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July 20, 2023

Honorable Michael T. Smyth  
Presiding Judge  
San Diego County Superior Court  
1100 Union Street  
San Diego, California 92101

**RE: City of Escondido Response to San Diego County Grand Jury Report titled:  
"Housing in San Diego County"**

Dear Judge Smyth:

Pursuant to California Penal Code §§ 933 and 933.05, and after consideration by the full City Council of the City of Escondido taking place on July 19, 2023, please find attached the City's Responses to the applicable Findings and Recommendations in the 2022/2023 San Diego County Grand Jury Findings and Recommendations in its May 4, 2023 Report titled "Housing in San Diego County." Please also find Resolution No. 2023-78 reflecting the City Council's formal adoption of these responses.

If you have any questions, please do not hesitate to contact City Attorney Michael R. McGuinness at [mmcguinness@escondido.org](mailto:mmcguinness@escondido.org) or 760-839-4679.

Very Truly Yours,

A blue ink handwritten signature of Sean McGlynn, consisting of a single, fluid, horizontal stroke.

Sean McGlynn  
City Manager

Enclosures

**City of Escondido**  
**Response to San Diego County Grand Jury Report Titled**  
**"Housing in San Diego County"**

Pursuant to California Penal Code sections 933(c) and 933.05, the City Council of the City Escondido provides the following responses to the Findings and Recommendations of the 2022/2023 San Diego County Grand Jury Report title "Housing in San Diego County" ("Report").

**FINDINGS 01 THROUGH 06.**

**Finding 01:** *The City of Lemon Grove met its housing allocation for all the income categories identified by SANDAG in the Fifth RHNA Cycle.*

**City Response:** The City agrees with the Finding.

**Finding 02:** *The County of San Diego failed to meet their housing allocation for all income levels.*

**City Response:** The City agrees with the Finding.

**Finding 03:** *The following cities did not meet their housing allocations for all income categories: Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach and Vista.*

**City Response:** The City agrees with the Finding.

**Finding 04:** *The San Diego region failed to meet its housing allocations for each of the income categories identified by SANDAG in the Fifth RHNA Cycle.*

**City Response:** The City agrees with the Finding.

**Finding 05:** *Specific plans are useful tools in spurring development, including housing development, and have been used by El Cajon and Chula Vista among others.*

**City Response:** The City of Escondido agrees with the Finding and already has in place two Specific Plans, the Downtown Specific Plan and South Centre City Specific Plan.

**Finding 06:** *Both transit agencies in San Diego County (NCTD and MTS) have made land available for development and are actively developing projects that include housing, among other uses.*

**City Response:** The City of Escondido agrees with the Finding and is actively working with NCTD to develop a housing project in Escondido.

**RECOMMENDATIONS 23-01 THROUGH 23-06, AND 23-08.**

**Recommendation 23-01:** *Consider, if they have not done so, using specific plans (as defined by the Governor's Office of Planning and Research) to facilitate the permitting and development of housing, particularly affordable housing, in their jurisdictions.*

**City Response:** The recommendation has already been implemented. The City of Escondido continues to utilize specific plan to facilitate permitting and developing of housing, including affordable housing. The City's Downtown Specific Plan (adopted), South Centre City Specific Plan (adopted), and forthcoming East Valley Specific Plan, create moderate to high density allowances and streamlined permitting processes to facilitate housing development. The East Valley Specific Plan includes a mechanism for affordable housing construction through an in-lieu fee process for any development proposing below a target production point density.

**Recommendation 23-02:** *Consider working with school districts and community college districts within their jurisdictions to identify developable land for housing owned by districts within their boundaries.*

**City Response:** The recommendation requires further analysis. The City does not currently work with school districts and community college districts within the City to identify developable land for housing. However, the City continues to maintain cooperative relationships with all school districts and is open to working and collaborating with the school districts to identify district-owned properties that are zoned and/or identified for housing. The anticipated time frame for City Manager review of any proposal to implement this recommendation will be dependent on available staff resources and will not exceed six months from the publication of the Report.

**Recommendation 23-03:** *Consider working with local religious institutions within their jurisdictions to identify land developable for housing, particularly affordable housing.*

**City Response:** The recommendation requires further analysis. The City's adopted Sixth Cycle Housing Element's Program 2.1 includes an action to allow for ADUs on places of worship and churches. As part of the Housing Element's Program 3.4, City staff will contact all religious facilities annually to notify them of the forthcoming zoning ordinance modifications to allow for ADUs on religious institutions. The City supports further conversations with local religious institutions to aid in the identification of land developable for housing, including affordable housing. The anticipated time frame for City Manager review of any proposal to implement this recommendation will be dependent on available staff resources and will not exceed six months from the publication of the Report.

**Recommendation 23-04:** *Consider drafting revenue-generating legislation at the jurisdiction level, if feasible and legal e.g., the Seattle Jumpstart Tax. Monies generated by such a tax to fund or assist in funding the construction of housing, particularly affordable housing.*

**City Response:** The recommendation has already been implemented. The City's forthcoming East Valley Specific Plan, which is a programmatic requirement of the City's adopted Sixth Cycle Housing Element (Programs 1.1 and 1.3), contains an affordable housing trust fund that would be funded through an in-lieu fee derived from a target production point density threshold for development. Funds resulting from the in-lieu fee, which would result from development proposed below the target production point density, would then be used to facilitate affordable housing construction.

**Recommendation 23-05:** *Consider providing legislative support to re-introducing in the State Legislature SB 1105, or similar legislation, to create a San Diego County agency that could raise revenue for housing.*

**City Response:** The recommendation will not be implemented because it is not warranted nor is it reasonable. The City of Escondido supports efforts to facilitate housing production for all income levels. However, this legislation suffers from several deficiencies including but not limited to:

1. It would create another expensive regional bureaucracy without adequate voter oversight, similar to SANDAG, which does not always make decisions in the best interest of all of its member agencies, including the City of Escondido;
2. The City would have fractional, and therefore diminished, voting power over the Agency's revenue production and expenditure decisions given the composition of the voting board membership which is to the detriment of the City's specific local interests;
3. The City's residents and businesses will be subjected to various property and business taxes which may not have a direct or even proportional value to them in terms of local housing projects;
4. The specific projects described in the Act's title as "equitable" and/or "environmentally friendly" are ill-defined;
5. The inclusion of more taxes on already over-taxed residents is regressive to the economy and impedes a local agency's opportunity to initiate or raise a local revenue measure;
6. The proposed law creates both a board of directors comprised of six voting members and a large 12-member advisory committee (11 voting and 1 non-voting members) who may have conflicting financial, policy, jurisdictional and political differences which can hinder the potential effectiveness of a regional effort;
7. The proposed law includes extraordinary detail as to the operations of the Agency such that it minimizes real-time, practical, flexible and local problem-solving;
8. Sacramento should allow local public agencies like the City of Escondido the flexibility to work within their individual jurisdictions with housing developers to

pursue opportunities for the development of affordable housing suitable to this city and not impose a complicated, ever-changing "one-size-fits-all" law to cover a whole region which has different local needs and capabilities.

9. The City already has the ability to form a JPA with one or more local agencies to perform the same functions as the proposed law and with that power comes the ability to adopt standards and rules that take into account local needs and capacities.
10. It would require the payment of prevailing wage for all development projects funded by the Agency increasing the already high costs of construction.

**Recommendation 23-06:** *Consider providing legislative support to SB4, which is currently before the legislature. The bill makes it easier to provide affordable housing on land owned by religious institutions.*

**City Response:** The recommendation will not be implemented because it is not warranted nor is it reasonable. The City of Escondido supports efforts to facilitate housing production for all income levels and desires to work with all property owners in the City on finding opportunities for housing projects. However, this legislation as currently written suffers from several deficiencies including but not limited to:

1. The requirement that Cities ignore local conditions and surrounding neighborhoods and allow "by right" a development project without any opportunity to adopt any reasonable conditions for the development fails to protect the legitimate interests of neighboring properties.
2. The requirement for the payment of prevailing wages on housing development projects unnecessarily increases the cost of construction.
3. Sacramento should allow local public agencies like the City of Escondido the flexibility to work within their individual jurisdictions with housing developers and religious institutions to pursue opportunities for the development of affordable housing suitable to this city and not impose a complicated, ever-changing "one-size-fits-all" law to cover a whole region which has different local needs and capabilities.

**Recommendation 23-08:** *Continue working with North County Transit to identify land suitable for development of housing, particularly affordable housing, at major transit stops including Coaster and Sprinter train and bus lines as appropriate.*

**City Response:** The recommendation has been implemented. The City has two projects it is working on with NCTD at and around the NCTD Escondido Transit Center (Center). First, NCTD is working to redevelop the Center with a mixed-use development that will include housing, retail and other transit supportive uses. NCTD has received development proposals from prospective developers. The City's Director of Development Services is participating in the selection committee this month to determine which proposal will be selected to move forward.

Second, the City and NCTD are partnering on a "land swap" study to evaluate the potential for creating additional transit supportive uses including housing on the land around the Center, including the City's existing Public Works Yard and its property at Quince and Spruce Streets. A consultant has been selected and SANDAG is requesting authorization to expend grant funds. The study is partially funded with grant funds with contributions from both NCTD and the City. It is expected that grant authorization will be received in the next month and that the study will begin by Fall. The anticipated duration of the study is 6-9 months.

RESOLUTION NO. 2023-78

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING THE WRITTEN RESPONSE OF THE CITY OF ESCONDIDO TO THE 2022/2023 SAN DIEGO COUNTY GRAND JURY REPORT TITLED "HOUSING IN SAN DIEGO COUNTY"

WHEREAS, on May 9, 2023, the 2022/2023 San Diego County Grand Jury ("Grand Jury") filed a Report, titled "Housing in San Diego County" ("Report"), with the Presiding Judge of the San Diego Superior Court in accordance with California Penal Code section 933; and

WHEREAS, the Report explored the regional need for, and challenges related to, increasing housing stock and affordability and the role public agencies may play in resolving these issues; and

WHEREAS, in total, the Report includes six findings and nine recommendations to the County of San Diego and various San Diego County municipalities, including seven recommendations directed at the City of Escondido ("City"), for comment; and

WHEREAS, the City is required to provide comments to the Presiding Judge of the San Diego Superior Court within ninety (90) days of the publication of the Report; and

WHEREAS, pursuant to Penal Code section 933.05(a), in responding to each Grand Jury finding, the City is required to either (1) agree with the finding or (2) disagree wholly or partially with the finding; and

WHEREAS, pursuant to Penal Code section 933.05(b), the City is required to indicate that a recommendation (1) has been implemented; (2) has not yet been implemented, but will be implemented in the future; (3) requires further analysis; or (4) will not be implemented because it is not warranted or is not reasonable and an explanation therefor; and

WHEREAS, the City Manager's Office, including the City's Planning Department, in coordination with the City Attorney's Office, reviewed and considered the Report's Findings of Fact and Recommendations and have drafted a proposed Response attached hereto as Exhibit "A"; and

WHEREAS, on June 27, 2023, the City's Housing Subcommittee reviewed and considered a draft response to the Report and made recommendations thereto; and

WHEREAS, the City's Response attached hereto as Exhibit A provides accurate and complete responses to the Report Recommendations consistent with California law; and

WHEREAS, the City Council is required to and desires to fully comply with state law in addressing the Report's Recommendations and wishes to authorize the City Manager to execute the City's Response attached as Exhibit "A" and timely file it with the Presiding Judge of the San Diego Superior Court.

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

1. That the above recitations are true.
2. That the City Council approves and adopts, as its own, the Response to the San Diego Grand Jury Report titled "Housing in San Diego County" as set forth in Exhibit "A" ("Response") attached hereto and made a part hereof.
3. That the City Manager is authorized and directed, on behalf of the City Council, to execute and deliver to the Presiding Judge of the San Diego Court the Response no later than August 9, 2023.



PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof the 19<sup>th</sup> day of JULY, 2023 by the following vote to wit:

AYE : Councilmembers: GARCIA, GARCIA, MARTINEZ, MORASCO, WHITE

NOES : Councilmembers: NONE

ABSENT : Councilmembers: NONE

APPROVED:

DocuSigned by:

*Dane White*

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DANE WHITE, Mayor of the  
City of Escondido, California

ATTEST:

DocuSigned by:

*Zack Beck*

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ZACK BECK, City Clerk of the  
City of Escondido, California

RESOLUTION NO. 2023-78