including in Hayward's affordable housing demand calculation a household that was actually created in another city or county increases the RNA-estimated fee for a two-bedroom condo by 8%, or more than \$2,300.</p>
<p>4.2(B) - Inconsistent Affordability Gap Estimation Methodology. Each firm uses radically different assumptions, data sources, and calculations to determine affordable unit development costs and thus affordability gaps.</p>	<p>Because of the way in-lieu fees are calculated (i.e., by multiplying the number of lower-income households by affordability gaps), a one-dollar difference in an affordability gap estimate translates to a multi-dollar difference in an in-lieu fee estimate.</p>	<p>Increasing the affordability gap estimate for 0-80% AMI households in Mountain View by one dollar increases the RNA-estimated in-lieu fee by eighteen dollars.</p>
<p>4.2(C) - Inconsistent Job Creation-Related Data Sources. All three firms studied use different data sources to calculate the income distribution of new worker households.</p>	<p>This variation in data may explain significant variation in lower-income household percentages and thus RNA-estimated fees.</p>	<p>Even after controlling for differences between cities and unit types, there is nearly a 20% difference between the lowest and highest in-lieu fee estimates in the RNAs studied.</p>
<p>4.2(D) - Inconsistent Lower-Income Household Percentages. There is a great deal of unexplained inter-firm variation related to the percentage of lower-income households (i.e., those earning 0-80% of AMI) among newly created households.</p>	<p>As discussed in <i>Figure ES-1</i> above, changing this percentage has significant multiplier effects on RNA-estimated fees.</p>	<p>Reducing the percentage of lower-income households generated in Mountain View by 1% translates to a 2.5% reduction in RNA-estimated in-lieu fees. Doing the same in Fremont translates to a 1.6% reduction.</p>

As discussed further in **Section 5** below, these issues—coupled with fact that the methodology is untested and has not been vetted by peer review—have led me to conclude that residential nexus analysis, as it has been applied in California to date, is an unreliable means of estimating inclusionary housing percentage requirements and in-lieu fees.

1. Background and Problem Statement

In some form or another, California’s municipal governments have sought to either incentivize or mandate the production of affordable housing since the 1960s. The earliest of these “inclusionary housing” ordinances, which “favor[ed] developers that would include affordable units in their projects,” were enacted by bedroom communities in the San Francisco Bay area like Petaluma and Davis.¹

Laws like these were relatively few—in California and elsewhere—until the late 1970s and early 1980s, when at least 30 municipalities in California enacted inclusionary housing ordinances. This rapid proliferation was spurred in part by California’s newly revised housing element law² and newly created “Model Inclusionary Housing Ordinance.”³ The growth trend continued throughout the early 1990s, and, by 1996, there were 75 locally mandated inclusionary housing programs in California.⁴

In general, these programs require developers to build or otherwise provide units affordable to lower-income households—those earning anywhere from 0 to 120 percent of area median income, depending on the ordinance—or pay the city a fee in lieu of doing so (which is then presumably used to provide affordable housing).

Unlike the ordinances of the 1960s, which merely provided incentives for developers who chose to include affordable housing in their projects, many of these new inclusionary housing ordinances mandated compliance. In fact, the earliest attempt by a major US city to impose such a mandate was San Francisco’s “Office/Affordable Housing Production Program,” which was established by administrative decision in 1980 and codified in 1985.⁵ As a condition of issuing commercial building permits (e.g., for retail or office space, as opposed to housing), the program required developers to either build affordable housing in the city or pay an “in-lieu” fee. In the years since, many California jurisdictions have adopted similar ordinances, and, according to a recent study, 76 percent of these ordinances allow payment of in-lieu fees.⁶

San Francisco’s original ordinance also helped set a trend regarding legal justification of inclusionary housing requirements. In order to preempt legal challenges to the new ordinance, San Francisco commissioned two studies “documenting the causal link between the construction of new office space and an increased need for housing.”⁷ The importance of such studies would soon become clear when the U.S. Supreme Court began applying a heightened level of scrutiny to some permit conditions.⁸ In two cases, the Court held that (1) a permit condition constitutes an impermissible “taking” under the Fifth Amendment⁹ unless it can be shown that an “essential nexus” exists between the development condition and the purpose for imposing it¹⁰ and (2) development conditions must be “roughly proportional” to the impact the development will have on the community.¹¹ Though it was an unsettled

¹ Calavita, 5. [See Works Cited section for full citations.]

² *Id.* (by “mandating that the determination of local housing needs be based on the locality’s share of regional housing need”)

³ Calavita, 5.

⁴ *Id.*, 6.

⁵ Alterman, 10.

⁶ Porter & Davison, 13.

⁷ Alterman, 10.

⁸ *i.e.*, rather than simply applying the “rational basis” test used to evaluate exercises of general police powers

⁹ *i.e.*, it is “impermissible” without “just compensation”

¹⁰ *Nollan*, 836-7.

¹¹ *Dolan*, 2312.

legal question whether inclusionary housing ordinances imposed the kind of conditions covered by these decisions, many jurisdictions began commissioning studies similar to San Francisco’s—often called “commercial nexus analyses” (“CNAs”)—just in case.

Inclusionary housing percentage requirements (“IHRs” or “inclusionary percentages”) and in-lieu fees are certainly not limited to commercial developments, however. In fact, most inclusionary housing ordinances in California (including later versions of San Francisco’s ordinance) also impose these requirements on residential developments. That is, they require homebuilders to either provide affordable units or pay an in-lieu fee. Not surprisingly, many cities have hired consultants to justify these laws with nexus analyses as well.

The need for such analyses became even more apparent in early 2009 when, in *Building Industry Association of Central California v. City of Patterson*, a California appellate court seemed to signal that in-lieu fees should be treated as impact fees (rather than as an exercise of general police powers), thus requiring a nexus analysis similar to the one required by federal “takings” jurisprudence and by California’s Mitigation Fee Act.¹² Specifically, the court found the city’s in-lieu fee unreasonably high because “legal standards require that the amount of a development fee be limited to the cost of that portion of a public program attributable to the development.” Later the same year, in *Palmer/Sixth Street Properties v. City of Los Angeles*, another California appellate court held that inclusionary housing percentage requirements for rental units violate the rent decontrol provisions of California’s Costa-Hawkins Act.¹³

In light of these decisions, numerous cities have engaged consulting firms to conduct “residential nexus analyses” (“RNAs”),¹⁴ which attempt to quantify the nexus between cities’ inclusionary housing percentages/in-lieu fees and the public costs purportedly created by new market-rate development. In an attempt to forge a link between market-rate residential development and affordable housing demand, these analyses posit the following general argument:

[N]ewly constructed units represent new households...These households represent new income...that will consume goods and services...New consumption translates to new jobs; a portion of the jobs are at lower compensation levels...[L]ow compensation jobs translate to lower income households that cannot afford market rate units...and therefore need affordable housing.¹⁵

Consultants have used this line of reasoning to argue that in-lieu fees of nearly 20% of value per market-rate unit may be justified from a nexus perspective.¹⁶

¹² It should be noted, however, that the court seemed to stop short of requiring full impact fee analysis as described in that act.

¹³ The theory was that requiring a certain percentage of units to remain affordable in perpetuity violates the provision that landlords may reset controlled rents after tenants move out.

¹⁴ As this is the moniker used by Keyser Marston Associates, Inc., the firm that has produced the great majority of such analyses, I have adopted it for the purposes of this memo. It should be noted, however, that different consultancies refer to these analyses by various other names, including “nexus-based affordable housing fee analysis,” “affordable housing fee nexus study,” and “housing nexus analysis.” For a more complete list of names, see the studies noted in [Appendix A](#).

¹⁵ Fremont Report, 11. [For information on the RNAs cited in this report, including authors and URLs, see [Appendix A](#).]

¹⁶ See Solana Beach Report.

At the request of the Building Industry Association of the Bay Area, during summer 2010, the Berkeley Program on Housing and Urban Policy conducted a preliminary analysis of a recently completed RNA¹⁷ and hosted a panel to discuss its initial findings.¹⁸ In general, the panel agreed that the report raised important methodological concerns, many of which warranted more comprehensive study.

Accordingly, this report is intended as an initial contribution to a currently scant body of research regarding residential nexus analysis in California. The following pages include: a review of the academic literature surrounding nexus analysis and related issues (2.1), a review of publicly available nexus analyses conducted in California and elsewhere (2.2), a description of a general RNA model (3.1), a comparison of the RNA methodologies applied in California since the *Palmer* and *Patterson* decisions (3.2), an analysis of the outputs of several RNAs (3.3), and an overall evaluation of the RNA methodology (4).

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¹⁷ i.e., the Fremont Report, prepared by Keyser Marston Associates, Inc. in April 2010.

¹⁸ The panel involved faculty and researchers from several disciplines, including business, city planning, economics, and public policy.

2. Reviews Conducted

I began researching this topic by conducting reviews of (1) the academic literature related to nexus analysis and (2) the body of nexus reports, both commercial and residential, available to the public. The methods and findings of each review are as follows:

2.1. Literature Review

I conducted a literature review in connection with this study in order to locate relevant background information and to find any empirical justifications or critiques of the nexus analysis methodology that might inform my own examination of California RNAs.

2.1.1. Methodology

For this review, I drew heavily from online sources. Specifically, I queried five separate databases/search engines: EBSCOhost, Google, Google Scholar, ISI Web of Knowledge, and Social Science Research Network. For a full list of review queries by database/search engine, see [Appendix B](#).

In the course of my literature review, I located over 150 sources that were relevant or potentially relevant to my analysis, including journal articles, book chapters, presentations, and government reports. I narrowed these sources down to about 50—most of which appear in the **Works Cited** or **Selected Bibliography** sections below—by eliminating duplicative results and focusing on three broad topic areas: (1) background information (on linkage fees, takings jurisprudence, or inclusionary zoning); (2) discussions of economic theory or empirical studies (related to linkage fees or inclusionary zoning); and (3) California-related sources.

2.1.2. Findings

Overall, the findings of my literature review were disappointing. Despite the efforts just described, I was unable to locate any journal articles, peer reviewed or otherwise, in support of the RNA methodology. Similarly, I found no relevant articles critiquing the methodology or its major elements, such as the IMPLAN model. The lion's share of what I did find were law review articles, most of which dealt with federal takings jurisprudence. I also found a few non-law-review articles discussing the economic theory behind inclusionary housing ordinances or evaluating the effect of these programs on development, but none of these have provided information particularly helpful to an evaluation of residential nexus analysis, specifically. As discussed in **Section 2.1.1** above, most of the sources I found relevant or potentially relevant are identified in the **Works Cited** or **Selected Bibliography** sections below.

2.2. Nexus Report Review

I also conducted an extensive review of publicly available RNAs and CNAs in connection with this study. The primary purpose of the review was to provide a large and diverse sample of recently completed RNAs to allow for a description of the general RNA methodology applied in California today. I chose to search for commercial nexus analyses as well as residential nexus analyses because I was hoping to identify similarities and differences between the methodologies that might aid my critique. Copies of all nexus studies reviewed are included in [Electronic Addendum A](#).

2.2.1. Methodology

Again, I relied heavily on online sources. First, I submitted twelve separate queries to an online search engine, all of which are identified in [Appendix B](#), collecting reports as I located them. Next, I searched the websites of each of the consultancies that had drafted the reports I had just located, noting their municipal clients and specifically searching those clients’ websites for nexus analyses. Finally, I searched the sources identified in the earlier literature review for references to specific nexus analyses that had been conducted.

2.2.2. Findings

The following table describes the distribution and general characteristics of the nexus analyses located:

Figure 1. Residential and Commercial Nexus Analyses Located

	RNA or Both	CNA
California, 2009-Present	7	1
California, Before 2009	2	8
Non-California	3	3
Totals:	12	12

For a more complete description of studies, including firm information and URLs, see [Appendix A](#).

Based on my review, both residential and commercial nexus analyses are quite common in California, and RNAs seem to have spiked following the *Palmer* and *Patterson* decisions. Also suggested by this review is that Keyser Marston Associates, Inc. (“KMA”) conducts most residential nexus analysis in California. Of the nine California RNAs reviewed, KMA authored six studies, while Bay Area Economics (“BAE”), Economic and Planning Systems, Inc. (“EPS”), and Stanley R. Hoffman Associates (“SRH”) each authored one study.

For the purpose of critiquing the current RNA methodology used in California, I decided to focus primarily on the seven RNA studies conducted in California since 2009, the year both the *Palmer* and *Patterson* decisions were handed down:

Figure 2. Residential Nexus Analyses: California, 2009-Present

Month/Year	City	County	Analysts
04/2011	Mountain View	Santa Clara	EPS
08/2010	Solana Beach (Draft)	San Diego	KMA
06/2010	Berkeley	Alameda	BAE
06/2010	Walnut Creek (Draft)	Contra Costa	KMA
04/2010	Fremont	Alameda	KMA
04/2010	Hayward	Alameda	KMA
11/2009	N/A	Napa	KMA

3. Analyses Conducted

In addition to the literature and nexus report reviews, I conducted three types of analyses: a general RNA model description, a step-by-step RNA comparison, and two types of RNA output studies.

3.1. General RNA Model Description

The first of these analyses, the general RNA model description, was by far the simplest, but its findings provided the foundation for all subsequent work. While this general description holds for all RNAs studied, different firms employ fundamentally different assumptions, calculations, and data sources at various points in the process and thus arrive at different results. These differences are noted in **Appendix C** and discussed in greater detail in **Section 4.2** below.

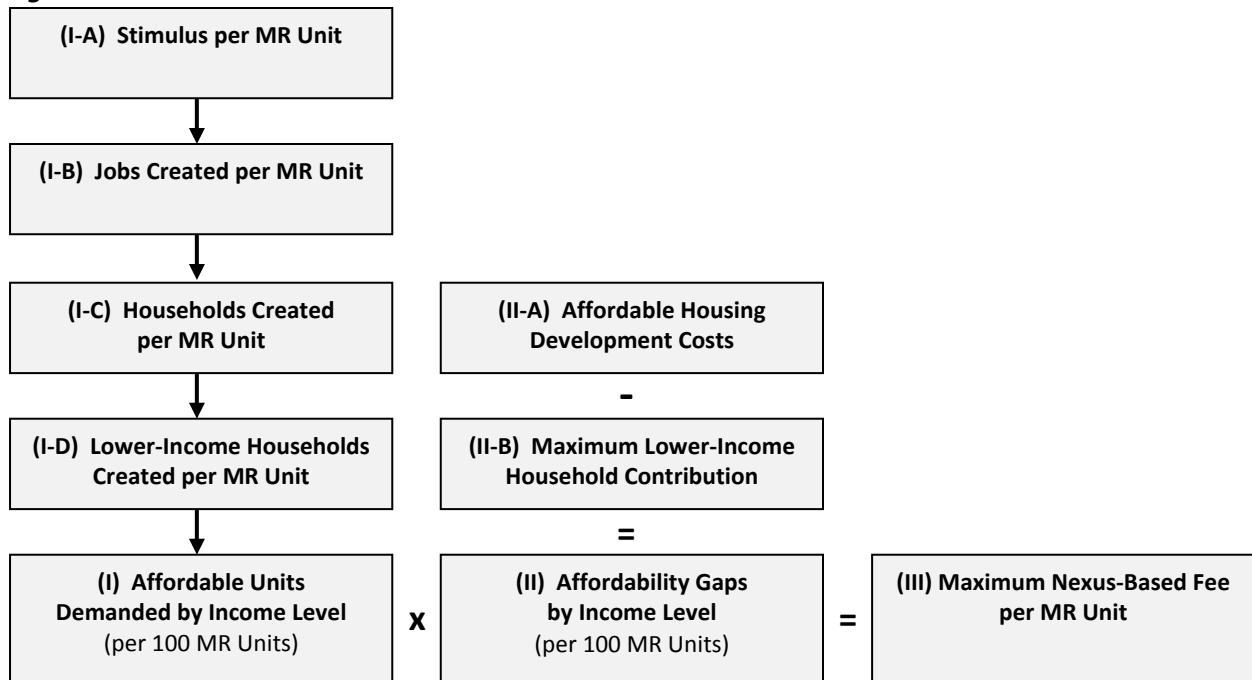
3.1.1. Methodology

This portion of my work simply involved a “close read” of the seven post-2009 California RNAs listed at the end of the previous section. Specifically, I carefully studied the methodology employed in each of these RNAs in order to develop a generalized model for further study.

3.1.2. Findings

Based on my review of these RNAs, the following general RNA model emerged:

Figure 3. General RNA Model



The analysis begins with an estimate of the affordable unit demand created by the addition of one market rate (“MR”) unit (**I**). First, the stimulus to the economy generated by the production of that unit is calculated using assumptions about the household income required to purchase or rent the unit and

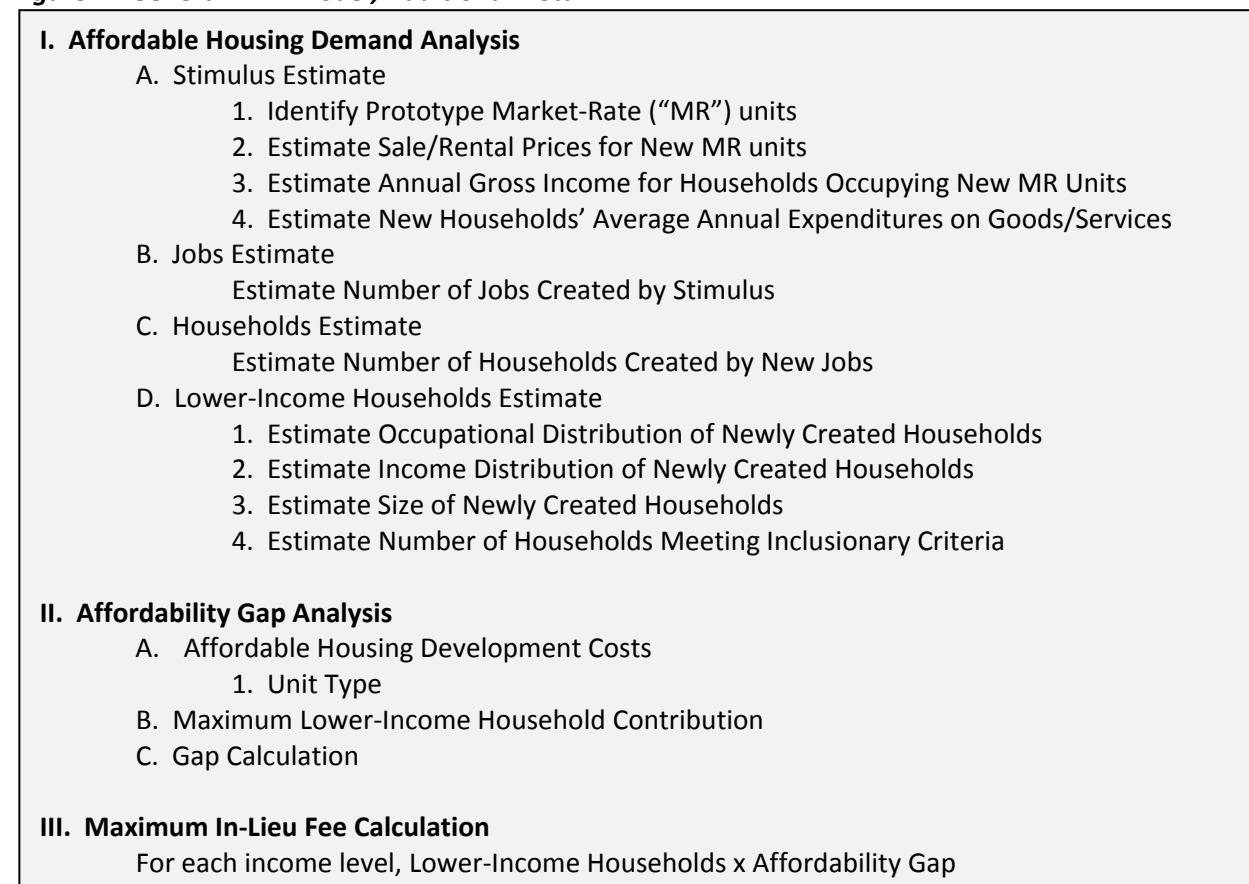
the typical spending patterns of those households **(I-A)**. Next, using either a commercially available input-output model or information from the Economic Census, this stimulus is translated into jobs created **(I-B)**. These jobs are then translated into households using data about workers per household from the American Communities Survey **(I-C)**. Then, the portion of these households that fall within inclusionary housing guidelines (i.e., “lower-income households”) is calculated using average salary data for the jobs created and the city’s inclusionary housing guidelines **(I-D)**.

For each inclusionary income level, an affordability gap is also calculated **(II)**. This is done by subtracting the maximum amount a lower-income household could afford to pay for a new unit based on government guidelines **(II-B)** from the estimated cost of producing that unit **(II-A)**.

Finally, the maximum nexus-based fee per unit **(III)** is calculated by multiplying the affordable units demanded at each income level **(I)** by the affordability gaps at each income level **(II)**.

The following figure shows this entire process in outline form and, more importantly, presents the affordable housing demand analysis in greater detail:

Figure 4. General RNA Model, Additional Detail



For even greater detail, see the inter-firm comparison in [Appendix C](#) and the detailed analysis of the Fremont Report, which is representative of KMA’s methodology, in [Appendix D](#).

3.2. Step-by-Step RNA Comparison

After identifying the three firms that have completed RNAs in California since 2009—Bay Area Economics (“BAE”), Economic and Planning Systems, Inc. (“EPS”), and Keyser Marston Associates, Inc. (“KMA”)—I compared their respective methodologies and found significant differences in assumptions, data sources, and calculations.

3.2.1. Methodology

In order to conduct a thorough comparison of these firms’ methods, I constructed a matrix with the outline from **Figure 4** above in the left margin and spaces to the right of each outline section for the assumptions, calculations, and data sources used by each of the three firms. I then filled in these spaces based on a close read of a recent RNA completed by each firm for a different California city: Fremont (KMA), Berkeley (BAE), and Mountain View (EPS). See **Appendix C** for the completed version of this matrix.

Based on a review of four additional reports KMA produced for other cities, I am quite confident that the Fremont report is sufficiently representative of KMA’s methodology. Since I was only able to locate one recent California RNA for each of the other firms, I am slightly less confident about the representativeness of those reports. However, while some specific information is likely to vary between reports (e.g., local building costs), it is unlikely that the general methodology these firms employ (e.g., the calculations they use) would vary significantly between reports. As a result, I am confident that the important issues this memo raises would be the same regardless of which of a particular firm’s recent reports I analyzed.

3.2.2. Findings

While the RNA model outlined in **Figures 3 and 4** above describes all three firms’ *general* methods, a close look at each firm’s *specific* assumptions, calculations, and data sources reveals major inter-firm differences—all of which significantly affect the inclusionary housing percentages and in-lieu fees each firm estimates. The major differences by section (i.e., section of the RNA model) and type (i.e., assumptions, data sources, or calculations) are as follows:

- A. Jobs Created (I-B): Different Assumptions, Calculations, and Data Sources.** KMA and BAE both use a commercially available input-output model called IMPLAN to calculate the number of jobs created by the addition of market rate households,¹⁹ while EPS uses a completely different method. Specifically, EPS (1) uses the Consumer Expenditure Survey²⁰ to determine the percentage of household income spent within different industry sectors at the national level; (2) converts those expenditures by sector into wages by sector using a gross-receipts-to-wages ratio from county-specific data in the Economic Census;²¹ and (3) converts industry wages into jobs using county-specific average wage data by sector, also from the Economic Census.²²

¹⁹ For more information on estimating direct, indirect, and induced job creation using the IMPLAN model, see **Appendix H**.

²⁰ <http://www.bls.gov/cex/>

²¹ <http://www.census.gov/econ/census07/>

²² For a more detailed picture of this process, see **Appendix E**.

Also, all three firms employ different assumptions regarding the proper jurisdictional scope of job projections for RNAs. KMA uses IMPLAN projections for the county, BAE uses IMPLAN projections for the region (in the case of the Berkeley RNA, a nine-county area), and EPS (due to its unique projection methodology) seems to project all directly created jobs, regardless of jurisdiction.

- B. Occupational Distribution (I-D-1): Different Calculations and Data Sources.** KMA matches the industry codes from the IMPLAN output to the North American Industry Classification System (“NAICS”) job-level codes²³ in order to distribute newly created jobs across industries,²⁴ while BAE simply computes job distributions at the industry level using the Public Use Microdata Sample (“PUMS”).²⁵ As described above, EPS bases the occupational distribution of new households on Consumer Expenditure Survey data.
- C. Income Distribution (I-D-2): Different Data Sources.** All three firms use different data sources to calculate the income distribution of new worker households: KMA matches NAICS job codes with county wage and salary data from the California Employment Development Department, BAE matches the IMPLAN output with a national income distribution by industry from PUMS, and EPS uses county-level data on average wage by job type from the Economic Census.
- D. Affordable Housing Development Costs (II-A): Different Assumptions, Calculations, and Data Sources.** Each firm uses radically different assumptions, calculations, and data sources to determine affordable unit development costs. BAE, which only analyzes rental units, uses development cost estimates from the city’s housing element, which cannot be found using the citation BAE provides in its report.²⁶

KMA uses market-rate prices from a citywide survey for ownership units and a simple capitalized cost formula [(Annual Market Rate Rent - \$7,000 Operating Expenses) x Capitalization Rate] for rental units, which is based on a citywide survey of rental properties. While the formula is fairly standard, the use of market-rate rents is problematic because market-rate housing costs more to build than lower-income housing, since market-rate households can afford more amenities (e.g., high-end finishes and fixtures) than lower-income households. This difference is illustrated by the fact that the 2009 Fair Market Rent figure calculated by the US Department of Housing and Urban Development (“HUD”) for a two-bedroom apartment in Fremont, California²⁷ is half the average market-rate rent KMA used to estimate the affordability gaps in the Fremont Report.²⁸

EPS uses a pro forma method²⁹ for both ownership and rental units that produces cost estimates which, in the RNA studied, were significantly higher than the capitalized cost of the rental units EPS surveyed earlier in its analysis. This is problematic because, as KMA notes,³⁰ the capitalized cost of existing rental units should account for all of the costs the pro forma model is attempting

²³ Bureau of Labor Statistics, Occupational Employment Survey (<http://www.bls.gov/oes/>)

²⁴ For a more detailed picture of this process, see [Appendix F](#).

²⁵ http://www.census.gov/acs/www/data_documentation/public_use_microdata_sample/

²⁶ For potential implications of this uncertainty, see the note in Section II-C of [Appendix C](#).

²⁷ http://www.huduser.org/portal/datasets/fmr/fmrs/fy2009_code/index.asp?data=fmr09

²⁸ Appendix II, Table 3.

²⁹ See [Appendix G](#) for a detailed application of this method.

³⁰ Fremont Report, 65.

to capture. Thus, to the extent EPS’s sample of rents is representative of recent projects in the city, the capitalized cost of those rents may represent a better estimate of affordable unit development costs than EPS’s pro forma.

- E. Maximum Lower-Income Household Contribution (II-B): Different Assumptions.** The most important difference here concerns assumptions about financing terms for the lower-income families trying to buy homes. Specifically, KMA assumes that these families pay 20 percent down and thus are not required to purchase private mortgage insurance, while EPS assumes that these families pay 10 percent down and thus must obtain private mortgage insurance. As a result, holding all other factors constant, the maximum household contribution estimated by EPS would be significantly lower than KMA’s, and thus its affordability gap estimates would be higher.³¹

3.3. RNA Output Study

Based on the significant inter-firm variation in assumptions, calculations, and data sources just described, one would expect there to be significant variation in the inclusionary percentages and in-lieu fees estimated by each firm. Indeed, there is a great deal of such variation. Consider the figure below detailing the range of maximum in-lieu fees from the RNAs studied. Note that fee amounts range from \$20,000 to \$148,000 per unit and, more importantly, from 5.6 percent to 19.2 percent of unit value.

Figure 5. Range of Maximum In-Lieu Fees from Residential Nexus Analyses: California, 2009-Present

RNA Information			Range of Maximum Fees		
Month/Year	Location	Analysts	\$ Amount (k)	\$ Per Sqft.	% of Value
04/2011	Mountain View, CA	EPS	34 – 148	—	8.5 – 16.6
08/2010	Solana Beach, CA (Draft)	KMA	39 – 86	27.71 – 53.52	6.7 – 19.2
06/2010	Berkeley, CA	BAE	20	—	7.0
06/2010	Walnut Creek, CA (Draft)	KMA	32 – 76	31.67 – 46.67	8.5 – 10.4
04/2010	Fremont, CA	KMA	39 – 68	27.32 – 38.54	9.1 – 10.8
04/2010	Hayward, CA	KMA	32 – 52	19.26 – 32.45	8.0 – 11.2
11/2009	Napa County, CA	KMA	22 – 67	22.41 – 24.08	5.6 – 11.9
		Overall:	20 – 148	19.26 – 53.52	5.6 – 19.2

Some of this variation, however, is the result of actual differences between units or cities, or between easily changeable assumptions (e.g., the capitalization rate used in affordability gap calculations) that different firms adopt. Thus, in order to discern the actual inter-firm variation resulting from an inconsistent methodology, I had to control for as many of these legitimate differences as possible. The methodology detailed below represents my attempt to do just that. After controlling for differences between units and cities and for minor assumptions, there is still a great deal of variation between the outputs of the RNAs studied.

³¹ This is because private mortgage insurance can increase monthly housing outlays significantly. For example, a \$300,000 loan with a 10% down payment could incur a monthly mortgage insurance premium of \$117. See Colquitt & Slawson.

3.3.1. Methodology

Using the assumptions, calculations, and actual data (e.g., the estimated affordability gaps) detailed in the seven target RNAs, I was able to reverse engineer two Excel-based models—one for studying inter-firm variation and the other for studying intra-firm variation. Each of these models use the same general formulas employed by each firm, such that entering the raw data from that firm’s RNA will produce an output (including job and household creation estimates by income level and maximum in-lieu fees) essentially identical to the firm’s, and entering different raw data will produce a proportionally different output. Thus, by equalizing a value that varies between the RNAs (e.g., the initial income infusion from market rate household production), I was able to control for the variation generated by differences in that value. For a more complete picture of the models’ respective structures and capabilities, see the actual Excel models used in [Electronic Addendum B](#).

3.3.2. Findings: Inter-Firm Variation

After controlling for expected inter-unit differences such as (1) income per market rate unit,³² and (2) affordability gaps³³ as well as minor assumptions such as (3) capitalization rate (4) workers per household, and (5) target income level (i.e., AMI categories), the following inter-firm variation remained:

Figure 6. Inter-Firm Variation Despite Controls

<i>Controls: Income by Market-Rate Unit, Affordability Gaps, Capitalization Rate, Workers per Household, and Target Income Level (0-80% of AMI)</i>	Low (Firm)	Middle (Firm)	High (Firm)	Low-High Change
Total Jobs Created	27.1 (EPS)	33.1 (KMA)	49.1 (BAE)	83.56%
Lower-Income Households Created	10.0 (BAE)	11.8 (KMA)	12.4 (EPS)	19.51%
Maximum In-Lieu Fee Supported	25,041 (BAE)	29,478 (KMA)	31,112 (EPS)	19.51%
Lower-Income Households as a Percentage of Total Households	35% (BAE)	60% (KMA)	78% (EPS)	55.12%

- A. Total Jobs Created.** While the actual source of this variation is unclear, the low-high distribution—EPS to KMA to BAE—could potentially be explainable by the differences in (1) calculation methods and (2) jurisdictional scope assumptions described in **Section 3.2.2** above. For example, EPS’s use of a proprietary model that considers only direct job creation effects (while the other firms employ a commercial model that considers both direct and indirect effects) might pull its job creation estimate below those of the other firms, while BAE’s assumption of a nine-county jurisdictional scope might push its job creation estimate above KMA’s (since KMA assumes a single-county jurisdictional scope).
- B. Lower-Income Households Created.** The actual source of this variation is also unclear, but it could potentially be explained by differences in the specificity of data sources as described in **Section 3.2.2** above: The lowest estimate (BAE’s) uses national-level industry and wage

³² Since this would vary based on unit-specific characteristics, I used each firm’s estimate for 2-bedroom rental units and equalized their income infusion estimates (i.e., the amount of discretionary income each firm estimated would flow into the local economy due to the construction of a 2-bedroom rental unit).

³³ which would vary between cities due to differences in real estate values

distributions from the Public Use Micro-Data Set, while the higher estimates (KMA's and EPS's) use county-specific data from sources like the California Employment Development Department and the Economic Census. To the extent that there is greater income disparity in California than in the country at large, this variation makes sense.

- C. Maximum In-Lieu Fee Supported.** Since (1) firms calculate maximum in-lieu fees by multiplying the number of lower-income households by the affordability gap and (2) this analysis held affordability gaps constant (i.e., set them all at \$250,000 per unit), this variation could potentially be explained by the same data source issues described in the paragraph above.
- D. Lower-Income Households (0-80% of AMI) as a Percentage of Total Households.** While a small portion (i.e., 19.51%) of this substantial variation (55.12%) could potentially be explained by the data source issues described in the two paragraphs above (i.e., increasing data specificity increases lower-income household estimates), the balance of this variation (55.12% - 19.51% = 35.61%) remains unexplained.

3.3.3. Findings: Intra-Firm Variation

After comparing five recent KMA reports³⁴ (controlling for income per market rate unit, affordability gaps, etc.), most of the variation between the reports is cancelled out. Any remaining variation is likely the result of differences between various counties, particularly since the controlled estimates from the two reports covering different cities within the same county are nearly identical.

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³⁴ i.e., those completed for Fremont, Hayward, Napa County, Solana Beach, and Walnut Creek

4. Overall Evaluation: Issues and Potential Impacts

Overall, this effort has uncovered a set of universal issues common among all (or nearly all) of the RNAs studied that call into question the accuracy of the methodology as a whole **(4.1)** and a set of issues arising out of an abundance of inter-firm variation—in assumptions and data sources, but also in vital calculations—the prevalence of which challenge the existence of an industry standard, or even generally accepted principles, for residential nexus analysis **(4.2)**.

4.1. Universal Issues

Before describing these specific issues in detail, it is important to briefly discuss what they underscore about the RNA methodology in general. First, to the extent that there is a discernable RNA methodology,³⁵ it has not been validated by means typically used to validate quantitative methodologies in the social sciences, such as real-world hypothesis testing or peer review. The various firms' housing percentage and fee estimates are products of hypotheses about the causal relationship between market-rate housing supply increases and affordable housing demand increases (and, in turn, the amount of subsidy required to fill that demand). Usually, such hypotheses are tested using real-world data—that is, testing whether an increase in the relevant supply stimulates the relevant demand to the extent hypothesized.³⁶ The results of this testing are then subjected to a peer review process during which other researchers review the testing methodology and suggest ways to improve it.³⁷ Here, the literature and nexus report reviews have shown no evidence that the firms in question (or any other researchers) have done either of these things.³⁸ In fact, the research has not uncovered anything, other than consulting firms' own endorsement of their respective results, indicating that the firms' estimates are accurate. However, as discussed throughout this and the following section, it *has* uncovered substantial evidence to the contrary.

Also, the inclusionary percentages and in-lieu fees estimated by the various firms are sensitive to changes in assumptions, calculations, and data sources most of which seem to err on the side of inflating these estimates. Thus, as discussed below, adopting any one of several more reasonable assumptions, calculations, or data sources could result in a significant reduction in these estimates (e.g., in-lieu fee reductions between 22% and 96%).

These universal issues and their potential impacts on relevant estimates are as follows:

- A. Overly Broad Jurisdictional Scope.** In addition to the wide inter-firm variation in jurisdictional scope discussed in **Section 4.2(A)** below, it should be noted that all of the RNAs studied estimate job creation effects in what could be considered an overly broad jurisdictional area. Arguably, RNAs should help a jurisdiction determine the affordable housing need generated *within its jurisdictional boundaries*. For this to be true given the city RNAs studied, (1) all jobs created in the county (or, in some cases, even the region) would have to be located in the individual city and (2) all jobs created in the city would have to create new households in the city.

³⁵ a claim rendered doubtful by the abundance of inter-firm variation discussed in **Section 4.2** below

³⁶ Moreover, in order to be considered valid, the results of any such testing must be replicable by other researchers. See MacCoun, 265, 277.

³⁷ Id.

³⁸ However, at least one firm (EPS) has previously certified the work of another (KMA) as “industry standard.” See <http://www.ci.sanmateo.ca.us/DocumentView.aspx?DID=1791>.

Yet, neither is likely true. (1) is probably false because some of the jobs generated—particularly those generated by indirect and induced impacts—are likely to be located outside of the city. (2) is probably false due to the existence (and abundance) of two groups: the unemployed and commuters. That is, presumably, some of the jobs created will be filled by people looking for work, and many others will be filled by people who live outside the city and commute in for work. Even BAE acknowledged this second point when, in a report drafted for a Florida county, it discounted the number of estimated lower-income households based on commuting rates.³⁹

While some might argue that the city is justified in mitigating externalities generated elsewhere in the county by development within its borders, it is important to consider the consequences of this theory. Specifically, assuming such an action was legal, accurately accounting for affordable housing demand generated in other jurisdictions would require cities to (1) consider the affordability gaps common in those jurisdictions⁴⁰ and (2) disburse fee revenues to those jurisdictions to mitigate those effects. Since cities do not do (1), they are currently charging developers to mitigate the wrong demand effects. Since they do not do (2), they are likely overcharging developers (and, by extension, new homeowners) for in-lieu fees.

Potential Impacts: Reducing the percentage of jobs generated in a jurisdiction by, for example, accounting for unemployment and/or commuting would reduce total household and thus lower-income household estimates by a significant amount. For example, accounting for the fact that “56% of Berkeley jobs are filled by 36,000 people who commute from residences outside the City of Berkeley”⁴¹ would reduce the per unit in-lieu fee BAE estimated for a two-bedroom unit in Berkeley from \$20,038 to \$15,631, a 22% reduction.⁴²

B. Unreliable Affordability Gap Estimates. Firms’ affordability gap estimates are unreliable for several reasons. Most importantly, as discussed in the **Section 4.1(A)** above, they do not account for differences in affordability gaps for units created in neighboring jurisdictions also covered by RNA job creation estimates.

Also, not only did each of the firms estimate affordable housing development using different methods, but each of these methods was questionable. As discussed in **Section 3.2.2(D)** above, KMA used unreliable market-rate rent estimates, EPS used potentially inflated pro forma figures, and BAE used a generic figure from the city’s housing element.

Potential Impacts: The affordability gap estimates in the RNAs studied are likely inflated, and thus the maximum in-lieu fee estimates generated using these figures are likely inflated as well. For example, using “fair market rent” figures generated by the US Department of Housing and Urban Development, instead of the figures consultants

³⁹ “While new commercial development in Pinellas County is linked to additional employment, not all employees working in new buildings will actually live inside the county, whether for personal, economic, or other reasons. According to the 2000 U.S. Census, 13.3 percent of people who work in Pinellas County live outside the county. As shown in Table 11 above, this factor is used to adjust the gross number of new employees to a net number of new employees expected to demand housing in Pinellas County. This is a conservative assumption that helps avoid the possibility of overstating new household demand in Pinellas County associated with new commercial development.” Pinellas County Report, p. 39.

⁴⁰ which are likely lower since workers from the city conducting the analysis are choosing to locate there

⁴¹ Nelson/Nygaard, 5-1.

⁴² This result is achieved by reducing by 56% the total jobs creation figure of 48.7 from the Berkeley Report and equally distributing this discount across the five income categories identified in that report.

generated via an informal survey of local rents, would reduce the maximum in-lieu fees KMA calculated in the Fremont Report by 30%.⁴³

- C. Statistically Improbable Lower-Income Household Percentages.** Both EPS and KMA estimate lower-income household percentages that are statistically improbably. EPS estimates that 78% of newly created worker households will earn less than 80% of area median income. Since (1) EPS estimates all jobs created from a particular income infusion across the entire income distribution and (2) by definition, 80% of values falling below a median represent the bottom 40% of that distribution, EPS's claim that 78% of newly created households fall in the bottom 40% of the income distribution is extremely improbable. Also, KMA's assertion that 60% of new households fall in the bottom 40% is at least questionable.⁴⁴

Potential Impacts: Changes in this percentage have large multiplier effects. For example, reducing the percentage of lower-income households EPS estimated in the Mountain View RNA from 78% to 40% (the more likely figure based on area median income) would lower the estimated in-lieu fee by 96%.⁴⁵ Similarly, reducing the same value in the Fremont Report from 60% to 40% would lower that fee by 32%.⁴⁶

- D. Use of Total Economic Impacts.** As discussed in **Section 3.2.2(A)** above, BAE and KMA both use total (direct + indirect + induced) economic impacts generated by IMPLAN. For a discussion of each type of impact, see the excerpt from the Berkeley Report in **Appendix H**.

Potential Impacts: Changing economic impact assumptions significantly affects job creation estimates. For example, KMA reported the following direct and total impacts in the Napa County Report: 26.9 direct jobs created, 46.6 total jobs created. Using only the direct impacts would have cut the estimated inclusionary percentage and in-lieu fee by nearly 50%.

4.2. Variation-Related Issues

The variation-related issues discussed below challenge the existence of an industry standard, or even generally accepted principles, for residential nexus analysis. As a result, it is very difficult for a consulting firm to argue convincingly that its particular brand of RNA is accurate or otherwise legally sufficient. The *Kelley/Frye* Doctrine, the dominant standard regarding admissibility of novel scientific evidence in California courts, is illustrative regarding this point. The doctrine is meant to keep "junk science" or methodologies that have not been properly vetted from being used to bolster legal arguments. To this end, it requires "a preliminary showing of general acceptance of the new technique in the relevant scientific community" before it can be offered as evidence.⁴⁷ The fact that reasonable

⁴³ The 2009 monthly fair market rent for a two-bedroom apartment in Fremont was \$1,295. Thus, the capitalized cost of such a unit (using KMA's assumption of a 6.5% cap rate) is \$239,076.92, a figure significantly lower than the \$308,000 KMA estimated. Using that lower figure to calculate the affordability gaps results in a per-unit fee of \$22,986 (rather than KMA's \$32,799 fee).

⁴⁴ However, some of the variation between the 40% expected value and the 60% projection is likely due to the fact that, unlike EPS's proprietary model, the IMPLAN model employed by KMA determines the type of jobs that will be created based on the project type (e.g., construction). This could account for some increase in the proportion of lower-income households.

⁴⁵ Changing the number of households earning 0-80% of AMI from 18.0 to 9.2 would change the maximum estimated in-lieu fee for two-bedroom rentals from \$50,212 to \$25,622 per unit, a 96% reduction.

⁴⁶ Changing the number of households earning 0-80% of AMI from 14.2 to 10.8 would change the maximum estimated in-lieu fee for two-bedroom rentals from \$32,799 to \$24,926 per unit, a 32% reduction.

⁴⁷ Fridman & Janoe.

firms differ so widely on key methodological issues and that these differences lead to vastly disparate final estimates is an indication these estimates cannot be trusted. How can there be “general acceptance” of a methodology for completing RNAs when firms cannot even agree on the four fundamental issues discussed below?⁴⁸

- A. Wide Range of Jurisdictional Scopes.** As discussed in **Section 3.2.2(A)** above, the range of jurisdictional scopes used by the firms studied varies from a county-level scope, to a regional scope, to an all-inclusive scope.

Potential Impacts: Small changes in jurisdictional scope translate to large changes in RNA job creation estimates and, in turn, inclusionary percentages and in-lieu fees. For example, including in Hayward’s affordable housing demand calculation a single household that was actually created in another city or county would increase the maximum fee KMA estimates for a two-bedroom condo in Hayward by 8%, or more than \$2,300.⁴⁹

- B. Inconsistent Affordability Gap Estimation Methodology.** As discussed in **Section 3.2.2(D)** above, each firm uses radically different assumptions, calculations, and data sources to determine affordable unit development costs and thus affordability gaps.

Potential Impacts: Because of the way in-lieu fees are calculated (i.e., by multiplying lower-income household numbers by affordability gaps), a one-dollar difference in an affordability gap estimate translates to a multi-dollar difference in an in-lieu fee estimate. For example, increasing the affordability gap estimate for 0-80% AMI households in the Mountain View RNA by one dollar increases the estimated in-lieu fee by eighteen dollars.

- C. Inconsistent Job Creation-Related Calculations, Assumptions, and Data Sources.** As discussed in **Section 3.2.2(A)** above, all three firms use different assumptions, calculations, and data sources to estimate the income distribution of new worker households.

Potential Impacts: As discussed in **Section 3.3.2(B-C)** above, the variation in data sources may very well be driving significant variation in inclusionary percentage requirements and in-lieu fees. For example, even after controlling for differences between cities and unit types, there is a 19.51% difference between the maximum supported in-lieu fees in the Berkeley Report (BAE) and those in the Mountain View Report (EPS).

- D. Inconsistent Lower-Income Household Percentages.** Finally, as discussed in **Section 3.3.2(D)** above, there is a great deal of unexplained inter-firm variation related to the percentage of lower-income households (i.e., those earning 0-80% of AMI) among newly created households.

Potential Impacts: As discussed in **Section 4.1(C)** above, changing this percentage has large multiplier effects.

⁴⁸ Note that this list is a distillation of multiple variation-related issues discussed in greater detail in **Sections 3.2.2** and **3.3.2**.

⁴⁹ Changing the number of households in the 0-50% AMI category from 7.0 to 8.0 increases the maximum estimated fee for a two-bedroom rental by \$2,325.

5. Conclusion

To date, the use of residential nexus analysis in support of California's inclusionary housing ordinances has yielded highly questionable results. In general, the methodology is untested and has not been vetted by peer review. Consequently, there is no evidence, other than consulting firms' own endorsement of their respective results, that the relevant estimates are accurate.

Moreover, several issues common among residential nexus analyses call into question the accuracy of the methodology as a whole. Estimates by the various firms are sensitive to minor changes in assumptions, calculations, and data sources, most of which seem to err on the side of inflating inclusionary percentages and in-lieu fees. Thus, adopting more reasonable assumptions, calculations, and data sources leads to significant reductions in these estimates.

Finally, the abundance of variation between different firms' interpretation of the methodology (e.g., the assumptions each firm chooses to employ at critical stages of the process) challenges the existence of an industry standard, or even generally accepted principles, for residential nexus analysis. This makes it very difficult for a consulting firm to argue convincingly that its particular brand of residential nexus analysis is accurate or otherwise legally sufficient.

In my opinion, residential nexus analysis, as it has been applied in California to date, is an unreliable means of demonstrating the effects of market-rate residential development on the demand for affordable housing and of justifying the inclusionary housing percentage requirements and in-lieu fees purported to mitigate these effects.

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Appendix A: Nexus Reports and Firms

(PDFs of each report are included in [Electronic Addendum A](#))

Type	Month/Year	Location	Firm	URL
RNA	04/2011	Mountain View, CA	EPS	http://www.ci.mtnview.ca.us/civica/inc/displayblobpdf2.asp?BlobID=8221
RNA	08/2010	Solana Beach, CA (Draft)	KMA	http://www.ci.solana-beach.ca.us/csite/cms/app_engine/assets/images/cd_affordable%20housing%20nexus%20fee%20study%20public%20review%20draft.pdf
RNA	06/2010	Berkeley, CA	BAE	http://www.ci.berkeley.ca.us/uploadedFiles/Clerk/Level_3_-_City_Council/2010/06Jun/2010-06-29_Worksession_Item_02_Affordable_Housing_Policy_Impact_Fee_Nexus_Study.pdf
RNA	06/2010	Walnut Creek, CA (Draft)	KMA	http://www.walnut-creek.org/civica/filebank/blobload.asp?BlobID=5378
RNA	04/2010	Fremont, CA	KMA	http://www.fremont.gov/DocumentView.aspx?DID=3720
RNA	04/2010	Hayward, CA	KMA	http://www.cityofhayward-ca.gov/news/pdf/2010/001-002%20-%20Hayward%20Nexus%20Final.pdf
CNA	10/2010	San Diego, CA	KMA	http://www.sdhc.net/uploadedFiles/Special_Housing_Programs/Final%20Housing%20Impact%20Fee%20Nexus%20Study%2011-2-10[1].pdf
RNA	11/2009	Napa County, CA	KMA	http://www.google.com/url?sa=t&source=web&cd=11&ved=0CBkQFjAAOAO&url=http%3A%2F%2Fservices.countyofnapa.org%2FAGendaNet%2FDownloadDocument.aspx%3Ftype%3DPlanningAgenda%26doctype%3DATTACHMENT%26id%3D15957&ei=2Ja5TbaSDIe-sQP3msn1Bw&usg=AFQjCNGmpP1C7LoFdD9GqdeZILD5ieHi3w&sig2=apjHT-UDU-jUt6fz4dUCAA
RNA	02/2008	Bainbridge Island, WA	KMA	http://www.ci.bainbridge-isl.wa.us/documents/pln/housing/nexus_study_feb2008.pdf
CNA	01/2008	Eagle County, CO	RRC	http://www.economiccouncil.biz/doc/toc.asp?assn_id=12818&link_id=78670
Both	07/2007	Pinellas Co., et. al., FL	BAE	http://www.pinellascounty.org/community/pdf/nexus.pdf
RNA	04/2007	San Francisco, CA	KMA	http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=8380
CNA	03/2006	Sacramento, CA	KMA	http://www.cityofsacramento.org/dsd/planning/long-range/housing/documents/HTF-Nexus-Study_final_3-30-06.pdf
Both	02/2006	Calabasas, CA	SRH	http://www.cityofcalabasas.com/pdf/agendas/council/2006/040506/item13-d.pdf
RNA	07/2005	Seattle, WA	KMA	ftp://ftp.ci.austin.tx.us/housing/Affordable%20Housing%20Task%20Force/8-28-06%20meeting/Seattle%20Final%20Residential%20Nexus%20Study.pdf
CNA	07/2005	Barnstable Co., MA	DC	http://www.capecodcommission.org/housing/CCCNexusStudy.pdf
CNA	12/2004	Walnut Creek, CA	KMA	http://www.snrpc.org/WorkforceHousing/Development/Jobs_Housing_Nexus_Study_Walnut_Creedk.pdf
CNA	___/2003	San Mateo, CA	KMA	http://www.ci.sanmateo.ca.us/DocumentView.aspx?DID=1791
CNA	08/2003	St. Helena, CA (Summary)	KMA	http://ci.st-helena.ca.us/images/city/Docs/Inclusionary_Housing_9-14.pdf
CNA	06/2003	Long Beach, CA	DPR	http://www.lbhdc.org/span/pdf/HTFIV.pdf
CNA	05/2003	Martha's Vineyard, MA	DC	http://www.mvcommission.org/doc.php/Nexus%20Study%20-%20Final%20Report.pdf?id=199
CNA	___/2003	Marin Co., CA (Summary)	DPR	http://www.co.marin.ca.us/depts/BS/Main/BOSagmn/ordinances/ord-3393.pdf
CNA	12/2001	Sonoma County, CA	EPS	http://www.epsys.com/Client_Site/10310sonoma/10310rpt4.pdf
CNA	09/2001	Oakland, CA	DPR	http://www.oaklandnet.com/government/hcd/policy/docs/linkage_study.pdf

Appendix A (continued)

Firms		
BAE	Bay Area Economics	www.bayareaeconomics.com
DC	Development Cycles	n/a
DPR	David Paul Rosen & Associates	www.draconsultants.com
EPS	Economic and Planning Systems, Inc.	www.epsys.com
KMA	Keyser Marston Associates, Inc.	www.keysermarston.com
RRC	RRC Associates	www.rrcinfo.com
SRH	Stanley R. Hoffman Associates	www.stanleyrhoffman.com

APPENDIX B: Review Queries by Database/Search Engine

EBSCOhost <i>search.ebscohost.com</i>	Google (Literature Review) <i>www.google.com</i>	Google (Nexus Analysis Review) <i>www.google.com</i>
Residential AND Nexus AND Analysis Residential AND Nexus AND Study Housing AND Nexus AND Analysis Housing AND Nexus AND Study Jobs AND Housing AND Nexus Jobs AND Affordable AND Housing AND Nexus Jobs AND Affordable AND Housing AND Linkage Development AND Linkage AND Fee Housing AND Linkage AND Fee Linkage AND Fee IMPLAN	Residential Nexus Analysis Residential Nexus Study Jobs Housing Nexus Jobs Affordable Housing Nexus Analysis Nexus Study Development Linkage Fee Housing Linkage Fee IMPLAN Inclusionary Housing California	Residential "Nexus Analysis" Residential "Nexus Study" Economic Study of Affordable Housing Need "Jobs Housing Nexus" Housing "Nexus Analysis" Housing "Nexus Study" Commercial "Nexus Analysis" Commercial "Nexus Study" Commercial Development Linkage Fee "Jobs Housing Linkage Fee" Affordable Housing Linkage Fee Workforce Housing Linkage Fee
Google Scholar <i>scholar.google.com</i>	ISI Web of Knowledge <i>apps.isiknowledge.com</i>	Social Science Research Network <i>www.ssrn.com</i>
Residential "Nexus Analysis" Residential "Nexus Study" "Jobs Housing Nexus" "Housing Nexus" Development "Linkage Fee" IMPLAN	Residential Nexus Analysis Residential Nexus Study Jobs Housing Nexus Jobs Affordable Housing Nexus Analysis Nexus Study Development Linkage Fee Housing Linkage Fee IMPLAN	Residential Nexus Analysis Residential Nexus Study Jobs Housing Nexus Housing Nexus Jobs Affordable Housing Nexus Analysis Nexus Study Development Linkage Fee Linkage Fee IMPLAN

Appendix C: Inter-Firm Comparison of RNA Methodology

	KMA	BAE	EPS	Notes
I. Afford. Housing Demand	↓	↓	↓	↓
A. Stimulus Estimate				
1. Market-Rate Prototypes	<u>Own</u> : Citywide Survey (p. 14) <u>Rent</u> : Citywide Survey (p. 14)	N/A	N/A	While KMA creates prototypes of market-rate units likely to be built in the city, neither BAE nor EPS does so.
2. Market-Rate Unit Prices	<u>Own</u> : Citywide Survey of 14 projects (p. 14) <u>Rent</u> : Citywide Survey of 8 projects (p. 15)	<u>Own</u> : N/A (p. 16) <u>Rent</u> : Citywide survey of 4 projects (p. 16); average of 1-2 bedroom, 1 bath units (p. 33)	<u>Own</u> : Posited (p. 12) <u>Rent</u> : Citywide survey of 3 projects (p. 14); [Annual Rent – (Operating Expenses + Taxes)]/Cap rate (p. 14)	BAE did not address ownership units in the RNA reviewed. Also, while KMA and BAE estimate prices of new market rate ownership units based on actual developments in the city, EPS simply generates posited values for comparison.
3. Market-Rate Household Income	<u>Own</u> : HH Income x .35 = Mortgage [30yr, Prevailing Rate, fixed, 20% down] + Maintenance or HOA + Taxes + Insurance (p. 16) <u>Rent</u> : HH Income x .30 = Rent - Utilities (p. 17)	<u>Own</u> : N/A <u>Rent</u> : HH Income x .30 = Rent + Utilities (p. 16)	<u>Own</u> : HH Income x .35 = Mortgage [30yr, Prevailing Rate, fixed, 20% down] + Maintenance or HOA + Taxes + Insurance (p. 16) <u>Rent</u> : HH Income x .30 = Rent + Utilities (p. 17)	KMA calculates household incomes based on 30% of rent <i>excluding</i> utilities, while BAE and EPS calculate these incomes based on 30% of rent <i>including</i> utilities. As a result, given equal rents, KMA's estimates of market rate household income are slightly higher than those of BAE and EPS.
4. Market-Rate Household Spending	IMPLAN: HH Disposable Income = Household Income - Income Taxes (State & Federal) - Medicare & Social Security Taxes - Personal Savings (p. 26)	→	MRHH expenditures by income level from the 2008 Consumer Expenditure Survey (pp. 15-16)	KMA and presumably BAE (though it is unclear from the report reviewed) both use IMPLAN to estimate disposable income (and thus household spending) for market rate households, but EPS extrapolates this information from the Consumer Expenditure Survey ("CES") published by the Bureau of Labor Statistics instead.
B. Jobs Estimate	HH Spending → IMPLAN Model for County → Total Jobs by Industry Sector (p. 26)	HH Spending → IMPLAN Model for 9-County Region → Total Jobs by Industry Sector (p. 17)	For each industry, Jobs = [(MRHH Income x CES % Spending per HH) / Economic Census Gross Receipts to Wages] / Economic Census Avg. Wage (pp. 16-17)	While KMA and BAE both use IMPLAN to calculate jobs created, EPS (1) uses the CES to determine the percentage of household income spent within industry sectors, (2) converts those expenditures into wages using a gross-receipts-to-wages ratio from the Economic Census ("EC"), and (3) converts industry wages into jobs using EC average wage data.

Appendix C (continued)	KMA	BAE	EPS	Notes
C. Households Estimate	Total Jobs/Average Workers per Household in County according to 2008 ACS (p. 29)			
		(p. 19)	(p. 17)	
D. Lower-Income Households Estimate	↓	↓	↓	↓
1. Occupational Distribution	Match industry sectors on IMPLAN output to national NAICS job codes/distribution from 2008 OES (p. 29)	BAE does not consider occupation-level income; instead, it considers income by industry sector. (19-20)	CES % Spending per HH (p. 16)	KMA distributes newly created jobs across industries at the job level, while BAE simply computes distributions at the industry level. As described in (I-B) above, EPS bases the occupational distribution of new households on Consumer Expenditure Survey data.
2. Income Distribution	Match NAICS job codes with county wage and salary data from California Employment Development Dept. (p. 30)	Match industry sectors on IMPLAN output to national income distribution by industry from 2000 PUMS (pp. 19-20)	Economic Census Avg. Wage (County) (p. 16)	All three firms use different data sources to calculate the income distribution of the worker households generated.
3. Household Size	Estimate workers per household by household size w/ 2008 countywide ACS data (p. 30)			
		(p. 20)	(p. 17)	
4. No. of Lower-Income Households	Compare data on number, income distribution, and size of newly created households with City's inclusionary housing criteria (p. 30)			
		(p. 19)	(p. 18)	
II. Affordability Gaps	↓	↓	↓	↓
A. Affordable Housing Development Costs	<u>Own</u> : Price of MR unit (49) <u>Rent</u> : (Ann. MR rent - \$7,000 opp. exp.) x Cap Rate (p. 65)	<u>Own</u> : N/A <u>Rent</u> : Assume cost based on the City's housing element (p. 22)	<u>Own</u> : Land Costs + Construction Costs (p. 8) <u>Rent</u> : Land Costs + Construction Costs (p. 9)	Each firm uses different methods to determine affordable unit development costs. KMA uses market-rate prices (from a survey) for ownership units and a Net Operating Income x Cap Rate formula for rental units. BAE, which only analyzes rental units, uses development costs from the city's housing element (which cannot be found using BAE's citation). EPS uses a pro forma method that produces cost estimates (for rental units) significantly higher than the capitalized cost of units surveyed earlier.

Appendix C (continued)	KMA	BAE	EPS	Notes
1. Unit Type	Same as market-rate units: 0-80% AMI = Apartment; 81-120% AMI = Townhome (p. 65)	Unknown (because it is unclear from the report what type of unit the city uses to calculate affordable housing development costs)	<u>Own</u> : High-density, multi-family development; 2-bedroom units (p. 7) <u>Rent</u> : Same	While KMA bases affordable unit cost estimates on the values of the market-rate units estimated earlier in the analysis, EPS instead creates a rough pro forma based on generalized cost estimates.
B. Max. Lower-Income Household Contribution	<u>Own</u> : If HOA <\$250/mo., then 3.5 x 110% AMI; If HOA >\$250/mo., then Income x .35 = Mortgage [30yr, 5.5%, fixed, 20% down] + Maintenance or HOA + Taxes + Ins. (p. 63) <u>Rent</u> : HH Income x .30 = Rent + Utilities (p. 64)	<u>Own</u> : N/A <u>Rent</u> : HH Income x .30 = Rent (p. 22)	<u>Own</u> : Income x .35 = Mortgage [30yr, 6.0%, fixed, 10% down] + HOA + PMI + Taxes + Ins. (p. 10) <u>Rent</u> : <u>Rent</u> : HH Income x .30 = Rent + Utilities (p. 10)	The most important difference here involves household contributions for ownership units. Specifically, KMA assumes 20% down and no private mortgage insurance, while EPS assumes 10% down and mortgage insurance. As a result, holding all other factors constant, the maximum household contribution estimated by EPS would be significantly lower than KMA's, and thus its affordability gap estimates would be higher.
C. Gap Calculation	Gap = Affordable Development Cost - Max. Contribution (p. 65)	Gap = Affordable Development Cost - Maximum Loan Amount [i.e., Max. Contribution - (Max. Contribution x .35) - (Max. Contribution x .5)] (p. 22)	Gap = Affordable Development Cost - Max. Contribution (p. 10)	Instead of calculating the gap between affordable housing development cost and maximum lower-income household contribution (like the other firms), BAE calculates the difference between maximum affordable loan amount and maximum lower-income household contribution. If the city calculates affordable housing development costs based on actual land acquisition and construction costs (Like EPS), then this difference has no practical significance. If, however, the city equates construction cost with capitalized value (like KMA), then BAE is double counting the 35% and 5% allowances for operating expenses and vacancy, respectively. This would increase the size of the gap and, consequently, the maximum in-lieu fee. Since EPS's citation to Berkeley's housing element is incorrect, however, it is unclear at this time which method the city uses.
III. Maximum In-Lieu Fee	For each income level, Lower-Income Households x Affordability Gap (p. 65)	For each income level, Lower-Income Households x Affordability Gap (p. 23)	For each income level, Lower-Income Households x Affordability Gap (p. 21)	↓

Appendix D: Detailed Analysis of the Fremont Report

(Excerpt: Memo from Adam Cray to the Berkeley Program on Housing and Urban Policy, 14 August 2010)

1. Estimate Sale/Rental Prices for New Market-Rate (“MR”) Units

KMA begins by selecting prototypical unit types and estimating the prices each would garner if sold or rented in the current market. It bases these selections and estimates on a “survey of residential units sold or recently marketed throughout the City” and on “input from City staff.”⁵⁰ For the Fremont Report, KMA identified the following prototypes and associated prices:

Summary of Prototypes					
	<i>Large Lot SFD</i>	<i>SFD</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Rental</i>
Avg. Unit Size	2,500 sf	2,000 sf	1,500 sf	1,300 sf	850 sf
Avg. No. of Bedrooms	4 bedrooms	3 bedrooms	3 bedrooms	2 bedrooms	2 bedrooms
Avg. Rent/Sales Price	\$750,000	\$680,000	\$540,000	\$500,000	\$2,230/mo.
Avg. Rent/Sales Price per sf	\$300	\$340	\$360	\$385	\$2.62

NB: “SFD” stands for “Single-Family Detached”

2. Estimate Annual Gross Income for Households Occupying New MR Units

KMA estimates annual gross income for the households occupying each of the unit types identified above by dividing the annual housing costs per unit by the percentage of income KMA assumes households are spending on housing-related costs: 30% for renters and 35% for owners.⁵¹ For ownership units, KMA calculates annual housing costs as an estimated annual mortgage obligation—assuming 20% down, a 5.50% fixed interest rate, and 30-year amortization—*plus* other costs, including estimated annual “HOA Dues/Maintenance” and annual property taxes equal to 1.11% of sales price.⁵² For the annual cost of rental units, KMA simply sums the estimated monthly rent. Based on these calculations and assumptions, KMA derived the following incomes for households occupying the prototype units in Fremont:

Household Income					
	<i>Large Lot SFD</i>	<i>SFD</i>	<i>Townhome</i>	<i>Condominium</i>	<i>Rental</i>
Gross Household Income	\$153,000	\$138,000	\$110,000	\$104,000	\$89,000

⁵⁰ p. 14.

⁵¹ p. 17.

⁵² pp. 16-17.

3. Estimate Annual Disposable Income for Households Occupying New MR Units

In order to convert its estimate of “new” gross household income (Step 2) to an estimate of total jobs created (Step 5), KMA employs the IMPLAN Model. The Fremont Report explains the initial stage of this process as follows: “The IMPLAN Model first converts household income to disposable income by accounting for State and Federal income taxes, Social Security and Medicare (FICA) taxes, and personal savings.”⁵³ As this statement is the extent of the explanation KMA provides regarding Step 3, any further inquiries about specific calculations and assumptions presumably should be directed to the Minnesota IMPLAN Group, Inc., the company that supports the model software.

This is, however, a good time to identify an assumption that underlies all of KMA’s estimates, including those generated by the IMPLAN Model—the “Net New Underlying Assumption.”⁵⁴ In short, KMA’s analysis assumes that every market-rate unit created in Fremont introduces new income into Fremont equal to the household income of the family occupying the new unit.

4. Estimate New Households’ Average Annual Expenditures on Goods/Services

After determining disposable income, the IMPLAN Model “distributes spending among various types of goods and services (industry sectors) based on data from the Consumer Expenditure Survey and the Bureau of Economic Analysis Benchmark input-output study.”⁵⁵ As in Step 3, the precise calculations and assumptions the IMPLAN Model employs—in this case, to convert new disposable income to new expenditures by industry sector—are not clear from KMA’s report.

5. Estimate Number of Jobs Created by New Average Annual Expenditures

Finally, by means equally as unclear as those employed in the two previous Steps, the IMPLAN Model calculates the number of jobs generated by the addition of every 100 households exhibiting the average annual expenditures calculated in Step 4.⁵⁶ KMA then breaks these figures down by housing prototype:

<i>Jobs Generated per 100 Units</i>					
	<i>Large Lot SFD</i>	<i>SFD</i>	<i>Townhome</i>	<i>Condominium</i>	<i>Rental</i>
Gross Household Income, per unit	\$153,000	\$138,000	\$110,000	\$104,000	\$89,000
Total Jobs Generated, 100 units	61.8	57.5	45.8	43.3	37.2

⁵³ p. 26.

⁵⁴ p. 12.

⁵⁵ p. 26.

⁵⁶ See [\[APPENDIX F\]](#) for the IMPLAN Model’s breakdown, by industry sector, of employment generated.

While most of the IMPLAN Model’s underlying methodology is unclear from KMA’s discussion, the report addresses one very important methodological issue that bears mention: The IMPLAN Model relies on a data set covering Alameda County as a whole. As a result, it estimates the total number of jobs generated in Alameda County—not just in Fremont—by the addition of 100 market-rate residential units.⁵⁷ As discussed in Section III(B)(1) below, this is important because KMA claims to be estimating developers’ impact on Fremont and not on its neighbors.

6. Estimate Number of Households Created by New Jobs

KMA then estimates the number of worker households created by the new jobs identified in Step 5, dividing the number of jobs created per prototype (e.g., 61.8 for the first prototype category) by the average number of workers per worker household in Alameda County (1.57, according to 2006-2008 American Community Survey data).⁵⁸

	<i>Large Lot SFD</i>	<i>SFD</i>	<i>Townhome</i>	<i>Condominium</i>	<i>Rental</i>
Households Created per 100 New Jobs	39.2	36.5	29.1	27.5	23.6

This calculation is based on an important assumption regarding the link between new jobs and new households; specifically, it assumes that all new jobs in Fremont help to create new households in Fremont. As discussed in Section III(B)(2) below, the prevalence of commuting and Fremont’s high unemployment rate both cast considerable doubt on this assumption.

7. Estimate Occupational Distribution of Newly Created Households

Next, “[t]he IMPLAN output is paired with data from the Department of Labor, Bureau of Labor Statistics May 2008 Occupational Employment Survey (OES) to estimate the occupational composition of employees for each industry sector.”⁵⁹ That is, KMA matches each general industry type from the IMPLAN output (See **[APPENDIX F]**) with several job types from the OES, distributing the newly created jobs among these job types based on a pro-rated version of national distribution data. This calculation depends on at least three crucial assumptions, all of which are identified in Section III(B)(4) below.

⁵⁷ p. 25.

⁵⁸ p. 29.

⁵⁹ Id.

8. Estimate Income Distribution of Newly Created Households

KMA translates jobs into income using “recent Alameda County wage and salary information from the California Employment Development Department”⁶⁰ and then compares these figures to the following area median income categories from the City’s inclusionary housing ordinance:

2009 Income Limits						
	Household Size (Persons)					
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
50% of AMI	\$31,250	\$35,700	\$40,200	\$44,650	\$48,200	\$51,800
80% of AMI	\$46,350	\$53,000	\$59,600	\$66,250	\$71,550	\$76,850
<i>Area Median Income</i>	<i>\$62,500</i>	<i>\$71,450</i>	<i>\$80,350</i>	<i>\$89,300</i>	<i>\$96,450</i>	<i>\$103,600</i>
120% of AMI	\$75,000	\$85,700	\$96,450	\$107,150	\$115,700	\$124,300

9. Estimate Size of Newly Created Households

In this step, KMA uses data on the distribution of household sizes in Alameda County, derived from the American Community Survey (“ACS”), to estimate the sizes of the newly created households in the inclusionary income categories.⁶¹

10. Estimate Number of New Households Meeting Inclusionary Housing Criteria

After estimating both the number and size of these new lower-income households, KMA calculates, for each of the prototypes, the number of total new households created at each of the inclusionary income levels:⁶²

New Worker Households by Income Level per 100 Market Rate Units					
	<i>Large Lot SFD</i>	<i>SFD</i>	<i>Townhome</i>	<i>Condominium</i>	<i>Rental</i>
Under 50% AMI	14.4	13.4	10.7	10.1	8.7
50% to 80% AMI	9.4	8.6	6.8	6.5	5.5
80% to 120% AMI	8.4	7.7	6.1	5.8	5.0
Total, Less than 120% AMI	32.2	29.6	23.6	22.3	19.2
Greater than 120% AMI	7.0	6.6	5.3	5.0	4.4
Total, New Households	39.2	36.3	28.9	27.3	23.6

⁶⁰ p. 28.

⁶¹ p. 30.

⁶² p. 31.

11. Estimate “Supported Inclusionary Percentage”

Next, KMA calculates each prototype’s “supported inclusionary percentage,”⁶³ the percentage of new units a city would be justified (from an impact perspective) to require a developer to set aside for lower-income households:

Supported Inclusionary Percentage – Cumulative Through					
	<i>Large Lot SFD</i>	<i>SFD</i>	<i>Townhome</i>	<i>Condo</i>	<i>Rental</i>
50% of Median Income	12.6%	11.8%	9.6%	9.2%	8.0%
80% of Median Income	19.2%	18.0%	14.9%	14.2%	12.4%
120% of Median Income	24.3%	22.9%	19.1%	18.3%	16.1%

The percentages above are calculated to include both market-rate and affordable units; for example, 14.4 affordable units per 100 market rate units (the top left figure in the table in Step 10) translates to a project of 114 units, and 14.4 affordable units *divided by* 114 total units *equals* 12.6% inclusionary units required (the top left figure in the table immediately above).

In the case of Fremont, KMA concluded that the City’s inclusionary percentage requirements for new ownership units were justified because they required developers to set aside 15% of new units for households at or below 120% of AMI, a figure lower than the lowest supported inclusionary percentage at that income level (i.e., 18.3% for condominiums).⁶⁴ In the case of rental units, however, KMA employed the same logic and concluded that the City’s inclusionary percentage requirements were not justified.⁶⁵

12. Estimate “Affordability Gaps”

In order to assess in-lieu fees, KMA first calculates “affordability gaps” for each income level,⁶⁶ the difference between the estimated sale price of each prototype unit (termed “Development Cost” in the table below) and the maximum price households at the inclusionary income levels could be expected to pay (termed “Affordable Sale Price/Unit Value” in the table below).⁶⁷

⁶³ Id.

⁶⁴ p. 32.

⁶⁵ Fremont’s inclusionary program for rentals required developers to set aside 9% of units for households with incomes at or below 50% of AMI and 6% of units for households with incomes of 51-80% of AMI; both of these required reserves are higher than the supported inclusionary percentages at the relevant levels. Id.

⁶⁶ These calculations are explained on page 50, but the table is from page 69.

⁶⁷ Again, these calculations assume that households spend 30% of annual income to rent and 35% to own.

Affordability Gaps			
<i>Unit Type</i>	<i>Affordable Sale Price/ Unit Value</i>	<i>Development Cost</i>	<i>Affordability Gap</i>
<i>For Nexus Analysis Mitigation Costs</i>			
Rental-Low Income	\$96,000	\$304,000	\$208,000
Rental-Very Low Income	\$59,000	\$304,000	\$245,000
Affordable Townhome (2BR)	\$309,000	\$470,000	\$161,000
<i>For In-Lieu Cost Equivalent to Current Onsite Requirements</i>			
Large Lot Single Family	\$371,000	\$750,000	\$379,000
Small lot Single Family	\$344,000	\$680,000	\$336,000
Townhomes (3BR)	\$344,000	\$540,000	\$196,000
Stacked Condominiums	\$309,000	\$500,000	\$191,000

A few issues regarding both “Affordable Sale Price/Unit Value” and “Development Cost” bear mention. As for the former, KMA estimated maximum affordable costs and tenure types based on Fremont’s inclusionary housing guidelines.⁶⁸ Consequently, only households earning 120% of AMI are assumed to own new units (rather than rent), and two-bedroom townhomes are the only prototype units these homeowners are assumed to occupy.⁶⁹ These guidelines set maximum sale prices and rent levels for lower-income households as follows:

Maximum Sales Prices and Rent Levels			
<i>Income Group</i>	<i>Unit Tenure</i>	<i>Household Size</i>	<i>Maximum Housing Costs</i>
Under 50% AMI	Rental	3 persons	\$901 / month
50% to 80% AMI	Rental	3 persons	\$1,102 / month
80% to 120% AMI	Ownership	3 persons	\$309,000

“Development Cost” is based on KMA’s “survey of residential units sold or recently marketed throughout the City”⁷⁰ and thus includes developer profit. For ownership units, KMA estimates this value using the average sale prices observed in the survey. For rental units, however, it converts the average rents observed into a capitalized value by assuming \$7,000 in annual operating expenses per unit and a capitalization rate of 6.5%; these two assumptions are particularly important for reasons discussed in Section III(B)(5) below.

⁶⁸ p. 50.

⁶⁹ For this reason, the shaded figures in the “Affordability Gaps” table are not considered for the purpose of assessing in-lieu fees.

⁷⁰ See Step 1 above.

13. Estimate “Maximum Nexus per Market Rate Unit”⁷¹

Finally, KMA calculates the maximum in-lieu fee that the city could charge a developer by (1) multiplying the affordability gap for each inclusionary income level by the number of households created at that income level for every hundred new market-rate units and (2) summing the resulting values. For example, \$245,000 (the affordability gap for “Very Low Income” households, those at or below 50% of AMI, from the table in Step 12) *times* 14.4% (the number of households at or below 50% of AMI per 100 Large Lot SFDs, from the table in Step 10) *equals approximately* \$35,200 (the intersection of the “Very Low Income” and “Large Lot SFD” categories in the table below); summing these resulting values yields the “Total Nexus Costs” per prototype unit:

Maximum Nexus Per Market Rate Unit						
<i>Income Category</i>	<i>Affordability Gap</i>	<i>Large Lot SFD</i>	<i>SFD</i>	<i>Townhome</i>	<i>Condo</i>	<i>Rental</i>
Very Low Income	\$245,000	\$35,200	\$32,800	\$26,100	\$24,700	\$21,200
Low Income	\$208,000	\$19,500	\$17,900	\$14,200	\$13,500	\$11,500
Moderate	\$161,000	\$13,600	\$12,400	\$9,800	\$9,300	n/a
Total Nexus Costs		\$68,300	\$63,000	\$50,200	\$47,500	\$32,800

Based on this analysis, KMA argues that—from an impact perspective—in-lieu development fees as high \$68,300, or \$27.32 per-square-foot,⁷² are justified in Fremont.

⁷¹ p. 51.

⁷² “Should the City decide to pursue an impact fee on a per square foot basis, the *lowest* nexus cost per square foot is the ceiling under which the fee level can be set. For example, if the City wished to set one fee for all single family detached units, the fee should be set at less than \$27.32, the total supported by the large single family detached unit.” [emphasis in original] p. 52.

Appendix E: Output from EPS Job Creation Estimate

Table A-1
Household Expenditures and Employment Generation - \$250,000 Unit
City of Mountain View Nexus-Based Housing Fee, EPS #20063

Page 1 of 3

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2008 Expenditures [3]	2002 Expenditures [4]	2002 Expenditures per 1000 Households	Gross Receipts to Wages	2002 Total Wages	2002 Avg. Wage	# of Workers	Workers/ HH [5]	Total Worker HH	2002 Avg. Worker HH Income
Calculation	a	b	c	d	e = d * 1000	f	g = e / f	h	i = g / h	j	k = i / j	l = h * j
Food at Home [6]	6.7%	100%	\$4,208	\$3,645								
Food & Beverage Stores		100%	\$4,208	\$3,645	\$3,645,472	8.50	\$428,642	\$29,583	14.5	1.57	9.2	\$46,440
Food Away From Home [6]	4.8%	100%	\$3,008	\$2,606								
Food Services and Drinking Places		100%	\$3,008	\$2,606	\$2,606,130	3.28	\$793,676	\$14,388	55.2	1.57	35.1	\$22,587
Housing Maintenance, Repairs, Insurance, Other expenses	2.1%	100%	\$1,295	\$1,122								
Personal and Household Goods Repair and Maintenance [7]		45%	\$583	\$505	\$504,758	3.36	\$150,394	\$25,154	6.0	1.57	3.8	\$39,487
Building Material and Garden Equipment and Supplies Dealer		45%	\$583	\$505	\$504,758	7.84	\$66,094	\$30,821	2.1	1.57	1.4	\$48,384
Real Estate and Rental and Leasing		10%	\$129	\$112	\$112,168	6.27	\$17,892	\$38,815	0.5	1.57	0.3	\$60,933
Fuel oil and Other fuels [8]	0.3%		\$188	\$163								
Nonstore Retailers [7]		100%	\$188	\$163	\$162,855	7.92	\$20,558	\$39,199	0.5	1.57	0.3	\$61,536
Water and Other Public Services [8]	0.8%	100%	\$508	\$440								
Waste Management and Remediation Services [7]		100%	\$508	\$440	\$440,073	4.15	\$106,101	\$39,830	2.7	1.57	1.7	\$62,526
Household Operations Personal Services	0.7%	100%	\$418	\$362								
Nursing and Residential Care Facilities [7]		40%	\$167	\$145	\$144,922	2.24	\$64,562	\$21,795	3.0	1.57	1.9	\$34,214
Social Assistance [7]		60%	\$251	\$217	\$217,383	2.88	\$75,521	\$20,553	3.7	1.57	2.3	\$32,265
Household Operations Other Household Expenses	0.9%	100%	\$574	\$498								
Services to Buildings and Dwellings		100%	\$574	\$498	\$497,713	2.41	\$206,400	\$21,577	9.6	1.57	6.1	\$33,872
Housekeeping Supplies	1.1%	100%	\$665	\$576								
Building Materials and Garden Equipment and Supplies Dealers		10%	\$67	\$58	\$57,640	7.64	\$7,547	\$30,821	0.2	1.57	0.2	\$48,384
Food & Beverage Stores		35%	\$233	\$202	\$201,738	8.50	\$23,721	\$29,583	0.8	1.57	0.5	\$46,440
General Merchandise [7]		35%	\$233	\$202	\$201,738	11.21	\$17,994	\$19,020	0.9	1.57	0.6	\$29,858
Miscellaneous Store Retailers		20%	\$133	\$115	\$115,279	6.58	\$17,522	\$18,693	0.9	1.57	0.6	\$29,345

[1] Percent of income spent per category is based on the 2008 U.S. Consumer Expenditure Survey data for households at this income level. Note that the sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] 2008 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2008 U.S. Consumer Expenditure Survey. Per Table 4 the purchase of a \$250,000 Unit requires a household income of \$62,642.

[4] 2008 expenditures converted to 2002 dollars using the CPI for the San Francisco MSA from the BLS.

[5] Based on ACS data current as of 8/17/2010.

[6] Half of the expenditures in the "Alcoholic Beverages" category of the Consumer Expenditure Survey is included in "Food At Home" and the remaining half is included in "Food Away From Home".

[7] Santa Clara County data not available from 2002 Economic Census. Gross receipts to wages and 2002 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2002 Economic Census.

Appendix F: KMA IMPLAN Output

TABLE B-1
IMPLAN MODEL OUTPUT
EMPLOYMENT GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF FREMONT

<i>Per 100 Market Rate Units</i>	Large Lot Single Family Detached	% of Jobs	Small Single Family Detached	Townhome	Condominium	% of Jobs	Rentals	% of Jobs
Gross Income of New Residents ¹	\$15,252,000		\$13,800,000	\$11,000,000	\$10,400,000		\$8,920,000	
Employment Generated by Income Differential by Industry²								
Food services and drinking places	5.7	9%	5.8	4.6	4.3	10%	3.9	11%
Offices of physicians, dentists, and other health practitioners	3.0	5%	3.0	2.4	2.2	5%	2.2	6%
Real estate establishments	2.7	4%	2.9	2.3	2.2	5%	2.4	6%
Private hospitals	3.2	5%	2.7	2.2	2.1	5%	1.8	5%
Wholesale trade businesses	1.8	3%	2.6	2.1	1.9	5%	1.8	5%
Private household operations	2.8	5%	2.4	1.9	1.8	4%	1.0	3%
Retail Stores - Food and beverage	2.0	3%	2.1	1.7	1.6	4%	1.3	4%
Retail Stores - General merchandise	1.8	3%	1.8	1.5	1.4	3%	1.2	3%
Nursing and residential care facilities	2.0	3%	1.6	1.3	1.2	3%	0.8	2%
Retail Stores - Motor vehicle and parts	1.3	2%	1.3	1.1	1.0	2%	0.8	2%
Retail Nonstores - Direct and electronic sales	1.2	2%	1.3	1.0	0.9	2%	0.8	2%
Retail Stores - Clothing and clothing accessories	1.2	2%	1.3	1.0	0.9	2%	0.8	2%
Retail Stores - Miscellaneous	1.2	2%	1.2	1.0	0.9	2%	0.8	2%
Private elementary and secondary schools	1.8	3%	1.0	0.8	0.8	2%	0.5	1%
Insurance carriers	1.2	2%	1.0	0.8	0.8	2%	0.6	2%
Individual and family services	1.6	3%	1.0	0.8	0.8	2%	0.6	2%
Retail Stores - Building material and garden supply	1.0	2%	1.0	0.8	0.7	2%	0.6	2%
Other private educational services	1.1	2%	0.9	0.7	0.7	2%	0.5	1%
Retail Stores - Health and personal care	0.9	1%	0.9	0.7	0.7	2%	0.6	2%
Medical and diagnostic labs and outpatient and other ambulatory care services	0.9	2%	0.8	0.7	0.6	1%	0.6	2%
Employment services	0.9	1%	0.8	0.7	0.6	1%	0.6	1%
Civic, social, professional, and similar organizations	1.0	2%	0.8	0.6	0.6	1%	0.5	1%
Automotive repair and maintenance, except car washes	0.9	1%	0.7	0.6	0.6	1%	0.5	1%
Retail Stores - Sporting goods, hobby, book and music	0.7	1%	0.7	0.6	0.6	1%	0.5	1%
Monetary authorities and depository credit intermediation activities	0.7	1%	0.7	0.6	0.5	1%	0.5	1%
Child day care services	1.1	2%	0.7	0.6	0.5	1%	0.4	1%
Personal care services	0.7	1%	0.7	0.5	0.5	1%	0.4	1%
Services to buildings and dwellings	0.7	1%	0.6	0.5	0.5	1%	0.4	1%
Securities, commodity contracts, investments, and related activities	0.5	1%	0.5	0.4	0.4	1%	0.4	1%
All Other	16.1	26%	14.1	11.2	10.6	25%	9.2	25%
	61.8	100%	57.5	45.8	43.3	100%	37.2	100%

¹ The IMPLAN model tracks how increases in consumer spending creates jobs in the local economy. See Tables A-6 and A-7 for estimates of the gross income of residents of the prototypical 100 unit buildings.

² For Industries representing more than 1% of total employment for either ownership or rental units.

Keyser Marston Associates, Inc.
\\SF-fs1\wp\12\12850\12850.013\Updated Nexus model 03-18-10.xls; B-1 IMPLAN model; 5/6/2010; hgr

Appendix G: EPS Affordable Unit Cost Calculation

Table 3
Affordability Gap Analysis -- Rental Product Type
City of Mountain View Nexus-Based Housing Fee, EPS #20063

	3 - 4 Stories Multifamily Building With Podium Parking			
	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)	Moderate Income (120% AMI)
Development Program Assumptions				
Density/Acre	40	40	40	40
Gross Unit Size	1,100	1,100	1,100	1,100
Net Unit Size	950	950	950	950
Number of Bedrooms [1]	2	2	2	2
Number of Persons per 2-bedroom Unit [2]	3	3	3	3
Parking Spaces/Unit	2.30	2.30	2.30	2.30
Cost Assumptions				
Land/Acre [3]	\$3,484,800	\$3,484,800	\$3,484,800	\$3,484,800
Land/Unit	\$87,120	\$87,120	\$87,120	\$87,120
Direct Costs				
Direct Construction Costs/Net SF [4]	\$209	\$209	\$209	\$198
Direct Construction Costs/Unit	\$198,531	\$198,531	\$198,531	\$188,100
Parking Construction Costs/Space	\$15,084	\$15,084	\$15,084	\$15,084
Parking Construction Costs/Unit	\$34,692	\$34,692	\$34,692	\$34,692
Subtotal, Direct Costs/Unit	\$233,223	\$233,223	\$233,223	\$222,792
Indirect Costs as a % of Direct Costs [5]				
Indirect Costs/Unit	\$93,289	\$93,289	\$93,289	\$77,977
Total Cost/Unit [6]	\$413,632	\$413,632	\$413,632	\$387,889
Maximum Supported Home Price				
Household Income [7]	\$28,650	\$47,750	\$76,400	\$114,600
Income Available for Housing Costs/Year [8]	\$8,595	\$14,325	\$22,920	\$34,380
Less Utility Costs [9]	\$1,488	\$1,488	\$1,488	\$1,488
Income Available for Rent Payments	\$7,107	\$12,837	\$21,432	\$32,892
Operating Expenses per Unit/Year [10]	\$5,000	\$5,000	\$5,000	\$9,655
Net Operating Income	\$2,107	\$7,837	\$16,432	\$23,237
Capitalization Rate [11]	5.5%	5.5%	5.5%	5.5%
Total Supportable Unit Value [12]	\$38,309	\$142,491	\$298,764	\$422,497
Affordability Gap	\$375,323	\$271,141	\$114,869	\$0

[1] 2-bedroom units are the most representative unit type in multifamily housing.

[2] A 2-bedroom unit can accommodate a 2-5 person household - an average of 3 persons is used for this analysis based on Census data indicating the average family size in Mountain View is approximately 3 persons, and State law (Health and Safety Code Section 50052.5) indicates that a 2-bedroom unit should be assumed to be occupied by a 3-person household.

[3] Based on residential-zoned improved land sales in the Silicon Valley in 2009.

[4] Includes on-site work, offsite work, vertical construction, general requirements, overhead and developer fees. Assumes a for-profit builder of moderate-income homes can build a unit for 5% less per square foot than can a non-profit builder.

[5] Includes costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; developer fee and contingency. Assumes a for-profit builder of moderate-income homes can build a unit for lower indirect costs than can a non-profit builder.

[6] As is typical for rental projects, the developers' profit is received through the operation and eventual sale of the property rather than through a "profit margin" line item in the costs, as would be required in a for-sale project.

[7] Based on 2008 State income limits for a three person household in Santa Clara County.

[8] Assumes housing costs to be 30% of gross household income.

[9] Based on Santa Clara County Housing Authority 2010 Utility Allowance Table assuming a low-rise garden apartment and natural gas for heating and cooking.

[10] Moderate income units generate rents similar to market-rate units, so EPS assumes that any moderate income units would be subject to property tax. Units for lower income levels are assumed to be produced by non-profit builders and thus not taxable.

[11] The capitalization rate is used to determine the current value of a property based on estimated future operating income, and is typically a measure of estimated development risk. Capitalization rates assumed herein are based on Korpacz Real Estate Investor Surveys from recent years.

[12] The total supportable unit value is determined by dividing the net operating income by the capitalization rate.

Source: City of Mountain View, HUD, Korpacz, Economic & Planning Systems, Inc.

Appendix H: BAE Explanation of Direct, Indirect, and Induced Multiplier Effects (Excerpt from the Berkeley Report)

Multipliers. IMPLAN combines this data to generate a series of type-SAM multipliers for the local economy. The multiplier measures the amount of total economic activity that results from an industry (or household) spending an additional dollar in the local economy. Based on these multipliers, IMPLAN generates a series of tables to show the economic event's *direct*, *indirect*, and *induced* impacts to gross receipts, or output, within each of the model's 500 industries. These outputs are described below:

- **Direct Impacts.** Direct impacts refer to the dollar value of economic activity available to circulate through the economy. In the case of new residential development, the direct impacts are equal to the new households' discretionary spending. The direct impacts do not include household savings and payments to federal, state, and local taxes, as these payments do not circulate through the economy.

It should be noted that impacts from retail expenditures differ significantly between the total economic value of retail and the amount available to circulate through the local economy. The nature of retail expenditures accounts for this difference. The model assumes that only the retail markup impacts the local economy, particularly for industries heavily populated with national firms such as gas stations and grocery stores. Since local stores buy goods from wholesalers and manufacturers outside of the area, and corporate profits also leave the local economy, only the retail markup will be available for distribution within the local economy. To the extent that retailers' headquarters are located within the county or region, the model allocates their portions of the impacts to the local economy.

- **Indirect Impacts.** The indirect impacts refer to the "inter-industry impacts of the input-output analysis."¹¹ In the new housing example, indirect impacts results from spending by the local and regional companies that the new households buy goods and services from. Retail establishments, restaurants, personal service providers, and other firms use the payments they receive from new households to buy equipment and supplies, rent space, pay their employees, etc. These expenditures have an impact on the economy.
- **Induced Impacts.** The induced impacts refer to the impacts of household spending by the employees generated by the direct and indirect impacts. In other words, induced impacts result from the household spending of employees of business establishments that the new households patronize (direct) and their suppliers (indirect). The model accounts for local commute patterns in the geography. For example, if 20 percent of construction workers who work in the region live outside of the region, the model will allocate 80 percent of labor's disposable income into the model to generate induced impacts. The model excludes payments to federal and state taxes and savings based on the geography's average local tax and savings rates. Thus, only the disposable incomes from local workers are included in the model.

About Us

Adam F. Cray, JD, MPP

Adam Cray is a consultant specializing in housing and urban policy issues. In addition to his work with the California Homebuilding Foundation, he has conducted research and analysis for several public, non-profit, and private organizations, including: the U.S. Department of Housing and Urban Development, the City and County of San Francisco Planning Department, the Fisher Center for Real Estate and Urban Economics, the Center for Resource Efficient Communities, the Institute for Research on Labor and Employment, and various private real estate interests. A policy analyst and lawyer by training, Cray holds an MPP from the Goldman School of Public Policy at the University of California, Berkeley and a JD from Emory University School of Law.

California Homebuilding Foundation

The California Homebuilding Foundation (CHF) is the scholarship, research and education center for California's homebuilding and construction industries. Founded in 1978 we invest in the future of the industry by providing scholarship awards, research grants, educational and professional development programs. The Foundation is the presenter of California's top industry award, Hall of Fame.

SCHOLARSHIPS

The Foundation has raised nearly \$3 million in scholarship endowments through the generosity of our benefactors. We work with secondary learning institutions, from community colleges to private universities, assisting the next generation of bright minds interested in making the homebuilding industry their career. To date, the Foundation has awarded nearly \$1.5 million in scholarship awards to students enrolled in industry-related programs such as construction management or architecture. Our goal is to assist these students in completing their degrees and begin working within the building industry.

RESEARCH

Research funded through the Foundation assists in educating lawmakers and the public about the economic benefits of new home construction, a crucial step in meeting the state's need for housing. Our goal, through our research endowment, is to provide balance to the public-policy debate on housing issues by sponsoring independent, university-based research on issues critical to the development of new housing and communities in California.

EDUCATION

At the California Homebuilding Foundation, individual success and the improvement of the building industry workforce is one of our core principles. We are dedicated to our mission of encouraging lifelong learning by developing and providing opportunities for personal and professional growth.



Policy Objectives to Lower Housing Costs or Create Efficiencies for Housing Creation

The following policy suggestions target producing the subsidized housing by removing policy impediments to its being built. Additionally, the intent of any Inclusionary Zoning or publically subsidized “Affordable Housing” program should be to MAXIMIZE unit production.

- 1) Developers who are required to provide affordable housing as part of an Inclusionary Zoning/Housing Policy should not be required to build the housing but should have the option to:
 - a) Provide the housing-
 - Onsite, as part of their market rate development project
 - Offsite as part of another affordable housing development
 - Purchase credits or units in an affordable housing mitigation bank
 - Assist an affordable housing developer directly by purchasing credits, units or funding the financing gap on as many units as the developer would be required to produce as part of their development project (private transaction)
 - Offsite AH locations shouldn’t be penalized or limited to certain areas nor should they necessarily have to be within close proximity to the project buying mitigation units, however the AH should be placed in a logical area of the City that would gain points in tax credit finance scoring (close to transit, community amenities, etc.)
 - Offsite mitigation should not have to match bedroom count with the market rate project buying mitigation units. The highest affordable housing market demand is for one and two bedroom units.

OR

- b) Pay a reasonable in-lieu fee—a reasonable in lieu fee should be commensurate with an amount needed to “fill the gap” when financing a subsidized unit. It should not be the entire cost of a unit.
- 2) Inclusionary Housing Projects should be rental housing, in projects of sufficient size to achieve construction and maintenance cost efficiencies (for the following reasons):
 - a) Rental housing, specifically “garden style” 2-3 story walk up apartments, are the most cost efficient type of housing to construct and maintain
 - b) As tenants’ economic conditions improve over time (better jobs, getting an education or trade skill) the housing units are available for the next available tenant
 - c) These types of projects can be built and are indistinguishable from market rate apartment home projects
 - d) Different in type from the market rate housing, so long as they meet the minimum requirements of the Tax Credit Allocation Committee, Debt Limit Allocation Committee, US Department of Housing and Urban Development and applicable

zoning codes, while maintaining community character. This will eliminate costs of units that are oversized and loaded with amenities in excess of the aforementioned requirements

- 3) The City could sell or lease City-owned land for its fair market value (with interest), but accept payment on a deferred and subordinated basis over the long term life of the project, e.g. 55 years. This eliminates the need to finance the cost of the land component of the affordable housing project. The city retains a long term ownership of the asset while ensuring its residents a reasonable rate of return on the City's land sale. There is no "give away" of public funds.
- 4) The City could accept impact fees over on a deferred (with interest) and subordinated basis over the long term life of the project, e.g. 55 years. The elimination of the need to finance the cost of the impact fee component of an affordable housing project lowers the overall cost of the project. The City would receive an income stream to mitigate for the impacts of the project and a reasonable rate of return on the financing component for its residents.
- 5) The threshold for the definition of affordable housing should not be set any deeper than TCAC definition of affordable housing and should be allowed to be income averaged to that percentage.
- 6) The City should adopt an improved, incentive laden Density Bonus ordinance to enhance the prospects that this tool will be used. This Density Bonus ordinance should exceed state law in terms of the incentives it creates. Increasing incentives and flexibility will result in additional affordable housing units being created.
- 7) Increase Densities. The number of units that can be built on a designated piece of land has a significant impact on housing affordability. Increasing residential densities to promote housing affordability for all income levels, especially in and around commercial centers and in areas served by public transit. While the public fears what it doesn't understand, organizations like ours should advocate for density increases. Increasing the supply of all types of housing will lower costs in the market place.
- 8) The City should: expedite permit approval on affordable housing projects – WITHOUT an extra cost. A project that meets the City's standards should move through the approval system in an expedited manner, bringing needed affordable housing to market in the least amount of time.
- 9) Facilitate the creation of an Affordable Housing Mitigation Bank (AHMB). This was successfully implemented by the City of Carlsbad when the Aviara neighborhood was developed. Unit credits were sold to developers over the next 10-plus years by the City's Housing Authority. An AHMB works just like a habitat mitigation bank where a buyer (market rate developer) can purchase the needed credits (housing units) to satisfy the City's IZ requirements.

- a) A city can own and operate the AHMB. This is typically a responsibility of the City's Housing Authority or Housing Commission. The City sets the prices of their mitigation credits.
- b) A private developer can own and operate the AHMB as a City would and file all compliance reports with the appropriate City department. The private developer sets the prices of their mitigation credits.
- c) An AHMB can be a joint venture/public private partnership using either method described above.

10) Conversion of market rate apartments into affordable housing. This is the most cost effective creative tool to rapidly increase the affordable housing supply. This is an excellent complement to a mitigation bank proposal. Identify a project, purchase the project and sell the units as credits after refinancing the project as an affordable housing property with a combination of bank debt and tax credit financing. This is THE MOST cost effective way to produce affordable housing, but the downside is the City doesn't get credit when satisfying its RHNA numbers.

11) Design Standards. Successful affordable housing communities have one thing in common, regardless of their density: they are well designed and "fit-in" with their surroundings. Cities must be careful not to "over require" (adds costs un-necessarily) superior design standards as it burdens the project with unnecessary costs and the tenants get no value for that cost. Refer to bullet point 2, d.

12) Accessory Dwelling Units (ADUs). The State has made building an ADU easier and by right. Cities who have an Inclusionary Housing policy should allow ADUs to count towards the IH requirement. ADUs should qualify whether built as a stand-alone unit or as part of the housing built by the market rate developer. If the developer chooses to produce ADUs beyond the IH requirement, those additional ADUs should qualify as credits towards another project or can be sold to another market rate developer to satisfy their IH requirement.

13) Affordable Housing projects should not be burdened with excessive infrastructure costs. Using an affordable Housing project as a "catalyst" to reinvigorate a neighborhood is an expensive urban renewal program. It unnecessarily burdens project costs to pay for needed infrastructure. If the City decides to do this, the infrastructure should be paid for with outside funds (CDBG grants, infrastructure bond funds, etc.).

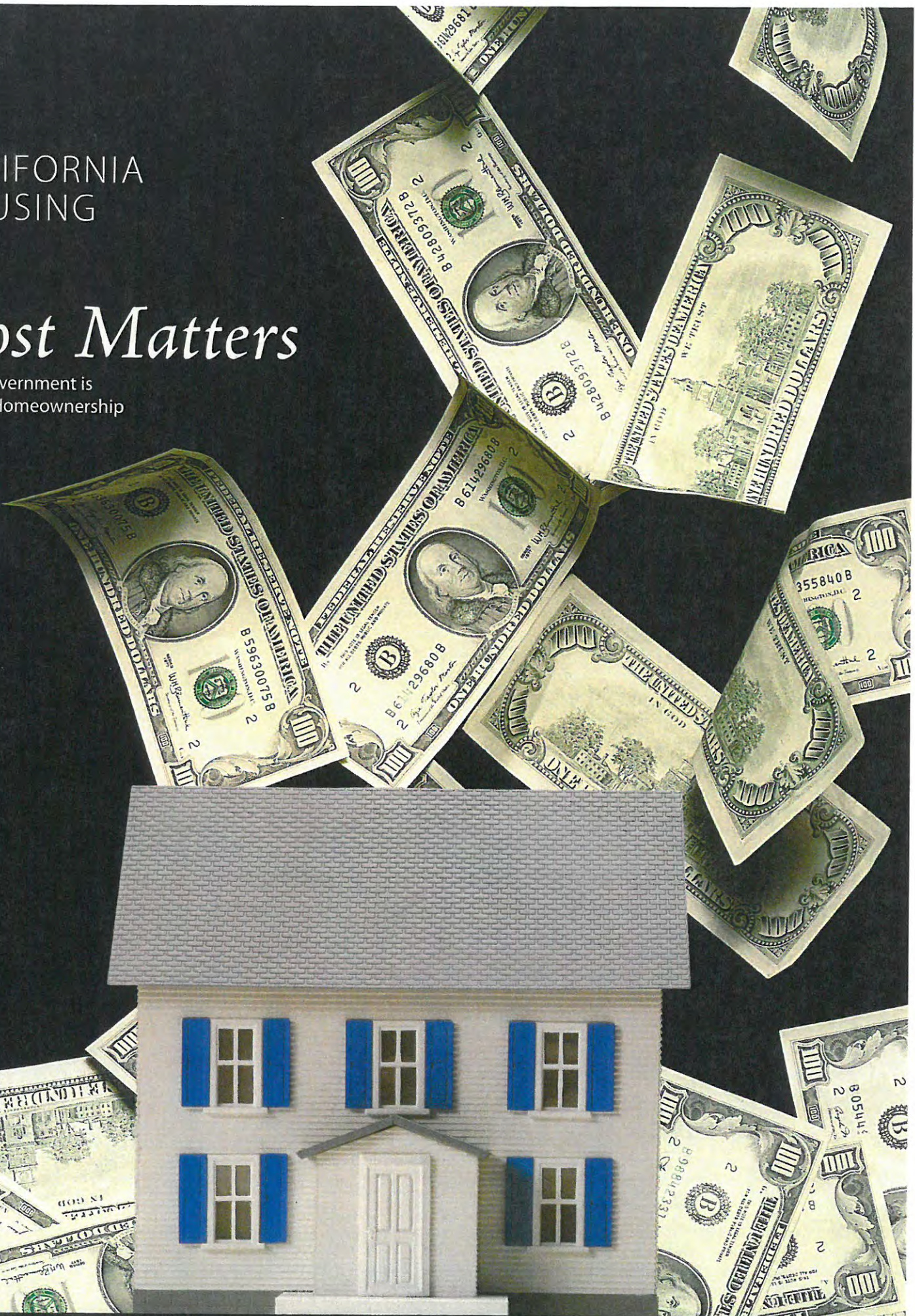
14) Adopt a procedure for development concessions such as reduced setbacks and increased building height to make development of affordable housing more efficient or allow market rate builders those concessions in exchange for affordable housing credits (funding). Use the market to create value and provide this funding for affordable housing gap financing.

- 15) The City of San Diego is a leader in reducing parking requirements on deed restricted Affordable Housing Projects. Refer to the City of San Diego's Parking Study for Affordable Development. Additionally, when AH is located near a transit hub/node, onsite parking requirements can be lowered or in some cases eliminated. Housing people should be the priority over housing automobiles.
- 16) Allow for an incentive to a market rate developer who chooses to provide affordable housing onsite by allowing parking reductions for the market rate project that is providing the affordable housing (lowering the parking ratio for the affordable component).
- 17) Eliminate any garage parking requirements, whether attached or detached as this increases project costs.
- 18) Supply and Demand. Since the 1970's, all levels of governmental authority have unwittingly conspired to constrain the ability of the market to provide the necessary supply for the demands of an ever growing population. Housing policy and regulations need to reflect the demographic link between need (demand) and the ability to find an affordable place to live (supply). Controls, regulations, requirements, fees and exactions are inexorably linked and should be re-examined for necessity and intended outcome. A fee exaction system will never yield a substantial enough supply of financial support to meet the affordable housing need, all the while making housing unnecessarily more expensive and driving more of the population into needing subsidized housing.

CALIFORNIA
HOUSING

Cost Matters

How Government is
Taxing Homeownership



The Principles and Policies of California Homebuilders



CBIA is...

- Over 6,000 companies involved in the planning, design and construction of new housing in California, putting more than 500,000 men and women to work every year and contributing nearly \$60 billion annually to the state's economy.
- The entrepreneurs who not only build the state's housing but who finance and construct the roads, schools and other infrastructure of California's new communities.
- Thousands of volunteers and a staff of professional advocates, organized to pursue necessary policy and statutory reforms at the state Capitol so that the housing that's needed in California – for households of all incomes – gets built.
- Homebuilders like Stephen Doyle, President of Brookfield Homes in San Diego. Steve, who also serves as CBIA's 2005 President, understands how important owning a home is for California families. "CBIA works hard to make the dream of homeownership a reality by creating a bridge between homebuilders and policy makers in order to reduce the barriers to building while increasing the opportunities for affordable, quality housing."
- The California Building Industry Association,

"the Voice of Housing in California."

CBIA maintains a library of important facts and information about housing and homebuilding in California. Visit our website at www.cbia.org.

Unaffordable Housing

Government's "quick fixes" are compounding the state's problems

"Why would you tax something you want more of?" That's a good question in California, where housing production falls short of demand every year and where it's not unusual for the first \$100,000 of a home's cost to go to government. That's right. According to Northwestern University – which studied the cost of government regulations and approval processes to new housing – homebuilders (and, ultimately, homebuyers) absorb on average a hit of more than \$97,000 in "soft" costs before a shovel ever touches dirt (see "If the fees weren't bad enough" on page 9).

Indeed, government has the power to make housing more expensive and doing so in California has become almost a recreation. High fees, taxing mandates and countless environmental regulations are the main culprits. But, as the Northwestern study shows, the hidden costs of government permitting – zoning restrictions, design requirements and processing delays – are equally burdensome and turn routine governmental procedures into both Byzantine and taxing ordeals. The result: California has the highest-cost housing in the country – by far.

Having gotten itself in this pickle – and with California's affordability gap becoming canyon-like – government has begun desperately seeking quick fixes. Instead of reforming laws and public policies that create and increase costs, government is resorting to destructive strategies like price controls. One such popular tool has emerged locally called "inclusionary zoning."

Inclusionary zoning mandates that, as a condition of getting market-rate projects approved, homebuilders must construct a certain number of homes to be sold at a discount, in order to make them affordable to lower-income families. This, in turn, drives up the cost of the market-rate homes. A recent study by San Jose State

University found that to subsidize inclusionary zoning's price-controlled homes in the Bay Area, homebuyers were forced to pay an extra \$37,000, on average, for their homes and as much as \$100,000. These costs matter. Studies show as little as \$1,000 added to the price of a home in California chases tens of thousands of families out of the homebuying market.

Tragically, it's the middle class that pays – and pays double – for inclusionary zoning. Those families can neither afford the higher costs this plan creates nor can they qualify for the government assistance it promises. Inclusionary zoning is a lose-lose for Californians.

A new BEGIN-ing

There is a better way. Both state and local governments can help more Californians afford housing by lowering their costs. If they do, tens of thousands of families could enter the homebuying market – instead of being chased away – with just small reductions in government costs.

Such was the motivating factor for a novel public program in California called BEGIN, which stands for Building Equity and Growth in Neighborhoods. Authorized by AB 1170 (Firebaugh) in 2002 and funded by Proposition 46, BEGIN represents a thoughtful and logical strategy: rewarding local communities that reduce housing costs by giving them funding to help new families buy homes. By reducing permitting times, increasing densities, lowering fees and providing down-payment assistance, BEGIN matches market forces with responsible governance, and delivers real homeownership.

For more information on BEGIN, contact the California Department of Housing and Community Development or visit their website at www.hcd.ca.gov.

How High Can They Go?

The costs of building housing may be pushing California to the brink...

Unless you're rich or are already a homeowner, as a Californian you have less than a one-in-five chance of finding a home you can afford to buy. In the state's job centers, the situation is near hopeless: look for a home in Los Angeles and the odds are close to one in twenty that you'll find something you can afford. By contrast, last year more than 75 percent of homeseekers in Atlanta, Georgia could find an affordable home. Likewise, in Orlando, Florida or Dallas, Texas, one of every three families could afford to buy a home of their own.

The mis-match between incomes and home prices in California is as profound as it's ever been. Indeed, it used to be that if you earned the median income in California you had a good chance at buying the median-priced home. Today, that home sells for over \$470,000, requiring about a \$50,000 down payment and an annual household income of roughly \$130,000 – more than

twice the state's median. With that kind of cash and income you could buy two homes in Baltimore, Maryland three homes in Tallahassee, Florida and four homes in Springfield, Illinois.

Why is housing so expensive in California? Part of the answer is good news – lots of people want to live here. California continues to attract the best and the brightest to its domain and, despite recent economic upheaval, remains a haven for entrepreneurs and all

kinds of collective and individual enterprise. And, the homes built in California are by far the best in the land – California's building codes demand the highest quality of construction and maximum energy efficiency.

But, the demand for housing that comes with the state's economic promise has been artificially constrained for years by restrictions on land use, excessive environmental policies and other governmental regulations. Over the last decade and a half, California has produced an average of 130,000 housing units a year – nearly half of the need. This chronic shortage has worked to substantially bid up housing prices and rents.

The story of the state's unaffordable housing can be summed up this way: it costs more to build in California than almost anywhere else in the world...

- According to a study by Northwestern University, homebuyers in northern San Diego County pay nearly \$100,000 to government for their homes to be approved;
- In Northern California, the City of Livermore charges \$118,000 per home, in fees alone, which makes middle-class housing there impossible to build;
- Environmental litigation has become a standard in the housing approval process, causing constant delays and project re-design;
- In California, it takes seven to 10 years to get a housing subdivision approved; and
- Artificial constraints on both land supplies and land use have sent the cost of this basic housing "raw material" soaring to incomprehensible levels.

It's no surprise, then, that California is now home to the top 11 least-affordable housing markets – which now includes Merced and Salinas – in the nation (see box).

Nowhere to run ...

California's housing crisis is no longer a "Bay Area" matter. According to the National Association of Home Builders:

- Stockton, Los Angeles and San Diego are now less affordable than San Francisco – the perennial high-cost leader;
- California owns 19 of the nation's 25 least affordable housing markets, including the top 11;
- Orange County, Florida is nearly eight times more affordable than Orange County, California;
- Five times as many families in Honolulu can find housing than in Modesto;
- Denver is four times more affordable than Sacramento; and
- Boston is twice as affordable as Yuba City.

...and the cost of doing nothing makes matters worse

Who pays

If California's housing-cost spiral continues, an entire generation will be severely impacted. While incomes in California continue to rise, their increases are no match for the state's soaring housing costs which, in just the last year, have jumped nearly 25 percent. And, while homeowners may cheer the news of rising values, they've begun to understand that California's recent home price explosion represents both wealth and hardship – depending on which side of the table you sit.

According to a recent poll by the Public Policy Institute of California (PPIC) Californians are growing concerned about the impact the state's housing situation will have on their children. The PPIC poll revealed that nearly 75 percent of the state's residents believe their kids won't be able to find a home in California they can afford. Never before has the public expressed such a level of concern about housing. And, these respondents are largely the "haves" – current homeowners. The housing "have nots" are devastated and growing desperate: the PPIC poll showed that 25 percent of all households are fed up and are ready to leave the state. Renters are even more determined as 37 percent are ready to call it quits and move elsewhere.

The cost of doing nothing about the state's housing calamity is the risk of disenfranchising an entire generation of Californians and locking them out of California's future. That's something this great state can't afford and the alarm bells at the state capitol should now be sounding – loudly.

The need for leadership

Things can change, if California's leaders and public policy makers want them to. This will take time, of course, but will require enlightened decision-making and political courage – and avoiding the temptation to apply simplistic salves. Indeed, as the story on Page 3

shows, quick fixes like inclusionary zoning won't work. Nor will government mandates that ignore both the power of the marketplace to serve the state's housing goals and the choices consumers make about how and where they want to live. Misguided impulses will only make things worse. What has to happen instead is a change in priorities that puts housing on equal footing with so many other interests and public policies that, while important to California, have for years so seriously inflated the foundation upon which housing gets built. State government needs to make a concerted effort to bring housing costs down.

In the pages that follow, California homebuilders offer their ideas and recommendations for public policy reforms that will help the state make its long-overdue policy shift by reducing housing costs and increasing housing affordability and homeownership. These proposals – concerning land-use planning, infill development, construction dispute reform and funding for affordable housing – offer balanced solutions to California's tough housing and growth challenges.

CBIA's 2005 legislative program

The following lists CBIA-sponsored bills for the 2005-06 legislative session:

- **AB 108 (Houston)** – requires disclosure to consumers prior to filing construction lawsuits.
- **AB 941 (Canciamilla)** – promotes repairs to replace lawsuits on recently constructed homes.
- **AB 1205 (Blakeslee)** – establishes a fair process for homebuilders to challenge local impact fees.
- **AB 1460 (Umberg)** – allows timely release of security for local infrastructure bonds.
- **SB 321 (Morrow)** – establishes a fair standard for assessing local impact fees on homebuilders and homebuyers.
- **SB 758 (McClintock)** – requires opponents of housing projects to identify themselves.
- **SB 947 (Morrow)** – ensures that trade contractors be held liable only for construction problems they caused.
- **SB 948 (Murray)** – creates a streamlined, "short form" environmental review for infill housing.
- **SB 1081 (Perata)** – requires planning and zoning of land to support a long-term supply of housing.

Land Costs Matter

Land-use restrictions, uncertainty have become housing's #1 enemy

Land is the basic raw material necessary for California's new home construction. And, despite the surplus of land in California – only five percent of the state's 100 million-acre land mass is developed and occupied – it is the costliest component in new housing development simply due to demand.

Uncertainty is a cost driver

Local land use plans should, but generally do not, provide the highest level of certainty regarding housing development within a community. Designation of sites within a general plan should, at the very least, represent the community's basic policy determination that the sites will be developed in the manner and at the density contemplated over a long term. When that doesn't happen, uncertainty creeps into the investment decisions of homebuilders as well as into the plans and sales calculations of landowners. This uncertainty breeds more speculation and, ultimately, cost.

While state law requires cities and counties to adequately zone for a sufficient supply of housing, few do it consistently and even fewer do it consistently well – whether driven by local anti-housing politics or just plain indifference. Says housing scholar, UC Berkeley professor John Landis:

- Local general plans don't adequately and realistically identify sites for housing;
- Local general plans don't zone land economically (i.e. high enough densities); and
- Planning for housing gets trumped by the specific approval process.

In addition to this planning and zoning dysfunction, political land restrictions like urban growth boundaries matter (see box). Professor Landis also reports that a 10 percent reduction in the supply of available land in a community can increase home prices 20 to 30 percent. Those implications are seen in today's lot prices which, in the state's growth areas, average between \$80,000 to \$180,000 for traditional subdivision developments.

A collaboration to reduce costs

For several months, CBIA and the League of California Cities ("the League") have been in discussions over how to establish a certain and reliable system for zoning adequate supplies of land for housing. The discussions have begun to bear fruit. A blueprint is emerging that creates a system whereby cities and counties designate sufficient land to accommodate a 20-year housing need. This legislation would also seek to ensure that a planned, zoned and "ready-to-build" 10-year supply is available and entitled so that a minimum of subsequent discretionary project review is necessary.

CBIA and the League have put this collaborative effort in motion by co-sponsoring SB 1081 (Perata) – legislation designed to amend general plan law to put in place a sensible and forward-looking regime of local land-use planning and decision-making.

Urban growth boundaries – California's feudal system

A popular notion being advanced by environmentalists and no-growth advocates are "urban growth boundaries" – artificially drawn lines in the land. Spawned by local ballot measures and typically sponsored by NIMBYs – California's modern-day feudalists – these political walls ensure that land becomes so expensive that only a privileged few can own, while most others rent. This outcome is backed up by numerous studies which, among other things, found:

- Only half the number of housing units planned inside urban growth boundaries in Ventura County were getting built;
- Housing production fell by 74 percent in a Bay Area County that adopted a growth boundary; and
- In less than two years, cost pressures created by urban growth boundaries in Portland, Oregon pushed 80,000 units out of the reach of low and moderate-income households.

"The private sector will build and the market will operate if there is a sufficient amount of land appropriately designated and zoned."

- Sunne Wright McPeak, Governor Schwarzenegger's Secretary of Business, Transportation and Housing

NIMBY Costs Matter

Abuse of environmental laws render infill housing infeasible

Over the years, the California legislature has placed an increasingly higher policy priority on accomplishing more urban-centric, “infill” development. However, despite the popular convention and oratory about the land efficiencies and environmental benefits that come with higher-density, infill development, California lawmakers have done little to address the costs of policies that discourage these types of projects.

The biggest offender is California’s pre-eminent environmental law – the California Environmental Quality Act, or “CEQA.”

But, CEQA is not the problem. CEQA abuse is the problem. For \$175 – the cost of a municipal court filing fee – a single individual can at any time in the already lengthy local approval process bring down a multi-million-dollar affordable housing project. Infill developments, as the following illustrations show, are common victims. The routine intervention of opponents of housing projects – better known as NIMBYs (see box) – are using CEQA to delay or halt their progress.

EXHIBIT 1: *Citizens for Responsible Development in West Hollywood v. City of West Hollywood*

A 40-unit housing project in West Hollywood, intended to provide low-income housing for persons with AIDS and which completed environmental review and mitigation, was stymied by a neighborhood opposition group using CEQA to sue.

EXHIBIT 2: *Park Area Neighbors v. Town of Fairfax*

Innovative Housing, Inc., a non-profit entity that promotes affordable housing in mixed-income neighborhoods, spent nearly three costly years in court after winning local approval for a high-density housing development in Marin County. The neighborhood group that used CEQA claimed the project was too dense.

EXHIBIT 3: *Skip Baldwin v. City of Los Angeles*

Neighbors in Long Beach hauled Habitat for Human-

ity into court to demand multiple environmental reviews on an already-approved homeownership project.

It took nearly four years to convince a judge that the NIMBYs didn’t have a case. One wonders where the families-in-waiting went to find housing while this abuse of California’s premier environmental law ran its legal – or “illegal” – course.

All of these projects satisfied the law’s environmental requirements but did not satisfy local opponents of new housing.

One bite at the apple

Housing developments should not be subject to multiple challenges on the grounds of environmental impacts and CEQA is too important a law to be abused in this way. Indeed, infill – more likely to be challenged because of its higher densities and proximity to existing residents – will soon become outfill if this pattern of CEQA assault continues.

If California lawmakers want to turn infill rhetoric into infill reality, they need to stop the CEQA abuses. CEQA should stand for a thorough environmental review and allow housing projects to proceed when they’ve met the law’s requirements. SB 948 (Murray) does that by providing a streamlined environmental review for infill projects. The reform isn’t a change to CEQA, per se. Indeed, the bill upholds the existing objective of doing a comprehensive and thorough environmental review when local general plans are adopted. But, when it gets down to individual projects, the “short form” review called for in SB 948 means housing opponents can’t renew the same issues raised during the previous and broader environmental review to stop the project from going forward.

Combatants in the housing wars

They’re not authorized in law but they have become the most pervasive and destructive influence on housing in California. Meet the NIMBYs and some of their allies:

NIMBY – Not In My Back Yard

NIMTOO – Not In My Term Of Office

LULU – Locally Unpopular Land Use

BANANA – Build Anything Nowhere And Nothing Anywhere

NOPE – Not On Planet Earth

Litigation Costs Matter

Lingering construction lawsuits keep insurance costs high

New homebuyers deserve the quality housing that's built in California every day by the state's homebuilders. California homes lead the nation in quality, safety and energy efficiency and it is no wonder why. The codes and regulations to which California homebuilders are held far surpass those of any other state in the union.

Costly dispute resolution

The discipline and quality control that goes into homebuilding didn't matter when it came time for trial lawyers to take advantage of California's historical "sue first" regime for construction dispute resolution. With the promise of lawsuit windfalls, many consumers were persuaded to join in class actions, oblivious to their costs. According to the insurance industry, construction dispute lawsuits cost \$7 to defend for each dollar of claim. Under that formula, the only windfalls go to lawyers.

This regime went on for decades in California and not only cost homebuilders, sub-contractors and insurers millions, but as it ate away at the insurance capital necessary to cover home construction, housing production suffered and condominium construction – a huge target of this litigation frenzy – became nearly extinct.

The Legislature put an end to this corrupt regime when in 2002 it passed SB 800, the so-called "FIX IT" law. This nationally heralded law ushered in a whole new policy for construction disputes – one based on repairing problems and not litigating them. Now, in California, lawyer solicitations will be replaced with communications between homeowners and homebuilders – and repairs will replace lawyer contingency fees.

Unfortunately, SB 800 applies only to homes built and sold after January 1, 2003 and that means tens of thousands of homebuilders are still subject to the old regime. That's because, under California law, homebuilders are held to a 10-year statute of limitations, which despite the enactment of SB 800 has produced massive and wide-spread solicitations aimed at getting homeowners to sue before the old statute runs its course. All the while, insurance costs continue to escalate.

Repairs for all

If SB 800's repair regime is good for current and future homebuyers, why shouldn't existing homeowners benefit as well? That's the thinking behind a CBIA-backed plan which, proposed in AB 941 (Canciamilla), would require for homes built before the enactment of SB 800, a procedure for homeowners to notify a builder of alleged defects, allow builders to inspect the alleged defects and make an offer to repair before litigation could proceed. By repairing problems that have arisen over the past ten years, not only do consumers get their homes back – instead of being, effectively, collateral for a lawyer-driven lawsuit – but as lawsuits are reduced the cost of insurance, and ultimately the cost of housing, will go down.

Solicitations should equal full disclosure

The truth about construction lawsuits is always told after the fact – frequently at the expense of homeowners. The fine print of these lawsuits shows that large awards for homeowners are few and what proceeds come from those lawsuits rarely go towards actually repairing problems. Homebuilders believe consumers should know what they're getting into, which is why CBIA is sponsoring legislation – AB 108 (Houston) – to require that solicitous lawyers fully disclose everything consumers should know before saying yes to a lawsuit. Elements of the disclosure include:

- Alternatives to litigation that could remedy the situation.
- Who is responsible for paying expert and testing costs and estimates of those costs.
- Whether a fee may be required to the lawyer if a non-monetary remedy is achieved.
- How much the lawyer will be paid and how the fee is calculated.
- Whether, after lawyer fees, expert fees and testing costs are paid, there is a possibility that not enough money will be left for the homeowner to repair the home.
- Whether the homeowner filing the claim, or entity filing on behalf of the homeowner, may be held liable for any costs or fees if the case is lost.
- Whether the value of the home will be affected by the filing of litigation and whether the filing of the litigation might affect the person or entity's ability to sell or refinance property while litigation is pending.
- Upon the sale of the home, whether the owner will be required to disclose the litigation and whether enough money was collected by the owner to fully fund the repair and whether the alleged defects were actually repaired.

Fees Matter

Government charges should be based on cost, not what government can get

Fees charged by government go directly into the price of homes. With that sort of impact, one would expect local officials to be prudent in determining a fair charge. Recently, however, the mayor of a Northern California community said the reason he and his fellow city council members moved to double fees on new homebuyers – to a level of \$35,000 per home – was to make sure “we don’t miss out on the housing boom.” If that doesn’t sound right, it isn’t.

Whatever the market will bear?

It used to be that homebuilders could trace the fees charged by government to costs associated with meeting basic community needs, including:

- Constructing fire and police stations;
- Providing public schools;
- Building basic infrastructure like roads and sewers; and
- Accessing supplies of water.

But, today, it seems like the idea of government charging only what it costs to underwrite new growth has been replaced by the notion that government will collect whatever it can. Indeed, in an environment of soaring home prices, government is back to where it used to be prior to Proposition 13: charging whatever the market will bear. Only this time, the universe of financial givers is much smaller than it was before the historic tax revolt of 1978, as homebuilders are effectively the only ones

who government can legally – and politically – charge increasingly outrageous fees. And, it’s getting absurd.

The City of Livermore charged \$118,000 in fees alone for every home built in a recently approved subdivision. Among the charges:

- three transportation fees equaling \$18,000;
- a low-income housing fee of \$13,000;
- a water fee of \$23,000; and
- over \$38,000 for agricultural land “mitigation.”

The charges that were envisioned and understood by state lawmakers when in 1987 they imposed some fee-charging discipline and accountability, enacting what was dubbed the “nexus” law. The law, known today as AB 1600, upholds the constitutionally protected doctrine that fees and other charges on development of private property must bear a direct and proportional relationship to the impact that projects have on local services and facilities.

But, radical changes in local government finance over the last two decades coupled with increasingly hostile growth politics – as well as some unfortunate court decisions – have obscured the intent of AB 1600 and diminished its “nexus” standard of conduct and accountability. CBIA thinks that AB 1600 was a good idea – and it’s likely that if homebuyers could see a fee sticker on a home’s front window, they’d agree, since what’s charged in Livermore would require a homebuyer to have \$35,000 more in income and \$12,000 more in cash to compensate for those fees.

There ought to be a law

In 2005, CBIA and the Job-Center Housing Coalition are co-sponsoring legislation – SB 321 (Morrow) and AB 1205 (Blakeslee) – to put an end to this profligate fee-charging. These bills would both draw fee charges closer to what it actually costs government to provide services and other support, as well as ensure that homebuilders have a fair opportunity to review and challenge them.

If the fees weren’t bad enough . . .

Some regulatory costs aren’t as obvious as fees, as Northwestern University discovered in 1999 when it studied the economic impacts of government’s review and approval of new homes in San Diego County . . .

Type of Cost	Lower End	Upper End	Average
Direct Costs	\$ 27,217	\$ 56,552	\$41,886
Indirect Costs	21,896	36,734	29,315
Financing	19,800	26,400	23,100
Soft Costs	1,500	2,500	2,000
Economic Impact	\$70,413	\$122,186	\$96,301

Rental Costs Matter

California needs to do what other states do – fund affordable housing

For more than a dozen years now, California has failed to keep pace with the housing production necessary to accommodate its growing population. This prolonged period of underproduction – coupled with high demand – has resulted in chronic statewide housing shortages and escalating prices.

Not-so-benign neglect

The housing crisis in California strikes particularly hard at families and individuals of lower and moderate-income means – those at the very core of our state's work force. Now, having driven up costs with unnecessary regulations and policies, and having failed to plan for and appropriate funding to help these families and individuals find housing, government is faced with a daunting challenge. State government needs to live up to its obligations to people in need. If the market can't satisfy all of their demands – including basic shelter – it's the government's job to step in and help.

California's track record for funding affordable housing is abysmal. While other states have established dedicated revenues for affordable housing – Ohio, Pennsylvania, Massachusetts and Delaware, for example, spend, more than \$5 per capita – California has over the past two decades skipped along from crisis to crisis with irregular funding commitments. Typically, the Legislature waits until the cries for funding become shrill and, then, decides to put a bond on the state ballot. Sometimes they pass, sometimes they don't.

The result is that waiting lists occupied by lower-income families grow longer and, as demand continues to go unmet, rents continue their punishing climb. Today, rents in California's job centers are so high that families must double up, triple up or worse just to be able to afford them (see box).

Doing the right thing

California needs to do what other states do: fund affordable housing. To do that right requires a dedicated and

ongoing revenue source, so needs are met and the producers – an impressive stable of non-profit developers, from San Diego to Sacramento – are able to compete. To help make this happen, CBIA is teaming up with affordable housing advocates to pursue a permanent source of funding for affordable housing.

This undertaking not only requires raising the funds but putting them to good use. Today, far too much in precious subsidies go to cover unnecessary costs such as excessive design demands, parking requirements and state-imposed prevailing wages which, alone, add 20 to 30 percent extra cost to taxpayer funded projects.

And, the money must go where the need is – statewide. Housing trust funds – in regional locations closer to the need – is what is working in other states. Indeed, the trust funds of Florida and Vermont provide funding of more than \$21 per capita for affordable housing every year and are producing tens of thousands of units.

It's time for California to step up and do the right thing.

Locked out – California's rental calamity

In San Francisco, the 2004 Fair Market Rent (FMR) for a two-bedroom apartment is \$1,775, which means that a renter there would need earnings from five full-time, minimum wage jobs just to afford shelter. Similarly, the 2004 FMR for a two-bedroom Los Angeles apartment is \$1,021 – a price earned from nearly three full-time, minimum wage jobs. In the state's rural counties, which consist of CA's most affordable housing markets, and where the FMR for a two-bedroom unit is as low as \$537, a full-time worker would need to earn at least \$10.33 per hour – 153 percent of California's minimum wage – to afford the rent.

Mandates Matter

Minding the market is the right way to a sunny solution to California's energy problems

When it comes to energy-efficient construction, states across the country are learning from California homebuilders who make their homes the most energy-efficient in the world. By adopting the most stringent insulation, heating and air conditioning and other construction standards, and by constantly improving home design and construction technologies, California homes are 30 percent more energy-efficient than homes built anywhere else in the nation. All of this has been done by placing a premium on cost and efficiency.

Even with the success it's had, the state's homebuilding industry hasn't stopped. For more than a decade, Cali-

fornia homebuilders have been pioneering alternative energy systems such as photovoltaic (PV), otherwise known as solar power. Entire subdivisions have been built using PV technology (see box).

PV systems are expensive and the technology hasn't yet been perfected to make them cost and energy efficient. Consider that an average 2.5 kilowatt system – at a cost of \$20,000 – would have to generate \$120 in savings on the monthly energy bill just to break even on the cost of the system. To date, the systems deliver, on average, only \$50 a month in utility cost savings. Customers know this. At a San Diego subdivision where over 70 percent of

homebuyers were opting to add PV systems to their new homes, the rate dropped to one percent after the funding assistance provided by the state dried up.

But, the hope is that solar can save money for homeowners and reduce California's dependence on fossil fuels to meet its energy needs. That's why CBIA is working with Governor Schwarzenegger to advance his "Million Solar Roofs" initiative – a plan to ultimately have solar power become a staple in residential and commercial development markets.

The legislative plan for solar

The Governor's plan bucks the impulse to mandate expensive solar systems and, instead, is built upon a market-based strategy of introducing PV technology into these markets and helping to fund its gradual acceptance by consumers. The Governor's long-term plan to significantly ramp up the use of PV systems throughout the state is contained in SB 1 (Murray and Campbell). Using a pool of state funds, the plan would "buy down" the initial cost of the PV energy systems, gradually phasing out the state subsidy as systems become more plentiful and affordable. The plan would also direct the California Energy Commission to encourage greater use of PV systems by homebuilders by assigning energy standard compliance value to solar. This strategy recognizes that;

- California homebuyers, facing the highest housing costs in the nation, could not afford the additional cost of installing PV systems on their homes without significant financial support from the state; and
- Forcing these expensive systems on new homebuyers does nothing to encourage competition among system producers and, ultimately, lower prices.

Indeed, the Governor sees that to go down the mandate path will lead to a failed policy and might miss an opportunity to win support among consumers to make solar a staple in the energy and housing marketplace.

Making solar work

Premier Gardens, Sacramento

Opened in April, 2004, Premier Homes is the first standard "zero energy" community in the Sacramento region that offers entry-level homebuyers, among other things, renewable energy systems such as on-demand solar water heating and solar electricity. Combined with innovative construction and energy-efficient appliances, Premier Gardens offers homebuyers in the greater Sacramento region potential savings of 60% on utility costs in homes that literally produce their own electricity.

This performance far exceeds the current California Title 24 energy cooling requirements - some of the most stringent in the nation.

Partners in the Premier Garden project include the State of California, Sacramento Municipal Utility District (SMUD), Premier Homes, and ConSol, a private energy consultant.

Premier Gardens shows how partnering with government is the way to accomplish the goals of home consumers and the great goal of energy independence.



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To view the documents referred to in this publication,
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Want Affordable Housing? Let Builders Build – OpEd

By Mary L. G. Theroux -- (October 23, 2013)

In vetoing the inclusionary housing bill AB1229, Gov. Jerry Brown drew on his first-hand experience with such proposals: “As mayor of Oakland, I saw how difficult it can be to attract development to low and middle-income communities. Requiring developers to include below-market units in their projects can exacerbate these challenges, even while not meaningfully increasing the amount of affordable housing in a given community.”

Our Oakland-based Independent Institute worked closely with then-Mayor Jerry Brown when it was proposed that Oakland join other Bay Area cities in mandating “inclusionary zoning” quotas. Senior Fellow Benjamin Powell, who served on Mayor Brown’s Blue Ribbon Commission, cited his research, which shows that over a 30-year period cities that adopted inclusionary zoning mandates saw a 20 percent jump in housing prices and a 10 percent decrease in the number of new units built.

In contrast, Willard Garvey, having started his career building affordable houses for the flood of GIs returning from World War II, turned his energies in the 1950s to realizing his dream of “Every Man a Homeowner.” He built houses for low-income families in countries ranging from Mexico, Colombia and Peru, to India, Morocco and Thailand. With local partners, and relying on local labor, Garvey’s World Homes constructed thousands of homes in safe, ordered neighborhoods, and sold them under a previously unknown American-style mortgage scheme, with low, affordable monthly payments. While the new homes were purchased by the nascent middle class, the homes they had vacated became available to those even poorer.

The most basic law of economics holds that a rise in supply results in a decrease in prices—and this is what Garvey’s home buyers experienced.

In the California communities that have adopted inclusionary zoning laws over the past 30 years, the inverse of the law has been demonstrated: where prices are held artificially low, supply decreases, driving prices of all homes higher. Our economists estimated that inclusionary housing laws drove median price of homes in Bay Area communities with such laws up by 8 percent; while in Los Angeles and Orange counties, inclusionary housing mandates increased median home prices by 12 percent. In overlooking the record of such legislation, California politicians promoting “affordable housing” mandates today are perversely feeding housing shortages.

Fortunately, Brown carried the lessons he learned in Oakland to the state capitol. To further the task of helping the citizens of his state challenged with finding homes they can afford, he would do well to free California builders to add to the supply of housing, regardless of the price they hope to charge. It may not make an appealing political sound bite, but at the end of the day the poor, especially, would be better served.

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About Mary L. G. Theroux

Mary L. G. Theroux is Senior Vice President of The Independent Institute. Having received her A.B. in economics from Stanford University, Ms. Theroux is Managing Director of Lightning Ventures, L.P., a San Francisco Bay Area investment firm, and Vice President of the C.S. Lewis Society of California.

View all posts by Mary L. G. Theroux →

City of Santee Comments on Inclusionary Housing

2) Inclusionary Housing policies actually curtail housing activity and lead to increased cost for new homes and higher rents in market rate rental housing.

3) Mandating inclusionary housing “onsite” again limits a housing developer the flexibility to provide housing.

4) Yes, offering an “in-lieu” fee allows for the City to offer a monetary subsidy to deed restricted affordable housing developers who need funding to compete for tax credit financing. No in lieu fee = no tax credit financing.

5) Allowing a housing developer the flexibility to choose the percentage should be tied to the income level of housing produced. Since 30% AMI housing requires a massive public subsidy, the percentage of subsidized housing in that development should be less. On the flip side renters/buyers at 120% of AMI requires a smaller public subsidy so the percentage of subsidized housing can be increased.

6) Ten units of more and it should be on a sliding scale.

7) I would recommend 120% or less. As described above, the farther down the income scale you go, the public subsidy required grows exponentially. Since an inclusionary housing policy requires market rate housing construction as the only source of subsidy, the farther down the income scale you go, the more financial impact to the market rate development.

8) As touched on in answer #7, Housing is the only item in the marketplace which government requires the producer of the product to subsidize their product for low income users (customers).

Society finds ways to subsidize utilities, cell phones, food, by imposing a small fee on ALL users of the service or by direct public subsidization from tax revenues (farm subsidies). For a successful subsidized home (shelter) program your City should identify a broad-based funding source and not “tax the producer” as the funding solution.

We have attached some back up information to support these points.

Inclusionary Housing Survey

City of Santee

10601 Magnolia Ave.
Santee, CA 92071



The City of Santee is evaluating the potential for adopting an inclusionary housing program as part of its current Housing Element update. Please complete the following Inclusionary Housing Survey based on your organization's experience with housing. Thank you for your time.

Definition: Inclusionary housing programs require developers to provide a certain number of deed-restricted affordable units in a new rental or for-sale residential project or pay a fee in-lieu of providing the units in the development. The funds collected from in-lieu fees can be used by the City to provide or subsidize new affordable housing or preserve existing affordable housing through rental assistance programs.

Organization Name:

Cameron Brothers Company

Contact Person:

Jim Moxham

Date:

October 20, 2020

1. My understanding of inclusionary housing is:

None Limited General Good

2. Inclusionary housing is a good tool for developing affordable housing:

Disagree Disagree somewhat Agree somewhat Agree

3. An inclusionary housing program should include a requirement to build affordable units as part of a development:

Disagree Disagree somewhat Agree somewhat Agree

4. An inclusionary housing program should include the option to pay a fee in lieu of providing affordable units as part of a development:

Disagree Disagree somewhat Agree somewhat Agree

5. *An inclusionary housing program should include the following percentage of affordable units in a new housing development:*

- 0% 5% 10% 15%

6. *An inclusionary housing program should be applicable to developments over:*

- 2 units 3 units 5 units 10 units

7. *An inclusionary housing program should be targeted to those households earning the following percentages of the area median income (AMI):*

- 40% or less 60% or less 80% or less 120% or less

8. *Comments:*

I question whether economically viable on 10 units or less. The inclusionary housing component should be over and above allowable maximum density. For example, at 30 units to the acre on 3 acres the developer could build 90 conventional units and add 9 affordable units for a total of 99 units.

Thank you very much for taking the time to complete this survey. Your feedback is valued and very much appreciated!

Inclusionary Housing Survey

City of Santee

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Organization Name:
City Ventures

Contact Person:
Michelle Thrakulchavee

Date:
10/12/20

1. *My understanding of inclusionary housing is:*

None Limited General Good

2. *Inclusionary housing is a good tool for developing affordable housing:*

Disagree Disagree somewhat Agree somewhat Agree

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- 40% or less 60% or less 80% or less 120% or less

8. *Comments:*

Hello!

Regarding Question 6 above, it is my opinion that an inclusionary housing program should not be required or mandated on new development. Should a developer wish to include inclusionary housing within its project, then incentives should be granted. In other words, incentivize a developer to include inclusionary housing so that it is a win-win for both the jurisdiction (i.e. income-restricted affordable units are produced) and the developer (i.e. the project will be economically feasible). Incentives can include things like reduced setbacks, reduced parking standards, increased height, increased density, reduced impact fees, project entitlement streamlining, etc.

Regarding Question 7 above, in the event of an inclusionary housing program, the targeted AMI should depend on the type of product being proposed for development. For example, it is not financially feasible to provide affordable units within a for-sale project where those units are targeted to households earning less than 80% of the area median income. In San Diego County, the current median income is \$92,700. At 80%, the income for a family of four is \$74,160 per year. After accounting for mortgage interest, PMI (private mortgage insurance), property tax, utilities, and HOA, the max purchase price on the sale of that home cannot exceed ±\$228,000 as the monthly housing expense for that family cannot exceed 30% of that family's yearly income. After accounting for the cost of the land, the cost to develop, the cost to build, and the fees paid to the City and other governmental agencies, the developer would actually be losing money on the construction and sale of that affordable unit. The loss to the developer is only exacerbated when the percentage of AMI required is lower.

Below in italics is a statement borrowed from the Building Industry Association's Orange County Chapter Board of Directors, of which I have previously served on. I echo the statement made below.

"Our position is that Housing remains a critical issue in California with the situation growing more serious with each passing day. Studies show that the State needs over 180,000 new units each year and at best we are producing 80,000. This has caused a cascading spike in home prices across the region."

With this ever-growing deficit, we need to have an honest conversation about Inclusionary Zoning Policies. In total, such policies restrain housing production, increase ownership costs, and further complicate attainability for the majority of the region.

In a study by Benjamin Powell, Ph.D. and Edward Stringham, Ph.D., titled, Housing Supply and Affordability: Do Affordable Housing Mandates Work?, the authors discovered that in the 45 cities where data was available, new housing production drastically decreased by an average of 31% within one year of adopting inclusionary housing policies. Additionally, the study suggests that inclusionary housing policies can increase new housing costs by \$22,000 to \$44,000, with higher priced markets increasing by \$100,000.

Supporting these conclusions is a recent report from the Legislative Analyst's Office titled Perspectives on Helping Low-Income Californians Afford Housing. In this report, it states that "attempting to address the state's affordability challenges primarily through expansion of government programs likely would be impractical." Further, that "extending housing assistance to low-income Californians who currently do not receive it – either through subsidies for affordable units or housing vouchers – would require an annual funding commitment in the low tens of billions of dollars. As such it finds that "many housing programs – vouchers, rent control, and inclusionary housing – attempt to make housing more affordable without increasing the overall supply of housing. This approach does very little to address the underlying cause of California's high housing costs: a housing shortage.""

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Thank you very much for taking the time to complete this survey. Your feedback is valued and very much appreciated!

Inclusionary Housing Survey

City of Santee

10601 Magnolia Ave.
Santee, CA 92071



The City of Santee is evaluating the potential for adopting an inclusionary housing program as part of its current Housing Element update. Please complete the following Inclusionary Housing Survey based on your organization's experience with housing. Thank you for your time.

Definition: Inclusionary housing programs require developers to provide a certain number of deed-restricted affordable units in a new rental or for-sale residential project or pay a fee in-lieu of providing the units in the development. The funds collected from in-lieu fees can be used by the City to provide or subsidize new affordable housing or preserve existing affordable housing through rental assistance programs.

Organization Name:

Jamboree Housing Corporatoin

Contact Person:

Michael Massie

Date:

10/20/2020

1. *My understanding of inclusionary housing is:*

None Limited General Good

2. *Inclusionary housing is a good tool for developing affordable housing:*

Disagree Disagree somewhat Agree somewhat Agree

3. *An inclusionary housing program should include a requirement to build affordable units as part of a development:*

Disagree Disagree somewhat Agree somewhat Agree

4. *An inclusionary housing program should include the option to pay a fee in lieu of providing affordable units as part of a development:*

Disagree Disagree somewhat Agree somewhat Agree

5. *An inclusionary housing program should include the following percentage of affordable units in a new housing development:*

- 0% 5% 10% 15%

6. *An inclusionary housing program should be applicable to developments over:*

- 2 units 3 units 5 units 10 units

7. *An inclusionary housing program should be targeted to those households earning the following percentages of the area median income (AMI):*

- 40% or less 60% or less 80% or less 120% or less

8. *Comments:*

Inclusionary housing is one tool to help promote the development of affordable housing. There are a lot more options that can be just as effective, primarily the political will to develop affordable projects.

Thank you very much for taking the time to complete this survey. Your feedback is valued and very much appreciated!

Inclusionary Housing Survey

City of Santee

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Organization Name:

Contact Person:

Date:

MIRKA

BOB CUMMINGS

10/15/20

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8. *Comments:*

[Add your comments here.]

As an affordable housing provider, I can tell you affordable units are produced most during healthy market rate production. Any requirement should be incentive based.

Thank you very much for taking the time to complete this survey. Your feedback is valued and very much appreciated!