



North County Group
Sierra Club San Diego
P.O. Box 2141
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May 21, 2019

Ms. Kristin Blackson
Escondido Planning Division
201 N. Broadway
Escondido, CA 92025
Via Email to kblackson@escondido.org

RE: Sierra Club North County Group Notice of Preparation comments for Palomar Heights (ENV: 18-0009)

Dear Ms. Blackson,

Sierra Club North County Group (NCG) would like to provide the following comment on the Palomar Heights Notice of Preparation (NOP). Sierra Club believes this project poses important and unique opportunities and is significant both locally and regionally. We understand that the current proposer has an option on the property and is proposing the 510 dwelling units (DU) in spite of the fact that the site is zoned for 1,350 DU and is located in the urban core and on a transit route.

The City of Escondido's latest Regional Housing Needs Assessment (RHNA)¹ annual progress report (through 2017) shows that the City is meeting its pro-rated RHNA goal in the "Above-Moderate" income category (housing affordable to 120% or higher of Area Median Income²). The City has produced 1,133 units which is about 97% of the pro-rated RHNA requirement of 1,170. The City's production of "Moderate," "Low" and "Very Low" income housing, on the other hand, has been extremely lacking (2%, 12% and 15% respectively).

In that context, the city's biggest concern is fulfilling its housing obligation in the Moderate, Low and Very Low income housing segments. This project has an opportunity to fulfill both above moderate (market rate) and lower income categories needs by leveraging as much of the current density and taking advantage of incentives such as the state's density bonus program (up to 35% additional density and other incentives if there is provision of deed-restricted affordable units). This could yield upwards of 1800 units with 180 affordable units, in a perfect world.

¹ Communities use the Regional Housing Needs Assessment (RHNA) in land use planning, prioritizing local resource allocation, and in deciding how to address identified existing and future housing needs resulting from population, employment and household growth. The RHNA allows communities to anticipate growth, so that collectively the region can grow in ways that enhance quality of life, improve access to jobs, promotes transportation mobility, and addresses social equity, fair share housing needs.

² The 2019 AMI for San Diego is \$86,300. See attached

The true housing shortage in our region is not for high-income market rate homes. We need to expand and diversify our housing options to create more local affordability and stop building the luxury units, in sprawl land use footprints. We need subsidized affordable housing and market rate housing affordable to our professional families, teachers, public safety, health care, construction and other working families.

In addition, to meet climate goals, new housing must be concentrated near transportation corridors. In addition to major environmental benefits, locating housing closer to jobs also lowers the transportation burden for households. In [Escondido](#), transportation costs range from 22% of the household budget. The current proposal is only proposing a small number of the units (510) it is zoned for.

1. The environmental review process should be delayed until a plan that meets the needs of the city and the zoning is proposed.

Sierra Club believes it is premature to be moving on the environmental process with a project that falls so short of meeting the needs of our city. We recommend this project must be rethought and redesigned to be more in alignment with the type and location of housing needed in the region, specifically affordable and middle-income housing stock and climate protection goals. We urge the city to stop the environmental review process until a project that more closely meets the needs and demands of the city and region is proposed. This action would save money and time for all involved and would result in the project we need.

In addition, this project does not meet the obligations of the Hospital Board to the city outlined in the MOU in 2006. While we agree that the current needs of the city have changed and it is time for a new plan that serves the city's current needs, this plan neither meets the 2006 obligations or the needs of the city in 2019. A new process and plan should be pursued in partnership with the Hospital Board.

In this light, we request that the city and the Hospital Board join forces and issue a Request for Proposals or other approach to solicit other, more appropriate, concepts from the development community prior to beginning the environmental review process.

2. If the city continues to process this project, a full analysis of high-density projects must be done in the EIR.

Every possible signal has been given that we must grow and develop our region quite differently than has been done in the past. Urban infill, increased density in transportation corridors, and more affordable housing options are critical for residents of the region. Because this site is located near downtown, is infill, will not exacerbate gentrification, and is on a transit corridor, density should be maximized.

Further, greater density would also serve the city council's own interest in helping revitalize Escondido's downtown by providing much more foot traffic for our shops and restaurants. This is our biggest opportunity to achieve economic revitalized in this prime location should not be wasted on relatively low-density housing.

In fact, this may be a case where additional city investment may result in many more housing units at a diversity of costs. Such a development would result in additional housing we need, address climate and transportation issues, and improve the downtown economy for our city. For these

reasons, Sierra Club urges and supports analysis of the maximum density of a range of housing stock at this site for climate, housing, equity, economic, and environmental reasons.

In most EIRs, the project that receives the most complete analysis is the 'preferred' project. However, in this case, the EIR must evaluate several alternatives completely so that the Council could, if they wish, select one of these projects for approval. Since we do not support the current proposal, we request that the following preferred project and alternatives be fully analyzed.

- Preferred alternative should include at least 1,100 units
- Lower density alternative of 900 DU
- General Plan build out alternative of 1,350 units
- Density Bonus alternative of 1,800 units

3. Requirement that affordable housing, net-zero energy, and other community benefits should be included in the project.

Sierra Club strongly supports more affordable housing in our region. The Palomar Heights Redevelopment site is a perfect location to include affordable housing. A minimum of 15% of units should be made available as affordable housing. As the site is located midway on the Grand/Valley Parkway transportation corridor, a shuttle stop and other transit center facilities should be included in the design. All electric and net-zero project must also be part of the proposal.

4. Project goals established in the EIR should reflect real goals of the city and not the goals of the developer.

Sierra Club has a long history and experience with environmental impacts and the CEQA process. One area that is important to get right in the EIR is that of the 'Project Goals'. These must be true goals for the city and not, as is too often the case, goals designed to meet the desires and bottom-line of the developer. The goals here should include meeting the affordable and middle-income housing needs, economic support for downtown Escondido businesses, net-zero energy use construction, increasing housing near transit and transportation corridors, compliance with the climate and planning policies of the city and region, maximizing density in areas where infrastructure exists as examples.

Thank you for the opportunity to comment on this important matter,

Suzi Sandore, Chair
NCG Executive Committee

Laura Hunter, Chair
NCG Conservation Committee

cc.
Mayor and City Council
Mr. Jeff Epp
Mr. Jay Petrek
Mr. Bill Martin

Attch: San Diego 2019 AMI