



North County Group
Sierra Club San Diego
P.O. Box 2141
Escondido, CA 92033

September 4, 2020

Chair and Planning Commission Members
Escondido Planning Commission
Via Email

RE: Request to DENY Specific Plan amendments and Palomar Heights proposal; recommend that the City Council convey a recommendation to the Palomar Hospital Board to re-issue a Request for Proposals for the Old Palomar Hospital site.

Dear Chair and Planning Commission members,

Sierra Club North County Group (NCG) represents 2,600 members in inland North San Diego County and our Chapter has 15,000 members in the County. NCG has a long-standing interest in this issue and has been very involved in efforts to secure the kind of high-density, transit-oriented infill project the city needs. NCG has been an active participant in the Palomar Heights environmental review and we have attached our comment letters on the Notice of Preparation and the Draft Environmental Impact Report.

We strongly support transit-oriented development projects and the old hospital site is probably the best location in the entire city for a signature, quality, high-density project offering a range of housing options. The site is currently zoned for 1,350 DU. The Integral proposal includes only 510 DU. It includes no affordable units. This is a transportation supported development location that should not be squandered on an ordinary townhome product like the proposed Palomar Heights.

1. Any development at this site should be high-density closer to the planned zoning.

This site is perfect for higher density development. Just some of the reasons include:

- It has high density zoning already.
- It will not gentrify a neighborhood.
- It has close proximity to services, downtown Escondido, and transit.
- Taller buildings should be acceptable there since site already has high-rise buildings.
- It is the signature, cornerstone location in downtown Escondido.

We understand that staff has suggested that 1,500 DU is too high logistically, however, a future project should get much closer to this density. We recommend no fewer than 900-1,000 DU minimum density.

2. Any exemption to the Community Facilities District (CFD) fees is inappropriate. Development must get used to paying its own way.

We understand Integral is resisting the necessary Community Facilities District (CFD) fees appropriate to its project. CFDs are important because they ensure that developer profits are not subsidized by future generations of taxpayers. While we understand developers are not used to this, the time has come for them to pay the true cost of their projects. To more properly reflect the cost of development, Escondido City Council necessarily adopted a Community Facilities District rules for significant new development in the city. Appropriate development in the city should be required to pay these fees. It is the cost of doing business.

The I-didn't-know-about-it defense raised at the August 26th, 2020 meeting by Integral is no-excuse. Sierra Club NCG, even though we are not a developer with a major project underway in the city, has known and followed this issue since January. To blame their lack of awareness on staff or COVID in no defense. Decision-makers should not give Integral a pass on this issue.

Last, our experts have advised us that any reduction or exemption to fees will constitute a public subsidy under the law and additional requirements must be applied.

3. Any development in this location must include affordable housing.

This project has an opportunity to fulfill both above moderate (market rate), work force, and affordable 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).

We need to expand and diversify our housing options to include designated affordable housing and workforce market rate housing affordable to our professional families, teachers, public safety, health care, construction labor force, and other working families.

4. Any development here should integrate walkable/bikeable and transit use and GHG reduction measures into its design.

A primary feature of this location is its location along a major transportation corridor, next to downtown, two blocks from the Escondido Bike Trail, and one mile from a major transit stop. To meet climate goals, new housing like this should incorporate easy access to transportation options. Innovative car sharing, cost of use parking, and other car commuting should be part of the proposal. In addition to major environmental benefits, locating housing closer to jobs also



Figure 1 Location on the transportation corridor

lowers the transportation burden for households. In [Escondido](#), transportation costs range from 22% of the household budget.

Further, the project should include many of the GHG reducing measures under discussion for the new Escondido Climate Action Plan where appropriate.

5. Integral has failed to propose a project that meets the needs of the city. It is time to move on.

Integral has had almost two years to bring a project to the city that meets its needs and has failed to do so. As a community we need to move on to find a developer who can propose a project that meets the community needs.

In so many ways, Escondido and the world have changed since the RFP was initially awarded. The region and the city need a partner that reflects those needs and changes. We have seen the 'highest-and-best' proposal from Integral of what their vision for the site is, and it is not the vision of our members or our community.

6. The project should be denied, a true objective appraisal be conducted, and the Request for Proposals re-issued.

We join others in wanting housing and progress on this site and believe the best and the most expedient way to sell the property and secure a quality project is to re-open the option to compete for this site to other development interests. We ask the Planning Commission to offer that opinion to the City Council for its consideration.

Sierra Club NCG is a strong supporter of an appropriate, higher-density urban infill project in this signature location in the heart of Escondido. We know we must densify our urban and transportation corridors if we are to effectively address the climate crisis. Further, we must provide housing products for a range of income levels.

7. Site should be integrated into the East Valley Specific Plan Initiative

The target area due east of the old hospital site is currently undergoing re-visioning by the city. This is an exciting development that any project at the old hospital site should anchor. Sierra Club NCG is developing comments separately on that effort, but the vision should be integrated.

In conclusion, there are new realities our city and world face now and there is new interest in our city. We should ensure that we capitalize on these changing dynamics. This project does not address or respond to the new realities of our city and we ask that you recommend against it.

Thank you for the opportunity to comment on this important issue.

Sincerely,



Chair,
Sierra Club NCG, Executive Committee



Chair,
Sierra Club NCG Conservation Committee

cc.

Mike Strong, Escondido Community Development Director
Mayor and City Council
Palomar Hospital Board