



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

January 19, 2020

Mayor and City Council
City of Escondido
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

Dear Mayor and Councilmembers:

Sierra Club North County Group (NCG) represents 2,700 members in inland North San Diego County and our Chapter has 20,000 members and supporters 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 community needs. NCG has been an active participant in the Palomar Heights environmental review process.

Sierra Club strongly supports transit-oriented development and **the old hospital site is probably the premier 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 deed-restricted affordable units. This location should be for a transportation supported development and should not be squandered on an ordinary townhome product like the proposed Palomar Heights.

Summary of Objections

- a. Any development at this site should be high-density, 900-1,000 units at least.
- b. Any exemption to the Community Facilities District (CFD) fees is inappropriate.
- c. Any development in this location must include affordable housing.
- d. Any development here should integrate walkable/bikeable and transit use and GHG reduction measures into its design.
- e. The needs of the city have changed and this project should be required to meet them.
- f. There should be a commitment that construction jobs pay family-supporting wages, build capacity in the region, contain workforce standards, and commit to local hire from vulnerable populations.
- g. The project should be denied, a true objective appraisal be conducted, and the Request for Proposals re-issued.
- h. Site should be integrated into the East Valley Specific Plan Initiative

- i. The City should not/cannot move forward until it has a qualified climate plan in effect and until public comments are adequately addressed in the FEIR.
- j. Due to the excessive length of time Integral has tied up this project, the city has been unable to capitalize in renewed interest in Escondido by other developers.

1. Any development at this site should be of higher-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 dislocate residents in an existing neighborhood.
- It is in 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 at least 900-1,000 DU minimum density.**

2. Any exemption to the Community Facilities District (CFD) fees is inappropriate.

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. The time is long-overdue for developers to pay, at least closer to, 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.

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 significant affordable housing.

Done correctly, 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).

The community has long requested, as did some on the Planning Commission, that this site must include significant affordable housing at this site. The response from the developer that the presence of some age restricted housing is sufficient is incorrect. Our need is maximum production of deed-restricted affordable housing for low-income people and is still not included. **The project should be denied on this deficiency alone.**

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.

It is worth pointing out that the new state requirements for surplus land disposed by public entities ([AB 1486](#)) would require 25% affordable units for a mixed-use development like this one. While Integral may have met an earlier deadline that does not require such inclusion of affordable housing, the times demand it. We hope that once this project is rejected, a future builder will support our local need and rules.

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, free and subsidized transit passes for youth, seniors, and other users, and aspects to reduce other car commuting should be part of the proposal.

In addition to major environmental benefits, maximizing location of housing closer to jobs and transit also lowers the transportation burden for households. In [Escondido](#), transportation costs range from 22% of the household budget. The California Air Resources Board's 2018 report on SB 375 implementation identified a need to provide more affordable housing choices near jobs and transit to help reverse the trend in rising Vehicle Miles Traveled (VMT). Escondido is lucky to have a Sprinter station and well-defined transportation corridors in place. This project doesn't capitalize on any of them.



5. The needs of the city have changed and this project should be required to meet them.

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. Primarily, it includes no affordable housing, no meaningful links to transit, and leaves over 500 units of potential affordable and first-time buyer units 'on the table'. It fails to meet our current needs.

6. There should be a commitment to labor standards to ensure jobs pay family-supporting wages, build capacity in the region, and commit to local hire from vulnerable populations.

The region has cutting-edge, state-approved apprenticeship facilities and a highly skilled, trained, and qualified construction workforce. As we have seen many times, linking strong job quality and workforce standards with development projects that provide training and work opportunities for County residents through a Project Labor Agreement with key provisions including participation in state-approved joint labor-management apprenticeship; local hire with enforceable standards targeting vulnerable communities and populations, like veterans; and labor peace result in successful projects that deliver community and local economic benefits.

7. The project should be denied, an updated and 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.

8. 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 has submitted comments separately on that effort, but the plans should be integrated. Piece-meal planning of a city center is bad practice.

9. The City should not/cannot move forward until it has a qualified climate plan in effect and until public comments are adequately addressed in the FEIR.

The previous climate action plan expired at the end of 2020. The city currently does not have a climate plan in effect, therefore, we are unclear how this project can legally move forward until a qualified plan is adopted. Further, a majority of the Planning Commission forwarded a deficient ECAP to you for consideration so, until the Council acts, the realization of an adequate climate plan is now in question.

Further, responses to comments on hazardous building materials in the FEIR are inadequate. A mere statement that the developer will comply with the law is totally insufficient. Of course, they must comply with the law. Knowing, as they do, that there are USTs and asbestos in the building the FEIR must include the specific removal plan, provide detailed community and worker health and safety plans, air monitoring plan, designation of the location where materials will be taken and the GHG analysis of transporting the wastes there. A soil management plan should be prepared as a contingency in the event that petroleum-hydrocarbon soil is encountered during removal of the existing underground storage tanks and/or during site preparation and grading. As written, this 'mitigation' measure is insufficient.

10. Due to the excessive length of time Integral has tied up this project, the city has been unable to capitalize in renewed interest in Escondido by other developers.

We have heard many opine, while they don't like the project, they are concerned this is the only project available to us. It is important to remember due to legal restrictions, non-

compete rules, and other practices, developers who may be interested in the site are unable to propose any alternatives.

To begin to understand the kind of project other communities have developed in their city centers and other key properties, please consider the housing sections of the Chula Vista Bayfront Master Plan and projects outlined by the Partnership for Downtown Escondido in its website <https://www.downtownescondido.org/>. We agree with the Partnership that this project will not achieve the economic potential for the city promised by the quality of this location. The Council is missing a huge opportunity by accepting this grossly inappropriate and underwhelming project for this iconic location.

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. **There is no more perfect location for high-density development on a transportation route.** The Council should demand more from this developer or find a new one.

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

Sincerely,



Chair, Conservation Committee
Sierra Club North County Group

cc.

Mike Strong, Community Development Director
Adam Finestone, Principal Planner
Planning Commission
Coleen Clementson, SANDAG